

REVENUE ESTIMATING CONFERENCE QUARTERLY ECONOMIC REVIEW



CITY OF NEW ORLEANS

Mitchell J. Landrieu, Mayor

REVENUE ESTIMATING CONFERENCE MEMBERS

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NORMAN FOSTER, DIRECTOR OF FINANCE

PRESENTED MONDAY APRIL 23, 2013

Revenue Estimating Conference

City of New Orleans



April 2013 Revenue Estimating Conference

- Part 1: 2012 unaudited revenues compared to forecast
- Part 2: 2013 GF Revenues for 1st Quarter
- Part 3: How does 2013's Budget Growth look now?
- Part 4: Recent reports and special events
- Discussion

Revenue Estimating Conference, April 2013, Unaudited 2012 GF Revenues

City of New Orleans



Part 1: 2012 unaudited GF Revenues



2012 Revenue Estimate, November '12

\$millions	Nov' 12 REC	Dec' 12 Clean up ordinance	Final adjusted REC
1A PROPERTY TAX incl interest	\$106.4		\$106.4
1B OTHER TAXES	179.9		179.9
2 LICENSES & PERMITS	52.3		52.3
3 INTERGOVERNMENTAL REVENUE	9.4	\$12.4	21.8
4 SERVICE CHARGES	74.8		74.8
5 FINES & FORFEITS	33.8	4.2	38
6 MISCELLANEOUS REVENUE	11.3	3.5	14.8
7 OTHER FINANCING SOURCES	15.8	3.9	19.7
Total	\$483.6	\$24.1	\$507.7

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2012 Unaudited collections, April '13

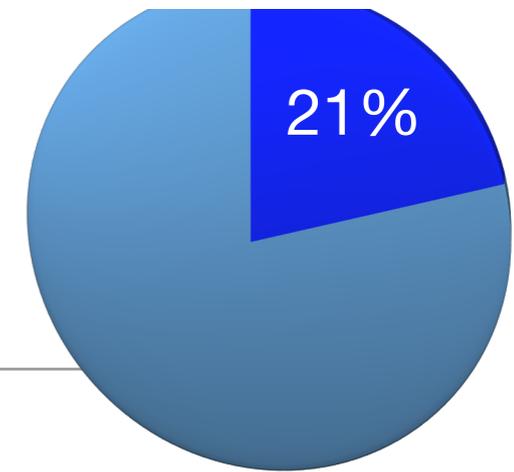
\$ millions	Final adjusted REC	2012 Unaudited Collections	Variance
1A PROPERTY TAX incl interest	\$106.4	\$104.2	-2.1
1B OTHER TAXES	179.9	182.7	2.8
2 LICENSES & PERMITS	52.3	56.6	4.4
3 INTERGOVERNMENTAL REVENUE	21.8	19.7	-2.1
4 SERVICE CHARGES	74.8	74.3	-0.5
5 FINES & FORFEITS	38.0	34.1	-3.9
6 MISCELLANEOUS REVENUE	14.8	16.4	1.6
7 OTHER FINANCING SOURCES	19.7	19.5	-0.2
Total	\$507.7	\$507.6	-0.1

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Property taxes, 2012, unaudited



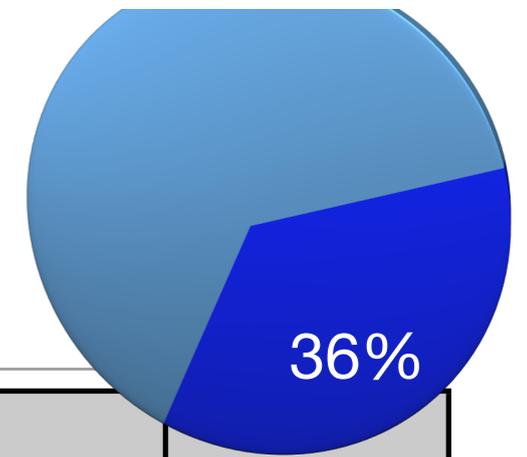
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Property taxes	103,229	101,653	-1,576	-1.5%
Interest and fees	3,141	2,581	-560	-17.8%
TOTAL	106,370	104,234	-2,136	-2%

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Other taxes, 2012, unaudited



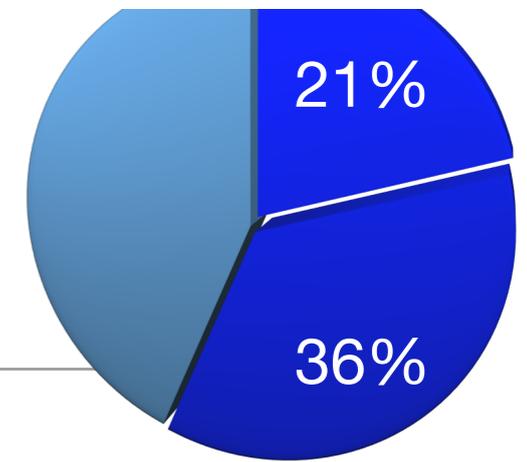
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Sales Tax	\$138,658	138,217	-441	-0.3%
Motor Vehicle Tax	8,500	9,732	1,232	14.5%
Hotel/Motel Tax	13,662	15,050	1,388	10.2%
Beer & Wine Tax	462	511	49	10.6%
Parking Tax	3,691	3,907	216	5.8%
Document Transaction Tax	3,500	4,080	580	16.6%
Chain Store Tax	120	130	10	7.9%
Off Track Betting/Racing Tax	274	244	-29	-10.7%
Utility Tax	9,500	9,266	-234	-2.5%
Fairground Slot Machine 4% Tax	1,516	1,552	36	2.4%
OTHER TAXES TOTAL	\$179,883	182,688	2,805	1.6%

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Total taxes, 2012, unaudited



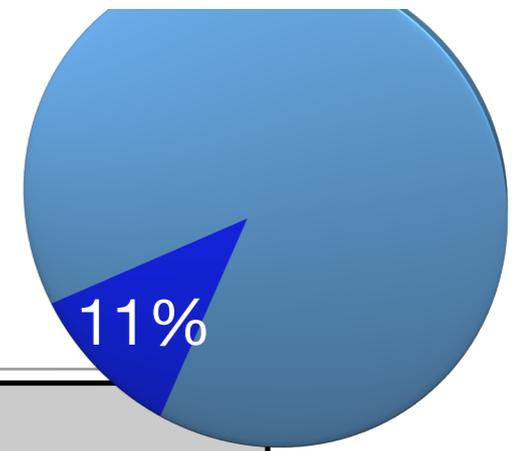
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Property taxes	\$106,370	104,234	-2,136	-2%
Other taxes	179,883	182,688	2,805	1.6%
Total taxes	\$286,253	286,922	669	0.2%

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Licenses and Permits



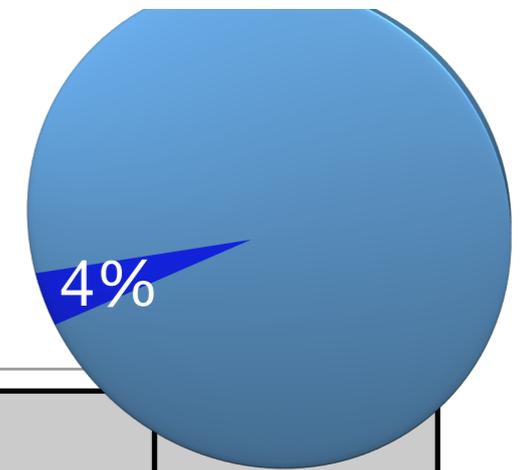
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Alcoholic Beverage	2,236	2,205	-31	-1%
Cable TV Franchise	4,351	4,170	-181	-4%
Entergy Franchise	23,668	26,621	2,953	12%
Telephone Franchise	744	588	-156	-21%
Miscellaneous Franchise	217	95	-122	-56%
Occupational Licenses	9,344	9,372	28	0%
Safety/Electrical/Mechanical	2,579	2,412	-167	-6%
Taxi/Tourguide Licenses	644	844	200	31%
Building Permits	4,840	6,688	1,848	38%
Motor Vehicle Permits	2,510	2,404	-106	-4%
Streets & Curbs	434	502	68	16%
Mayoralty Permits	275	347	72	26%
Other	419	365	-54	-13%
LICENSES AND PERMITS	52,262	56,613	4,351	8%

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Intergovernmental Revenues



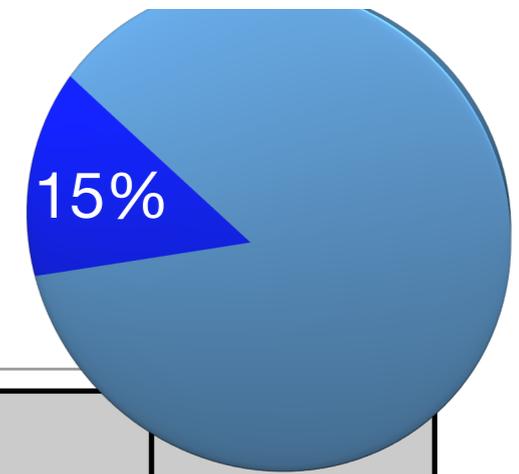
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
State Aid - Video Poker	2,824	2,696	-128	-5%
State Dept. Of Corrections	75	68	-7	-10%
State Aid-Medicaid	385	25	-359	-93%
State Revenue Sharing	856	1,013	157	18%
State Aid Other	13,341	12,042	-1,299	-10%
Parish Transp Fund: Roads	2,508	1,953	-554	-22%
Parish Transp Fund: Transit	1,850	1,916	66	4%
INTERGOVT REVENUE	21,838	19,714	-2,124	-10%

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Service Charges



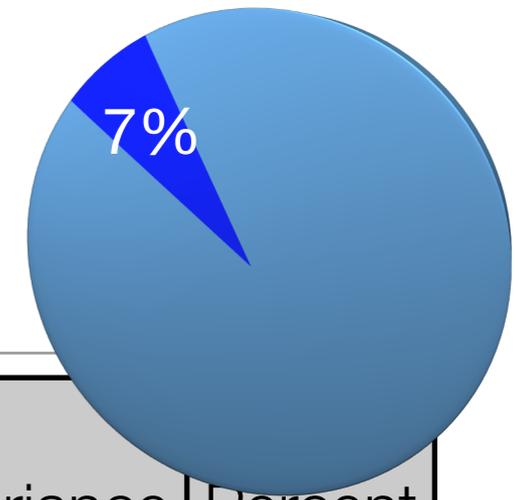
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
General Government	16,671	17,357	686	4%
Public Safety	13,945	12,638	-1,307	-9%
Streets Parking Meters	4,750	4,740	-10	0%
Streets Other	2,995	2,951	-44	-1%
Sanitation	34,009	33,805	-205	-1%
Parks And Parkway	394	608	214	54%
Indirect Costs	2,000	2,223	223	11%
Other	39	26	-12	-32%
SERVICE CHARGES TOTAL	74,802	74,346	-456	-1%

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Fines and Forfeits



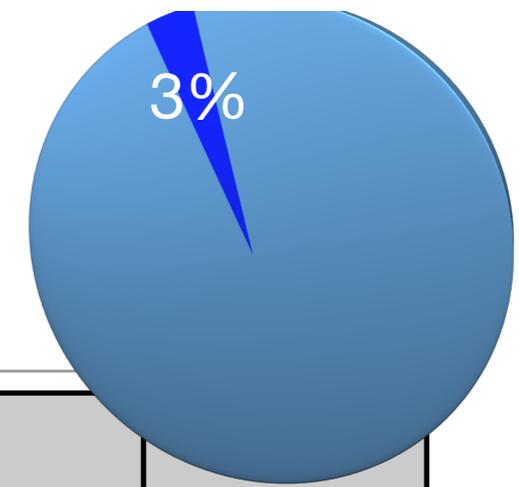
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Traffic Fines & Violations	5,400	5,562	162	3%
Red Signal Light/Camera Enforcement	19,447	15,841	-3,606	-19%
Parking Ticket Collections	11,950	12,195	245	2%
Admin. Adjudication Fees	100	53	-47	-47%
Municipal Court Fines & Costs	1,002	319	-683	-68%
Impounded/Abandoned Vehicles	120	127	7	6%
FINES AND FORFEITS	38,018	34,097	-3,921	-10%

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Miscellaneous Revenue



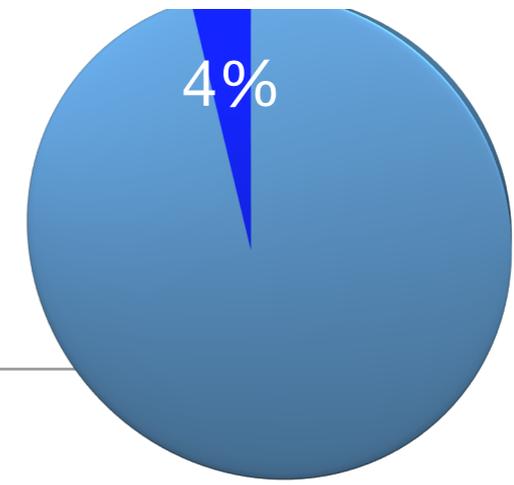
\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Interest - Operating & Capital	63	88	25	40%
Rents & Royalties	1,072	1,208	136	13%
Contributions And Other	6,442	5,936	-506	-8%
Miscellaneous Reimbursement	7,235	9,173	1,938	27%
MISCELLANEOUS REVENUE	14,812	16,405	1,593	11%

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Other Financing Sources



\$ thousands	Final adjusted REC	2012 Unaudited Collections	Variance	Percent
Transfer From Other Funds	19,701	19,458	-243	-1%
OTHER FINANCING SOURCES	19,701	19,458	-243	-1%

Note: excludes bond refinancing of \$195,885,000



Part 1:

2012 unaudited GF Revenues

- Unaudited GF Revenues of \$507.6 million, including Audit adjustments, in line with REC forecast last fall of \$507.7 million.
- City Economist retirement now confirmed officially.
- Adopted 2012 Budget was based on higher estimates, and forecast adjustment in Spring of 2012, and accompanying budget actions, brought revenues into line.
- Next question: how does 2013's Adopted Budgeted Revenues now look?



Part 2: 2013 GF Revenues for 1st Quarter



2013 collections vs. 2012, thru' March, accrual

\$ thousands	2012 thru' March	2013 thru' March	Variance	Percent
1A PROPERTY TAX incl interest	95,844	101,939	6,094	6%
1B OTHER TAXES	45,034	48,550	3,516	8%
2 LICENSES & PERMITS	17,867	19,904	2,037	11%
3 INTERGOVERNMENTAL	1,428	1,869	441	31%
4 SERVICE CHARGES	22,752	22,393	-359	-2%
5 FINES & FORFEITS	8,791	8,679	-112	-1%
6 MISCELLANEOUS REVENUE	2,071	2,638	567	27%
7 OTHER FINANCING SOURCES	3,137	3,140	3	0%
Total	196,924	209,112	12,188	6%

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Part 3:

How does 2013's Budget Growth look now?

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2012 unaudited collections vs. 2013 Budget

\$ thousands	2012 Unaudited net of Cleanup	2013 Adopted Budget	Budgeted Growth	Thru' March 2013
1A PROPERTY TAX incl interest	104,234	115,690	11,455	6,094
1B OTHER TAXES	182,688	182,896	208	3,516
2 LICENSES & PERMITS	56,613	53,070	-3,542	2,037
3 INTERGOVERNMENTAL	7,298	10,575	3,276	441
4 SERVICE CHARGES	74,346	73,157	-1,189	-359
5 FINES & FORFEITS	29,850	30,415	565	-112
6 MISCELLANEOUS REVENUE	12,905	9,759	-3,146	567
7 OTHER FINANCING SOURCES	15,551	15,818	267	3
Total	483,486	491,379	7,893	12,188

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2013 Budgeted Revenues

- 2013 first quarter accrued revenues look in line with Budgeted Revenues. Some areas are weaker than expected and some stronger. At this point, overall revenue collections are encouraging.
- Overall revenue change from the first quarter of 2012 to the first quarter of 2013 reflects major events that took place in the City.
- Major events remain for the rest of the Spring and into Summer that will affect major tax revenues. In 2012, Sales Tax was affected by Isaac, although hotel/motel tax performed well throughout the year.
- At next REC, will update any significant revenue trends for review.



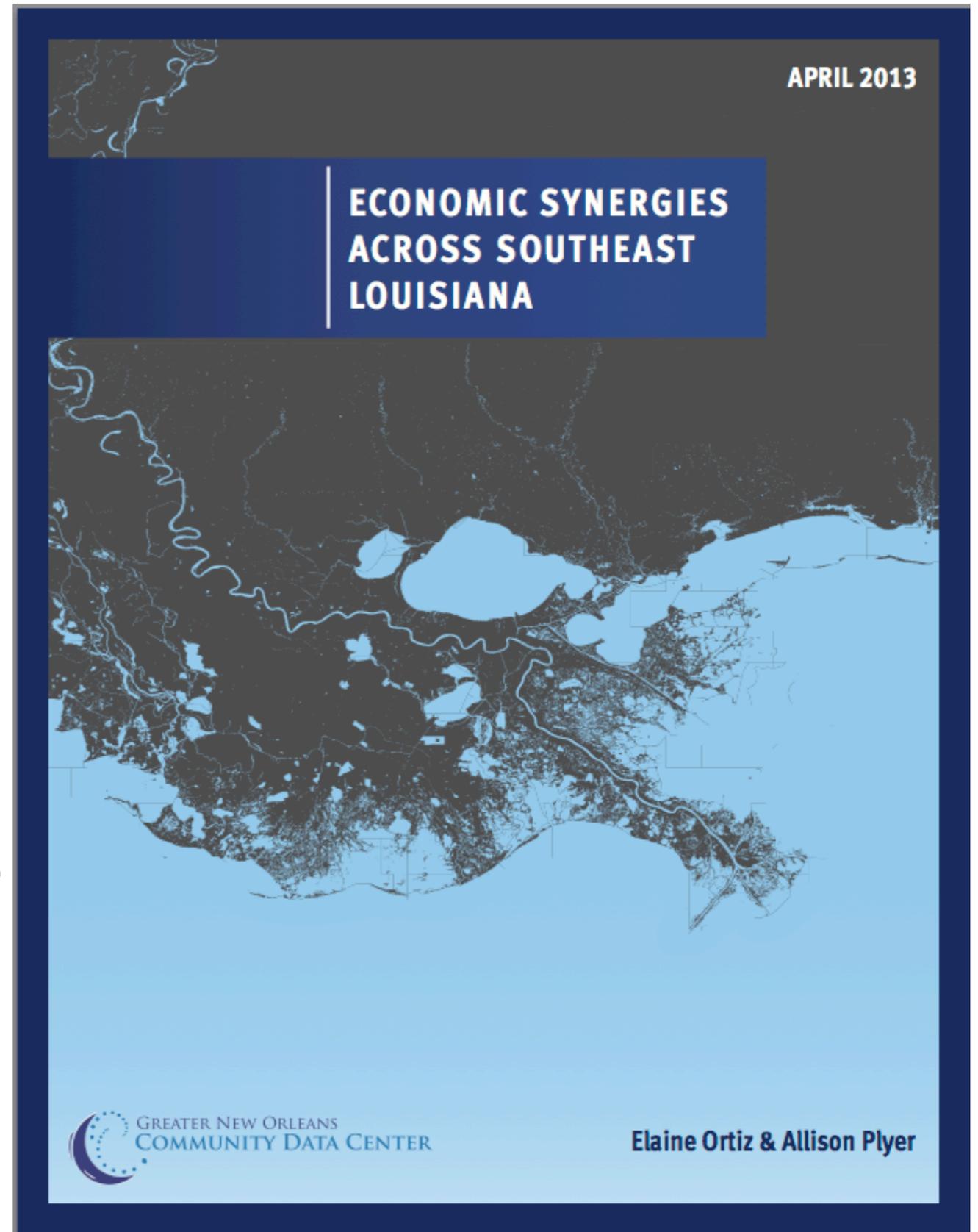
Part 4:

Recent reports and special events

- GNO Data Center: Southeast Louisiana
- 2012 New Orleans Area Visitor Profile study
- New Orleans Airport New Terminal
- 2013 Super Bowl Economic Impact



Recent report from
Greater New Orleans
Community Data Center
*Economic Synergies
Across Southeast
Louisiana*

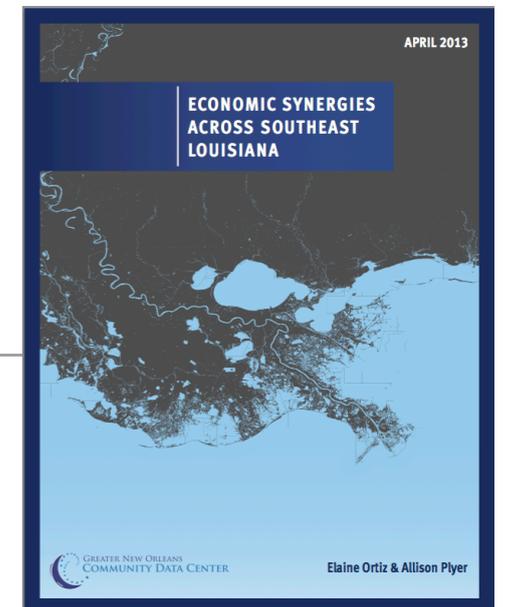


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Key conclusions

- Baton Rouge, New Orleans, and Houma- Thibodaux are highly synergistic to each other in their economic roles
- To compete with more vibrant Southern metros, Southeast Louisiana must diversify its economic base.
- Southeast Louisiana has received high rankings for its economic performance during the great recession. Indeed, from December 2007 to December 2012, the three metros of Baton Rouge, New Orleans, and Houma-Thibodaux combined grew jobs at a rate of 0.8 percent while the nation lost 2.4 percent of all jobs. There is a newfound energy and optimism post-Katrina that is a much needed change after decades of economic stagnation, meager job growth, and high poverty rates.
- https://gnocdc.s3.amazonaws.com/reports/GNOCDC_EconomicSynergiesAcrossSoutheastLouisiana.pdf



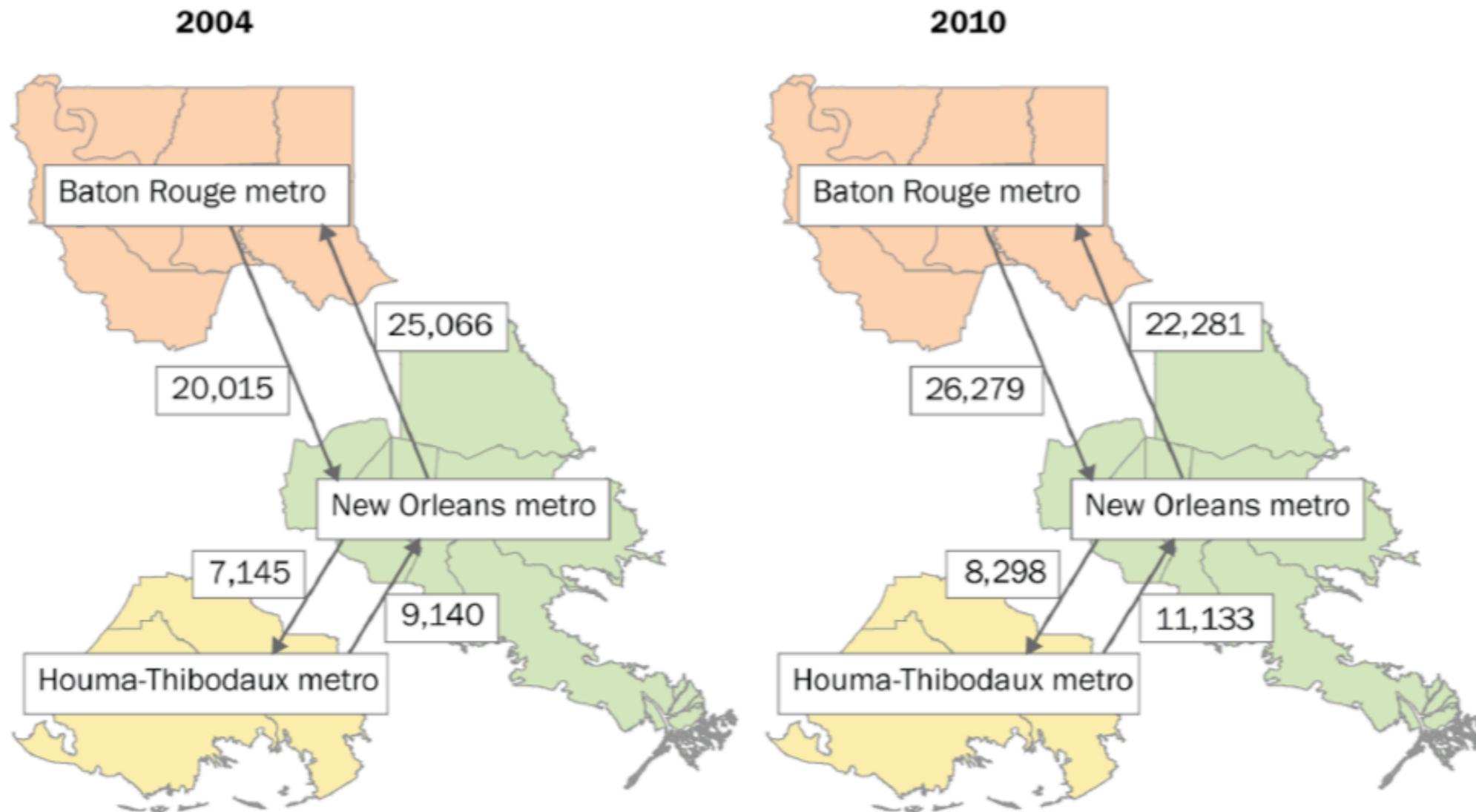
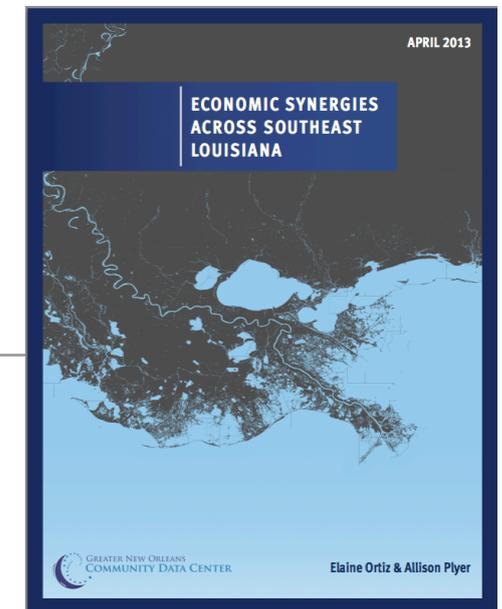
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Workers commuting between metros in Southeast Louisiana, 2004 and 2010

Trends in number of workers commuting each way



Source: GNOCDC analysis of data from U.S. Census Bureau's Local Employment Dynamics (LED) program.



2012 New Orleans Area Visitor Profile study



- Completed by the UNO Hospitality Research Center for the New Orleans Convention and Visitors Bureau (CVB) and New Orleans Tourism Marketing Corporation (NOTMC).
- 9.01 million visitors in 2012 to New Orleans area, up by 3% from 2011.
- Spending estimated at \$6 billion, 9% up on 2011.
- Highest number of visitors was 10.1 million in 2004, and \$4.9 billion.
- Half of visitors came by personal vehicle (48.9%) and half by plane (46.3%).

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New World Class Airport on North Side of MSY

- Mayor Landrieu, the New Orleans Aviation Board, and regional elected, business and tourism leaders announced plan to build a brand new state-of-the-art terminal on the north side of the current airport property.
- Cost is estimated at \$650 million for terminal, with possible additions of \$72 million for a power plant, \$87 million for a flyover addition from I-10, and \$17 million for a potential on-site hotel. Construction will involve 13,000 jobs.
- Funding for the new terminal project will come from various airport self-generated funds along with federal and state aviation grants. The City of New Orleans will not be funding any part of the new terminal project.
- New terminal will support the New Orleans regional tourism economy. The airport currently carries approximately 80% of the state's enplanements, and facilitates over \$2.6 billion in tourism spending. In 2012, MSY saw over 8.6 million passengers.

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Recent report from
Super Bowl Host
Committee & UNO
*2013 Super Bowl
Economic Impact*

**2013 Super Bowl Visitor Study
&
Economic Impact**

A Joint Project Between

**The New Orleans Super Bowl Host
Committee**

&



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April 2013

¹ Tucker, Design Musings: Super Bowl Edition, March 27, 2013, [Maga Design](#)



UNO Report on Economic Impacts

- Total net economic impact of \$480 million, of which
 - \$262.8 million in direct spending, and
 - \$217.2 million in secondary spending
- Estimated **direct impact** on LOCAL tax revenues:
 - \$5.087 million sales tax to New Orleans metro area
 - \$5.265 million hotel/motel to New Orleans metro area

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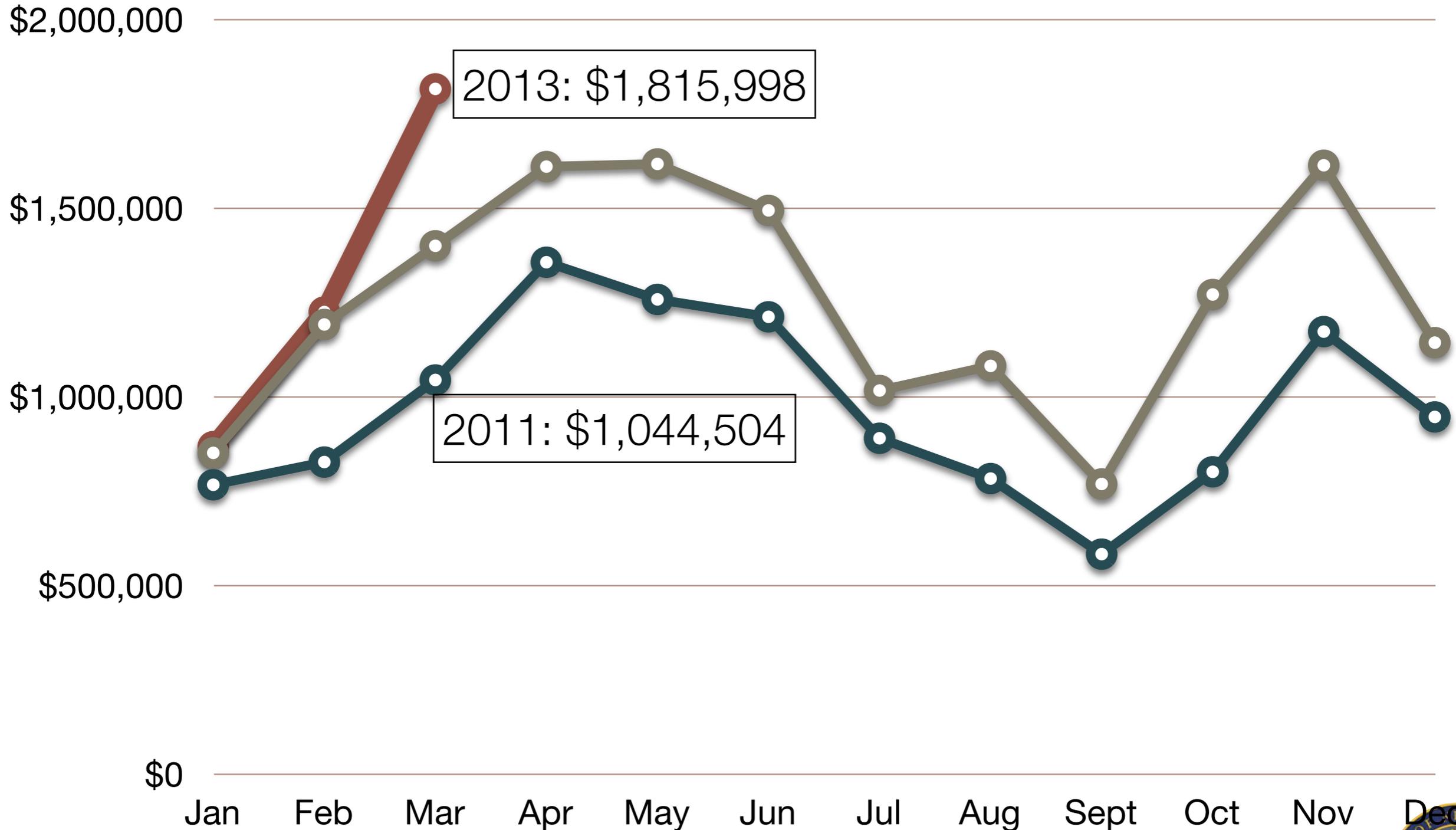
UNO Report on Lodging, preliminary analysis

- Metro area, not just Orleans Parish
- Overnight visitors direct spending on lodging: \$56 million
- Game related entities direct spending on lodging: \$13 million
- Media & Organizational direct spending on lodging: unclear (\$82.8 million total direct spending)
- Displaced impact of Convention/Tradeshows on lodging: \$(10 million)
- Net direct spending on lodging: \$59 million
- At 1.5%, City GF estimated impact by UNO would be \$885,000, **if all spending** took place in Orleans Parish



Hotel/Motel taxes, City GF, 2011 - 20131Q

-  2011
-  2012
-  2013

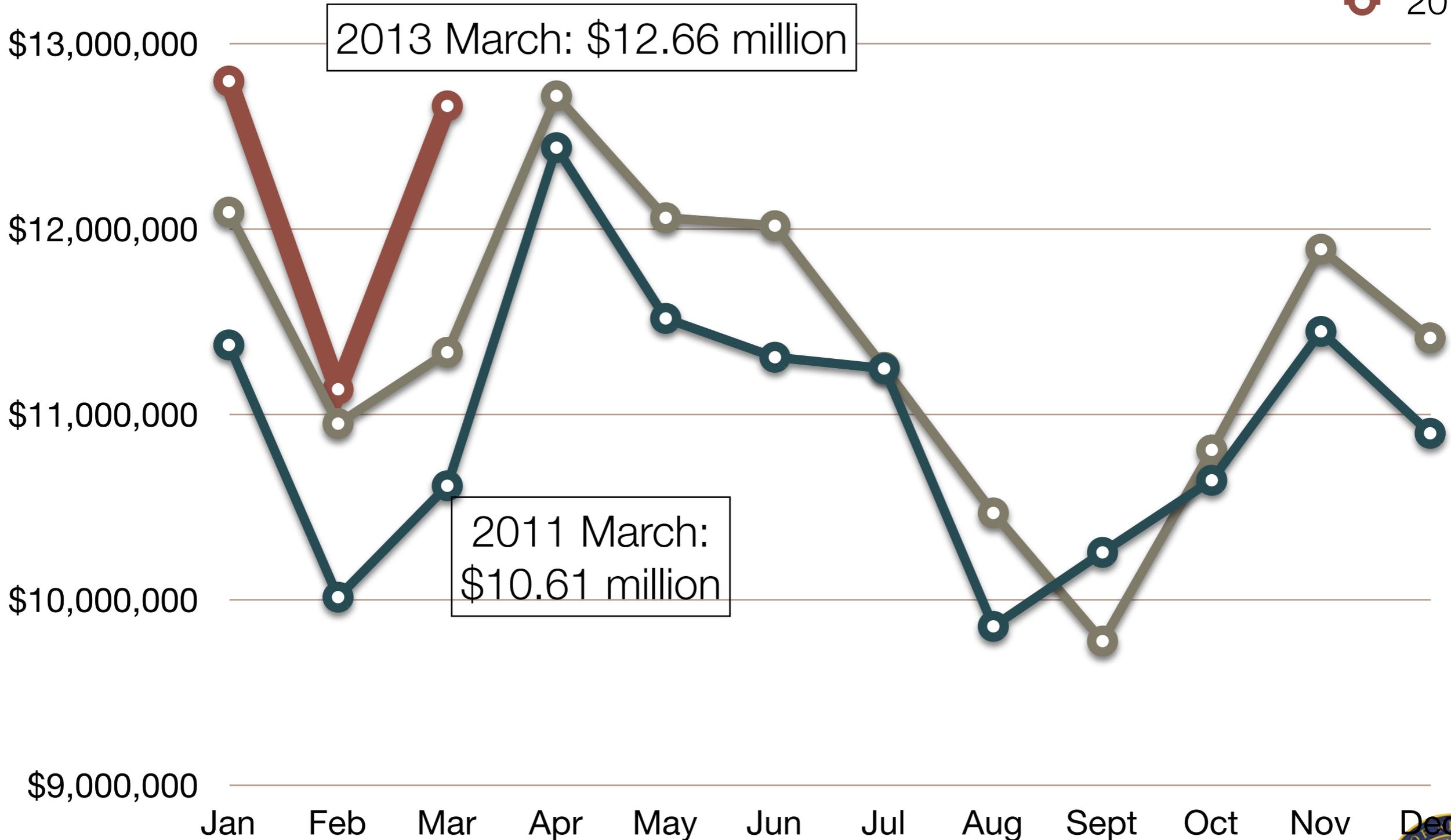


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Sales taxes, City GF, 2011 - 20131Q

-  2011
-  2012
-  2013



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April 2013 Revenue Estimating Conference

- Part 1: 2012 unaudited revenues compared to forecast
2012 Revenue ended in line with REC forecast from late 2012.
- Part 2: 2013 GF Revenues for 1st Quarter
Revenues are higher than 1st Quarter 2012, which is encouraging.
- Part 3: How does 2013's Budget Growth look now?
*2013 Forecast was based on 2012 REC, so base forecast was good.
2013 First Quarter revenues are in line with Budget.*
- Part 4: Recent reports and special events
*Tourism continues to grow, and airport expansion will support long-term plan.
Super Bowl was success for City and hotel/motel and sales tax higher.*

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