



Infrastructure Advisory Board Meeting

City of New Orleans

December 5, 2018

Fair Share Agreement - Structure

- One-Time Revenue:

- Hazard Mitigation Grant Program – \$16M – In process
- Morial Convention Center Funds – \$28M (\$8M Pending) - Transferred
- FEMA Revolver Transfer (Complete) - \$7,648,650 - Transferred

Recurring Revenue Estimates:

- DDD Millage – \$2.5M
- Local Privilege – per Transition Agreement
- Lost Penny 1% - \$12M (Collections Began July 1, 2019) – 2.3M/3 Full months
- STR Equalization – 7.8M (Approved November 16, 2019)
 - Other Revenue
 - Capital Outlay for Power Plant – \$54M
 - GO Zone Repayment Deferral – \$3.5M per Year
 - MCC Hotel PILOT for CNO AVT – FMV and Phase in

Fair Share Agreement

Revenue Uncertainty

- Revenue estimates were created about 6 months ago
- Actual collections will be subject to market conditions at that time
- Unknowns:
 - General economy
 - Hotel occupancy
 - Response to Short-term Rental program changes

Fair Share Agreement

One-Time Revenue

- To date, \$27.6M has transferred to SWBNO
 - \$7.6M from the dissolution of SWBNO FEMA Revolver
 - \$20M from MCC Funds (Total \$28M less \$8M for Race Street issue)
- Used to pay delinquent invoices
- HMGP (\$16M) on track for Phase 1 winterization (Turbine 6) completion in early 2020; Phase II for frequency converters in the approval process with GOHSEP
- Remaining \$8M via MCC Funds is in process. The CEA regarding the Race Street issue has been filed and is on the Council Agenda for December 19

Fair Share Agreement

Recurring Revenue

- DDD
- 1% Lost Penny on Hotels
 - Currently being collected and deposited into the Infrastructure Maintenance Fund
- STR Equalization Tax (6.75%)
- Nightly Privilege Tax (NOTMC/NOCO transition)

Downtown Development District

Recurring Revenue

- **Update:** Board of Commissioners Approval (November 16, 2019)
 - The 2020 14.76 Millage is a full Roll Forward of Tax.
 - Of the \$2.5M - \$1.5 M of recurring revenue and \$1M in one-time funds
 - The CEA to transfer 100% of DDD Fair Share funds to CNO is in negotiation
 - DPW has presented the Downtown Infrastructure Plan that has been accepted by DDD

Fair Share Agreement

1% Lost Penny on Hotels

The Lost Penny collections began with activity starting July 1, 2019

- Provides the first revenue deposited into the Infrastructure and Maintenance Fund (IMF)
- \$2.3M Collected through October 31, 2019 (3 Full Months)
- IMF-CEA is in draft form and is awaiting modifications and finalization

Short Term Rental Equalization – 6.75%

- Voter Approval of authorization to levy – November 16, 2019
- Authorized by ACT 169 – Increase in STR hotel sales tax by 6.75%
- Proceeds dedicated 75% to CNO-IMF and 25% to (NOCO) New Orleans & Company
- Requires a City ordinance levying the tax at a certain effective date

NOTMC/NOCO Transition

- Conversation is still on-going and dependent upon NOTMC/NOCO transition guidelines
- The amount deposited to the CNO-IMF is dependent upon payment of existing obligations

Other Topics – State Capital Outlay

- State Capital Outlay appropriation and funding of \$54M to the City for a SWBNO Power Plant
- CNO will draw the money down from the State and pass it through to SWBNO