



Infrastructure Advisory Board Meeting

City of New Orleans

June 4, 2020

Fund Collections to Date: *All Revenue*

As of 06/04/2020

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- **One-Time Funds** - \$35,648,650 transferred to SWBNO Includes:
 - MCC Funds
 - FEMA Revolver
 - HMGP – 3 Phases (In process) - \$16M
 - Amendment 10 – (Approved) - \$1,741,920 (No Disbursement)
 - Anti-icing System & Software
 - Amendment 11 – (Pending) Submitted to GOHSEP/FEMA (\$12,258,080 & \$2M)
 - Frequency Converter & Emissions Package
 - **Recurring Funds** - \$7.9M -1% Lost Penny in IMF Fund
 - Awaiting IMF CEA – Currently, being routed to City Council for Approval. (Thursday)

Estimate vs. Actuals: *Work in Progress*

As of 06/04/20

Designation	Target	Actual		
HMGP	\$ 16,500,000	\$ -		
MCC/FG Safety CEA	\$ 2,000,000	\$ 2,000,000	SWBNO	
MCC/Convention Center Blvd	\$ 6,000,000	\$ 6,000,000	SWBNO	
MCC Cash Reserves	\$ 20,000,000	\$ 20,000,000	SWBNO	
FEMA Revolver Forgiveness	\$ 7,450,000	\$ 7,648,650	SWBNO	
DDD Millage	\$ 2,500,000	\$ -		
Local Privilege	\$ 5,300,000	\$ -		
1% Lost Penny	\$ 12,000,000	\$ 7,982,706	IMF	July 19 – April 2020
STR Equalization	\$ 7,800,000	\$ -		
Capital Outlay	\$ 7,300,000	\$ -	P5 - \$46.7M	
GO ZONE Deferral	\$ 3,500,000	\$ -		
Hotel Pilot	\$ 2,000,000	\$ -		
NOTCF Local Privilege	\$ 700,000	\$ -	Pending Transition	
NOTCF STR Equalization	\$ 2,700,000	\$ -	Pending Transition	
Total:	\$ 95,750,000	\$ 43,631,356		

NOTMC/NOCO Transition: *In Process*

- Possible redirection of 25% NOCO split – TBD
- Once decided:
 - Local Privilege Redirection (IMF CEA) – 100% - Office of Cultural Economy – “Culture Bearer.”
 - STR Equalization – 75% IMF / 25% NOCO (IMF CEA)
 - Then: 75% SWBNO / 25% DPW (IMF CEA)
- Being routed to City Council (06/04/20).
 - - 1% Lost Penny (IMF CEA) – 75%SWBNO/25%DPW

Actual 1% Lost Penny Collections: *Began July 1, 2019* As of 06/04/20

Month	Revenue
October (2019)	\$911,457
November	\$1,429,086
December	\$352,702
January (2020)	\$1,486,295
February	\$1,077,744
March	\$1,003,376
April	\$366,815
Total (July 19 – April 20)	\$7,982,706

Fair Share Agreement

Effects of COVID-19

V. Impacts of COVID-19

On March 11, 2020, Mayor LaToya Cantrell proclaimed a state of emergency for the City of New Orleans due to the spread of COVID-19. On the same day, Governor John Bel Edwards declared a public health emergency for the entire state of Louisiana. Since then, the number of COVID-19 cases in the state has continued to increase rapidly, prompting Mayor Cantrell to issue a stay-at-home ordinance for New Orleans on March 16, 2020, and Governor Edwards to issue a stay-at-home order for the state on March 22, 2020. It is too early to assess the impacts of COVID-19 on the local economy or how long it will take for the economy to recover from those impacts. Nevertheless, COVID-19 is anticipated to significantly decrease the recurring revenue portion of the Fair Share Agreement, as the majority of those revenue streams are tied directly to taxes generated by the tourism and hospitality industry. The IAB will continue to monitor the economic impacts of the virus on anticipated recurring revenues and update its projections accordingly.

Fair Share Agreement

Outstanding Issues

- Hotel occupancy rates and convention cancellations
- Prolonged effects of COVID-19. Economic impacts
- Changes related to SWBNO financial leadership
- Original financial estimation changes
- Continued evolution of Fair Share Agreement
- DDD CEA negotiations continued

CEA Status': Work in Progress

- **Infrastructure Maintenance Fund CEA**
 - CNO LAW finalizing proposed changes, being routed to City Council. (1% Lost Penny/Local Privilege/STR Equalization)
- **STR Equalization CEA (CEA with NOCO)**
 - Pending internal discussions on use of funds. Believe this is sometimes also referred to as the NOCO 25% CEA. (Note: Austin Wilty is the City's attorney for this contract)
- **CEA Amendment – Public Safety**
 - Complete
- **CEA Amendment – Traffic Configuration**
 - Complete
- **DDD CEA** – Continued negotiations
- **Electrical Substation (Power Plant) CEA – SWBNO**
 - Signed; Awaiting final BRASS Approval
- **Local Privilege CEA – IMF-CEA**
 - Dependent on NOCO-NOTMC transition
- **NOCO-NOTMC Transition**
 - My understanding is NOBC Counsel is working on this agreement
- **Race Street Transfer**
 - Complete
- **Euterpe Street CEA – FUNDS ALREADY DISTRIBUTED**
 - Draft pending internal City review, then will need to go to Convention Center

Original Estimates Revision

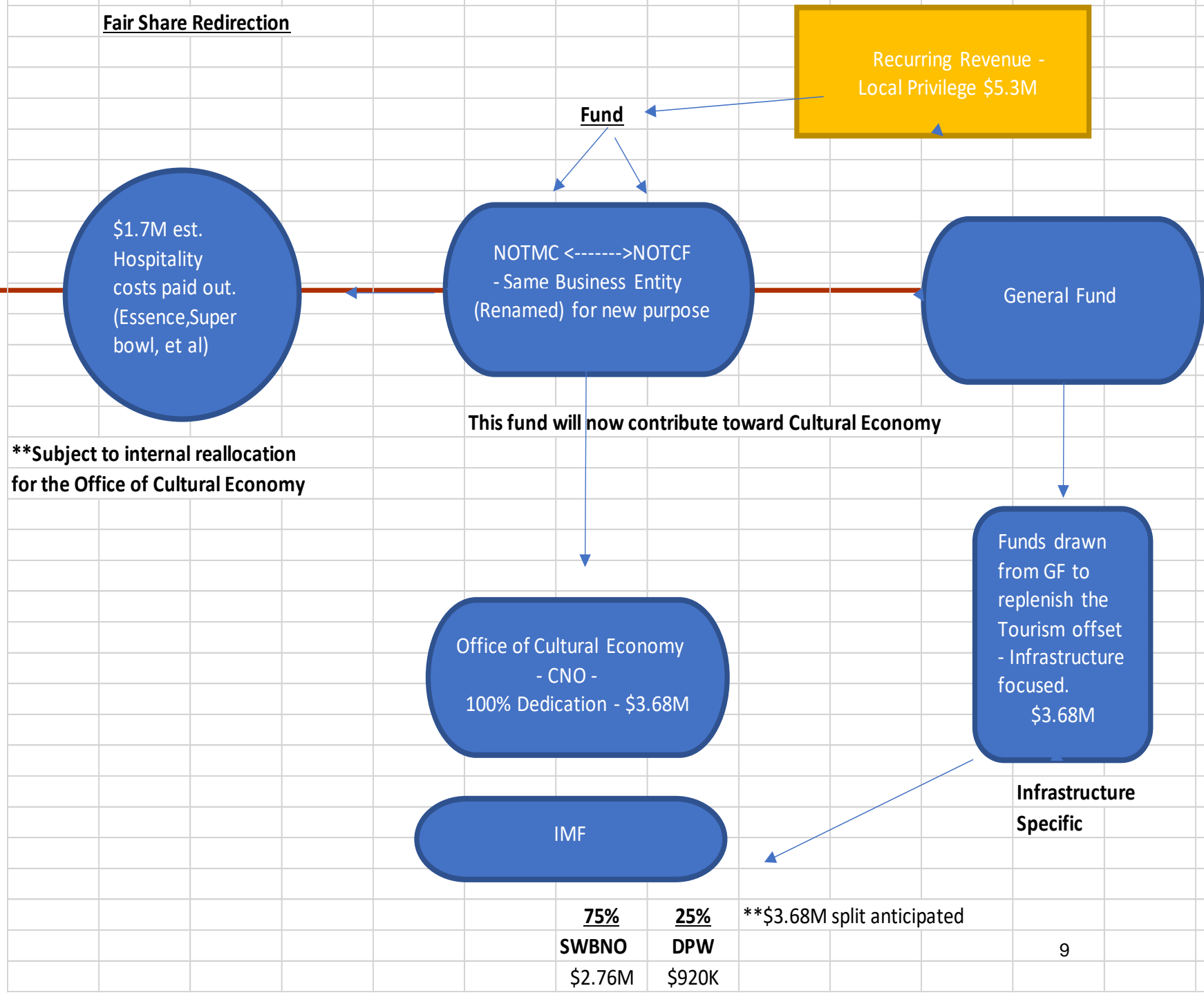
Recurring Revenue - *Cyber access (Department of Revenue), CEA status, Commencement of collections, COVID 19 delays.*

- **Department of Revenue access to RCS website financial data** – Back online. Department of Accounting has reconciled through April 2020. (1% Lost Penny)
- **STR Equalization** – As determined by City Council (Pending – date collections will begin). Originally, it was estimated that collections would begin on January 1, 2020. (Possibly June 2020).
- **STR Equalization** – Department of Permits and determination of the participants that will be removed from the platform (Eligibility). Open discussion about percentage of loss experience and timing (Q1 – Q3).
- **Local Privilege** – IMF CEA pending and decision regarding fund retention as it relates to previous obligations (Essence, Superbowl, Rockin New Year’s Eve, et al)
- **Costing in terms of transition timeline** – Originally, transition was to occur 01/01/20. Re-estimations are pending.
- **DDD CEA** – Negotiations pending. LAW finalizing proposed revisions for internal review.

Local Privilege Redirection

Office of Cultural Economy – “Culture Bearers”

Fair Share Redirection



**Subject to internal reallocation for the Office of Cultural Economy

75%	25%
SWBNO	DPW
\$2.76M	\$920K

**\$3.68M split anticipated

Fair Share Agreement

Major Items over the next 30 days

- IMF CEA currently being routed to City Council. (Thursday).
- Additional month of Revenue tracking for 1% Lost Penny. (April)
- Possible re-evaluation of original Revenue estimates.
- DDD conclusion of CEA for agreement.
- IAB Board member meeting.
- Office of Cultural Economy status report.
- Local Privilege resolution and Redirection update.
- Possible STR Equalization platform update. (Permit holders).
- Draw for P1 of Capital Outlay.