

**Downtown Development District
2021 Budget Notes
October 22, 2020**

1. Interest Earned (Line 62) – The interest revenue related to the DDD internal sources is generated from the bank balances of the following accounts: Whitney National Bank Money Market Account, and the Whitney National Bank Reserves Account.
2. Banner Deposits / Miscellaneous Revenue (Line 63) – Banner deposits are currently \$250 per application. Participants of the banner program may choose to utilize the entire system at one time, or they may utilize only a portion of the system (i.e., Canal Street, Loyola Avenue or Poydras Street). When the system is not used by outside parties, the DDD will display general district banners, such as Mardi Gras banners and Holiday banners. Currently, the DDD is unsure of the level of banner participants for 2021 due to several events being cancelled or postponed due to COVID-19 (Sugar Bowl, French Quarter Festival, Jazz and Heritage Festival, Essence Festival and Bayou Classic to name some possibilities). Monthly revenues generated through pressure washing the RTA streetcar shelters in the amount of \$4,500 per month are included. Additionally, a \$10,800 LWCC dividend for workers' comp insurance is included.
3. Ad valorem Taxes, gross (Line 67) – Ad Valorem Taxes are reflected as the gross amount actually collected by the City of New Orleans on behalf of the DDD, before collection and assessor fees are withheld. The 2021 tax revenue projection is based on 32% decrease in property value assessments due to COVID-19. The millage proposed is 17.12 mills, which would fund the Infrastructure CEA in full and operations after approximately \$1,500,000 in cuts from 2020 Budget and a line-of-credit. We have assumed a 95% collection rate.

4. DDD Infrastructure Fund Ad Valorem (Line 68) — The amount of additional gross tax revenue needed to produce \$2,500,000 of net revenue after statutory Assessor and City of New Orleans fees are deducted. This requires 5.91 mils, for a total of 17.12 mils.
5. Collection Fees & Assessors Fees (Line 69) – Act 254 of 2005 established a collection fee of not more than 2% which the City of New Orleans will apply to all tax revenues collected on behalf of any tax recipient body. Additionally, during the 2006 legislative session, Act 433 was amended to allow Orleans Parish Assessors to collect a fee of 2% of all taxes assessed. Currently this fee is being passed through to the tax recipient bodies by the City. Both fees are withheld from the tax revenue collections of the tax recipients prior to submitting these collections to the Board of Liquidation from the City.
6. Interest on Investments (Line 70) – All tax revenue collected by the City of New Orleans on behalf of the DDD is held by the Board of Liquidation. The BOL acts as a treasury management organization and invests the DDD's cash to maximize the return on cash balances. These investments are currently in the form of a Money Market Account, U.S. Treasury Bills and Certificates of Deposit based on competitive interest rates and terms of maturity.
7. Personnel Costs (Line 85) –The Public Space Operations Department will be comprised of two (2.0) Full-Time Equivalent (FTEs) after a Reduction in Force. For the 2021 Budget, wages and salaries for the department are being maintained at the 2020 levels.
8. Landscaping (Line 91) - The monthly contract amount of \$10,375. There is \$25,000 included for plantings to allow for replacement of damaged or dead landscaping throughout the District.

9. Sidewalk Tree Maintenance/Replacement (Line 92) – The monthly contract covers pruning, weeding of tree wells and arborist services has been maintained at the same level. Termite treatment of trees on Canal Street at a cost of \$15,000 due to the expiration of gratis treatment resulting from completed LSU research project. An additional \$75,000 has been budgeted for treatment and tree replacement costs related to the spread of Texas Palm disease.
10. Parks & Open Space (Line 93) – 25% decrease in Contractor Services and 75% decrease in General Operating Supplies due to the suspension of programming in Duncan Plaza.
11. Trash Receptacles (Line 97) – Replacement of damaged liners and bases, and refurbishment of up to 50 cans, as needed.
12. Banners (install/replaces) (Line 98) - The DDD manages a system of 437 poles. When the system is not in use by outside parties, the DDD will display general Downtown promotional banners. Additional cost has been budgeted for the repair of broken banner poles and brackets as they age.
13. Holiday Lighting (Line 99) – Decorations will not be displayed in 2020 or 2021, so this expense has been eliminated.
14. Sidewalk Improvements (Line 104) – Funds for \$80,000 matching grant for the area adjacent to Canal Place, which was previously committed.
15. Sidewalk Cleaning Contracted Services (Line 109) – This is the cost of contract with Block by Block for one year’s cleaning of the sidewalks, under Downtown’s boundary expressways, and the interior and exterior of streetcar shelters.
16. Special Event Clean Up (Line 111) – Through the year the DDD provides concentrated services to particular areas of the district affected by Downtown events. The cost includes \$35,000 for contractors for Mardi Gras and \$35,000 for the

other events (e.g., spring and fall concert series, White Linen Night, Essence Fest, and Bayou Classic, etc.), which are uncertain in the wake of COVID-19. The DDD has recommitted itself to its goal of having Downtown clean and ready for business by the beginning of the workday after every event.

17. Graffiti (Line 112) – This program has been suspended.

18. Surveillance Cameras (Line 113) – This program has been suspended.

19. Truck, Storage, Staff Development (Line 117) – This line items includes various components: however, the following is a summary of the more significant expenses:

A: Fuel – Gas for two vehicles.

B: Meals & Entertainment - Meetings monthly with contractors, stakeholders, etc., to review monthly progress of street cleaning and special projects.

C: Parking - Two trucks at a total cost of \$350.00 per month.

D: Cellular Telephones – Cost of service for DDD provided cell phones.

E: Rent – storage cost of \$1300 per month for storage unit of holiday lights/decorations, wayfinding signs and other public works items.

F: Repairs & Maintenance for DDD Trucks – Based on the fact there are two relatively new trucks the repair expenses are not expected to increase. This expense also includes washing.

20. Personnel Costs (Line 131) – The Public Safety Department is budgeted for twenty-one (21.0) FTEs including the Public Safety Manager and Captains. For the 2021 Budget, all wages and salaries are being maintained at the 2020 levels. The targeted Rangers coverage is 18 hours per day, with a target of 4 Rangers from 6:00am – 10:00am and 6-8 Rangers at all other times. This target has continued to be difficult

to reach due to turnover during the past several years. There has been an increased level of participation in the retirement plan and the parking/transportation programs.

21. Public Safety Rangers (Line 133) – The details of this line item include a variety of expense types, but the most financially significant details include general supplies for bicycle repairs, the mobile smart system to allow for real-time reporting, staff development for necessary certifications, uniform expense and radios/cellular telephones expenses.
22. Police Detail Services (Line 136) – The budget for 2021 represents the cost of normal police detail. The police detail is at a rate of \$32.38 per hour for shifts starting M-F 3am – 10pm, \$37.50 per hour for shifts starting M-F 10pm – 3am and \$41.25 per hour all day Saturday and Sunday, due to the difficulty in filling shifts on those days and \$50.58 on Holidays.
23. Private Security Services (Line 141) - The budget for 2021 represents the cost of the private security detail provided by Pinnacle Security, with sufficient funding to provide coverage each night from 10:00pm until 6:00am and on weekends.
24. Stakeholder Involvement (Line 143) – Includes support of Night Out Against Crime, Stakeout for Justice and other activities. In 2021 the DDD will host quarterly meet-and-greets between our Public Safety personnel and stakeholders to continue to strengthen this important relationship.
25. Miscellaneous Public Safety (Line 144) – Expenses for printing of Ranger cards and map, and quarterly meetings with security professionals.
26. Homelessness Outreach (Line 148) – The expenses for an outreach worker to work with Rangers and NOPD on homelessness outreach through our CEA with the Travelers Aid Society.

27. Low Barrier Shelter Operations (Line 149) - Commitment to pay up to \$500,000 annually for operation of the Low Barrier Shelter planned and built by the DDD and City. This commitment runs for 5 years, effective in August 2018.
28. Personnel Costs (Line 163) – The Economic Development Department will be staffed at a level of two (2.0) FTEs following a Reduction in Force. For the 2021 Budget, all wages and salaries are being maintained at 2020 levels.
29. Canal Street Development (Line 165) – Canal Street Catalyst upper floor development; major site feasibility analysis; and related work.
30. District-Wide Development (Line 166) – Funding being diverted to the recovery from the impacts of COVID-19.
31. Research and Database Management (Line 168) – Cost to re-implement the DDD’s automated state-of-the art pedestrian traffic count and analysis system.
32. Administration and Meetings (Line 170) – Costs of memberships in professional organizations (i.e., International Council of Shopping Centers, Urban Land Institute, Council of Development Financing Agencies, etc.), for the hosting of meetings of various stakeholders and businesses at the DDD and elsewhere, and for the Director’s cell phone.
33. Business Retention & Recruitment (Line 177) – Provides for partnership with New Orleans Business Alliance (NOLABA), GNO, Inc., Creative Alliance of New Orleans (CANO) and others activities on business recruitment & retention activities such as Louisiana Medical Research Fund (LMRF), the New Orleans Music Economy (NOME) initiative and the NOLABA Bio-Medical business development initiative. These partnerships allow the DDD to efficiently leverage its resources for a greater impact than having proceeded on the Board directed initiatives on its own.

34. Façade Incentive (Line 178) – Matching grants to support \$74,000 of projects, that have already been committed to.
35. Personnel Costs (Line 186) – The Communications Department will be staffed at two (2.0) FTEs for 2021 following a Reduction in Force. For the 2021 Budget, all wages and salaries are being maintained at 2020 levels.
36. Holiday Event (Line 188) – All events have been cancelled for 2021.
37. DDD Events (Line 189) – All Events have been cancelled for 2021.
38. Sponsored Events (Line 190) – All sponsorships have been suspended for 2021.
39. Digital Media (Line 192) - This category is dedicated to the DDD website, smart-phone apps and measurement of communication efforts.
40. Communications (Line 193) – Print advertising for the District in local media outlets, the cost of promoting the recovery from the impacts of COVID-19 through television and radio media.
41. Public Affairs (Line 200) – These expenses are being eliminated.
42. Personnel Costs (Line 210) – The staffing for the Administration Department will be four (4) FTEs following a Reduction in Force. Supplemental Performance Based Compensation for the CEO, provided for in his employment contract, will be suspended for 2021. For the 2021 Budget, all wages and salaries are being maintained at 2020 levels.
43. Office Space (Line 228) - The DDD’s rental expense for 2021 includes office rent of \$12,250 per month. The DDD’s lease requires that the DDD pay for utilities, other than sewerage and water, directly and we have budgeted \$1,020 a month for telephone/cable/internet services.

44. Legal Services (Line 247) – General Legal Counsel, ongoing litigation related to state mandated retirement obligations and any additional services needed due to the more complicated nature of projects being undertaken.
45. Organization Fees/Dues (Line 254) - The amount is for membership in International Downtown Association, the New Orleans Chamber of Commerce, N.O. Regional Black Chamber of Commerce, New Orleans & Company and other key partners.
46. Staff Development/Conferences (Line 264) – All of these activities have been suspended for 2021.
47. Travel (Line 265) – See note #46.
48. Uniforms (Line 266) – Represents the need to purchase new uniform shirts and jackets for staff.
49. Net Operating Income (Loss) (Line 273) – Reflects the impact of the approximately \$1,500,000 in expense reductions, including a 10% Reduction in Force.
50. Line-of-Credit – FBT (Line 276) – Two-year Line-of-Credit(LOC) arranged with First Bank & Trust to alleviate some of the fiscal stress created by the 32% decrease in property valuation in the District due to COVID-19. The LOC is for two years for a maximum of \$3,500,000 at WSJ prime rate, with interest payments only in the first two years and repayment amortized over an additional seven years. It is anticipated that we will not need to draw on the LOC until late 2021, and therefore the interest expense should not be of a significant amount.
51. District Wide Capital Improvements (Line 281) – Represents \$150,000 for the design of the Higgins Streetscape project in partnership with the City of New Orleans and the National World War II Museum.

52. DDD Infrastructure Fund (Line 282) — Dedicated to the annual costs of the Downtown Infrastructure Plan implemented by the City of New Orleans and governed by a cooperative endeavor agreement between the DDD and the City of New Orleans that has been approved.
53. Interest Expense – Debt Service (Line 290) – This line item reflects the annual interest expense for the 2012 Series Bonds Payable. The payments have been based on amortization schedules provided by the Board of Liquidation and reflects payments on the DDD’s Bonds in June and December.
54. General Fund Cash Proceeds (Line 301) – The DDD held \$3,311,145 in undesignated funds at the end of 2018. The projected utilization of \$893,037 in 2019 would have left approximately \$2,418,108 available to invest or fund operating expenses in future periods. We had projected the use of \$2,304,609 in 2020 to fund the DDD Infrastructure Fund and District-Wide Capital Improvements. This would have left approximately \$114,000 in General Fund Cash at the end of 2020. The decision not to move forward with the Wayfinding manufacture and implementation at this time, along with other savings will result in an additional \$900,000 at the end of 2020. The use of \$867,886 in 2021 will result in reserves of less than \$150,000 at the end of 2021.
55. Debt Service - Principal (Line 309) – While this line item is not actually an expense, it is a cash requirement of the DDD. It reflects the principal installment to reduce the outstanding Bonds Payable. As with the interest expense above, the amount budgeted for 2021 has been based on the amortization schedules provided by the Board of Liquidation with cash outlay for the DDD’s bonds in December.