New Convention Center
Headquarters Hotel
For New Orleans

Presentation at Public Meeting by Michael J. Sawaya
October 21, 2019
Mission and Purpose

The Ernest N. Morial New Orleans Exhibition Hall Authority’s mission is to finance, construct and operate facilities in order to attract and conduct conventions, trade shows and other events that support and expand the economy of both the State of Louisiana and New Orleans region.

The new Convention Center Headquarters Hotel is a core element of the Authority’s future strategy and is anticipated to generate a net economic impact of more than $282 million annually, create more than 1,900 new jobs, and be the catalyst for future development of vacant land upriver of the Convention Center.
Hotel Project Timeline

- February 2018 - RFP for Hotel Developer Issued
- April 2018 - Authority Receives Proposal from Matthews Southwest, Omni Hotels & Resorts, Preston Hollow Capital, and Provident Resources for a 1,200 room, $557 Million Hotel
- May 2018 Authority approves EVP authorization to negotiate and execute preliminary agreements
- August 2018 – Report from HVS on Economic Impact
- February 2019 – Report by Authority Financial Advisors on Hotel Financing Options
- May 2019 – Governor and Mayor Reach Agreement on enabling Legislation
- September 2019 – Authority Issues RFQ for Master Developer for Balance of the Site

The Authority has undertaken a deliberate process to develop a hotel project plan that will efficiently leverage public resources to harness developer expertise while ensuring that all stakeholder objectives are satisfied.
New Convention Center Hotel

- 1,200 rooms
- 150,000 square feet of meeting and ballroom space
- Street level retail and restaurants
- Roof top pool, bar, fitness center and spa
- Anticipated Opening Quarter 1, 2024
Economic and Community Impact

• $282M Annual Economic Impact
• 1,900 New Jobs
• 172,000 New Hotel Room Nights
• $18M New Tax Revenue for City of New Orleans
• $3-5M Annual Property Taxes for the City
• $6M New State Taxes
• 30% SEB/DBE Direct Participation
• 25% SEB/DBE Purchase of Goods and Services

All economic, revenue and tax statistics are based on information reasonably available to the Authority at the time of preparation of this presentation as well as estimated forecasts from such information.

The hotel will be an important driver of economic activity and secure the City of New Orleans’ position as a leading convention destination.
The Authority has materially reduced the amount of public contributions to the project through negotiations with the development consortium.

<table>
<thead>
<tr>
<th>Public Support</th>
<th>Developer Proposal</th>
<th>Authority MOU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Occ. Tax Rebate</td>
<td>10%</td>
<td>8.42%</td>
</tr>
<tr>
<td>Property Tax Rebate</td>
<td>Full Rebate</td>
<td>$3-$5M taxes paid to the City annually</td>
</tr>
<tr>
<td>Authority Cash Contribution</td>
<td>$41 Million</td>
<td>$7 Million</td>
</tr>
<tr>
<td>Ground Lease Payment</td>
<td>None</td>
<td>$250K per year escalating at 2%</td>
</tr>
<tr>
<td>Parking</td>
<td>Developer owns</td>
<td>Authority owns and receives approx. $300K/yr.</td>
</tr>
<tr>
<td>Ownership</td>
<td>Hotel reverts to public ownership</td>
<td>Hotel reverts to public ownership</td>
</tr>
</tbody>
</table>
Most of the public support for the project is from project generated sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Developer Proposal</th>
<th>% of Project</th>
<th>Authority MOU</th>
<th>% of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authority Contribution</td>
<td>$41</td>
<td></td>
<td>$7</td>
<td></td>
</tr>
<tr>
<td>Room Generated Taxes</td>
<td>$76</td>
<td></td>
<td>$72</td>
<td></td>
</tr>
<tr>
<td>Project Generated Taxes</td>
<td>$13</td>
<td></td>
<td>$35</td>
<td></td>
</tr>
<tr>
<td>Hotel Property Tax Rebate</td>
<td>$48</td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$174</td>
<td>27%</td>
<td>$114</td>
<td>17%</td>
</tr>
</tbody>
</table>
## Detailed Financial Information

### Hotel Generated Taxes (% of revenue)
- Authority: 3%
- LSED: 4%
- State: 0.45%
- NO & Co: 0.97%
- Occ. Tax: $2/room night
- F & B sales: 4.45%
- EDD Tax: 1%

### Payments to Authority and City
- Ground Lease: $250K/Yr (2% esc.)
- Parking Lease: $300K year (2% esc.)
- Property Taxes: $3-5M annual

### Developer Commitments
- Guaranteed Maximum Construction Cost
- Firm Schedule
- 30% DBE/SEB Direct Construction Participation
- 25% DBE/SEB Construction Goods & Services
- Job Training and Local Recruitment
- Room Block Agreement
- Funding reserves for Capital Repair and Maintenance
## Public Involvement in Convention Center Hotel Financing

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

Average: 38%

Project Schedule

- October 15: Finance and Audit Committee Presentation on Project Status
- October 21: Public Hearing
- Q4 2019: Detailed Design to Commence
- Q2 2020: Commercial Close
- 2020: Design Complete
- 2021: Financial Close and Construction Start
- Q1 2024: Hotel Opens