



**Ernest N. Morial New Orleans
Exhibition Hall Authority (NOEHA)
Special Meeting for Public Hearing
Notice And Agenda**



Monday October 21, 2019 at 6:00 p.m.

Meeting Room 220-222 – 900 Convention Center Blvd., New Orleans, LA 70130

The Board of Commissioners will convene and hold a special meeting in Meeting Rooms 220-222 located on the 2nd Floor of the Convention Center and accessible by the Lobby B escalators beginning at 6:00 PM. The purpose of the special meeting is to conduct a public hearing on the Convention Center Headquarters Hotel Project. No formal action will be taken.

I. CALL TO ORDER

II. CONVENTION CENTER HEADQUARTERS HOTEL PROJECT PRESENTATION

III. PUBLIC COMMENT:

Public comment is invited after the presentation. Members of the public will be given four (4) minutes each to make comment. Please note that this is not a question and answer session where a member of the public can ask questions and demand answers of this Board of Commissioners.

IV. ADJOURN

NEW ORLEANS ERNEST N. MORIAL CONVENTION CENTER
HEADQUARTERS HOTEL
SUMMARY OF KEY INDICATORS

- 1,200 Room Omni Hotel attached to the Convention Center opening in 1st Quarter 2024
- Developer *Original* Financing Plan:
 - Non-profit ownership; Tax-exempt bond debt; 40-year amortization
 - Non-profit exemption from property tax
 - Zero ground lease; \$41M cash contribution
 - Rebate of 10% Hotel Occupancy Tax (HOT) and 4% Non-room Sales Tax
 - No MCCNO default risk; Reversion of hotel to MCCNO after debt is repaid
 - Net Value Of Incentives = 24% of project costs vs. 37% U.S. Average
- Authority *Negotiated* Financing Plan:
 - **Payment In Lieu Of Taxes (PILOT)** \$3-\$5M/yr. (estimate)
 - Ground Lease payment \$250,000/yr. + 2%
 - Rebate of 8.42% HOT and 4% Non-room Sales Tax
 - Authority to build and own 900 space parking garage
 - Hotel to lease spaces for \$300,000/yr. + 2%
 - \$7M Cash Contribution
 - No MCCNO default risk; Reversion of hotel to MCCNO after debt is repaid
 - Net Value Of Incentives = 17% of project costs vs. 38% U.S. Average
- Other Material Agreements:
 - Developer required to fund a capital repair and maintenance fund (10% of Gross Rev)
 - Room Blocking agreement of 83.33% of inventory (1,000 rooms)
 - Hotel Operating Agreement – Upper Upscale operating standard
- Pre-Development Expense Reimbursement Agreement:
 - Authority provides for site preparation costs - \$26M estimate
 - Other expenses to be shared at 55% (Developer) 45% (Authority)
 - Authority to be reimbursed at financial closing
- SEB/DBE: The Developer Consortium will comply with SEB/DBE requirements of the Authority
 - 30% Direct participation
 - 25% Goods and Services
- Proposed Hotel Annual Economic Impact
 - Net New Hotel Room Nights 172,000
 - Total Annual Economic Impact \$282M
 - City of New Orleans Taxes \$ 18M
 - City of New Orleans Property Tax \$3-\$5M
 - State of LA Taxes \$6M
 - Permanent new jobs 1,900

Public Support	Developer Proposal	Authority MOU
Hotel Occ. Tax Rebate	10%	8.42%
Property Tax Rebate	No Taxes Paid	\$3-\$5M taxes to the City annually
Authority Cash Contribution	\$41 Million	\$7 Million
Ground Lease Payment	None	\$250K per year escalating at 2%
Parking	Developer owns	Authority owns and receives \$300K/yr.
Ownership	Hotel reverts to public ownership	Hotel reverts to public ownership

Project	Ownership	Year	Rooms	Cost	Incentive	Incentive %
St. Lake City Convention Center Hotel	Private	2022	725	337	75	22%
Oklahoma Omni	Private	2021	605	235	85	36%
Loews Kansas City	Private	2020	800	328	160	49%
Portland Hyatt Regency	Private	2019	600	224	74	33%
Washington Marriott Marquis	Private	2014	1,175	520	230	44%
Omni Nashville	Private	2013	800	247	150	61%
Omni Fort Worth	Private	2009	614	230	89	39%
Marriott Marquis Chicago	Public	2017	1,205	450	n/a	n/a
Dallas Omni	Public	2011	1,001	500	n/a	n/a
Broward County (Ft. Lauderdale) Omni	Public	2023	800	400	n//a	n/a
					Average	38%
New Orleans	Non-profit	2024	1,200	675	114	17%