

Underlying: "A2" (Stable Outlook) (Moody's)  
 Underlying: "AA-" (Stable Outlook) (S&P)  
 Underlying: "A+" (Stable Outlook) (Fitch)  
 Insured: "AA" (Stable Outlook) (S&P)  
 Insured: "A2" (Stable Outlook) (Moody's)  
 (See "BOND RATINGS" herein.)

In the opinion of Foley & Judell, L.L.P., and Auzenne & Associates, L.L.C., Co-Bond Counsel, under existing law, interest on the Bonds is *not* excluded from gross income for federal income tax purposes. Bondholders should consult their tax advisors with respect to the inclusion of interest on the Bonds in gross income for federal income tax purposes. See "TAX MATTERS" herein. Under Louisiana law, the Bonds are exempt from all taxation for state, parish, municipal, or other purposes.

**\$50,000,000**  
**TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2019**

**CITY OF NEW ORLEANS, LOUISIANA**

**Dated: Date of Delivery**

**Due: December 1, as shown below.**

The referenced Taxable Public Improvement Bonds, Issue of 2019 (the "Bonds") of the City of New Orleans, Louisiana (the "Issuer") are being initially issued as fully registered bonds without coupons in denominations of \$5,000 each, or any integral multiple thereof within a single maturity, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. Purchases of the Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Principal of and interest on the Bonds will be payable by U.S. Bank, in the City of Brandon, Mississippi, or any successor paying agent (the "Paying Agent") to DTC, which will remit such payments in accordance with its normal procedures, as described herein. Interest on the Bonds is payable on June 1, 2020 and semiannually thereafter on June 1 and December 1 of each year. See Appendix "L"-BOOK-ENTRY ONLY SYSTEM herein.

The Bonds are not callable for redemption prior to their stated dates of maturity.

**The Bonds are general obligations of the City, for which the full faith and credit of the City is pledged, and are secured by and payable from *ad valorem* taxes upon all the property subject to such taxation within the City in an amount sufficient to pay the principal of and the interest on the Bonds.** The Bonds are being issued for the purpose of (a) making capital improvements, including constructing, renovating, acquiring and/or improving (i) roads, streets and bridges, base stabilization, drainage adjustments and related sidewalks, curbing, street lighting, stormwater management, and landscaping associated therewith, (ii) public buildings and facilities and parks and recreational facilities, and (iii) fire trucks and firefighting equipment, including acquiring all necessary land, equipment and furnishings for any of the foregoing, and (b) paying the cost of issuance of the Bonds. The Bonds are the second and final emission of the issuance of \$120,000,000 of General Obligation Bonds authorized at an election held in the City on April 9, 2016.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP.



**MATURITY SCHEDULE**  
 (Base CUSIP No. 64763F)

<u>Due</u> <u>Dec. 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Offering</u> <u>Price</u>	<u>CUSIPs</u>	<u>Due</u> <u>Dec. 1</u>	<u>Amount</u> *	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Offering</u> <u>Price</u>	<u>CUSIPs</u>
2020	\$ 3,000,000	2.00%	100.00	XD6	2025	\$3,400,000	2.30%	100.00	XJ3
2021	3,000,000	2.05	100.00	XE4	2026	2,910,000	2.40	100.00	XK0
2022	15,630,000	2.10	100.00	XF1	2027	2,225,000	2.45	100.00	XL8
2023	11,875,000	2.15	100.00	XG9	2028	1,805,000	2.55	100.00	XM6
2024	5,155,000	2.20	100.00	XH7	2029	1,000,000	2.65	100.00	XN4

The Bonds are offered when, as and if delivered, subject to the approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, Co-Bond Counsel. PFM Financial Advisors LLC, New Orleans, Louisiana, and CLB Porter, LLC, New Orleans, Louisiana serve as Co-Financial Advisors to the Board of Liquidation in connection with the sale and issuance of the Bonds. It is expected that the Bonds will be delivered in New Orleans, Louisiana, and will be available for delivery to DTC in New York, New York, on or about October 22, 2019, against payment therefor.

The date of this Official Statement is September 17, 2019. This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

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NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CITY OF NEW ORLEANS, LOUISIANA (THE "CITY") OR THE BOARD OF LIQUIDATION, CITY DEBT (THE "BOARD OF LIQUIDATION") TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE GOVERNING AUTHORITY. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM ("ORIGINAL BOUND FORMAT") OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITES: [www.idealpropectus.com](http://www.idealpropectus.com) and <http://www.bolcd.com>. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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ASSURED GUARANTY MUNICIPAL CORP. ("AGM") MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, AGM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESEPT TO THE ACCURACY OF THE INFORMATION REGARDING AGM SUPPLIED BY AGM AND PRESENTED UNDER THE HEADING "BOND INSURANCE" AND APPENDIX "K-SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

THIS OFFICIAL STATEMENT HAS BEEN PREPARED IN CONNECTION WITH THE INITIAL OFFERING AND SALE OF THE BONDS TO THE PURCHASERS ON THE DATE HEREOF AND IS NOT INTENDED FOR USE IN CONNECTION WITH ANY SUBSEQUENT SALE, REOFFERING OR REMARKETING OF THE BONDS. SUBSEQUENT PURCHASERS MUST THEREFORE RELY ON THEIR OWN EXAMINATION OF THE OFFERING, INCLUDING THE MERITS AND THE RISKS INVOLVED.

BY ITS PURCHASE OF THE BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE PURCHASER OR ANY OF ITS OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE BONDS.

#### Cautionary Statements Regarding Forward-Looking Statements in this Official Statement

This Official Statement is marked with a dated date and speaks only as of that dated date. Readers are cautioned not to assume that any information has been updated beyond the dated date except as to any portion of the Official Statement that expressly states that it constitutes an update concerning specific recent events occurring after the dated date of the Official Statement. Any information contained in the portion of the Official Statement indicated to concern recent events speaks only as of its date. The Issuer expressly disclaims any duty to provide an update of any information contained in this Official Statement, except as agreed upon by said parties pursuant to the Form of Continuing Disclosure Certificate included herein as Appendix "I"

The information contained in this Official Statement may include forward looking statements by using forward-looking words such as "may," "will," "should," "expects," "believes," "anticipates," "estimates," "budgets" or others. The reader is cautioned that forward-looking statements are subject to a variety of uncertainties that could cause actual results to differ from the projected results. Those risks and uncertainties include general economic and business conditions, and various other factors which are beyond the control of the Issuer.

This Official Statement contains projections of revenues, expenditures and other matters. Because the Issuer cannot predict all factors that may affect future decisions, actions, events or financial circumstances, what actually happens may be different from what is included in forward-looking statements.

THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED DOES NOT MEAN THAT THESE JURISDICTIONS OR ANY OF THEIR AGENCIES HAVE PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED, THE SECURITIES, OR THEIR OFFER OR SALE. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE BONDS AS A INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Purchaser may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

# CONTENTS

INTRODUCTORY STATEMENT .....	1
Authorization of Bonds.....	1
Board of Liquidation, City Debt; Administration of General Obligation Bonds.....	2
PURPOSE OF ISSUE .....	2
SECURITY FOR THE BONDS.....	2
Security Interest .....	3
Millage Rate Setting and Procedures .....	4
Estimated Millage Required to Service the Bonds.....	4
Legal Debt Limit.....	4
Results of Election.....	5
DESCRIPTION OF THE BONDS .....	5
Amount of Bonds Being Issued.....	5
Date of Issue .....	5
Paying Agent .....	5
Average Life.....	5
Form and Denomination .....	5
Maturities; Interest Payment Dates .....	6
Redemption Provisions.....	6
Bonds May Be Defeased.....	6
Provisions Applicable if Book-Entry Only System is Terminated.....	6
General.....	6
Place of Payment.....	6
Payment of Interest .....	7
Provisions for Transfer, Registration and Assignment.....	7
AD VALOREM TAX LEVY AND COLLECTION.....	7
Assessment Procedure .....	7
Constitutional Amendments.....	8
Homestead Exemptions .....	9
Tax Rate Adjustment .....	9
Penalty for Nonpayment of Taxes .....	9
Property Tax Collections .....	9
Sales of Adjudicated Properties .....	10
Current Matters Affecting Ad Valorem Taxation.....	10
DEBT STATEMENT .....	10
Short Term Debt .....	10
Long Term Debt .....	10
Overlapping Bonded Debt of Other Entities Secured by <i>Ad Valorem</i> Taxation .....	10
Limited Tax Bonds of the City and its Agencies .....	11
Revenue Bonds – Sewerage and Water Board.....	12
Other Revenue Bonds of Related Entities.....	12
Sales Tax Bonds .....	12
Hurricane-Related Borrowing.....	12
Loan and Lease Agreements.....	13
Trend of Indebtedness.....	13
BOND INSURANCE .....	14
Bond Insurance Policy .....	14
Assured Guaranty Municipal Corp. ....	14
BOARD OF LIQUIDATION .....	16
THE CITY .....	17
City Government .....	17
City Financial Management, Budgeting and Control.....	18
Budgets .....	18
The Capital Budget and Program.....	18
The Operating Budget.....	19
Revenues and Expenditures .....	21
Financial Controls.....	24
Extraordinary Expenditures .....	25
Employee Relations .....	25
Retirement Systems .....	25
Post-Employment Benefits .....	29
INVESTOR CONSIDERATIONS .....	29
Hurricanes Katrina and Rita.....	30
Levees and Flood Protection.....	30

Limitations on Remedies Available to Bondholders.....	30
Financial Information .....	31
Secondary Market.....	31
Failure to Provide Ongoing Disclosure.....	31
Book-Entry .....	31
Future Changes in Laws .....	32
Forward-Looking Statements.....	32
<b>TAX MATTERS .....</b>	<b>32</b>
Federal Taxes.....	32
State Taxes.....	32
Federal Income Taxes.....	32
Sale or Redemption of the Bonds .....	33
Defeasance.....	33
Reporting Requirement.....	33
Changes in Federal and State Tax Law.....	33
<b>CO-FINANCIAL ADVISOR .....</b>	<b>34</b>
<b>LITIGATION AFFECTING THE CITY.....</b>	<b>34</b>
<b>LEGAL MATTERS .....</b>	<b>35</b>
<b>FINANCIAL STATEMENTS.....</b>	<b>36</b>
<b>GOVERNING AUTHORITY .....</b>	<b>36</b>
<b>CONTINUING DISCLOSURE.....</b>	<b>36</b>
<b>PURCHASER.....</b>	<b>37</b>
<b>BOND RATINGS.....</b>	<b>37</b>
<b>ADDITIONAL INFORMATION.....</b>	<b>38</b>
<b>CERTIFICATION AS TO OFFICIAL STATEMENT .....</b>	<b>38</b>
<b>MISCELLANEOUS.....</b>	<b>38</b>

**MAPS**

Appendix “A”- Official Notice of Bond Sale
Appendix “B”- Financial and Statistical Data Relative to the City of New Orleans and the Parish of Orleans, State of Louisiana
Appendix “C”- 2018 Comprehensive Annual Financial Report of the City
Appendix “D”- 2019 Budget
Appendix “E”- 2018 Annual Financial Report of the Board of Liquidation
Appendix “F” - Debt Statement
Appendix “G”- Estimated Annual Debt Service Requirements
Appendix “H”- Form of Legal Opinion of Co-Bond Counsel
Appendix “I” - Form of Continuing Disclosure Certificate
Appendix “J” - Book-Entry Only System
Appendix “K”- Specimen Municipal Bond Insurance Policy

# **CITY OF NEW ORLEANS, LOUISIANA**

## **MAYOR**

LaToya Cantrell

## **CITY COUNCIL**

Jason R. Williams, *Councilmember at Large, President*  
Helena Moreno, *Councilmember at Large, Vice-President*  
Joseph I. Giarrusso, III, *Councilmember District "A"*  
Jay H. Banks, *Councilmember District "B"*  
Kristin Gisleson Palmer, *Councilmember District "C"*  
Jared C. Brossett, *Councilmember District "D"*  
Cyndi Nguyen, *Councilmember District "E"*

## **BOARD OF LIQUIDATION, CITY DEBT**

**Mary K. Zervigon**, President  
**Alan C. Arnold**, Vice President  
**LaToya Cantrell**, *ex officio*  
**Helena Moreno**, *ex officio*  
**Henry F. O'Connor, Jr.**  
**Julius E. Kimbrough, Jr.**  
**Jason R. Williams**, *ex officio*  
**Ralph W. Johnson**  
**Lynes R. Sloss**  
**David W. Gernhauser**, *Secretary*

## **CONSULTANTS AND ADVISORS**

Co-Bond Counsel	<i>Foley &amp; Judell, L.L.P.</i> <i>Auzenne &amp; Associates, L.L.C.</i>
Co-Financial Advisors	<i>PFM Financial Advisors LLC</i> <i>CLB Porter, L.L.C.</i>
Legal Counsel, Board of Liquidation, City Debt	<i>William R. Forrester, Jr., Esq.</i>
Auditors for the City of New Orleans	<i>Postlethwaite &amp; Netterville, APAC</i>
Auditors for the Board of Liquidation, City Debt	<i>Paciera, Gautreau &amp; Priest, LLC</i>
City Attorney	<i>Sunni J. LeBeouf</i>

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## OFFICIAL STATEMENT

**\$50,000,000**

### TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2019

#### CITY OF NEW ORLEANS, LOUISIANA

#### INTRODUCTORY STATEMENT

This Official Statement of the City of New Orleans, Louisiana (herein referred to as the “Issuer,” the “City” or “New Orleans”), provides information with respect to the referenced Taxable Public Improvement (the “Bonds”). This Official Statement contains summaries of certain provisions of the resolution adopted by the Board of Liquidation, City Debt (the “Board of Liquidation”), on September 17, 2019, pursuant to which the Bonds are being issued (the “Bond Resolution”).

The descriptions and summaries of the City, the Board of Liquidation, the Bonds, the Bond Resolution and various documents hereinafter set forth do not purport to be comprehensive or definitive and are qualified by reference to such entity, act, resolution, ordinance, document or instrument so referred to or summarized.

Additional information about the City and the Parish of Orleans (the “Parish”) is included in Appendix “B” hereto. The Comprehensive Annual Financial Report of the City for the fiscal year ended December 31, 2018, is included by reference in Appendix “C” hereto. The Budget of the City for fiscal year ending December 31, 2019 is included by reference in Appendix “E” hereto. The forms of legal opinion of Foley & Judell, L.L.P., and Auzenne & Associates, L.L.C. (collectively, “Co-Bond Counsel”), is included in Appendix “H” hereto.

Maps indicating the general location of the City in the State of Louisiana (the “State”) are included before Appendix “A” hereto.

Reference in this Official Statement to owner, holder, registered owner, Bondholder or Bondowner means the registered owner of the Bonds determined in accordance with the Bond Resolution.

This Official Statement contains information which has been furnished or obtained from the sources indicated. The factors affecting the City’s financial condition and the security for the Bonds are described throughout this Official Statement, which should be read in its entirety. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete and each such document, statute, report or instrument is qualified in its entirety by reference to each such document, statute, report or instrument, copies of which are available from the Board of Liquidation.

#### **Authorization of Bonds**

The Bonds are authorized and issued pursuant to Part XIV, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the “Act”). The Bonds were specifically authorized by a special election held in the City of April 9, 2016 (the “Election”). See “DESCRIPTION OF THE BONDS-Results of Election” herein.

The Louisiana State Bond Commission approved the Election and the issuance of the Bonds on February 18, 2016. The State Bond Commission expressly provides that said approval does not constitute a recommendation, approval or sanction by the State Bond Commission or the State of the investment quality of the Bonds and does not constitute any guaranty of repayment of the Bonds by the State Bond Commission or the State. The approval of the Bonds by the State Bond Commission should not be relied upon by any prospective purchaser of the Bonds as advice. The written approval of the State Bond Commission expressly states that neither it nor the State shall have any liability or legal responsibility to investors arising out of, related to, or connected with the approval of the Bonds.

## **Board of Liquidation, City Debt; Administration of General Obligation Bonds**

The Louisiana Legislature (the “Legislature”) created the Board of Liquidation pursuant to Act No. 133 of the 1880 Regular Session of the Legislature, as amended by Act 628 of the 1995 Regular Session of the Legislature, to provide security for the holders of general obligation debt of the City by having an independent body with exclusive control and direction of all matters related to general obligation bonded debt of the City. Under Louisiana law, the Board of Liquidation is responsible for separating and administering funds dedicated to the repayment of the general obligation debt from the operating budget of the City. All *ad valorem* taxes levied by the City Council of New Orleans (the “City Council”) in each year for the payment of general obligation bonds are transferred to the Board of Liquidation, which has responsibility for the deposit and investment of such tax receipts and the servicing of the outstanding general obligation bonds. Once the property tax dollars are received by the Board of Liquidation, they are irrevocably dedicated to repay debt service on the City’s general obligation bonds unless the obligation is otherwise discharged as provided by law. (See “BOARD OF LIQUIDATION” herein.)

### **PURPOSE OF ISSUE**

The Bonds are being issued for the purposes of (a) making capital improvements, including constructing, renovating, acquiring and/or improving (i) roads, streets and bridges, base stabilization, drainage adjustments and related sidewalks, curbing, street lighting, stormwater management, and landscaping associated therewith, (ii) public buildings and facilities and parks and recreational facilities, and (iii) fire trucks and firefighting equipment, including acquiring all necessary land, equipment and furnishings for any of the foregoing; and (b) paying the cost of issuance of the Bonds.

### **SECURITY FOR THE BONDS**

The Bonds are general obligations of the City and are payable from a special *ad valorem* tax, unlimited as to rate and amount, levied by the City on all property subject to taxation within the City. The Bonds are secured by a pledge of the full faith and credit of the City. The City Council is required under the Constitution and laws of the State to impose and collect annually, in excess of all other taxes, a tax on all property subject to taxation within the City sufficient to pay the principal of and interest and redemption premiums, if any, on all the City’s general obligation bonds in each year. This special tax, when collected, is immediately segregated and paid over to the Board of Liquidation to be used for the payment of debt service on the Bonds as set forth below. See Appendix “B” for more information regarding the assessed value of property in the City and the *ad valorem* tax collection record of the City.

Article VI, Section 33(B) of the Louisiana Constitution of 1974, as amended (the “Constitution”), provides as follows:

*Section 33. Political Subdivisions; General Obligation Bonds.*

*Section 33(B) Full Faith and Credit. The full faith and credit of a political subdivision is hereby pledged to the payment of general obligation bonds issued by it under this constitution or the statute or proceedings pursuant to which they are issued. The governing authority of the issuing political subdivision shall levy and collect or cause to be levied and collected on all taxable property in the political subdivision ad valorem taxes sufficient to pay principal and interest and redemption premiums, if any, on such bonds as they mature.*

Section 39:1034 of the Louisiana Revised Statutes of 1950, as amended, provides as follows with respect to the City:

*Section 39:1034. Authority to issue particular type bonds*

*A. General obligation bonds.*

*(1) Authorization; election. Subject to the approval of the State Bond Commission, or its successor, general obligation bonds may be issued by the City if authorized by a majority of the electors of the City voting on the proposition(s) at an election called by ordinance or resolution adopted by affirmative vote of a majority of the members of the council and conducted substantially in accordance with the provisions of*



*Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950, as amended. Prior to the holding of any election to authorize the issuance of general obligation bonds, the ordinance or resolution of the council ordering and calling the election must be approved by resolution adopted by a majority of the members of the Board of Liquidation.*

(2) *Debt limit. No general obligation bonds shall be issued by the City in an amount which shall exceed the limit of indebtedness provided for municipalities in R.S. 39:562(B), or five hundred million dollars, whichever is greater.*

(3) *Security. All general obligation bonds of the City shall be payable from ad valorem taxes levied by the council on all the property subject to taxation within the City sufficient in amount to pay principal and interest and redemption premiums, if any, thereon as they respectively become due and shall be additionally secured by a pledge of the full faith and credit of the City.*

(4) *Obligation to impose and collect taxes. The council shall impose and collect annually in excess of all other taxes, a tax on all the property subject to taxation within the City sufficient to pay the principal and interest and redemption premiums, if any, on all general obligation bonds in each year. All ad valorem taxes levied by the council in each year for the payment of general obligation bonds shall, upon their receipt, be transferred daily to the Board of Liquidation which shall have responsibility for the deposit of such receipts and for the investment and reinvestment of such receipts and the servicing of the outstanding general obligation bonds.*

(5) *Failure to collect taxes; default in collection. Should the council neglect or fail for any reason to impose or collect sufficient taxes for the payment of the principal or interest or redemption premiums, if any, on any general obligation bonds, any person in interest may enforce imposition and collection thereof in any court having jurisdiction of the subject matter, and any suit, action, or proceeding brought by such person in interest for such purpose shall be a preferred cause, and shall be heard by a court of competent jurisdiction and disposed of without delay. In the event of any default in the imposition and collection of any taxes required for the payment of the principal and interest and redemption premiums, if any, on any general obligation bonds, the Board of Liquidation shall, itself, by proper resolution, have the power to levy and collect the taxes required for the payment of principal and interest and redemption premiums, if any, and shall certify the rate and necessity therefor and cause the same to be imposed and collected at the same time and in the same manner as other taxes are imposed and collected in the City.*

(6) *Refunding bonds. The City and public entities are hereby authorized to issue refunding bonds for the purposes of refunding, readjusting, restructuring, refinancing, extending, or unifying the whole or any part of its outstanding bonds in an amount sufficient to provide the funds necessary to effectuate the purpose for which the refunding bonds are being issued and to pay all costs associated therewith. Such refunding bonds may be issued in accordance with the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, except that in the case of refunding bonds which are general obligations of the City or are payable from limited or special ad valorem taxes, the Board of Liquidation shall be considered to be the governing body of the issuer where such term is used in connection with the issuance of the refunding bonds in said Chapter 14-A. In case of refunding bonds payable from sales tax revenues, the Board of Liquidation shall approve the issuance of such bonds by resolution adopted by affirmative vote of a majority of its members, and the Board of Liquidation shall sell such bonds. In those instances where the bonds being refunded were subject to the approval of the council, the resolution providing for the issuance of the refunding bonds shall be approved by resolution adopted by the affirmative vote of a majority of the members of the council.*

Upon delivery of the Bonds, the City will have \$573,950,000 of general obligation bonds outstanding.

### **Security Interest**

The Bond Resolution provides for a pledge by the Issuer of the revenues of the unlimited *ad valorem* tax referenced above as security for the Bonds. Pursuant to the Louisiana Constitution, the proceeds of such tax may only be used to pay debt service on the Bonds. Pursuant to Section 39:1430.1 of the Louisiana Revised Statutes of 1950, as amended, the tax collections so pledged and then or thereafter received by the City, the Board of Liquidation or the paying agent shall be subject to a first priority lien in favor of bondholders, and no filing is required under Chapter 9 of the Uniform Commercial Code, as enacted in the State for the perfection and priority of such pledge.

## Millage Rate Setting and Procedures

The Board of Liquidation annually recommends to the City Council the property tax millage to be levied for the payment of debt service on the City's general obligation bonded indebtedness for the succeeding year. The Board of Liquidation's millage recommendation takes into consideration the debt service requirements on outstanding and proposed bonds, assessed valuations, net of homestead exemptions, and an assumed rate of property tax collections. The property tax levied for the purpose of paying debt service on the City's general obligation debt is separate from all other property taxes levied by the City Council and is dedicated solely for such purpose. All collections of the property tax dedicated to pay general obligation debt are required by statute to be paid over to the Board of Liquidation daily as collected by the City's Department of Finance. The Board of Liquidation is responsible for depositing, investing and reinvesting such receipts and for paying debt service on general obligation debt. In the event tax collections dedicated to the payment of debt service are insufficient therefor, the Board of Liquidation may use its available funds on hand and not dedicated to other purposes to pay debt service and is empowered to levy an additional tax to pay such deficiency. The Act provides that the Board of Liquidation shall be continued while any of the City's general obligation bonds are outstanding and unpaid and its powers with respect to payment of the general obligation bonds shall not be diminished.

For more detailed information on the assessment and collection procedures, see "AD VALOREM TAX LEVY AND COLLECTION" herein.

## Estimated Millage Required to Service the Bonds

The Issuer levied 22.50 mills on the 2019 tax roll for interest and principal payments on its outstanding general obligation bonds, and the Board of Liquidation anticipates the same amount will be levied on the 2020 tax roll. The Issuer estimates that this millage will be adequate and will produce sufficient revenue to service the Issuer's outstanding general obligation bonds and the Bonds. For additional information, see Appendix "G" hereto.

## Legal Debt Limit

The total principal amount of general obligation bonds of the City that may be at any time outstanding is limited by Section 39:1034 of the Louisiana Revised Statutes of 1950, as amended, to the greater of \$500,000,000 or 35% of the total assessed valuation of the City. The following table describes the debt limit of the City:

### LEGAL DEBT LIMIT OF THE CITY

2019 Total Assessed Valuation	\$4,345,460,180
35% of Total Assessed Valuation	\$1,520,911,063
Less amount of Outstanding General Obligation Bonds as of September 2, 2019	\$ 523,950,000
Less Amount of Proposed General Obligation Bonds	\$ 50,000,000
Total General Obligation indebtedness of the City After Giving Effect to the Proposed Bonds	\$ 573,950,000
Percentage of 2019 Total Assessed Valuation	13.21%
Remaining General Obligation Bond Capacity for Capital Improvements	\$ 946,961,063

**Results of Election**

The Bonds are the second and final emission of \$120,000,000 of general obligation bonds authorized pursuant to a proposition approved by the voters of the City at the Election. The result of said election and the proposition submitted follow:

Number of Votes FOR	13,656
Number of Votes AGAINST	11,967

**BOND PROPOSITION**

“Shall the City of New Orleans, Louisiana (the “City”), incur debt and issue up to \$120,000,000 of bonds, in one or more series, to run not exceeding thirty (30) years from the date thereof, with interest at a rate not exceeding eight percent (8.00%) per annum, for the purpose of making capital improvements, including constructing, renovating, acquiring and/or improving (i) \$100,000,000 for roads, streets and bridges, base stabilization, drainage adjustments and related sidewalks, curbing, street lighting, stormwater management, and landscaping associated therewith; (ii) \$15,000,000 for public buildings and facilities and parks and recreational facilities, and (iii) \$5,000,000 for fire trucks and firefighting equipment, including acquiring all necessary land, equipment and furnishings for any of the foregoing, which bonds will be general obligations of the City and will be payable from ad valorem taxes to be levied and collected in the manner provided by Article VI, Section 33 of the Constitution of the State of Louisiana of 1974 and statutory authority supplemental thereto, with no estimated increase in the millage rate to be levied in the first year above the 25.5 mills currently being levied to pay General Obligation Bonds of the City?”

**DESCRIPTION OF THE BONDS**

**Amount of Bonds Being Issued**

Fifty Million Dollars (\$50,000,000) of Taxable Public Improvement Bonds, Issue of 2019 of the Issuer are being issued, constituting the second and final emission of One Hundred Twenty Million Dollars (\$120,000,000) of Bonds authorized at the Election.

**Date of Issue**

The Bonds are dated as of the date of delivery, which is anticipated to be on or about October 22, 2019.

**Paying Agent**

U.S. Bank, of the City of Brandon, Mississippi (the “Paying Agent”), is designated as the initial paying agent for the Bonds pursuant to the Bond Resolution.

**Average Life**

The average life of the Bonds is approximately 4.388 years from their dated date.

**Form and Denomination**

The Bonds are initially issuable as fully registered bonds in “book-entry” only form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds, and purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. (See Appendix “J”) The Bonds are being issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within a single maturity.

## **Maturities; Interest Payment Dates**

The Bonds mature on December 1 in the years and in the principal amounts indicated on the cover of this Official Statement and bear interest from the dated date, payable on June 1 and December 1 of each year, commencing June 1, 2020 (each an “Interest Payment Date”), at the rates per annum indicated on the cover hereof. The Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for.

## **Redemption Provisions**

The Bonds are not callable for redemption prior to their stated dates of maturity.

## **Bonds May Be Defeased**

Pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and the Bond Ordinance, the Bonds, in whole or in part, shall be defeased and shall be deemed to be paid and shall no longer be considered to be outstanding under the Bond Ordinance, and the covenants, agreements, and obligations contained in the Bond Ordinance with respect to such Bonds shall be discharged if one of the following shall occur:

- 1) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, monies in an amount sufficient to pay in full the principal of and interest and call premiums, if any, on such Bonds to their stated maturity.
- 2) There is deposited in an irrevocable trust with a bank which is a member of the Federal Deposit Insurance Corporation, or its successor, or with a trust company, non-callable direct general obligations of the United States of America or obligations unconditionally guaranteed in principal and interest by the United States of America, including certificates or other evidence of an ownership interest in such non-callable direct obligations, which may consist of specified portions of interest thereon, such as those securities commonly known as CATS, TIGRS, and STRPS, the principal of and interest on which, when added to other monies, if any, deposited therein, shall be sufficient to pay when due the principal of and interest and call premiums, if any, on such Bonds to their stated maturity.

Neither the obligations nor the moneys deposited in irrevocable trust nor the principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than and shall be held in trust for the payment of the principal of and premium, if any, and interest on the Bonds defeased. The owners of the Bonds which are so defeased shall have an express lien on such moneys or governmental obligations until paid out, used, and applied as set forth above.

## **Provisions Applicable if Book-Entry Only System is Terminated**

**General.** Purchasers of Bonds will receive principal and interest payments, and may transfer and exchange Bonds, pursuant to the following provisions only if the book-entry only system is terminated. Otherwise, payments and transfers will be made only as described in Appendix “J” attached hereto.

**Place of Payment.** The Bonds will be payable at the corporate trust office of the Paying Agent in the City of Brandon, Mississippi, or at the office of any successor thereto.

**Payment of Interest.** Upon discontinuation of the book-entry only system, interest on the Bonds will be payable by check mailed on or before the Interest Payment Date by the Paying Agent to the registered owner, determined as of the close of business on the 15th calendar day of the month next preceding an Interest Payment Date (the “Record Date”), whether or not such day is a Business Day (as defined in the Bond Ordinance), at the address of such registered owner as it appears on the registration books of the Paying Agent.

The person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) shall be entitled to receive the interest payable with respect to such Interest Payment Date notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

**Provisions for Transfer, Registration and Assignment.** The Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds of the same series will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds must be in the denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange any Bond during a period beginning at the opening of business on the 15th day of the month next preceding an Interest Payment Date and ending at the close of business on the Interest Payment Date.

## **AD VALOREM TAX LEVY AND COLLECTION**

The following information with respect to certain property tax and related matters is included in this Official Statement to provide background information relating to the tax revenues securing the payment of the Bonds.

### **Assessment Procedure**

All taxable property in the State is required by law to be assessed annually at a percentage of its fair market value or use value by assessors elected for four year terms, except that public service property is assessed directly by the Louisiana Tax Commission (the “Tax Commission”). Property tax assessments are required to be equal and uniform throughout the State.

The Constitution provides that the classifications of property subject to *ad valorem* taxation and the percentage of fair market value applicable to each classification for the purpose of determining assessed valuation are as follows:

<u><b>Classifications</b></u>	<u><b>Percentages</b></u>
1. Land	10%
2. Improvements for residential purposes	10%
3. Electric cooperative properties, excluding land	15%
4. Public service properties, excluding land	25%
5. Other property	15%

The Constitution also provides that agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of “use” value. Fair market values are determined by the assessors, subject to review and final certification by the Tax Commission.

Under the Constitution, the assessor is required to determine the fair market value of all property subject to taxation within the City, except public service properties that are valued by the Tax Commission. The Tax Commission is required by statute to measure annually the level of appraisals or assessments and the degree of uniformity of assessments for each major class and type of property in each parish

throughout the State and to hold a public hearing to hear any complaints. If the appraisal or assessment level of a parish deviates by more than 10% from the percentage of fair market or use valuation, the Tax Commission is to order the assessor, within a period of one year, to reappraise all property within the parish or district or within one or more property classifications, certify the assessment lists for the year in which the order is issued, and in the following year again measure the level of appraisals or assessments for each major class and type of property in the parish. If the appraisal or assessment levels of a parish deviate again by more than 10% from the required percentage of fair market or use value, the Tax Commission may not certify the assessment rolls.

Real property subject to taxation is required to be reappraised and valued at intervals of not more than four years and personal property subject to taxation is required to be reappraised and valued on an annual basis. The revised “Real/Personal Property Rules and Regulations” of the Tax Commission provide that the assessors may use the cost, income and market approaches in making appraisals of residential, commercial and industrial land and improvements. An assessor may reappraise real property based on property transfers more often than every four years if the trends established by the transfers indicate that property value fluctuations are creating inequities within the assessing district by property classifications, however, the reappraisal shall not be applied on a parcel by parcel basis, but rather to all parcels in a particular geographical area. Improvements are added to the tax rolls on the August 1 following the year the improvements are completed. A general reappraisal of property has been made by the assessor for the 2020 tax roll. (See “AD VALOREM TAX LEVY AND COLLECTION - Ongoing Matters Affecting Ad Valorem Taxation” herein.) There can be no guaranty that the assessed valuation of the City will increase in future years. For additional information, see Appendix “B” herein.

By law, assessment lists shall be open for public inspection from August 1 through August 15 of each year in the Parish, and the Orleans Parish Assessor must finish the preparation and listing on the assessment lists of all real and personal property and certify his roll to the Board of Review. The Board of Review is required to certify the roll to the Tax Commission on or before October 20 of each year. The roll is then filed with the tax collector (City’s Director of Finance). The City Council, as the governing authority of the City, annually adopts by December 1 an ordinance levying the *ad valorem* taxes (other than the *ad valorem* taxes levied by the Orleans Law Enforcement District, Orleans Parish School Board and the Orleans Levee District) on taxable real and personal property for the following calendar year. Taxes on both real and personal property are payable on January 1 and are delinquent on February 1.

The Tax Commission may change or correct any and all assessments of property for the purposes of taxation during the year. Such changes may be made at any time before the taxes levied have actually been paid.

Taxpayers may pay their *ad valorem* taxes under protest by paying the full amount due and giving notice at the time of payment of their intention to file suit. The amount paid under protest is held in escrow (a) for 30 days pending initiation of a suit after which period such amount is surrendered and considered paid in full or (b) if a suit is timely filed, until final judicial determination.

The current Orleans Parish Assessor is Erroll G. Williams. The Assessor’s website is located at [www.nolaassessor.com](http://www.nolaassessor.com).

## **Constitutional Amendments**

At an election held on September 30, 2006, the voters of the State approved an amendment to the Constitution generally providing that owners of homes damaged in a disaster are permitted to retain their homestead exemption if they are unable to reoccupy the destroyed or uninhabitable home, if they file an annual affidavit with the assessor stating their intention to reoccupy the home by December 31 of the fifth year after the initial affidavit filed in the calendar year after the disaster. Homeowners entitled to the special assessment level, hereinafter described, are permitted to retain the pre-disaster assessment on their repaired or rebuilt homestead, provided they reoccupy the home by December 31 of the fifth year after the initial affidavit to retain the special assessment. The special assessment level is the artificial freeze in assessed value for owners over age 65 with an income of under approximately \$58,000.

At various other elections, the voters of the State have approved amendments to the Constitution that affect the assessed value of the Issuer and the levy and collection of *ad valorem* taxes in the territory of the Issuer. These amendments include a property tax assessment freeze for certain military and disabled persons, a property tax exemption for leased medical equipment, a municipal property tax exemption for motor vehicles, a property tax exemption for consigned art and an increase in the homestead exemption (from \$7,500 to \$15,000 of assessed valuation) for veterans with a service-connected disability rating of one hundred percent unemployability or total disability by the United States Department of Veterans Affairs. The Issuer cannot guarantee whether future amendments to the Constitution will be proposed or approved by voters.

### **Homestead Exemptions**

Under the Constitution, \$7,500 of the assessed value of property applicable to owner-occupied residences is exempt from property tax in the Parish (except for certain millage levied for police and fire protection) and with the exception that the homestead exemption for 100% disabled veterans and their surviving spouses is \$15,000 of assessed value. In all other parishes in the State, taxes for municipal purposes are applied to the total assessed valuation of the property being taxed.

Approximately 10.85% of the total assessed valuation of the Issuer for 2019 represents homestead exempt property. The special *ad valorem* tax levied by the Issuer to service the Bonds is subject to homestead exemption.

### **Tax Rate Adjustment**

The tax rate adjustment provisions of the Constitution and Section 47:1705 of the Louisiana Revised Statutes of 1950, as amended, are *not* applicable to the *ad valorem* tax levied by the Issuer to service the Bonds.

POLITICAL SUBDIVISIONS ARE REQUIRED TO CONTINUE TO LEVY WITHOUT LIMITATION *AD VALOREM* TAXES AT SUCH RATES AS MAY BE NECESSARY TO SERVICE GENERAL OBLIGATION BONDS.

### **Penalty for Nonpayment of Taxes**

A delinquent tax accrues interest at a rate of one percent for each month or portion of a month the tax remains unpaid (normally, as of February 1).

### **Property Tax Collections**

The property taxes for the calendar year 2019 are currently being collected by the City Finance Department. Section 47:1997.1 of the Louisiana Revised Statutes of 1950, as amended, provides that in Orleans Parish, each tax recipient body that receives a portion of *ad valorem* taxes must reimburse the City's Finance Director for the cost of collection, not to exceed two percent (2%). The cost of collection is deducted from each tax recipient governing bodies' proportionate share of the taxes with the proceeds received from the collection charge to be deposited in the City's General Fund. In addition, the Assessor receives two percent (2%) of the amount of taxes levied pursuant to La. R.S. 47:1925.8, which provides that the Orleans Parish Assessor's Office shall be funded annually no later than March 1 by the City with no less than two percent of the *ad valorem* taxes levied on property in the City and Orleans Parish. The total amount of revenue received by the Assessor's Office shall never be less than that received by the former Board of Assessors for Orleans Parish in 2006.

See Appendix "B" for more information regarding the assessed value of property in the City and the *ad valorem* tax collection record of the City. See "LITIGATION AFFECTING THE CITY" herein for information regarding a lawsuit challenging reimbursement of the City's cost of collection.

## **Sales of Adjudicated Properties**

In July 2015, the City began auctioning adjudicated properties with significant success. Several hundred properties have since been auctioned and returned to private ownership. In addition, a number of property owners redeemed their properties prior to the scheduled auction by paying the back taxes and penalties owed to the City and other tax recipient entities.

## **Current Matters Affecting Ad Valorem Taxation**

Pursuant to Article VII, Section 18(F) of the Louisiana Constitution of 1974, as amended, the Assessor is required to reassess all properties in the City at least once every four years. (See “AD VALOREM TAX LEVY AND COLLECTION – Assessment Procedure” herein.) The Assessor has conducted a reappraisal for the 2020 tax roll. While the assessed value of the City for the 2020 tax roll is not yet final and remains subject to change, the current estimates indicate the taxable assessed value of the City will increase approximately \$700,000,000, or 18%, for the 2020 tax roll versus the 2019 tax roll. Of the increase, approximately \$250,000,000, or 35% of the increase, results from new properties or improvements being added to the tax roll. The remainder, approximately \$40,000,000, is a result of the reappraisal of existing property and improvements. The increase in the assessed value of the City does not directly impact the taxes levied by the Board of Liquidation to pay debt service on the Bonds and other general obligation bonds of the City, but it may be factored into the calculation of the millage levied in future years to pay debt service. (See “AD VALOREM TAX LEVY AND COLLECTION – Tax Rate Adjustment” herein.) The City cannot guaranty whether the increase in the assessed value of the City will have any impact on the millages being levied throughout the City or on the future value of property within the City.

On July 25, 2019, the City Council approved a resolution calling an election to be in the City on November 16, 2019, to authorize the issuance of additional general obligation bonds in the maximum cumulative principal amount of \$500,000,000. Such bonds, if approved by the majority of the qualified electors voting in said election, will, like the Bonds, be secured by a special ad valorem tax levied by the City, unlimited as to rate and amount, and issued by the Board of Liquidation pursuant to the Act. The City estimates, at this time, that such bonds, if approved by the voters, will be issued in several series so as not cause the Board of Liquidation to increase the ad valorem tax levied to pay debt service on the City’s outstanding general obligation bonds above the 22.50 mills currently being levied; however, there can be no guaranty that an increase will not be required in the future.

On August 8, 2019, the City Council approved a resolution calling an election to be in the City on November 16, 2019, to authorize an ad valorem tax to be levied on all taxable property in the City for various purposes.

## **DEBT STATEMENT**

### **Short Term Debt**

The City has no outstanding short term indebtedness other than normal accounts payable or as otherwise stated in this Official Statement.

### **Long Term Debt**

The details of the long term debt of the City are presented in the Debt Statement included as Appendix “F” and under the caption “Trend of Indebtedness” below.

### **Overlapping Bonded Debt of Other Entities Secured by *Ad Valorem* Taxation**

As of September 2, 2019, the Law Enforcement District of the Parish of Orleans, State of Louisiana had a total of \$19,555,000 of general obligation bonds outstanding which are secured by and payable from unlimited *ad valorem* taxes.



As of September 2, 2019, the Parishwide School District of the Parish of Orleans, State of Louisiana had a total of \$9,700,000 of general obligation bonds for public school purposes outstanding which are secured by and payable from unlimited *ad valorem* taxes, and the Orleans Parish School Board had a total of \$79,055,000 of revenue bonds outstanding which are payable from (i) an *ad valorem* tax of 37.65 mills and (ii) the net revenues from a one-half of one percent ( $\frac{1}{2}\%$ ) sales and use tax authorized in an election held on November 4, 1980.

### **Limited Tax Bonds of the City and its Agencies**

As of September 2, 2019, the City had outstanding \$5,307,605 Limited Tax Refunding Bonds, Series 2015A (“2015A Tax Bonds”), dated February 26, 2015 and maturing September 1, 2020 to September 1, 2021, inclusive, and \$2,250,376 Taxable Limited Tax Bonds, Series 2015B (“2015B Tax Bonds”), dated February 26, 2015 and maturing September 1, 2020 to September 1, 2021, inclusive, secured by the net proceeds of a 1.82 mills *ad valorem* tax authorized in an election held on July 15, 1995, to finance repairs, renovations and improvement to parks, playgrounds and recreation facilities and for the acquisition of firefighting, sanitation, and mosquito control equipment.

As of September 2, 2019, the City had outstanding \$145,250,000 of Taxable Limited Tax Refunding Bonds, Series 2012, dated October 23, 2012 (the “Series 2012 Refunding Bonds”); \$7,295,000 Taxable Limited Tax Bonds, Series 2016, dated October 12, 2016 (the “Series 2016 Limited Tax Bonds”) and \$8,565,000 Taxable Limited Tax Bonds, Series 2017, dated November 30, 2017 (the “Series 2017 Limited Tax Bonds”). The Series 2012 Refunding Bonds, Series 2016 Limited Tax Bonds and the Series 2017 Limited Tax Bonds are payable on a *pari passu* basis from proceeds derived from the levy and collection of a special *ad valorem* tax of 14.91 mills (13.91 mills adjusted due to reassessment) which the City is authorized to levy for general purposes pursuant to the Louisiana Constitution of 1974, as amended.

The City is authorized to issue limited tax bonds for the Audubon Commission payable solely from the proceeds of special *ad valorem* taxes. The maximum principal and interest payable in any year on Audubon Commission limited tax bonds at any time outstanding may not exceed 75% of the revenues of the respective tax dedicated therefor in the calendar year next preceding the date of the adoption by the Audubon Commission of the resolution authorizing the issuance of said bonds. As of September 2, 2019, the Audubon Commission had outstanding \$10,405,000 aggregate principal amount of its limited tax bonds outstanding for the purpose of improving the Audubon Aquarium, payable solely from the proceeds of the equivalent of a 4.11 mills *ad valorem* tax (2.99 mills adjusted due to reassessment).

The City is authorized to issue limited tax bonds for the Downtown Development District (which includes the area within the boundaries of the Mississippi River, the upper line of the Mississippi River Bridge and Pontchartrain Expressway, the lake side right-of-way line of Claiborne Avenue, and the lower right-of-way line of Iberville Street) payable solely from the proceeds of a special *ad valorem* tax. The total principal amount of any of these bonds at any time outstanding may not exceed \$50,000,000, and the maximum amount of bonds authorized by the voters is \$10,000,000.

On September 2, 2019, the City had outstanding \$3,240,000 of limited tax bonds for the Downtown Development District, maturing December 1, 2019 to December 1, 2026, inclusive, secured by and payable from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax not exceeding 22.97 mills (14.76 mills due to reassessment) upon all the taxable real property located in the Downtown Development District of the City of New Orleans, authorized in elections held on December 8, 1979, and April 7, 2001.

The City is authorized to issue limited tax bonds for the Drainage System of the City administered by the Sewerage and Water Board of New Orleans (the “Sewerage and Water Board”), payable solely from separate *ad valorem* taxes. As of September 2, 2019, the City had \$7,665,000 aggregate principal amount of its limited tax bonds outstanding for the Drainage System and is levying an *ad valorem* tax of 7.06 mills for the payment thereof.

## **Revenue Bonds – Sewerage and Water Board**

The City, acting by and through the Board of Liquidation, is authorized to issue water revenue bonds and sewerage service revenue bonds secured by and payable solely from revenues received from the imposition of water charges and sewerage charges, respectively, and from the amounts held on deposit in the funds and accounts established under the resolutions pursuant to which such bonds were issued.

As of September 2, 2019, there were outstanding \$197,300,000 of water revenue bonds and \$205,840,000 of sewerage service revenue bonds issued by the City for the Sewerage and Water Board. In August 2019, the City, the Board of Liquidation and the Sewerage and Water Board gave preliminary approval to the issuance of not exceeding \$25,000,000 in sewerage service revenue bonds.

## **Other Revenue Bonds of Related Entities**

The City is authorized through the New Orleans Aviation Board (the “Aviation Board”) to issue revenue bonds which are secured by and payable solely from the revenues derived from the operation of New Orleans International Airport. As of September 2, 2019, there were \$1,035,895,000 of outstanding airport revenue bonds of the Aviation Board. The Aviation Board has also issued revenue bonds secured solely from funds derived from an approved passenger facility charge. As of September 2, 2019, there were \$196,355,000 of outstanding passenger facility charge revenue bonds of the Aviation Board.

On September 29, 2004, the City issued \$11,500,000 of Revenue Bonds (Canal Street Improvements Project) (the “Canal Street Revenue Bonds”) which are payable from payments made by Canal Street Development Corporation and Downtown Development District pursuant to a Cooperative Endeavor Agreement and from payments made by the City from the General Fund. As of September 2, 2019, \$3,940,000 of the Canal Street Revenue Bonds were outstanding.

## **Sales Tax Bonds**

The City is authorized to issue bonds secured by and payable from sales tax revenues pursuant to the Louisiana Revised Statutes of 1950, as amended. The City does not presently have any outstanding sales tax bonds.

## **Hurricane-Related Borrowing**

As part of the recovery efforts following Hurricanes Katrina and Rita (See “INVESTOR CONSIDERATIONS-Hurricanes Katrina and Rita” herein), the City and its component units and independent boards received special authorization to borrow funds from various sources for various purposes. The State issued \$200,000,000 of General Obligation Gulf Tax Credit Bonds, Series 2006-A and \$200,000,000 of General Obligation Match Bonds, Series 2006-B (the “State Bonds”) and loaned the proceeds to various entities to assist in the payment of debt service coming due on the respective obligations of each entity.

The following table lists the various borrowings by the City and its component entities and independent boards relating to the State Bonds, including the original principal amount of the borrowing, final maturity date(s) and security therefore:

*(Remainder of page intentionally left blank.)*

<u>Borrower</u>	<u>Principal Amount</u>	<u>Final Maturity Date</u>	<u>Security</u>
City of New Orleans	\$52,268,594	7/15/2026	All available revenues of the City after payment of all outstanding debt
Board of Liquidation	27,617,209	7/15/2026	All available revenues of the Board of Liquidation after payment of all outstanding Debt
Sewerage and Water Board	77,465,247	7/15/2031	All available revenues of the Sewerage and Water Board after payment of all outstanding debt
Audubon Commission	4,907,500	7/15/2026	All available revenues of the Audubon Commission after payment of all outstanding debt
Audubon Commission	11,851,066	7/15/2026	All available revenues of the Audubon Commission after payment of all outstanding debt
Aviation Board	35,371,990	7/15/2026	All available revenues of the Aviation Board after payment of all outstanding debt
Downtown Development District	1,600,153	7/15/2026	All available revenues of the Downtown Development District after payment of all outstanding debt

In addition, the Federal Government acting through the Federal Emergency Management Agency (“FEMA”) pursuant to Robert T. Stafford Disaster Relief and Emergency Assistance Act (the “Stafford Act”), as amended, loaned the City and several of its component units funds for current operations related to essential services, which loans were evidenced by one or more notes of such entities. Pursuant to Section 502 of the U.S. Troop Readiness, Veterans’ Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007, FEMA has forgiven all Stafford Act loans made to the City and its component units.

### **Loan and Lease Agreements**

The City Council has authorized the Mayor to sign loan agreements under the HUD Section 108 loan program and lease agreements on behalf of the City to stimulate business development and acquire certain immovable equipment. From time to time, the City enters into lease agreements pursuant to State law for the purpose of financing the acquisition of immovable property. Such leases are subject to annual appropriations but otherwise have various terms and purposes. The City has appropriated funds to make such lease payments in past years.

### **Trend of Indebtedness**

The following table shows the amounts of general obligation bonds, limited tax bonds and general fund indebtedness of the City outstanding as of the end of each of the following calendar years:

*(Remainder of page intentionally left blank.)*

<u>Year</u>	<u>General Obligation Bonds</u>	<u>Limited Tax Bonds of the City</u>	<u>General Fund Indebtedness</u>	<u>City Total</u>	<u>Limited Tax Bonds of City Agencies</u>
2009	\$548,018,709	\$ 72,620,000	\$167,330,000	\$787,968,709	\$59,248,572
2010	529,218,992	63,360,000	148,490,000	741,068,992	55,118,572
2011	509,543,556	55,690,000	140,990,000	706,223,556	56,335,000
2012*	470,076,614	242,990,000	8,535,000	721,601,614	51,875,000
2013	489,463,192	228,570,000	7,815,000	724,973,192	47,140,000
2014	507,081,268	213,395,000	7,070,000	727,546,268	41,955,000
2015	625,875,902	208,127,044	6,500,000	840,502,946	36,510,365
2016	577,652,123	204,552,493	5,905,000	788,109,616	31,650,000
2017	552,808,896	200,114,770	5,280,000	758,203,666	26,590,000
2018	523,950,000	184,657,062	4,625,000	676,072,062	21,310,000

\*In 2012, the City refunded \$125,155,000 of general fund indebtedness through the issuance of the Series 2012 Refunding Bonds, which are included as Limited Tax Bonds of the City in years 2012 and following.

Sources: Board of Liquidation, City Debt, City of New Orleans.

## **BOND INSURANCE**

### **Bond Insurance Policy**

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix "K" to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

### **Assured Guaranty Municipal Corp.**

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

### *Current Financial Strength Ratings*

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On June 27, 2019, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 21, 2018, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

### *Capitalization of AGM*

At June 30, 2019:

- The policyholders' surplus of AGM was approximately \$2,530 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,082 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,853 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

### *Incorporation of Certain Documents by Reference*

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (filed by AGL with the SEC on August 8, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under

Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

#### *Miscellaneous Matters*

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

### **BOARD OF LIQUIDATION**

The Board of Liquidation is composed of nine members: the Mayor and the two City Council members-at-large, who serve *ex officio*, and six appointed members. All members of the Board of Liquidation serve without pay.

Sections 5-101 and 5-102 of the City's Home Rule Charter of 1954, as amended (the "Charter"), read as follows:

*"Section 5-101. Composition.*

*(1) The Board of Liquidation, City Debt, shall be composed of six members and of three ex-officio members, who shall be the Mayor and the two councilmembers-at-large.*

*(2) Effective on January 1, 1996, the terms of the six citizens serving on the Board shall change from terms for life to fixed terms. The members shall conduct a drawing to determine who shall serve for terms of two, four, six, eight, ten, and twelve years. Upon the expiration of a term, a Board member who is domiciled in and an elector of the City shall be appointed by the Mayor with the approval of the Council from a list of three names submitted jointly by a committee consisting of the President of the Board of Liquidation, who shall chair the committee, and the Presidents or*

*Chancellors of Dillard University, Loyola University, Southern University of New Orleans, Tulane University, the University of New Orleans, and Xavier University. Members so appointed shall serve for terms of twelve years. Any vacancy on the Board shall be filled in accordance with the provisions of Section 9-105 of this Charter."*

*"Section 5-102. Functions.*

*Except as otherwise provided in this Chapter, the Board of Liquidation, City Debt shall continue to exercise and have the powers, duties, and functions which it exercised on the effective date of this Charter. It shall have the power to issue bonds in any manner permitted by state or municipal law and this Charter and to manage its affairs, under this Charter on behalf of the City of New Orleans, in accordance with the provisions of applicable state or municipal law."*

The incumbent members of the Board of Liquidation, who serve until their successors are appointed, their terms of office, and their principal occupation are:

**LaToya Cantrell**, *ex officio*  
Mayor, City of New Orleans  
(Term: 5/07/2018-5/02/2022)

**Ralph W. Johnson**  
Chief Financial Officer, Dillard University  
(Term: 6/09/2016-12/31/2021)

**Jason R. Williams**, *ex officio*  
Councilmember-at-large, City of New Orleans  
(Term: 5/07/2018-5/02/2022)

**Julius E. Kimbrough, Jr**  
Executive Director, Crescent City Community Land Trust  
(Term: 6/21/2018-12/31/2029)

**Helena N. Moreno**, *ex officio*  
Councilmember-at-large, City of New Orleans  
(Term: 5/07/2018-5/02/2022)

**Henry F. O'Connor, Jr.**  
Attorney  
(Term: 11/01/2012-12/31/2023)

**Mary K. Zervigon**, *President*  
Attorney, Former Chairman of the Louisiana Tax  
Commission  
(Term: 2/20/2014-12/31/2025)

**Lynes R. Sloss**  
Executive  
(Term: 11/16/2017-12/31/2027)

**Alan C. Arnold**, *Vice President*  
Retired, Financial Services Executive  
(Term: 12/18/2008-12/31/2019)

## THE CITY

### City Government

The City was founded in 1718, incorporated in 1805, and with an estimated 2018 population of 391,006, is the largest populated city located within the boundaries of the State. The City's system of government is established in the Charter. The Constitution prohibits the State Legislature from enacting any law affecting the structure, organization or distribution of the power and function of any local political subdivision which operates under a home rule charter. The Charter may be amended only by the affirmative vote of a majority of the qualified voters in the City voting at an election called by the City Council on its own initiative or upon receipt by it of a petition of not less than ten thousand registered voters.

A number of important local governmental functions in the City are performed by entities which, in varying degrees, operate independently of City government. These entities include the Sewerage and Water Board, which is responsible for water, sewer and drainage service for the City, the Orleans Parish School Board, which is responsible for elementary and secondary education in the City, the Aviation Board, which operates the Louis Armstrong International Airport (the "Airport"), and the Orleans Levee Board, which has primary responsibility for levees, sea walls and breakwaters surrounding the City. These and other similar entities have their own budgets and revenue sources, and are not included in the City's budget. (See Appendix "G"- Debt Statement).

The City has a Mayor-Council plan of government. The Mayor, as the chief executive officer, is elected for a four-year term. The Charter provides that the Mayor may not serve more than two consecutive terms. The Mayor appoints the Chief Administrative Officer, who is his principal assistant and the budget officer for the City. The Chief Administrative Officer appoints all department heads, subject to the Mayor's approval, except the City Attorney, who is appointed by the Mayor, the Director of the Civil Service Department, who is appointed by the Civil Service Commission, and the Director of the New Orleans Recreation Development Commission, who is appointed by the New Orleans Recreation Development Commission. There are numerous executive departments and affiliated boards and commissions.

**Mayor LaToya Cantrell** began her first term as Mayor of New Orleans in May, 2018. Born in 1972, Mayor Cantrell graduated from Xavier University. Prior to being elected Mayor, Ms. Cantrell served as a member of the New Orleans City Council for six years.

The City Council is the legislative body of City government, consisting of five members selected from districts and two members elected at-large, all for four year terms. Members of the City Council may not serve more than two consecutive terms. The City Council has authority to levy taxes, subject to State law, and to adopt the City's annual capital and operating budgets. Ordinances for the City Council may be vetoed by the Mayor. Vetoes may be overridden by a two-thirds vote of the City Council.

## **City Financial Management, Budgeting and Control**

The City's finances are overseen by the Chief Administrative Officer and the Director of Finance. The Chief Administrative Officer prepares the annual operating and capital budgets and supervises the execution of budget ordinances. After the budget is adopted by the City Council, the Chief Administrative Officer provides a schedule of expenditure allotments by which the timing of expenditures and the nature of expenditures within a department are controlled. All changes to allotments, other than amendments that transfer an appropriation from one classification to another, must be approved by the Chief Administrative Officer. The Charter provides that the Mayor shall direct appropriate revisions in allotments to keep expenditures within the revenues received or anticipated.

**Gilbert Montano** serves as Chief Administrative Officer. In this capacity, he oversees the day-to-day operational functions of City Hall. Prior to joining the City in May 2018, Mr. Montano served as the Chief Administrative Officer for Albuquerque, New Mexico. He first joined the Albuquerque city government in 2006 as a budget and policy analyst.

The Department of Finance maintains the treasury of the City and is responsible for the collection, recordation, deposit and disbursement of all taxes; licenses and permit fees; the maintenance of the City's equipment inventory; disposition of City property declared surplus; the purchasing of materials, supplies and equipment; preparation of City employee payrolls and pension rolls; preparation, validation and distribution of tax bills and rolls; and recommendation of action on claims against the City. In addition, the Department of Finance maintains documentation of financial transactions of the City and prepares its financial reports.

**Norman White** is Director of Finance and Chief Financial Officer for the City of New Orleans, where he oversees all financial, accounting, sales and property tax collection, and procurement activities. Prior to joining the City in May 2018, Mr. White was the Chief Financial Officer for the City of Detroit and has over 23 years of finance and management senior level experience in a public sector environment.

## **Budgets**

### ***The Capital Budget and Program***

Pursuant to the Charter, in accordance with a schedule prescribed by the Chief Administrative Officer, each office, department and board presents to the City Planning Commission a list of proposed capital improvements to be made in conjunction with its work over the next five years. The City Planning Commission then prepares and submits to the Mayor a five-year capital improvement program.

The Mayor annually recommends to the City Council, on or before November 1, a capital program for the next five years and a capital budget for the first year of the program. The City Council is obligated to approve a capital program and adopt a capital budget before it adopts the annual operating budget. The City Council may not amend the capital program as submitted to it until it has requested and received through the Mayor the recommendations of the City Planning Commission with respect thereto. The capital program and budget must show the amount and sources of money for each separate project. The amounts budgeted constitute appropriations from the funds indicated when they become available. Expenditures for capital projects are made through the Capital Fund.



The budget revenues of the capital budget for the current and subsequent four years are as follows:

**CITY OF NEW ORLEANS**

**ESTIMATE OF CAPITAL FUND REVENUES 2018-2023**

<u>SOURCE OF FUNDS</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>TOTALS</u>
General Obligation Bonds	\$811,291	\$0	\$0	\$0	\$0	\$811,291
Miscellaneous Capital Funds	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
FEMA Reimbursement Funds	\$385,000,000	\$350,000,000	\$285,000,000	\$0	\$0	\$1,020,000,000
Insurance Settlement Proceeds	\$62,556	\$0	\$0	\$0	\$0	\$62,556
Self Generated Funds	\$92,912,379	\$16,780,000	\$13,310,000	\$6,290,000	\$3,420,000	\$132,712,379
<b>Totals</b>	<b>\$478,936,226</b>	<b>\$366,930,000</b>	<b>\$298,460,000</b>	<b>\$6,440,000</b>	<b>\$3,570,000</b>	<b>\$1,154,336,226</b>

Prior to the adoption of the 2019-2023 capital budget, the voters in the City approved the issuance of \$120,000,000 in general obligation bonds of the City. The Bonds are the second emission of such general obligation bonds. No proceeds of the Bonds are included in the 2019-2023 capital budget shown above.

***The Operating Budget***

The Charter required the annual preparation and adoption of a balanced operating budget for the City. Not later than August 1 of each year, the Chief Administrative Officer is required to make available sufficient data relating to the current and preceding year’s appropriations and expenditures for the City Council and for each office, department or board or other entity that (i) is receiving or seeks to receive an appropriation from the City Council payable from any operating fund of the City of (ii) which expends City funds. Any entity which seeks an appropriation from any operating fund of the City shall submit detailed data, in a format which seeks an appropriation from any operating fund of the City shall submit detailed data, in a format which adheres to generally accepted accounting principles, to the Chief Administrative Officer in accordance with a schedule prescribed by the Chief Administrative Officer for a compilation and recommendations for review by the Mayor prior to the Mayor’s submission of the proposed budget to the City Council.

The Chief Administrative Officer, after consulting with the City Council and the heads of offices, departments and boards, are required by the Charter to prepare a preliminary budget for the consideration of the Mayor. The preliminary budget must include all budget requests, and the recommendations of the Chief Administrative Officer with respect to each request, an estimate of the receipts from each source of revenue and a statement of the total estimated income and total recommended expenditures for each operating fund.

A summary of the adopted City General Fund Budget for the year ending December 31, 2019 follows:

<u>Revenues</u>	<u>Amount</u>	<u>% of Total</u>
Taxes	\$401,195,990	57.15%
Licenses & Permits	77,560,123	11.05%
Intergovernmental	21,635,000	3.08%
Service Charges	93,617,876	13.34%
Fines & Forfeits	41,008,307	5.84%
Miscellaneous Revenues	30,729,291	4.38%
Other Financing Sources	<u>36,244,445</u>	<u>5.16%</u>
<b>Total Revenues</b>	<b><u>\$701,991,032</u></b>	<b><u>100.00%</u></b>

*(Table continued on the next page.)*

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>
Personal Services	422,370,763	60.17%
Other Operating	253,631,929	36.13%
Debt Service	25,988,340	3.70%
Grants, Contributions & Fund	--	0.00%
<b>Total Expenditures</b>	<b><u>\$701,991,032</u></b>	<b><u>100.00%</u></b>

Source: Chief Administrative Office, City of New Orleans.

\*Total may not add due to rounding.

The Charter further provides that the City Council may amend the budget during the year via ordinance. Typically, adjustments to the budget are made from time to time to prevent deficits occurring in certain expenditure accounts and to recognize differences in anticipated revenues. The budget for Fiscal Year 2019 can be viewed using this link: <http://nola.gov/mayor/budget/>.

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## Revenues and Expenditures

The following pages contain a five-year history of revenues, expenditures and changes in fund balance of various funds of the City.

### CITY OF NEW ORLEANS, LOUISIANA SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

<u>GENERAL FUND</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
			<i>(All Dollars in Thousands)</i>		
Taxes	339,483	357,045	370,783	403,032	422,298
Licenses and permits	62,428	60,597	65,821	71,220	76,705
Intergovernmental	21,856	21,326	23,388	32,772	61,660
Charges for services	81,339	85,731	91,336	90,434	91,774
Fines and forfeits	28,979	34,637	37,090	40,999	40,469
Interest income	129	248	1,285	1,675	2,851
Miscellaneous	33,639	41,948	44,450	34,471	36,333
Legal Settlement	--	35,991	--	--	--
Contributions, Gifts & Donations	<u>1,143</u>	<u>1,858</u>	<u>1,292</u>	<u>37</u>	<u>37</u>
Total Revenues	567,996	638,381	635,445	674,640	732,127
EXPENDITURES					
Current:					
General government	179,512	215,571	240,224	228,389	241,698
Public safety	222,525	245,993	260,515	286,964	299,019
Public works	65,981	77,565	77,604	84,293	80,639
Health and human services	16,124	17,423	18,828	20,473	25,312
Culture and recreation	20,954	21,866	25,894	27,643	29,767
Urban development and housing	(16)	(1,923)	--	--	--
Capital Outlay	1,928	1,110	--	2,444	--
Debt Service:					
Principal retirement	25,290	22,698	21,632	23,158	22,000
Interest and fiscal charges (see note on p. 29)	4,044	10,177	10,000	9,631	9,401
Total Expenditures	<u>536,342</u>	<u>610,480</u>	<u>654,697</u>	<u>682,995</u>	<u>707,836</u>
Excess (deficiency) of revenues over expenditures	31,654	28,901	(19,252)	(8,355)	24,291
Other financing sources (uses):					
Operating transfers in	4,886	3,746	7,914	92	--
Operating transfers out	(10,512)	(58)	(250)	--	(2,000)
Proceeds from bond issuance	--	--	<u>10,000</u>	<u>10,000</u>	--
Total other financing sources (uses)	(5,626)	3,688	17,664	10,092	(2,000)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	26,028	32,589	(1,588)	1,737	22,291
Fund Balance					
Beginning of year	16,956	42,984	75,573	73,985	75,687
Prior period adjustment	--	--	--	(35)	--
Beginning of year as restated	16,956	42,984	75,573	73,950	75,687
End of Year	42,984	75,573	73,985	75,687	97,978

Source: City of New Orleans, Annual Financial Reports.

**CITY OF NEW ORLEANS, LOUISIANA**  
**SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

<b><u>SPECIAL REVENUE FUNDS</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
REVENUES					
			(All Dollars in Thousands)		
Taxes	7,551	11,197	14,150	15,343	15,957
Intergovernmental	92,940	95,282	78,021	55,354	80,359
Charges for services	12	22	155	48	1,252
Program income	6,541	620	1,640	938	834
Fines and forfeits	3,624	10,064	4,354	5,464	3,781
Interest income	27	23	173	64	113
Miscellaneous	17,016	2,284	2,507	2,178	2,051
Contributions, Gifts & Donations	<u>2,945</u>	<u>2,879</u>	<u>5,795</u>	<u>6,805</u>	<u>6,258</u>
Total Revenues	130,656	122,371	106,795	86,194	110,605
EXPENDITURES					
Current:					
General government	53,012	48,578	35,790	34,515	41,923
Public safety	4,329	4,171	10,354	9,374	7,525
Public works	1,202	1,163	6,528	3,561	2,624
Health and human services	13,463	14,383	13,664	15,330	14,227
Culture and recreation	3,712	4,327	3,217	6,622	3,843
Urban development and housing	24,984	30,462	22,090	22,212	23,837
Economic development and assistance	8,488	7,933	7,434	10,295	10,885
Debt Service:					
Principal	4,668	360	380	400	430
Interest and fiscal charges	190	57	50	40	28
Capital Outlays	<u>--</u>	<u>133</u>	<u>--</u>	<u>220</u>	<u>--</u>
Total Expenditures	114,048	111,567	99,517	102,569	105,322
Excess (deficiency) of revenues over expenditures	16,608	10,804	7,278	(16,375)	5,283
Other financing sources (uses):					
Operating transfers in	10,512	57	500	500	2,500
Operating transfers out	(13,044)	(2,121)	(9,179)	(4,352)	(4,420)
Proceeds from bond issuance	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	(2,532)	(2,064)	(8,679)	(3,852)	(1,920)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	14,076	8,740	(401)	(20,227)	3,363
Fund Balance					
Beginning of year	5,265	19,077	23,865	21,081	824
Prior period adjustment	(264)	(3,952)	(1,383)	(30)	3,202
Beginning of year as restated	<u>5,001</u>	<u>15,125</u>	<u>22,482</u>	<u>21,051</u>	<u>4,026</u>
End of Year	19,077	23,865	21,081	824	7,389

Source: City of New Orleans, Annual Financial Reports.

**CITY OF NEW ORLEANS, LOUISIANA**  
**SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

<b><u>DEBT SERVICE FUND</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
REVENUES					
			(All Dollars in Thousands)		
Taxes	77,170	77,997	87,903	83,407	94,779
Interest income	261	269	424	1,028	1,991
Intergovernmental	1,004	990	975	958	943
Miscellaneous	<u>--</u>	<u>4,490</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total Revenues	78,435	83,746	89,302	85,393	97,713
EXPENDITURES					
Current:					
General government	488	514	590	580	597
Debt Service:					
Principal retirement	25,862	24,687	28,819	50,629	30,512
Interest and fiscal charges	56,152	47,252	48,081	50,262	48,701
Payment to Ref. Bonds Escrow Agent	--	9,314	3,493	--	--
Bond issuance costs	<u>765</u>	<u>2,008</u>	<u>966</u>	<u>98</u>	<u>--</u>
Total Expenditures	83,267	83,775	81,949	101,569	79,810
Excess (deficiency) of revenues over expenditures	(4,832)	(29)	7,353	(16,176)	17,903
Other financing sources (uses):					
Operating transfers in	--	--	--	3,852	3,860
Operating transfers out	(39,593)	(70,803)	(69,716)	--	--
Proceeds from bond issuance	40,000	162,457	125,125	-	--
Premium of bonds issued	182	9,617	6,007	--	--
Payment to refunded bond escrow agent	<u>--</u>	<u>(99,488)</u>	<u>(60,679)</u>	<u>--</u>	<u>--</u>
Total other financing sources (uses)	589	1,783	737	3,852	3,860
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(4,243)	1,754	8,090	(12,324)	21,763
Fund Balance					
Beginning of year	77,759	73,516	75,270	83,360	71,036
End of Year	73,516	75,270	83,360	71,036	92,799

Source: City of New Orleans, Annual Financial Reports.

**CITY OF NEW ORLEANS, LOUISIANA**  
**SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**

<u>CAPITAL PROJECT FUND</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
REVENUES					
				(All Dollars in Thousands)	
Intergovernmental	108,906	60,026	50,029	55,713	113,180
Interest income	--	--	--	34	51
Miscellaneous	<u>261</u>	<u>368</u>	<u>(66)</u>	<u>--</u>	<u>2,422</u>
Total Revenues	109,167	60,394	49,963	55,747	115,653
EXPENDITURES					
General government	--	--	--	--	167
Capital outlays	133,852	107,242	85,905	108,156	158,445
Public safety	--	--	28	--	--
Public Works	<u>--</u>	<u>--</u>	<u>--</u>	<u>92</u>	<u>2,985</u>
Total Expenditures	133,852	107,242	85,933	108,248	161,597
Excess (deficiency) of revenues over expenditures	(24,685)	(46,848)	(35,970)	(52,501)	(45,944)
Other financing sources (uses):					
Operating transfers in	51,015	72,923	73,995	--	60
Operating transfers out	(3,264)	(3,744)	(3,264)	(92)	--
Proceeds from Notes Payable	<u>12,500</u>	<u>--</u>	<u>--</u>	<u>9,200</u>	<u>--</u>
Total other financing sources (uses)	60,251	69,179	70,731	9,108	60
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	35,566	22,331	34,761	(43,393)	(45,884)
Fund Balance					
Beginning of year	79,046	113,486	138,096	169,935	123,330
Prior period adjustments	(1,126)	2,279	(2,922)	(3,212)	(2,098)
Fund Balances-beginning of year as restated	77,920	115,765	135,174	166,723	121,232
End of Year	113,486	138,096	169,935	123,330	75,348

Source: City of New Orleans, Annual Financial Reports.

**Financial Controls**

Internal accounting controls have been developed by the City to provide reasonable, but not absolute, assurance that assets are properly safeguarded against loss from unauthorized use or disposition and the financial records used in the preparation of financial statements and accountability of assets are reliable.

The Charter requires that the City Council execute an agreement with a certified public accountant or firm of certified public accountants for the purpose of securing an audit of the accounts of the City and may execute such an agreement for the purpose of securing an audit of the accounts of any office or public body that receives or expends City funds, including non-municipal offices and public bodies. As soon as practicable, and in no event later than six months after the close of the fiscal year, the accountant or accountants shall submit to the City Council a report upon the transactions of the year just completed.

The Department of Finance annually prepares the City's Annual Financial Report in conformance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.

## **Extraordinary Expenditures**

As stated previously, the City Council is required to approve a balanced operating budget each fiscal year. At times, various factors may impact the expenditures to be incurred in a current or future fiscal year, causing the City Council to either increase revenue or decrease other expenditures to achieve a balanced budget. For example, the City is party to a number of consent decrees that require it to accomplish various tasks within a designated period of time, and while the City has made reasonable estimates of the total costs of such tasks, various factors outside of the control of the City may impact the accuracy of such estimates. The City's operating budget for 2019 includes the anticipated costs associated with the various consent decrees and other non-recurring expenditures as estimated by the City, and the City presently expects to continue to budget such anticipated costs in future years.

## **Employee Relations**

Under State law, the City and its employees may enter into collective bargaining agreements, subject to the rules and regulations of the New Orleans Civil Service Commission (the "Civil Service Commission"). State and local laws do not expressly prohibit strikes by City employees although Civil Service Commission rules permit discipline and discharge of classified employees who fail to discharge their duties in a satisfactory manner.

The compensation of classified City employees is set by a comprehensive pay plan prepared by the Civil Service Commission and submitted to the City Council for approval or rejection. The Civil Service Commission is composed of five members appointed by the City Council and must be selected from nominees submitted by the presidents of several local universities and are prohibited from engaging in political activities. Once a pay plan has been adopted, the City Administration implements that plan through its adoption of a pay policy. The pay plan and the pay policy, combined, determine the actual compensation of City employees. The compensation of unclassified employees is set by a pay plan and pay policy recommended by the Mayor and adopted by ordinance of the City Council.

Certain employees of the Police Department, Fire Department and Department of Parks and Parkways belong to employee organizations which have agreements with the City.

## **Retirement Systems**

The City sponsors and administrates four separate pension systems: (1) Fire Fighter's Pension and Relief Fund--Old System ("Old Fire System"); (2) Fire Fighter's Pension and Relief Fund--New System ("FPRF"); (3) Police Pension Fund --Old System ("Old Police System"); and (4) the Employees' Retirement System of the City of New Orleans ("NOMERS"). The Old Fire System covers firemen who were employed prior to December 31, 1967. The FPRF covers firemen hired since that date. Effective March 6, 1983, all members of the Old Police System (the "Police Pensions Funds"), active and retired, except for approximately 250 participants who did not meet the eligibility requirements, became members of the Municipal Police Employees' Retirement System of Louisiana ("MPERS"). The Old Police System remained responsible for the payment of certain benefits due to the participants who were not transferred to the MPERS plan and currently has minimal assets and liabilities remaining. MPERS is the only cost-sharing, multiple-employer retirement plan in which employees of the City participate. NOMERS covers all City employees other than firefighters and police.

All four plans use the accrual basis of accounting for changes in net assets. Within this context, interest income is recognized when earned, as are employer and employee contributions, except in the case of the Old Police System, which recognizes employer contributions when due from the City. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

***MPERS Plan Description.*** The MPERS is a defined benefit pension plan established by State statute. Employees become eligible for retirement under MPERS at age 50, after being a member after 20 years of active continuous service. An employee who is age 55 becomes eligible for retirement benefits after 16 years

of active continuous service. The plan also provides death and disability benefits. Authority to establish and amend benefit provisions is provided under the laws of the State. The City's contribution to the MPERS plan for the year ended December 31, 2018 was \$22,002,000. MPERS issues a publicly available financial report that includes financial statements and required supplementary information for the MPERS. That report may be obtained by writing to the Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (800) 443-4248.

***NOMERS, Old Police System, Old Fire System and FPRF Descriptions.*** Each plan is a defined benefit pension plan established by statute, which provides retirement, disability, and death benefits, and annual cost-of-living adjustments to plan members and beneficiaries. Authority to establish and amend benefit provisions is provided under the laws of the State. Each plan issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by contacting the plan using the information below:

Employee's Retirement System of the City of New Orleans  
1300 Perdido Street, Suite 1E12  
New Orleans, Louisiana 70112  
(504) 658-1850

Police Pension Fund of the City of New Orleans  
715 S. Broad, Room B23  
New Orleans, Louisiana 70119  
(504) 826-9000

Firefighters' Pension and Relief Fund of the  
City of New Orleans (Old and New Systems)  
3520 General DeGaulle Drive, Suite 3100  
New Orleans, Louisiana 70114  
(504) 366-8102

***Funding Policies and Annual Pension Costs.*** The employer contributions for NOMERS and the FPRF are based on actuarially determined amounts. The employer contribution for the Old Fire System is based on amounts necessary to pay current expenses, and, in effect, is being funded on a "pay-as-you-go" basis. There were no active participants in the Old Fire System and therefore the only contributions by employees to the Old Fire System related to retirees' contributions for the purchase of military service credit.

Employees covered under NOMERS contribute 6% of their earnable compensation to the plan. Effective January 1, 2014, employees covered under the FPRF contribute 10% of their salary to FRPF.

There are no active employees in the Old Fire System, thus no employee contributions are required. The Old Fire System and FPRF receive fire insurance taxes of 2% of the fire insurance premiums written in the City of New Orleans. In 2018, the amount of \$1,521,931 received as a result of this tax was divided equally between the Old Fire System and FPRF.

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The actuarial methods and assumptions for each plan are as follows:

	<u>NOMERS</u>	<u>Old Fire System</u>	<u>FPRF</u>
Actuarial valuation date	12/31/18	12/31/17	12/31/17
Actuarial cost method	Entry age normal cost method	Entry age normal cost method	Entry age normal cost method
Amortization method	(a)	(b)	(c)
Remaining amortization period	(a)	(b)	(c)
Asset valuation method	Adjusted market value	Market Value	Actual market value
Actuarial assumptions:			
Expected Remaining Service Live	7 yrs	6 yrs	7 yrs
Investment rate of return	7.50%	3.50%	7.50%
Projected salary increases	5.00%	N/A	5.00%
Inflation Rate	2.50%	N/A	0.00%

- (a) The “Entry Age Normal Cost Method” is used to calculate the funding requirements for MPERS. Under this method the normal cost of the plan is designed to be a level percentage of payroll, calculated on an aggregate basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant’s hypothetical entry age into the plan assuming the plan had always been in existence, to the participant’s expected retirement date. This fund uses a level dollar amortization for an open ten year amortization period effective on each valuation date.
- (b) The “Entry Age Normal Cost Method” was previously used, with the unfunded liability amortized over a varying period of years. However, there are no active members left in the Old Fire System nor are there any members in DROP, resulting in a zero normal cost. Therefore the method for the Old Fire System effectively results in an amortization amount for the unfunded actuarial liability over ten years.
- (c) The “Entry Age Normal Cost Method” was used to calculate the funding requirements of the fund. Under this method, normal cost of the plan is designed to be a level percentage of payroll, calculated on an individual basis, spread over the entire working lifetime of the participants. The future working lifetime is determined from each participant’s hypothetical entry age into the plan assuming the plan had always been in existence, to the participant’s expected retirement date. This fund uses a level dollar amortization for an open fifteen year amortization period effective on each valuation date.

*(Remainder of page intentionally left blank.)*

**Net Pension Liability and Proportionate Share of Net Pension Liability.** The City’s Total Pension Liability and Net Position for NOMERS, the Old Fire System and the FPRF are as follows (amounts in thousands):

	<u>NOMERS</u>	<u>Old Fire System</u>	<u>FPRF</u>
Actuarial Valuation Date	12/31/18	12/31/17	12/31/17
Total Pension Liability	\$658,353	\$135,310	\$416,165
Plan Fiduciary Net Position	\$292,615	\$3,818	\$42,736
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	44.45%	2.82%	10.27%
Covered Payroll	\$128,530	--	\$27,762
Net Position as a Percentage of Payroll	284.55%	N/A	1,345.11%

The City’s Proportionate Share of the Net Pension Liability for MPERS is as follows (amounts in thousands):

	<u>MPERS</u>
Actuarial Valuation Date	6/30/2018
City’s Proportion of Net Pension Liability	\$204,969
City’s Covered-Employee Payroll	N/A
City’s Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.89%

Source: Comprehensive Annual Financial Report, City of New Orleans, 2018.

**FOR FURTHER INFORMATION REGARDING THE CITY’S PENSION LIABILITIES, INCLUDING ITS ACTUARIALLY DETERMINED OR REQUIRED CONTRIBUTIONS INTO EACH PLAN AND ITS RECOGNITION OF AGGREGATE PENSION REVENUE OR EXPENSE FOR THE MOST RECENT FISCAL YEAR, SEE APPENDIX “C” – 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY, specifically Note 8 (pages 59-71), Exhibit B-3 (pages 111-113), Exhibit C-5 (page 122) and Exhibit C-6 (page 123) therein.**

**FPRF Lawsuit.** During the year ended December 31, 2010, a lawsuit was filed by City firefighters against the City to adjust their pensions for longevity raises not received while employed by the City. On October 16, 2015, the City announced a comprehensive settlement of the foregoing litigation and other claims.

As a result of the settlement, the City made a contribution of \$15,000,000 to the FPRF in fiscal year 2016 and has since made and is scheduled to continue making additional contributions of \$5,000,000 in each year until the FPRF is adequately funded per the terms of the settlement. A portion of an ad valorem tax for fire protection purposes approved by the voters in the City at an election to be held on December 10, 2016, is being allocated to fund these contributions. The City expects adequate funding to occur in 2028.

## Post-Employment Benefits

The City offers medical benefits to eligible retirees upon actual retirement. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving such benefits.

Notes 2 and 8 and the Required Supplementary Information to the City's Comprehensive Annual Financial Report for fiscal year 2018 contains further information regarding the City Pension and other post-employment benefit obligations. See Appendix "C"- 2018 Comprehensive Annual Financial Report of the City, Note 2-Deposits and Investments, pages 41-44 therein; Note 8-Pension Plans and Postretirement Healthcare Benefits, pages 59-71 therein; and Required Supplementary Information, pages 90-92. The information contained therein is current as of the date stated, and there has been no material adverse change in the financial information contained therein from the date stated.

**Plan Description.** The City's medical benefits are provided through a self-insured comprehensive health benefit program and are made available to employees upon retirement. Full details are contained in the official plan documents. Medical benefits are provided to employees upon actual retirement (that is, at the end of the DROP period, if applicable) according to the retirement eligibility provisions of the System by which the employee is covered. The vast majority of current City employees are covered by one of three primary systems: NOMERS, MPERS, or FPRF. The maximum DROP period is five years in NOMERS and FPRF and three years in MPERS. Retirement (DROP entry) eligibility is as follows: in NOMERS, the earliest of 30 years of service at any age, age 60 and 10 years of service, age 65 and 20 years of service, or satisfaction of the "Rule of 80" (age plus service equals or exceeds 80); in MPERS, the earlier of 25 years of service and age 50 and 20 years of service (in MPERS, DROP entry requires age 55 and 12 years of service or 20 years of service and eligibility to retire); in FPRF, age 50 and 12 years of service.; however, because of the "back-loaded" benefit formula in the FPRF plan relative to years of service, the retirement assumption used for that plan was the earliest of age 50 and 30 years of service, age 55 and 25 years of service, and age 60 and 12 years of service.

**Net Post-Employment Benefit Obligation (Asset).** The table below shows the City's net OPEB obligation for fiscal year 2018:

Beginning Net OPEB Obligation 12/31/2017	\$140,316,000
Changes for the year:	
Service cost	2,007,000
Interest	4,682,000
Differences between expected and actual experience	(4,613,000)
Changes in assumptions	(10,255,000)
Benefit payments and net transfers	(8,414,000)
Net Changes	<u>(16,593,000)</u>
Balance at 12/31/2018	<u>\$123,723,000</u>

Further information on other methods, assumptions and related projections may be found in Appendix "C"- 2018 Comprehensive Annual Financial Report of the City, Note 9- Postretirement Healthcare Benefits and Life Insurance Benefits, pages 71-74 therein.

## INVESTOR CONSIDERATIONS

The purchase of the Bonds involves certain investment risks which are discussed throughout this Official Statement, and each prospective investor should make an independent evaluation of all information presented in this Official Statement in order to make an informed investment decision. Particular attention should be given to the factors described below which, among others, could affect the payment of debt service on the Bonds.

## **Hurricanes Katrina and Rita**

Hurricane Katrina struck the Central Gulf Coast near New Orleans as a Category 4 hurricane on August 29, 2005. Failure of several sections of the levee system surrounding the City resulted in flooding that inundated approximately 80 percent of the City with water up to 20 feet deep in some places. Hurricane Rita struck near the Texas-Louisiana border on September 24, 2005 as a Category 3 hurricane. Storm surge associated with Hurricane Rita reopened some of the levee breaches that originally resulted from Hurricane Katrina and reflooded parts of New Orleans.

Fourteen years after the storms, the City is experiencing an economic recovery. The estimated population of the City in 2018 (the most recent estimate available from the U.S. Census) was 391,006, reflecting a 13.72% growth over the 2010 Census. The pre-Katrina population of the City was approximately 455,188. City sales tax revenues in fiscal year 2018 increased over those in fiscal year 2004 by 49.69%. Tourism continues to show growth with approximately 18.51 million tourists visiting the City in 2018, which is an increase over the 10.1 tourist that visited the City in 2004, the last full year prior to the storm and the seventh consecutive year that the number of visitors has topped 8 million. Visitors spent an estimated \$9.1 billion in the City in 2018, the highest total in the City's history. Many economic indicators now exceed pre-Katrina levels, indicating that the City is recovering at a steady pace.

The Board of Liquidation continued to make the required debt service payments on all then-outstanding bonds issued by the Board of Liquidation following Hurricane Katrina, due in part to loans from the State. To assist local political subdivisions, including the City and its component entities and independent boards (such as the Sewerage and Water Board) with current operating expenses and the payment of debt service on various obligations, the State and the federal government put in place borrowing programs designed to provide immediately available revenues to such political subdivisions. For more information on the amounts borrowed by the Board of Liquidation and the City and its component entities and independent boards pursuant to these programs, see "DEBT STATEMENT – Hurricane-Related Borrowing."

## **Levees and Flood Protection**

Coastal Louisiana, including the City, is susceptible to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina.

Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers has undertaken a project consisting of the planning, design and construction of a flood protection system for the Metropolitan New Orleans Area. The flood protection system includes improved levees and floodwalls and temporary and permanent floodgates. Construction has been completed on several portions of the flood protection system improvements, and construction has commenced on others. Substantially all proposed flood protection system improvements have been completed at a total cost of approximately \$14 billion; however, concerns have been raised regarding the adequacy of the current flood protection system. The City can give no assurance that the current flood protection system will prevent flooding resulting from future significant weather events.

## **Limitations on Remedies Available to Bondholders**

The remedies available to the owners of the Bonds upon an event of default under the Bond Ordinance are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically in the United States Bankruptcy Code, 11 U.S.C. §101 et seq. (the "Bankruptcy Code"), the remedies provided in the Bond Ordinance may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the rights of creditors generally.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the Issuer in issuing the Bonds, are subject to the Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect to the extent constitutionally applicable; equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the exercise of the sovereign police powers of the State or its governmental bodies. Consistent with the contracts clauses of the Louisiana and United States Constitutions, in a bankruptcy proceeding or due to the exercise of powers by the federal or State government, bondowners could be subject to judicial discretion and the interpretation of their rights in bankruptcy or otherwise, which consequently may entail risks of delay, limitation, or modification of their rights. Under current State law, no political subdivision of the State, including the Issuer, may file for protection under Chapter 9 of the Bankruptcy Code unless such filing is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State. Further, no political subdivision of the State, after filing for bankruptcy protection, may carry out a plan of readjustment of debts approved by the bankruptcy court until such plan is approved by the Louisiana State Bond Commission and the Governor and Attorney General of the State.

### **Financial Information**

Certain financial information relating to the Issuer is set forth herein and in the appendices hereto. There can be no assurance that the financial results achieved by the Issuer in the future (including, but not limited to, the amount of Net Revenues of the Tax collected by the Issuer) will be similar to historical results. Such future results will vary from historical results and actual variations may be material.

### **Secondary Market**

There is no guarantee that a secondary trading market will develop for the Bonds. Consequently, prospective bond purchasers should be prepared to hold their Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Purchaser intends, but is not obligated, to make a market in the Bonds. As a result, owners of the Bonds may be unable to dispose of the Bonds should they no longer desire to own the Bonds. The Purchaser cannot guarantee the liquidity of the Bonds; consequently, prospective purchasers of the Bonds should be prepared to hold such bonds until maturity.

If such secondary market exists after the issuance of the Bonds, events such as decreases in benchmark interest rate indices, downward revisions or withdrawals of ratings on the Bonds or the Issuer, and general market turmoil, among others, may adversely affect the value of the Bonds on such secondary market. The Purchaser cannot guarantee that the owner of a Bond will not experience a loss of value of such Bond prior to maturity.

### **Failure to Provide Ongoing Disclosure**

The failure of the Issuer to comply with the continuing disclosure certificate described herein may adversely affect the transferability and liquidity of the Bonds and their market price. See "CONTINUING DISCLOSURE" herein.

### **Book-Entry**

Persons who purchase Bonds through DTC Participants become creditors of the DTC Participant with respect to the Bonds. Records of the investors' holdings are maintained only by the DTC Participant and the investor. In the event of the insolvency of the DTC Participant, the investor would be required to look to the DTC Participant's estate and to any insurance maintained by the DTC Participant, to make good the investor's loss. Neither the Issuer nor the Purchaser are responsible for failures to act by, or insolvencies of, the Securities Depository or any DTC Participant. See Appendix "J" attached herein.

## **Future Changes in Laws**

The information presented in this Official Statement is based on the laws and regulations of the United States of America and the State and related court and administrative law decisions in effect as of the date of this Official Statement (collectively, the “Laws”). In addition, the opinions delivered in connection with the issuance of the Bonds are based on the Laws. No assurance can be given as to the impact, if any, future events, regulations, legislation, court decisions or administrative decisions may have with respect to the Laws or that any or all of the Laws will remain in effect during the entire term of the Bonds.

## **Forward-Looking Statements**

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

THE BONDS INVOLVE A DEGREE OF RISK. POTENTIAL INVESTORS IN THE BONDS ARE RESPONSIBLE FOR CONDUCTING AN INDEPENDENT INVESTIGATION OF MATTERS RELATING TO THE FINANCIAL ASPECTS OF THE BONDS, THE ISSUER AND THE SECURITY FOR THE BONDS TO DETERMINE IF AN INVESTMENT IN THE BONDS, AND THE RISKS ASSOCIATED THEREWITH, IS CONSISTENT WITH THEIR INVESTMENT OBJECTIVES. POTENTIAL INVESTORS SHOULD NOT RELY ON ANY PARTY TO THE TRANSACTION WITH RESPECT TO THE INVESTIGATION OF ANY SUCH MATTERS. PROSPECTIVE PURCHASERS SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS BEFORE CONSIDERING A PURCHASE OF THE BONDS.

## **TAX MATTERS**

### **Federal Taxes**

In the opinion of Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates L.L.C., New Orleans, Louisiana (“Co-Bond Counsel”), interest on the Bonds is **NOT** excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”). Thus, owners of the Bonds generally must include interest on the Bonds in gross income for federal income tax purposes (See Appendix “H”).

### **State Taxes**

Co-Bond Counsel is of the opinion that, pursuant to the Act, the Bonds and the income therefrom shall be exempt from all taxation for state, parish, municipal or other purposes.

### **Federal Income Taxes**

Other than as states in the two preceding paragraphs, Co-Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or other aspects of the Bonds. The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Bonds by those that acquire Bonds in the initial offering. The summary is based upon the provisions of the Code, the regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. The summary generally addresses the Bonds held as capital assets and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under

the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Bonds as a hedge against currency risks or as a position in a “straddle” for tax purposes, or persons whose functional currency is not the United States dollar. Potential purchasers of the Bonds should consult their own tax advisors in determining the federal, state or local tax consequences to them of the purchase, holding and disposition of the Bonds.

### **Sale or Redemption of the Bonds**

A bondowner’s tax basis for a Bond is the price such owner pays for the Bond plus the amount of any original issue discount and market discount previously included in income, reduced on account of any payments received (other than “qualified periodic interest” payments) and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Bond, measured by the difference between the amount realized and the Bond basis as so adjusted, will generally give rise to capital gain or loss if the Bond is held as a capital asset (except as discussed above under “Market Discount”). The defeasance of the Bonds may result in a deemed sale or exchange of such Bonds under certain circumstances; owners of such Bonds should consult their tax advisors as to the Federal income tax consequences of such an event.

### **Defeasance**

The legal defeasance of the Bonds may result in a deemed sale or exchange of such bonds under certain circumstances. Owners of such Bonds should consult their tax advisors as to the federal income tax consequences of such a defeasance.

### **Reporting Requirement**

In general, information reporting requirements will apply to certain payments of principal and interest paid on the Bonds, and to the proceeds paid on the sale of the Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner’s federal income tax liability. Owners of the Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE BONDS.

### **CO-FINANCIAL ADVISOR**

This Official Statement has been prepared under the direction of the Issuer and with the assistance of PFM Financial Advisors LLC, of New Orleans, Louisiana, and CLB Porter, LLC, of New Orleans, Louisiana, who have been employed by the Board of Liquidation to perform professional services in the capacity of financial advisor (the “Co-Financial Advisors”). The Co-Financial Advisors have reviewed and commented on certain legal documentation, including the Official Statement. The Co-Financial Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other information available to the Issuer, with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information, and no guaranty, warranty or other representation is made by the Co-Financial Advisors respecting such accuracy and completeness of information or any other matter related to such information and the Official Statement.

### **LITIGATION AFFECTING THE CITY**

Like all political subdivisions in the State, the City may sue and be sued in its official capacity for a variety of causes. The following narrative summarizes the major litigation threatened and or filed that may affect the financial position of the City:

***Downtown Development District of the City of New Orleans v. City of New Orleans and Beverly B. Gariepy, Individually and in her capacity as Director of Finance for the City of New Orleans, Civil District Court No. 19-05174***

The New Orleans Downtown Development District (“DDD”) filed suit against the City over the diversion of property tax collections to pay certain retirement systems as required by state law. The DDD claims that the collection fee established in La. R.S. 47:1997.1 is illegal and seeks damages in the amount of roughly \$400,000.00, which dates from 2012 to present. Both DDD and the City are in the process of appealing a recent Fourth Circuit decision to the Louisiana Supreme Court. Maximum liability for the City is approximately \$400,000; however, the City could lose future annual revenue in an amount up to approximately 2% of all ad valorem taxes collected in the City if the collection fee is invalidated.

***Orleans Parish School Board v The City of New Orleans And Norman White, In His Official Capacity As The Chief Financial Officer For The City Of New Orleans, Civil District Court No. 18-03901***

The Orleans Parish School Board (“OPSB”) filed suit against the City over the diversion of property tax collections to pay certain retirement systems as required by state law. OPSB also claims that the collection fee established in La. R.S. 47:1997.1 is illegal. OPSB seeks damages in the amount of roughly \$7,616,950.59, which dates from 2012 to present. The matter has not been set for trial. Maximum liability for the City is approximately \$7,616,950; however, the City could lose future annual revenue in an amount up to approximately 2% of all ad valorem taxes collected in the City if the collection fee is invalidated and an amount equal to the statutorily-required pension withholdings (Subject to change annually; in 2019, such withholdings equaled 1.205% of all ad valorem taxes collected in the City) if the diversions are invalidated.

***New Orleans Firefighters Local No. 632 et. al. v. CNO, Civil District Court No. 1994-0831***

The plaintiffs originally filed above referenced lawsuit in 1994, seeking back pay and an adjustment of seniority dates for twenty (20) named firefighters and to enforce a prior judgment that the Civil Service Commission did not promote plaintiffs to the rank of Fire Captain in 1992. The trial court ordered the City to award back pay, adjust seniority dates, and comply with the prior judgment. The City and plaintiffs



appealed the 2003 judgement. The appellate court affirmed the order of the trial court and amended the judgment to award each of the twenty firefighters a five percent (5%) raise. The parties are currently in the discovery stages of the litigation, and a trial date to determine the amount of damages has not been scheduled.

The City expects that all of the plaintiffs will ultimately be awarded back pay and lost wages from the date each should have been promoted and a 5% raise from 1995 to the date of the award. The plaintiffs have submitted preliminary calculations of the amounts claimed, and based on such calculations, the City estimates maximum liability to be approximately \$2,000,000.

*Joseph R. McMahon v. City of New Orleans, et al., Civil District Court No. 2010-2196; combined with Darlene Washington Wapegan, et al. v. City of New Orleans, Civil District Court No. 10-9732; and Douglas Kleeman, et al. v. City of New Orleans, Civil District Court No. 11-8553; Michelle Albe v. City of New Orleans, Civil District Court No. 08-12542; Paulette Stokes, et al. v. City of New Orleans, et al., Civil District Court No. 2016-2338*

The various classes of plaintiffs argue that the City's traffic camera ordinances violate various state and federal constitutional and statutory provisions. The claims of the first subclass are based on the provisions of the Charter. One December 19, 2018, the Fourth Circuit upheld a judgment for the first subclass in the amount of \$25,612,690, plus interest and additional covered tickets paid through November 3, 2010. Interest is currently accruing on this judgement.

The claims of the second subclass are largely based on various state due process claims. The second subclass includes anyone who has paid a traffic camera ticket in the period beginning November 4, 2010 and continuing until this case is resolved. The award for the second subclass could include eight or more years of collections, plus interest, versus approximately three years of collections included in the award to the first subclass; however, the total amount of the award for the second subclass could be reduced depending on the specific violations the Court finds and whether and when those violations have already been remedied by the City.

It is possible that the awards in the litigation summarized above could impact various revenues currently being budgeted by the City (see, e.g., APPENDIX D herein); however, the City cannot predict at this time whether such an impact is likely to occur.

**THE CITY IS CURRENTLY AND MAY IN THE FUTURE BE PARTY TO OTHER CIVIL MATTERS ARISING FROM ITS VARIOUS GOVERNMENTAL ACTIVITIES; HOWEVER, SAID CIVIL ACTIONS, IF SETTLED OR DECIDED ADVERSELY TO THE CITY, ARE LIKELY TO RESULT ONLY IN MONETARY JUDGEMENTS THAT ARE SUBJECT TO APPROPRIATION PURSUANT TO ARTICLE XII, SECTION 10 OF THE LOUISIANA CONSTITUTION. IN ADDITION, OTHER LITIGATION HAS BEEN THREATENED FROM TIME TO TIME BUT HAS NOT BEEN FILED. THE CITY CANNOT GUARANTEE THAT ANY SUCH LITIGATION WILL NOT AFFECT THE SECURITY FOR THE BONDS.**

## **LEGAL MATTERS**

No litigation has been filed questioning the validity of the Bonds or the security therefor and a certificate to that effect will be delivered by the Issuer to the Purchaser upon the issuance of the Bonds.

The approving opinion of Co-Bond Counsel is limited to the matters set forth therein, and Co-Bond Counsel is not passing upon the accuracy or completeness of this Official Statement. Co-Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Co-Bond Counsel as of the date thereof. Co-Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Co-Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Co-Bond Counsel's opinion is not a guarantee of a particular result and is not binding on third parties, the courts or regulatory bodies; rather, such opinion represents Co-Bond Counsel's professional judgment based on a review of existing law and in reliance on the representations and covenants that each deems relevant to such opinion.

A manually executed original of such opinion will be delivered to the Purchaser on the date of payment for and delivery of the Bonds. The form of said legal opinion appears in Appendix “H” to this Official Statement. For additional information regarding the opinion of Co-Bond Counsel, see the section titled “TAX MATTERS.” The compensation of Co-Bond Counsel is contingent upon the sale and delivery of the Bonds.

Certain legal matters will be passed upon for the Board of Liquidation by its counsel, William R. Forrester, Jr., Esq., New Orleans, Louisiana.

## **FINANCIAL STATEMENTS**

The Comprehensive Annual Financial Report of the City for the year ended December 31, 2018 has been audited by Postlethwaite & Netterville, APAC, as stated in their report dated as of July 30, 2019 and can be viewed using the link included in Appendix “C” to this Official Statement. Since the date of its report, said auditors have not performed any procedures on the financial statements, consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

Included in Appendix “E” to this Official Statement are the audited financial statements of the Board of Liquidation for the year ended December 31, 2018, which have been examined by Paciera, Gautreau & Priest, LLC, Certified Public Accountants, to the extent and for the period indicated in their report thereon, dated as of March 29, 2019. The audited financial statements pertaining to the Board of Liquidation which are included in this Official Statement have been included in reliance upon said report; however, since the date of its report, said auditors have not consented to inclusion of the financial statements herein, and have not performed any additional review procedures related hereto.

## **GOVERNING AUTHORITY**

The City is governed by the Mayor and City Council. The City Council consists of seven members. The names of the members of the City Council, as well as the Mayor and other City officials, appear at the beginning of this Official Statement.

## **CONTINUING DISCLOSURE**

The City and Board of Liquidation will, pursuant to a Continuing Disclosure Certificate to be dated the date of delivery of the Bonds (the “Continuing Disclosure Certificate”), covenant for the benefit of Bond owners to provide (i) certain financial information and operating data relating to the Issuer in each year no later than eight (8) months from the end of the City's Fiscal Year, with the first such report to be due not later than August 31, 2019 (the “Annual Report”), and (ii) notices of the occurrence of certain enumerated events, called “Listed Events,” in the future that may affect the Issuer or the Bonds. The Annual Reports and any notices of Listed Events required pursuant to the Continuing Disclosure Certificate will be filed with the MSRB through the Electronic Municipal Market Access website (“EMMA”) and with any future Louisiana officially designated State Information Depository. For the specific nature of the information to be contained in the Annual Report or the potential Listed Events, see Appendix “I” - Form of Continuing Disclosure Certificate attached hereto. The Issuer is entering into the Continuing Disclosure Certificate in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the “Rule”) of the U.S. Securities and Exchange Commission (the “SEC”). The Issuer has not undertaken to provide all information investors may desire to have in making decisions to hold, sell or buy the Bonds and has no obligation to provide any information subsequent to the delivery of the Bonds except as provided in the Continuing Disclosure Certificate. The failure of the Issuer to comply with the terms of the Continuing Disclosure Certificate is not an event of default with respect to the Bonds but may adversely affect the transferability and liquidity of the Bonds and their market price.

The Issuer’s initial Dissemination Agent for the above information is the Secretary of the Board of Liquidation, Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112, telephone 504-565-6280.

The City and Board of Liquidation have entered into other undertakings with respect to bonds previously issued that designated the Secretary of the Board of Liquidation as the Dissemination Agent (the “Board’s Prior Undertakings”). The filing deadline for the required annual reports for the Board’s Prior Undertakings is August 31 of each year. In the previous five years, the Board of Liquidation has filed all continuing disclosure reports currently required by the Bonds Prior Undertakings under the Rule; however, the Board of Liquidation failed to file on a timely basis certain notices indicating a change in ratings assigned to the insurers of insured bonds or to the underlying ratings. Notices of those ratings changes, along with notices indicating the Board of Liquidation’s failure to timely file said notices, have since been filed. The City and the Board of Liquidation have not made any determination as to the materiality of the foregoing.

The City has entered into a separate undertaking with respect to the Series 2012 Refunding Bonds that designated the City as the Dissemination Agent (the “City’s Prior Undertakings”). The filing deadline for the required annual reports for the City’s Prior Undertakings is August 31 of each year. In the previous five years, the City has filed all continuing disclosure reports currently required by its Prior Undertakings under the Rule; however, the reports, while available on EMMA, were not properly indexed to the Series 2012 Refunding Bonds. The City corrected the improper index and completed the filing of the annual reports for fiscal years 2014 to 2018 on September 6, 2019. A notice indicating the failure to properly file the annual report was filed on the same date. The Issuer has not made any determination as to the materiality of the foregoing.

The City has, with respect to the City’s Prior Undertakings, and the City and the Board of Liquidation have, with respect to the Board’s Prior Undertakings, established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Section 39:1438 of the Louisiana Revised Statutes of 1950, as amended, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the City and Board of Liquidation, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the City and Board of Liquidation’s auditor, as part of the preparation of the City and Board of Liquidation’s annual financial audit, review the City and Board of Liquidation compliance with its continuing disclosure undertakings and record keeping requirements.

## **PURCHASER**

The Bonds are being purchased by J.P. Morgan Securities LLC, of New York, New York (the “Purchaser”) at a purchase price of \$49,731,089.75 (representing the principal amount of the Bonds, less the Purchaser’s discount of \$268,910.25).

## **BOND RATINGS**

Moody’s Investor Service, Inc. (“Moody’s”) and S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), will assign their municipal bond rating of “A2” (Stable Outlook) and “AA” (Stable Outlook) to the Bonds, with the understanding that the Policy of AGM will be issued concurrently with the delivery of the Bonds. Moody’s, S&P and Fitch Ratings (“Fitch”, and collectively, the “Rating Agencies”) initially assigned their municipal bond ratings of “A2” (Stable Outlook), “AA-” (Stable Outlook) and “A+” (Stable Outlook) to the Bonds. Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Bonds. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following address: Moody’s Investors Service, Plaza of the Americas, Suite 2165, 600 N. Pearl Street, Dallas, TX, telephone 214-220-4350; S&P Global Ratings, Ross Tower, Suite 3200, 500 North Akard Street, Dallas, Texas 75201, telephone 214-871-1400; or Fitch Ratings, 111 Congress Avenue, Suite 2010, Austin, TX 78701, telephone 888-262-4820. The Issuer may have furnished to the Rating Agencies information relating to the Bonds and other matters, certain of which information and materials have not been included in this Official Statement. Generally, a rating agency bases its rating on the information and materials so furnished and on investigations, studies and assumptions by such rating agency. Ratings may be changed, suspended or withdrawn as a result of changes in

rating criteria or changes in, or unavailability of, information. There is no assurance that the rating on the Bonds will not be changed or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. Any downward change or withdrawal of the rating could have an adverse effect on the market price for the Bonds.

### **ADDITIONAL INFORMATION**

For any additional information concerning the City, please address Mr. David W. Gernhauser, Secretary, Board of Liquidation, City Debt Room 8E17, City Hall, 1300 Perdido Street, New Orleans, LA 70112, telephone 504-658-1410. For additional information concerning the Bonds now offered for sale, please address Ms. Lisa Daniel, PFM Financial Advisors LLC, 400 Lafayette Street, Suite 304, New Orleans, Louisiana 70130, telephone: 901-682-8356.

### **CERTIFICATION AS TO OFFICIAL STATEMENT**

At the time of payment for and delivery of the Bonds, the City will furnish the Purchaser a certificate signed by the Secretary of the Board of Liquidation and the Director of Finance of the City to the effect that on the date of the Preliminary Official Statement, on the date of the Official Statement, on the date of sale of the Bonds and on the date of the delivery thereof (a) the descriptions and statements of or pertaining to the Board of Liquidation and the City's Bonds contained in the Official Statement were and are true and complete in all material respects; (b) insofar as such matters are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in light of the circumstances under which they are made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to governmental and non-governmental entities other than the City, and their activities, contained in the Official Statement are concerned, such descriptions, statements and data have been obtained from sources which the Board of Liquidation believes to be reliable and the Board of Liquidation has no reason to believe that they are untrue or incomplete in any material respect; and (d) other than as set forth herein, there has been no material adverse change in the financial condition of the City since December 31, 2018, the date of the last audited financial statements of the City appearing in the Official Statement.

### **MISCELLANEOUS**

The information contained in this Official Statement has been obtained primarily from sources that are believed to be reliable, including financial records of the City, the Board of Liquidation and other entities, which records may be subject to interpretation. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements thereof, and reference is made to such original sources in all respects.

This Official Statement has been prepared in connection with the initial offering and sale of the Bonds to the Purchaser on the date hereof and is not intended for use in connection with any subsequent sale, reoffering or remarketing of the Bonds. Subsequent purchasers must therefore rely on their own examination of the offering, including the merits and the risks involved.

Potential purchasers of the Bonds should consult their own tax advisors as to the consequences of investing in the Bonds. See also "TAX MATTERS" herein.

*/s/ David W. Gernhauser*  

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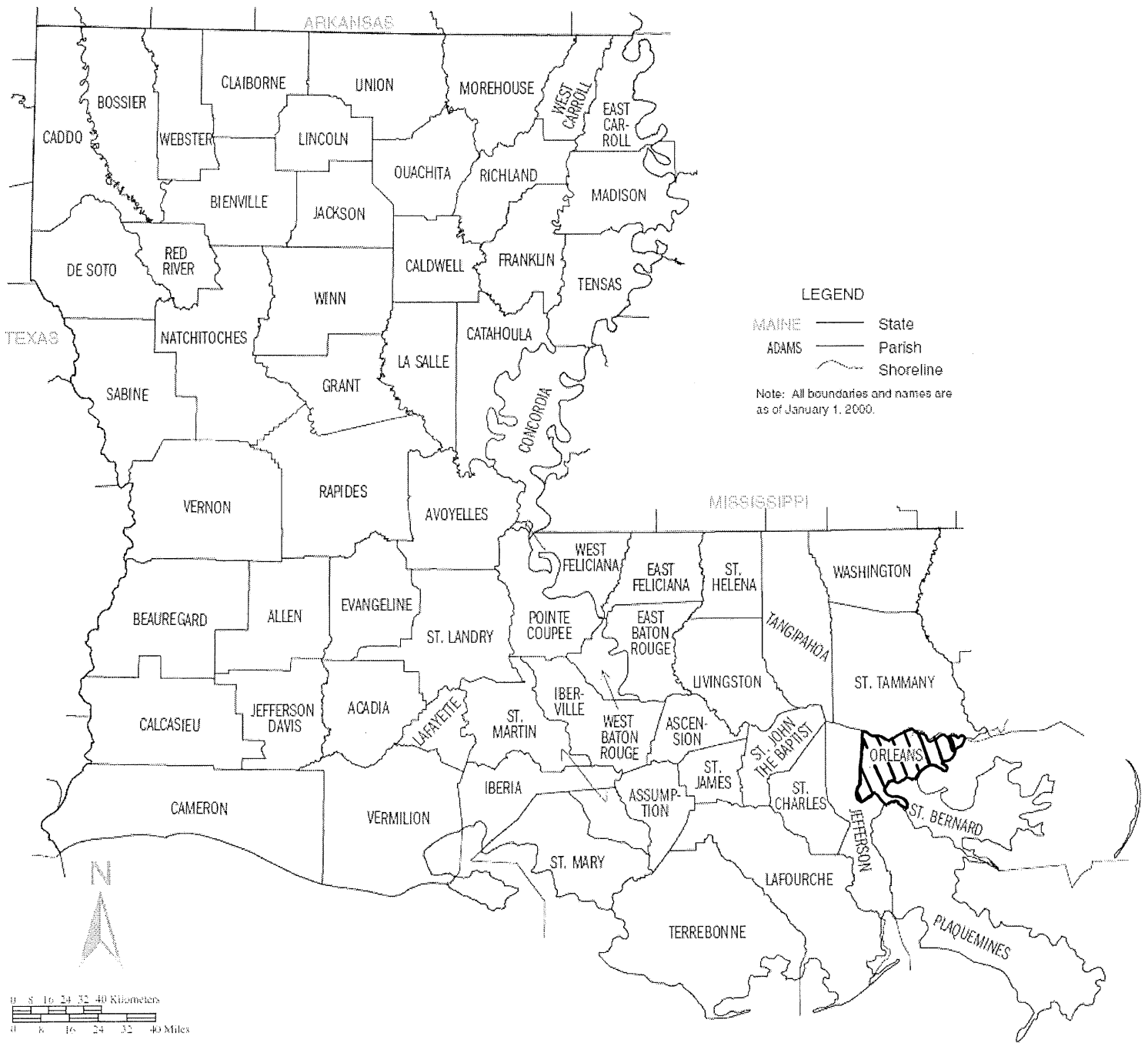
**David W. Gernhauser, Secretary  
Board of Liquidation, City Debt**

*/s/ Norman White*  

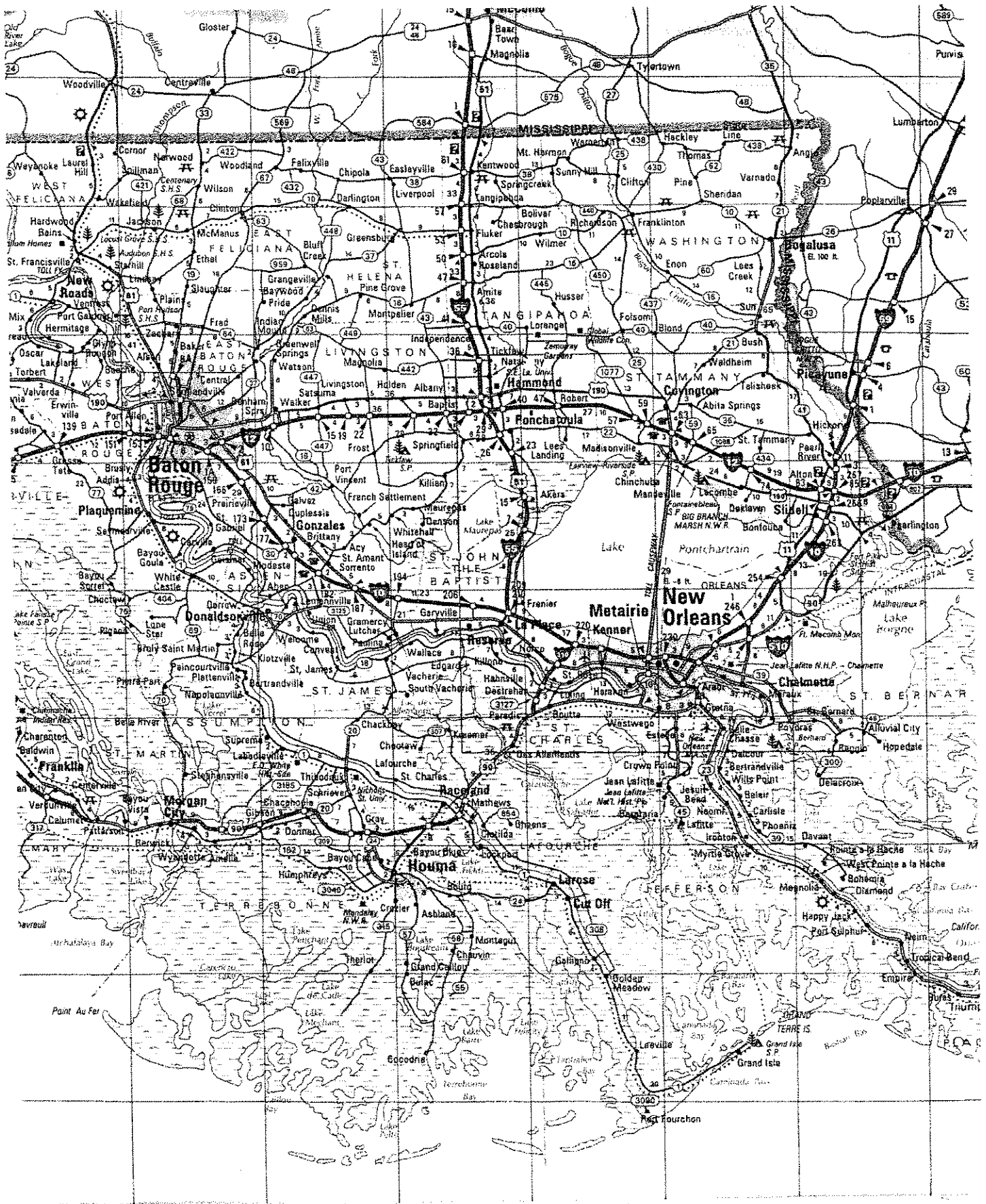
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**Norman White, Director of Finance  
City of New Orleans, Louisiana**

## MAPS



MAP INDICATING THE APPROXIMATE LOCATION OF THE PARISH OF ORLEANS WITHIN THE STATE OF LOUISIANA



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**OFFICIAL NOTICE OF BOND SALE**

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**OFFICIAL NOTICE OF BOND SALE**

**\$50,000,000  
CITY OF NEW ORLEANS, LOUISIANA  
TAXABLE PUBLIC IMPROVEMENT BONDS,  
ISSUE OF 2019**

**Electronic bids via PARITY®  
will be received until eleven o'clock (11:00), a.m.,  
New Orleans, Louisiana (Central) Time  
on Tuesday, September 17, 2019**

Electronic bids via PARITY® will be received at the office of the Board of Liquidation, City Debt (the "Board"), Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112-2197 for the purchase of the above described Bonds aggregating \$50,000,000 (the "Bonds").

**Date of Sale:** Tuesday, September 17, 2019 (or such other date as may be determined by the President and Secretary of the Board).

**Hour of Sale:** Eleven (11:00) o'clock a.m., New Orleans, Louisiana (Central) Time.

**Place of Sale:** Office of the Board of Liquidation, City Debt, Room 8E17, City Hall, 1300 Perdido Street, New Orleans, Louisiana 70112-2197, telephone (504) 658-1410.

**Date of Bonds:** Delivery date of the Bonds.

**Form and Denomination:** The Bonds will be issued as fully registered bonds in "book-entry only" form and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The Bonds will be in the denomination of Five Thousand Dollars (\$5,000) each.

**Maximum Interest Rate Allowable:** Eight per centum (8%) per annum.

**Paying Agent and Registrar:** TBD.

**Interest Payment Dates:** June 1 and December 1. The Bonds will bear interest from their delivery date until paid, payable on June 1, 2020 and semiannually on each June 1 and December 1 thereafter.

**Manner and Place of Payment:** Principal of the Bonds will be payable in lawful money of the United States of America as set forth in the Bond Resolution.

**Maturity Schedule:** Bonds will mature on December 1 of each of the following years and in the principal amounts as follows:

<u>DUE</u> <u>(DEC. 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u> *
2020	\$ 3,000,000
2021	3,000,000
2022	15,630,000
2023	11,875,000
2024	5,155,000
2025	3,400,000
2026	2,910,000
2027	2,225,000
2028	1,805,000
2029	1,000,000

\*Preliminary, subject to change by the Secretary after consultation with the co-Financial Advisors as referred to below.

Prior to accepting bids, the Board reserves the right to change the principal amount of the Bonds being offered, and certain terms of the Bonds as described herein, to postpone the sale to a later date, or to cancel the sale of the Bonds based upon market conditions as discussed herein. Notice of a change or cancellation will be announced via Thomson Municipal News at the internet website address [www.tm3.com](http://www.tm3.com) not later than 10:00 a.m., Central Time, on the business day preceding the bid opening. Such notice will specify the revised principal amount or feature, if any, and any later date selected for the sale, which may be postponed or cancelled in the same manner. If the sale is postponed, a later public sale may be held at the hour and place and on such date as communicated upon at least forty-eight (48) hours' notice via Thomson Municipal News service at the internet website address [www.tm3.com](http://www.tm3.com).

**Adjustment of Maturity Schedule:** The schedule of maturities set forth above (the "Maturity Schedule") represents an estimate of the principal amounts and maturities of the Bonds which will be sold. If, after final computation of the bids, the Board determines that the maturities of the Bonds should be adjusted after consideration of the winning bidder's coupon structure in order to achieve the Board's structuring goals, the Board reserves the right to either increase or decrease the principal amount of any maturity of the Bonds, provided that in any such adjustment the Board shall not increase or decrease the principal amount maturing in any year more than 10% of the amount for such year set forth above, except that the total par amount will not exceed \$50,000,000.

In the event of any such adjustment of the Maturity Schedule for the Bonds as described herein, no rebidding or recalculation of the bids submitted will be required or permitted. Nevertheless, the award of the Bonds will be made to the bidder whose proposal produces the lowest true interest cost solely on the basis of the Bonds offered, without taking into account any adjustment in the amount of the Bonds pursuant to this paragraph. Any such adjustment made will hold constant the bidder's spread on a per bond basis.

**Redemption:** The Bonds are not subject to redemption prior to their stated maturities.

**Security:** The Bonds will be general obligations of the City and are authorized by Part XIV, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1031 to 1043, inclusive), and other constitutional and statutory authority, and proceedings of the Council of the City of New Orleans and of the Board. The Bonds were specifically authorized by special election held in the City on April 9, 2016, the results of which election have been duly promulgated in accordance with law.

The full faith and credit of the City is pledged for the payment of the principal of and interest on the Bonds, and the City is obligated under the aforesaid provisions of law to impose and collect annually in excess of all other taxes, a tax on all the property subject to such taxation in the City, in the manner prescribed by such provisions, in an amount sufficient to pay such principal and interest.

**Bond Insurance:** If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor, the purchase of any such insurance policy or the issuance of any such commitment therefor shall be at the sole option and expense of such bidder and any increased costs of issuance of the Bonds resulting by reason of the same, shall be paid by such bidder. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued, shall not constitute cause for a failure or refusal by the purchaser of the Bonds to accept delivery of and pay for said Bonds in accordance with terms of the purchase contract.

**Electronic Bids:** Electronic bids will be received via PARITY®, in the manner described below, until eleven (11:00) o'clock a.m., New Orleans, Louisiana time, on Tuesday, September 17, 2019.

No bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Official Notice of Bond Sale, the terms of this Official Notice of Bond Sale shall control. For further information about PARITY®, potential bidders may contact PARITY® at i-Deal (212) 849-5021.

**Disclaimer:** Each prospective electronic bidder shall be solely responsible to register to bid via PARITY® as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its bid in a timely manner and in compliance with the requirements of the Notice of Sale. Neither the Board nor PARITY®, shall have any duty or obligation to provide or assure access to PARITY® to any prospective bidder, and neither the Board nor PARITY® shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY®. The Board is using PARITY® as a communication mechanism, and not as the Board's agent, to conduct the electronic bidding for the Bonds. No other form of electronic bid or provider of electronic bidding services will be accepted. The Board is not bound by any advice and determination of PARITY® to the effect that any particular bid complies with the terms of this Official Notice of Bond Sale and in particular the "Bid Requirements" hereinafter set forth. All costs and expenses incurred by prospective bidders in connection with their registration and submission of bids via PARITY® are the sole responsibility of the bidders; and the Board is not responsible, directly or indirectly, for any of such costs or expenses. If a prospective bidder encounters any difficulty in submitting, modifying or withdrawing a bid for the Bonds, he should telephone PARITY® at i-Deal or (212) 849-5021 and notify the Board's co-Financial Advisors, PFM Financial Advisors LLC (901) 682-8356, 400 Lafayette Street, Suite 304, New Orleans, Louisiana 70130, and CLB Porter, L.L.C. (504) 299-3433, 650 Poydras Street, Suite 1400, New Orleans, Louisiana 70130.

**Electronic Bidding Procedures:** Electronic bids must be submitted for the purchase of the Bonds (all or none) via PARITY®. Bids will be communicated electronically to the Board at eleven (11:00) o'clock a.m., local New Orleans, Louisiana time, on Tuesday, September 17, 2019. Prior to that time, a prospective bidder may (1) submit the proposed terms of its bid via PARITY®, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Bonds, or (3) withdraw its proposed bid. Once the bids are communicated electronically via PARITY® to the Board, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided. For purposes of the electronic bidding process, the time as maintained on PARITY® shall constitute the official time.

**Bid Requirements:** Each bid (i) shall be for the full amount of \$50,000,000 in aggregate principal amount of the Bonds, (ii) shall name the rate or rates of interest to be borne by the Bonds, (iii) shall prescribe one rate of interest, not to exceed eight per centum (8%) per annum, for the Bonds of any one maturity, (iv) shall limit the interest due on each Bond for each interest period to a single rate and (v) shall be unconditional. No bid for less than 99% of the principal amount of the Bonds will be accepted.

**Award of Bid:** The Bonds will be awarded to the bidder whose bid offers the lowest "true interest cost" to the City, to be determined by doubling the semiannual interest rate (compounded semiannually) necessary to discount the debt service payments on the Bonds from the payment dates to the date of delivery of the Bonds, such that the sum of such present values is equal to the price bid, including any premium bid or less any discount (the preceding calculation is sometimes referred to as the "Canadian Interest Cost Method" or "Present Value Method"). In the case of a tie bid, the winning bid will be awarded by lot.

**Reoffering Prices:** As soon as practical after award of the Bonds to the successful bidder or bidders (the "Purchaser"), but in any case no later than 2:00 p.m. Louisiana time on the third business day after the date of sale, the Purchaser shall communicate the offering price of each maturity of the Bonds to the Issuer.

**Costs Paid by Board:** The costs of preparing, selling and delivering the Bonds shall be paid by the Board.

**Rejection of Bids:** The Board reserves the right to reject any and all bids.

**Waiver of Informalities:** The Board reserves the right to waive any informalities or irregularities in any bid.

**Good Faith Deposit:** In the event a bid for the Bonds is accepted, the acceptance of such bid shall be subject to the receipt of a good faith deposit (the "Deposit") by the Purchaser. The Deposit shall be made via wire transfer to the Board in the amount of \$500,000 by 3:30 o'clock p.m., New Orleans, Louisiana (Central) Time, on the day of the sale. The Deposit of the Purchaser will be deposited and the proceeds credited against the purchase price of the Bonds. In the case of neglect or refusal to comply with such bid, the deposit will be forfeited to the Board as and for liquidated damages. No interest will be allowed on the amount of the Deposit.

The Board or its co-Financial Advisors will communicate the instructions for delivery of the Deposit to the Purchaser upon the award of the sale of the Bonds.

**Delivery of the Bonds:** The Bonds will be delivered to DTC on or as soon as practicable after October 22, 2019, in "book-entry only" form. The Purchaser shall pay in Federal Funds on the date of delivery the balance of the purchase price of the Bonds. The Bonds will be delivered in New Orleans, Louisiana, or in New York, New York, at the option of the Purchaser, unless another place shall be mutually agreed upon.

**Legal Opinion of Bond Counsel and Co-Bond Counsel and Closing Documents:** The approving legal opinion of Foley & Judell, L.L.P., Bond Counsel, and Auzenne & Associates, L.L.C., Co-Bond Counsel, who have supervised the proceedings, the Bonds and the transcript of record as passed upon will be furnished without cost to the Purchaser. Said transcript will contain the usual closing proofs, including (i) a certificate that up to the time of delivery no litigation has been filed questioning the validity of the Bonds or the taxes necessary to pay the same, and (ii) a Continuing Disclosure Certificate as hereinafter described.

**CUSIP Numbers:** It is anticipated that the American Bankers' Association Committee on Uniform Security Identification Procedures (CUSIP) identification numbers will be printed on the Bonds, but the failure to print such numbers shall not constitute cause for refusal by the Purchaser to accept delivery of and to pay for the Bonds. No CUSIP identification number shall be deemed to be part of any Bond or a part of the contract evidenced thereby, and no liability shall hereafter attach to the City or the Board or any of the officers or agents thereof because of or on account of such numbers. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the Board. However, the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid by the Purchaser. The Board's co-Financial Advisors will request the assignment of CUSIP numbers in accordance with MSRB Rule G-34.

**Continuing Disclosure:** In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the City and the Board will undertake, pursuant to the resolution providing for the issuance of the Bonds and a Continuing Disclosure Certificate, to provide annual reports and notices of certain listed events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement. The Annual Reports are due on or before August 31 of each year.

**Additional Information and Official Statements:** Further information and particulars, including the required bid form and an Official Statement relating to the Bonds, will be furnished upon application to the undersigned. The Purchaser will be furnished a reasonable number of final official statements on or before the seventh business day following the sale of the Bonds.

The Official Statement and Notice of Sale will be available in electronic format on the following websites: <http://www.i-dealprospectus.com> and [www.bolcd.com](http://www.bolcd.com).

**Participation by Minority-Owned and Women-Owned Firms:** The City and the Board strongly encourage the participation of minority-owned and women-owned firms as bidders or as members of syndicates submitting bids for the purchase of the Bonds. Each bidder is strongly encouraged to make a good faith effort to include minority-owned and women-owned business enterprises in their bidding syndicates.

DAVID W. GERNHAUSER, Secretary  
Board of Liquidation, City Debt  
Room 8E17, City Hall  
1300 Perdido Street  
New Orleans, Louisiana 70112-2197  
Telephone: (504) 658-1410

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**FINANCIAL AND STATISTICAL DATA RELATIVE TO THE CITY OF NEW ORLEANS  
AND THE PARISH OF ORLEANS, STATE OF LOUISIANA**

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**FINANCIAL AND STATISTICAL DATA  
RELATIVE TO THE CITY OF NEW ORLEANS  
AND THE PARISH OF ORLEANS, STATE OF LOUISIANA**

The City of New Orleans (the “City”) and the Parish of Orleans (the “Parish”) have the same boundaries and are located in southeastern Louisiana, approximately 110 miles from the mouth of the Mississippi River. The City occupies an area of approximately 363.5 square miles, of which approximately 199.4 square miles are land and approximately 164.1 square miles are water. The developed area of the City consists of approximately 75 square miles; much of the relatively large amount of undeveloped land consists of reclaimed wetlands.

The City is one of the largest seaports in the United States, a major trade and service market, and a world-wide tourist and convention center. The manufacturing base is relatively small. The oil and gas industry plays an important role in the City’s economy. Several major oil companies, financial institutions, law firms, utilities, government agencies, universities, and hospitals have office buildings in the central business district and are among the largest employers within the City.

**Population**

The actual population of the City, from time to time, may be larger than its basic resident population as a result of an influx of commuters, tourists, visitors and convention attendees. The New Orleans Metropolitan Statistical Area (the “MSA”), as now defined by the U.S. Office of Management and Budget, includes Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist and St. Tammany Parishes. A history of the population of the City and the MSA is provided below. The decline in population between the 2000 Census and the 2018 estimate is largely a result of Hurricane Katrina.

	<u>Population of New Orleans and the New Orleans</u>							
	<u>Metropolitan Statistical Area</u>							
	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2018</u>
New Orleans	570,445	627,525	593,471	557,927	496,938	484,674	343,829	391,006
MSA*	754,856	969,326	1,125,058	1,282,717	1,264,391	1,316,510	1,189,866	1,270,399

\*Restated to reflect inclusion of Plaquemines Parish in 1993.

Sources: Bureau of Census, U.S. Department of Commerce.

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## Assessed Valuations

The following table sets forth the assessed value of taxable property in the City and homestead exemptions for the years 2009-2019.

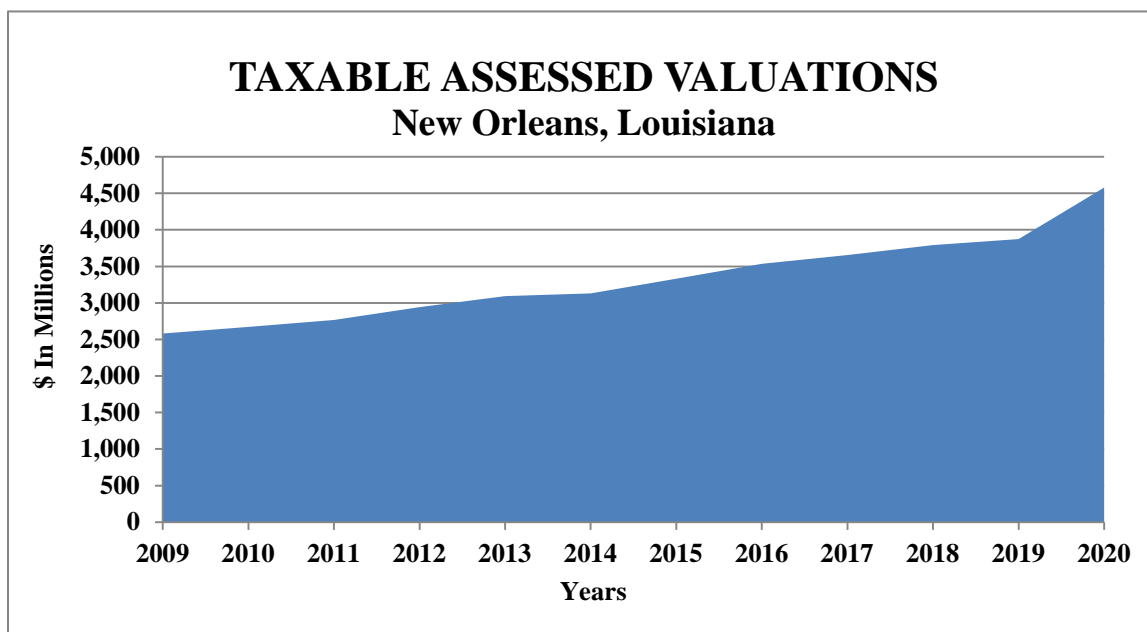
### Assessed Value of Property in the City

<u>Tax Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Property</u>	<u>Total Assessed Valuation</u>	<u>Less: Homestead Exemption</u>	<u>Taxable Assessed Valuation</u>
2010	\$2,489,812,690	\$387,333,971	\$163,911,580	\$3,041,058,241	\$369,086,386	\$2,671,971,855
2011	2,586,081,540	385,699,970	167,557,410	3,139,338,920	372,613,310	2,766,725,610
2012	2,760,973,210	390,952,232	183,003,600	3,334,929,042	392,534,175	2,942,394,867
2013	2,920,015,480	413,120,240	193,722,510	3,526,858,230	433,616,519	3,093,241,711
2014	2,992,593,440	405,514,430	181,055,280	3,579,163,150	448,696,881	3,130,466,269
2015	3,188,376,880	431,355,330	170,541,020	3,790,273,230	458,941,272	3,331,331,958
2016	3,376,000,478	456,453,540	169,105,350	4,001,559,368	466,204,914	3,535,354,454
2017	3,481,746,470	471,985,530	175,685,210	4,129,417,210	474,168,843	3,655,248,367
2018	3,592,392,910	497,655,080	173,902,710	4,263,950,700	472,200,590	3,791,750,110
2019	3,648,117,620	527,777,040	169,565,520	4,345,460,180	471,545,070	3,873,915,110
<b>2020*</b>	<b>4,334,697,770</b>	<b>549,441,880</b>	<b>169,565,520</b>	<b>5,053,705,170</b>	<b>474,994,140</b>	<b>4,578,711,030</b>

Sources: Tax Commission (2009-2013); Department of Finance, City of New Orleans (2014-2019).

(Note: The values shown are those certified by the Tax Assessor at the beginning of each respective tax year; however, minor adjustments are often made during the tax year that may change the values shown above. There can be no assurance that such changes will not be made in 2015.)

Unlike other municipalities in Louisiana, homestead exemptions are applicable to most taxes levied in the City, pursuant to the provisions of the Louisiana Constitution. For additional information, see Tax Rates and Tax Rate Adjustments in this Appendix.



\* All information regarding the Assessed Value of the City for 2020 is preliminary, and subject to change.

## Tax Rates

The following table shows, in summary, the millages levied in the City and Parish for the years 2015 through 2019:

<u>Purpose</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	(\$ per \$1,000 of Taxable Assessed Value)				
<b>City:</b>					
General Purposes	13.91	13.91	13.91	13.91	13.91
City Services	1.19	1.19	1.19	1.19	1.19
Debt Service of General					
Obligation Bonds	25.50	25.50	25.50	25.50	22.50
Fire and Police	6.40	6.40	6.40	6.40	6.40
Police (1)	5.26	5.26	5.26	5.26	5.26
Fire (1)	5.21	5.21	5.21	7.71	7.71
Audubon Park Zoo	0.32	0.32	0.32	0.32	0.32
Aquarium	2.99	2.99	2.99	2.99	2.99
Library	3.14	3.14	3.14	5.64	5.64
Capital Improvements &					
Infrastructure Trust Fund	1.82	1.82	1.82	1.82	1.82
Economic Development & Housing	1.82	1.82	1.82	1.82	1.82
Parkway & Recreation	3.00	3.00	3.00	3.00	3.00
Streets (Traffic Control Devices)	1.90	1.90	1.90	1.90	1.90
Sewerage and Water Board:					
Drainage System (Act 617 of 1977)	4.71	4.71	4.71	4.71	4.71
Drainage System (Ord. 6289, M.C.S.)	4.66	4.66	4.66	4.46	4.46
Drainage System (R-81-29)	<u>7.06</u>	<u>7.06</u>	<u>7.06</u>	<u>7.06</u>	<u>7.06</u>
<b>Total City Tax Rates</b>	<b>88.89</b>	<b>88.89</b>	<b>88.89</b>	<b>93.69</b>	<b>90.69</b>
Orleans Law Enforcement District	2.80	2.80	2.80	2.80	2.80
Orleans Parish School Board	<u>45.31</u>	<u>45.31</u>	<u>45.31</u>	<u>45.31</u>	<u>45.31</u>
<b>Total Parishwide Tax Rates</b>	<b>137.00</b>	<b>137.00</b>	<b>137.00</b>	<b>141.80</b>	<b>138.80</b>
Orleans Levee District (Eastbank)	11.67	11.67	12.28	12.28	12.28
Orleans Levee District (Westbank)	12.56	12.56	12.56	12.56	12.56
Downtown Development District (2)	14.76	14.76	14.76	14.76	14.76
Garden District Security	11.00	11.00	11.00	10.00	10.00
Touro Bouligny	7.80	7.80	7.80	6.50	6.50

(1) No homestead exemption. (2) Tax levied only on certain real property in the central business area of the City. (3) Tax levied on certain real property within the District, excluding residential real property.

Neighborhood based special taxing districts have been created by the Louisiana Legislature in portions of Orleans Parish. These special taxing districts have been authorized, upon voter approval, to impose parcel fees on the real property located within the boundaries of the respective district to be used for various purposes solely within such district. Parcel fees are not listed above.

## Property Taxpayers

The following list includes the names and the 2019 assessed valuations of the ten largest property taxpayers in the City:

	<u>Name of Taxpayer</u>	<u>Type of Business</u>	<u>2019 Assessed Valuation</u>
1.	Entergy Louisiana	Public Utility	\$114,981,020
2.	Capital One Bank	Banking	44,915,850
3.	Hancock Whitney Bank	Banking	40,011,140
4.	Marriot Hotel	Hotel	33,662,550
5.	BellSouth Communications	Telecommunications	27,634,120
6.	Harrah's	Casino/Hotel	26,760,580
7.	Folger Coffee	Coffee Roasting Plant	20,621,500
8.	JP Morgan Chase Bank	Banking	19,279,820
9.	International Rivercenter	Shopping Center	18,104,970
10.	Sheraton Hotel	Hotel	<u>14,814,110</u>
	Total		<u>\$360,785,660</u>

The ten largest property taxpayers accounted for approximately 9.31% of the City's 2019 taxable assessed valuation.

Source: Department of Finance, City of New Orleans.

## Property Tax Collections

The following table shows the total property tax levied by the City and all other tax recipient entities in the Parish in each year from 2009 through 2019, along with the amounts collected and the percentage of such levy that has been collected since the date the taxes were imposed (through December 31, 2018), as reported by the City Finance Department, which collects and disburses all *ad valorem* taxes in the Parish:

<u>Property Tax Levies and Collections</u>						
(Amounts in Thousands)						
<u>Tax Year</u>	<u>Total Levied</u>	<u>Collected through December 31, 2018 (includes cleared receivables)</u>		<u>Balance Due at December 31, 2018</u>		<u>Cleared 1/1-12/31/18</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<u>Real Estate Taxes</u>						
2009	\$275,869	\$274,280	99.42%	\$ 1,589	0.58%	\$ 203
2010	309,800	307,719	99.33	2,081	0.67	131
2011	339,370	336,831	99.25	2,539	0.75	215
2012	362,262	359,357	99.20	2,905	0.80	252
2013	382,902	379,756	99.18	3,146	0.82	784
2014	393,304	389,342	98.99	3,962	1.01	850
2015	422,306	418,480	99.09	3,826	0.91	896
2016	457,800	452,534	98.85	5,266	1.15	1,586
2017	480,924	474,000	98.56	6,924	1.44	7,532
2018	497,718	481,642	96.77	16,076	3.23	447,338
2019	496,197	6,567	1.32	489,630	98.68	6,567

<u>Tax Year</u>	<u>Total Levied</u>	<u>Collected through December 31, 2018 (includes cleared receivables)</u>		<u>Balance Due at December 31, 2018</u>		<u>Cleared 1/1-12/31/18</u>
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>
<u>Personal Property Taxes</u>						
2009	\$ 69,935	\$ 69,880	99.92%	\$ 55	0.08%	\$ 3,318
2010	74,530	74,530	100.00	--	0.00	3,780
2011	78,996	78,841	99.80	155	0.20	2,887
2012	81,685	81,526	99.81	159	0.19	1,604
2013	87,058	85,391	98.09	1,667	1.91	21
2014	84,620	82,723	97.76	1,897	2.24	27
2015	86,961	84,734	97.44	2,227	2.56	69
2016	92,428	89,763	97.12	2,665	2.88	169
2017	96,441	92,365	95.77	4,076	4.23	559
2018	101,280	94,862	93.66	6,418	6.34	94,862
2019	103,260	499	0.48	102,761	99.52	499

**2015 and prior personal property receivables are considered prescribed and no longer legally enforceable during 2019.**

Source: Department of Finance, City of New Orleans (unaudited).

### **Sales and Other Taxes**

The general 2½% sales and use tax is the City’s largest single source of revenue available to pay operating expenses. In addition, the State of Louisiana (the “State”), the Regional Transit Authority, and the Orleans Parish School Board levy general sales and use taxes of 4.45%, 1% and 1½%, respectively, within the boundaries of the Parish. The total sales tax levied on goods sold or used (excluding hotel and motel rooms) in the Parish is 9.45%. The various sales taxes are not levied on the same sales of goods and services and have different related exemptions. Any increase in the City’s sales tax rate would require legislative approval and an affirmation vote in a City election.

Six public agencies share in the taxation of hotel/motel rooms in the Parish. The rate of taxation of each of the respective agencies is as follows: (a) the State – 2%, (b) the Louisiana Stadium and Exposition District (the “LSED”) – 4%, (c) the City – 1 ½%, (d) the School Board – 1 ½%, (e) the Regional Transit Authority (the “RTA”) – 1% and (f) the Ernest N. Morial – New Orleans Exhibition Hall Authority ( the “NOEH”) – 3%, plus the proceeds from the “hotel/motel tax” and “food and beverage tax” authorized by the voters on November 21, 1987, and effective April 1, 1988, and which serves as security for outstanding special tax bonds of the NOEH. Other hotel occupancy taxes to benefit the City and have been proposed but not yet enacted.

Effective November 1, 1990, the City began collection of a Hotel Occupancy Privilege Tax upon persons occupying hotel rooms in the City for the purpose of funding tourism promotion by the New Orleans Tourism Marketing Corporation, a nonprofit economic development corporation.

The Constitution prohibits political subdivisions of the State from levying a severance tax, income tax or a tax on motor fuel.

Hurricane Katrina had an impact on the collections of the sales and use taxes of the City; however, annual collections since 2012 have exceeded pre-Katrina levels. The following table shows annual revenues of the City’s general purpose sales and use tax deposited in the City’s General Fund.

<u>Calendar Year</u>	<u>Sales Tax Revenues</u> (in thousands)	<u>Calendar Year</u>	<u>Sales Tax Revenues</u> (in thousands)
1994	\$109,167	2007	\$134,114
1995	120,229	2008	137,587
1996	120,240	2009	133,868
1997	120,652	2010	147,300
1998	126,899	2011	152,840
1999	133,490	2012	163,128
2000	139,770	2013	176,326
2001	139,511	2014	193,183
2002	145,009	2015	204,293
2003	148,855	2016	203,235
2004	153,851	2017	218,051
2005	116,339	2018	233,375
2006	124,229	2019	235,800*



\* Calendar year total as estimated.

Sources: *Annual Financial Reports*, City of New Orleans (1994-2018); Department of Finance, City of New Orleans (2019). Figures unaudited.

### Default Record

The City has never defaulted in the payment of its outstanding bonds.

### Audit Report

Included in Appendix “C” hereto is a copy of the Comprehensive Annual Financial Report (the “CAFR”) for the fiscal year ended December 31, 2018, audited by Postlethwaite & Netterville, A Professional Accounting Corporation, and their report, dated as of July 30, 2019, is included therein. The CAFR pertaining to the City which is included in this Official Statement has been included in reliance upon said report; however, such Auditors have no consented to inclusion of the financial statements herein and have not performed any additional review procedures related thereto. The Auditors did not perform any procedures relating to any of the information in this Official Statement.

### Budget

Included in Appendix “D” to this Official Statement is a summary of the general fund budget, as adopted, for the City for the fiscal year ending December 31, 2019. The City’s Operating Budget in its entirety has been approved by the City Council and signed by the Mayor. It is available for reviewing and download on the City’s website ([www.nola.gov/finance](http://www.nola.gov/finance)).



## Balances

The City reported the following balances in its various funds and accounts as of February 28, 2019:

<u>Name of Fund</u>	<u>Balances</u>		
	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
General Fund	\$98,263,902	\$ 382,295	\$98,646,197
Neighborhood Housing Impr.	6,781,625	1,903,656	8,685,281
NO Economic Development	4,162,986	1,070,822	5,233,808
Environmental Disaster Litigation	319,519	--	319,519
Environmental Impr. Revlvng Fund	809,592	164,471	974,063
Miscellaneous Donations	718,055	--	718,055
Housing & Environment Improvmt	7,840,725	--	7,840,725
Sidewalk Pavement Rev. Fund	--	2,137	2,136
NO Special Events FD	227	--	227
Adopt-A-Pothole/Streets	283	--	283
Sanitation Recycling Exp.	22,365	--	22,365
NO Film Comm. Trust	170,758	163,238	333,996
National League of Cities	5,851	--	5,851
Music & Entertainment Comm.	98,787	119,968	218,755
Mayor's Off. Of Tourism & Arts	751,932	--	751,932
Parking Management Fund	272,177	638,925	911,103
Library Special Revenue Fund	<u>22,882,209</u>	<u>--</u>	<u>22,882,209</u>
Totals	<u>\$143,100,993</u>	<u>\$4,445,512</u>	<u>\$147,546,506</u>

Source: Department of Finance, City of New Orleans. All figures unaudited.

## ECONOMIC INDICATORS

### Per Capita Personal Income

A comprehensive revision of the estimates of Per Capita Personal Income by State was published in November 2018 by the Bureau of Economic Analysis of the U.S. Department of Commerce. The recent trends in revised per capital personal income for the Parish, State and the Nation are indicated in the following table:

	<u>Per Capita Personal Income</u>				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Orleans Parish	\$44,017	\$45,671	\$47,416	\$47,818	\$49,222
Louisiana	40,714	42,524	42,832	42,581	43,660
United States	44,826	47,025	48,940	49,831	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis. November 15, 2018.

(The personal income level for the United States is derived as the sum of the county estimates; it differs from the national income and product accounts (NIPA) estimate of personal income because by definition, it omits the earnings of Federal civilian and military personal stationed abroad and others. It can also differ from the NIPA estimate because of different data sources and revision schedules.)

The Louisiana Workforce Commission has issued revised annual average statistics not seasonally adjusted for various employment areas within Louisiana. The annual average figures for the Parish were reported as follows:

<u>Year</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
2014	179,100	166,682	12,418	6.9%	6.4%
2015	182,014	170,157	11,857	6.5	6.3
2016	179,964	169,433	10,531	5.9	6.0
2017	178,512	169,341	9,171	5.1	5.1
2018	178,845	169,891	8,954	5.0	4.9

The preliminary figures for April 2019 for the City were reported as follows:

<u>Month</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
04/19	179,442	173,194	6,248	3.5%	3.5%*

The preliminary figures for the New Orleans MSA for April 2019 were reported as follows:

<u>Month</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Parish Rate</u>	<u>State Rate</u>
04/19	597,657	578,309	19,348	3.2%	3.5%*

\* Seasonally adjusted rate was 4.5.

Source: Louisiana Workforce Commission, May 24, 2019.

The following table shows the composition of the employed work force not seasonally adjusted in the MSA.

**Nonfarm Wage and Salary Employment by Major Industry  
(Employee in Thousands)**

	<u>Preliminary Apr. 2019</u>	<u>Revised Mar. 2019</u>	<u>Apr. 2018</u>
Mining & Logging	4.3	4.4	4.4
Construction	31.8	31.5	30.5
Manufacturing	29.9	29.9	29.7
Trade, Transportation, & Utilities	112.1	111.4	112.3
Information	6.8	6.8	8.3
Financial Activities	27.4	28.2	29.0
Professional and Business Services	79.9	77.9	75.1
Education and Health Services	103.1	102.1	99.3
Leisure and Hospitality	94.0	93.9	90.3
Other Services	24.8	24.6	24.5
Government	<u>73.8</u>	<u>71.9</u>	<u>74.5</u>
<b>Total</b>	<b><u>587.9</u></b>	<b><u>582.6</u></b>	<b><u>577.9</u></b>

Source: Louisiana Workforce Commission.

## Largest Employers

The names of several of the largest private employers located in the City and their approximate number of local employees were reported as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Ochsner Health System	Health Care	17,542
LCMC Health	Health Care	8,286
Tulane University	Higher Education	5,960
Acme Truck Line	Transportation	1,800
Pan-American Life Insurance Group	Life Insurance	1,700
Laitram	Manufacturing	1,542
Georges Enterprises	Food, Investments, Real Estate	1,045
Boh Bros. Construction Co.	Construction	900
Canal Barge Company, Inc.	Inland Marine Transportation	864
Bernhard, MCC	Contractor	775

Source: New Orleans City Business 2017-2018 Book of Lists.

Note: This list excludes some major employers who declined to supply employment information. The list also excludes State and local governmental employers.

No assurance may be given that any employer listed will either continue to locate in the City or maintain employment at the level stated.

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The following table shows the composition of the employed work force, not seasonally adjusted, in the City for the periods indicated.

**ANNUAL AVERAGE ORLEANS PARISH CONCURRENT ECONOMIC INDICATORS, 2014, 2015, 2016, 2017 AND THIRD QUARTER 2018** *(All data not seasonally adjusted)*

EMPLOYMENT	ORLEANS PARISH				
	2014	2015	2016	2017	2018:3
<b>Total</b>	<b>187,448</b>	<b>192,146</b>	<b>193,564</b>	<b>193,995</b>	<b>193,300</b>
Agriculture, Forestry, Fishing, and Hunting	69	61	210	245	119
Mining	2,542	2,246	1,575	1,419	1,419
Utilities	934	956	951	999	1,064
Construction	5,787	5,254	4,688	4,305	4,227
Manufacturing	4,082	4,036	4,090	4,226	4,362
Wholesale Trade	3,785	3,769	3,644	3,545	3,627
Retail Trade	14,601	15,532	15,615	15,233	14,817
Transportation and Warehousing	9,059	9,088	8,567	8,409	8,706
Information	3,764	4,351	4,428	4,299	4,121
Finance and Insurance	5,556	5,588	5,820	5,630	5,280
Real Estate and Rental and Leasing	2,911	2,989	3,088	3,005	3,110
Professional and Technical Services	16,003	16,018	15,448	15,164	14,610
Management of Companies and Enterprises	2,605	2,667	2,839	3,166	2,868
Administrative and Waste Services	10,831	11,527	12,399	12,363	12,768
Educational Services	22,427	22,954	22,723	22,581	21,773
Health Care and Social Assistance	22,823	23,807	24,194	25,169	25,915
Arts, Entertainment, and Recreation	6,119	5,733	6,346	6,560	6,030
Accommodation and Food Services	35,927	37,280	38,949	39,579	40,573
Other Services, except Public Administration	5,612	5,903	5,735	5,749	5,642
Public Administration	11,880	12,325	12,207	12,328	12,256
<b>EARNINGS (\$ in Thousands)</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Annual</b>	<b>Quarterly</b>
<b>Total</b>	<b>\$9,314,257</b>	<b>\$9,617,950</b>	<b>\$9,698,145</b>	<b>\$9,894,094</b>	<b>\$2,413,590</b>
Agriculture, Forestry, Fishing, and Hunting	1,490	2,221	17,498	20,213	2,418
Mining	445,487	410,041	336,895	297,871	58,580
Utilities	57,615	58,863	56,482	61,739	21,164
Construction	301,422	278,409	257,434	236,093	58,216
Manufacturing	261,091	262,034	271,475	290,057	73,048
Wholesale Trade	272,338	275,675	252,436	258,500	63,820
Retail Trade	396,236	422,717	434,334	428,672	104,570
Transportation and Warehousing	506,429	518,131	476,859	480,573	111,246
Information	196,590	239,869	252,804	241,492	63,833
Finance and Insurance	545,977	561,198	607,032	616,938	140,718
Real Estate and Rental and Leasing	124,754	127,597	134,481	134,274	33,487
Professional and Technical Services	1,272,501	1,313,040	1,297,940	1,307,174	97,967
Management of Companies and Enterprises	232,600	269,180	281,519	319,509	64,005
Administrative and Waste Services	396,386	450,073	474,203	464,570	121,392
Educational Services	1,146,701	1,177,133	1,213,786	1,232,484	310,147
Health Care and Social Assistance	1,071,626	1,151,058	1,156,430	1,244,826	330,068
Arts, Entertainment, and Recreation	249,655	175,631	183,464	183,530	43,034
Accommodation and Food Services	894,782	953,528	1,003,268	1,053,988	255,089
Other Services, except Public Administration	19,237	203,776	206,625	211,588	52,010
Public Administration	741,156	764,124	781,543	809,522	208,733

Source: Louisiana Workforce Commission as of March 22, 2019.

## Construction

The New Orleans CityBusiness Top Construction Projects, 2019, were published on February 14, 2019, lists the top construction projects taking place within the MSA. The following construction projects are partially or wholly within the city limits of New Orleans:

<b>PROJECTS</b>	<b>TOTAL COSTS</b>
Street, Sewer and Water Repairs	\$2.3 Billion
New Orleans Public Schools	\$2 Billion
Yuhuang Chemical Methanol Plant	\$1.85 Billion
Armstrong Airport North Terminal	\$1.02 Billion
New Orleans Public Housing	\$663 Million
2 Canal Street Redevelopment	\$465 Million
South Market District	\$500 Million
National World War II Museum	\$400 Million
Ochsner Health System	\$360 Million
Childrens Hospital	\$300 Million

## Housing

The Real Estate Market Data Center for the Institute for Economic Development & Real Estate of the University of New Orleans periodically publishes its *Real Estate Market Analysis New Orleans and Northshore Regions*, a recent edition being dated April 2019 (the “Analysis”). According to the Analysis, average prices in this sector of the market continue to rise. Average prices rose across all three major submarket sectors for the second year running.

Single family home prices in the Parish between 2017 and 2018 rose at an average of just over 8.1% from \$324,222 to \$350,493. This was driven largely due to strong price appreciation for homes located in traditionally high demand Central Orleans neighborhoods such as Uptown, Lakeview/Lakefront, City Park, French Quarter/Faubourgs and Mid-City. Unit sales in the Parish rose 0.36% from 3,072 in 2017 to 3,083, in 2018, while at the same time aggregate dollar volume of sales increased 8.4%, from \$996.3 million to \$1.08 billion

Average prices rose in ten of eleven zip codes comprising the Central Orleans at appreciation rates ranging from 1.2% in the 70113 zip code (from \$194,067 to \$196,423) to 16.6% in the 70119 zip code (\$307,198 to \$358,091). Double digit price appreciation for broker assisted sales also occurred in the 70118 zip code (11.0%) and 70130 zip code (10.9%). Some neighborhoods experienced fairly significant price compression through 2018. This included neighborhoods located in the 70125 zip code (-3.0%).

In Eastern New Orleans, between 2017 and 2018 unit sales decreased from 480 to 469 (-2.3%) and aggregate dollar volume also decreased from \$63.2 million to \$63.1 million (-0.4%). At the same time average prices rose by just over 2.3% (from \$131,706 to \$134,702) and average marketing time dropped from 83 days in 2017 to 70 days in 2018 or by just over 15%. Average prices increased in three of the four zip codes that encompass Eastern New Orleans ranging from 3.9% (from \$112,340 to \$116,730) in the 70127 zip code to 9.3% (from

\$139,322 to \$152,325) in East New Orleans. In the 70126 average prices among 164 broker assisted sales recorded approximately 8.9% increase (from \$120,350 to \$131,009), while in the 70128 zip code, average prices among 132 units sold decreased by 3.8% from \$158,405 in 2017 to \$152,432 in 2018.

Sale volumes on the Westbank of Orleans Parish between 2017 and 2018 rose by 12.4% and 1.7% in units and aggregate dollar volume, respectively. At the same time, the average price of a single family home edged up 6.6% from \$187,658 to \$200,112 as average marketing time rose from 69 to 71 days. Average prices in the 70114 and 70131 zip codes rose by 6.6% and 6.1%, respectively. The Algiers and Lakewood areas of Algiers offer a rather wide variety and mix of affordable workforce housing in the region. The development of the Federal City project should help to fuel demand for some of this inventory and bring some stability to this market sector’s single family housing prices which have been in steady decline since 2007.

## Education

Elementary and secondary education in the Parish is provided by public, charter, parochial and private schools. The state-run New Orleans Recovery School District, an intermediate educational unit created in 2003 by the State legislature for the purpose of governing public schools in failing school districts, primarily Orleans Parish, has approximately 48,545 public school students in the City, 20,093 students being in the Recovery School District.

Institutions of higher education located in the City include:

<b><u>Institution</u></b>	<b>Fall Enrollment</b>					
	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
University of New Orleans	9,323	9,234	8,423	8,037	7,964	8,151
Tulane University	13,462	13,531	13,449	13,581	13,602	14,062
Loyola University New Orleans	4,864	4,496	4,273	3,836	3,858	4,302
Southern University at New Orleans	3,176	2,734	2,704	2,430	2,535	2,420
Xavier University of Louisiana	3,121	2,926	2,969	2,997	3,044	3,231
Dillard University	<u>1,183</u>	<u>1,200</u>	<u>1,185</u>	<u>1,261</u>	<u>1,291</u>	<u>1,309</u>
	<u>35,129</u>	<u>34,121</u>	<u>33,003</u>	<u>32,142</u>	<u>32,294</u>	<u>33,475</u>

Source: *NOLA.Com/The Times-Picayune*; Xavier University; Southern University of New Orleans; Tulane University; The University of New Orleans.

These seven institutions educate students in fields such as engineering, health care, public administration, urban studies, law, business, psychology, social sciences, communications, nursing, music, computer information systems, criminal justice, pharmacy, education, and theology. In addition, Delgado Community College, with a 2018 fall enrollment of 14,258, the LSU Health Sciences Center-New Orleans, with a 2018 fall enrollment of 2,809, and other similar facilities educate persons in various trades. Also, the acute care hospitals previously listed under the “Largest Employers” have research and teaching facilities and staff to educate, train and employ physicians and medical personnel who come from numerous foreign and domestic locations.

## **Tourism**

The City is a major convention and tourist center. In 2004, the City attracted approximately 10.1 million visitors and in 2018, 18.51 million visitors. Visitors spent over \$9.1 billion in 2018, the highest spending in the City's history. The City's distinctive music and festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

The City is Number 2 on the list of 2018 top fifteen cities in the United States, according to the Travel+Leisure magazine and their annual World's Best Awards. This is the ninth consecutive year that the City has been named to the list. In addition, The City ranked within the top five of America's Favorite Cities for festivals, historical sites, antiques shopping, nightlife, restaurants and weekend escapes to name a few. The City has also made the domestic (9<sup>th</sup>) list of TripAdvisor's 2018 Travelers' Choice Destination List.

The **Aquarium of the Americas** (the "Aquarium") is a three story structure of approximately 168,104 gross square feet housing more than one million gallons of fresh and salt water. Visitors can view 66 separate aquarium displays ranging from 500 gallons to 500,000 gallons. Adjacent to the Aquarium is the Entergy/IMAX Theatre containing approximately 60,000 square feet of enclosed building space. The Aquarium is located at the foot of Canal Street in the French Quarter area of the City. The Aquarium is dedicated to the conservation and exploration of aquatic environments of the western hemisphere and adjacent waters.

Over 10,000 specimens of marine life representing 530 species are presented in exhibits at the Aquarium. The Aquarium is completing a new renovation designed to enhance the experience for visitors of all ages.

The **Audubon Insectarium** (the "Insectarium") is located at the historic U.S. Custom House on Canal Street in downtown New Orleans. At over 23,000 square feet of space, the Insectarium is North America's largest free-standing museum celebrating 1 million known species of insects and their relatives. Visitors can experience unique and creative experiences at the Insectarium in one-of-a-kind, highly-interactive exhibits. There are approximately 100 live arthropod species throughout the Insectarium, as well as alligators and a variety of fish. The Insectarium consists of 13 gallery rooms containing more than 70 live animal enclosures, 30 mounted specimen cases and a multisensory immersive theater experience.

The **Audubon Zoo** (the "Zoo") encompasses 58 developed acres housing hundreds of species of animals in naturalistic habitats. Visitors can experience a mix of exotic animals from all around the world, as well as hands-on animal encounters, engaging educational programs, lush gardens, and animal-themed amenities. The Zoo is located on the 6500 block of Magazine Street in historic uptown New Orleans. The Zoo is committed to wildlife conservation and dedicated to highlighting the importance of protecting endangered species and supporting the many conservation efforts under way at Audubon Nature Institute. Over 2,000 of the world's rarest animals are on display, ranging from amphibians to terrestrial invertebrates to mammals to reptiles.

The **Mercedes-Benz Superdome** (the "Superdome") is an architecturally unique multi-purpose facility located adjacent to the New Orleans Central Business District. It was completed in August 1975 and was once the largest enclosed stadium arena in the world. It has a seating capacity of approximately 73,000, depending upon the seating configuration used, and can accommodate athletic events as well as conventions, trade shows, major exhibits, circuses

and other large public meetings. Exhibition space on the Superdome floor totals 166,180 square feet and there are also six club rooms with a total of 67,000 square feet, 12 meeting rooms and parking facilities for approximately 5,000 automobiles and 250 buses. The Superdome recently announced \$450 million in enhancements. The Superdome's major tenant is the **New Orleans Saints**, a National Football League professional football team. In 2010, the New Orleans Saints won Super Bowl XLIV with a victory over the Indianapolis Colts. The Saints have played their home games, with the exception of the 2005 season, in the Superdome since its completion in 1975. Since Hurricane Katrina, the Superdome has been substantially renovated inside with improvements adding comfort and luxury to the stadium. The Superdome hosted the 2012 Division I College Football BCS Championship Game, the 2012 NCAA Men's Final Four and the 2013 NFL Super Bowl, and is scheduled to host the 2020 NCAA Football F.B.S. championship game, the 2022 NCAA Men's Final Four, and the 2024 Super Bowl.

On October 3, 2011, Mercedes-Benz and the New Orleans Saints reached a 10 year naming rights agreement. The name of the Superdome was changed from the Louisiana Superdome to its current name as a result.

The **Smoothie King Center**, a sports and entertainment facility on a 13 acre site south of the Louisiana Superdome, opened on October 30, 1999. The center has a floor area of approximately 214,250 square feet of column-free space, and approximately 17,500 padded armchair seats which are adaptable for specific events, including basketball and concerts. **The Pelicans**, a National Basketball Association professional basketball team, and other basketball games are played in the Arena, along with concerts, family shows and other entertainment.

On February 6, 2014, Smoothie King and the New Orleans Pelicans reached a 10 year naming rights agreement. The name of the Center was changed from the New Orleans Arena to its current name as a result.

The **National World War II Museum**, formally the **D-Day Museum** (the "Museum"), is an attraction with great attendance. Veterans from every military service have attended this world class facility. A \$400 million expansion is currently under way, and is expected to be completed in 2019. This expansion will quadruple the size of the original Museum. For additional information, see <http://www.nationalww2museum.org>.

Tourism in the City not only includes conventions but also major events such as **Mardi Gras**, the **Jazz and Heritage Festival**, **Voodoo Fest**, the **Essence Music Festival**, the **Bayou Classic football game**, the **New Orleans Bowl**, the **Sugar Bowl**, and periodically, the **Super Bowl**, which was last held in the City in 2013. Adults may continue to find entertainment in the river boat and land based **casinos** located in the area. Harrah's Casino is located in the Heart of the City and includes more than 3,800 slot machines, casino table games and more than 20 poker tables. Churchill Downs Inc. owns the Fair Grounds Race Course, a horse racing facility that includes 606 reel and video games.

## **Conventions**

The City has ranked among the top cities nationwide as a destination city for conventions and is home to the Ernest N. Morial Convention Center (the "Convention Center"), the 6<sup>th</sup> largest convention center in the nation.



The Convention Center was planned and operated as part of the 1984 World Exposition and opened for convention activity in January 1985. The Convention Center has accommodated major conventions and trade shows that have brought delegates, spouses and guests to the City. The Convention Center is currently undergoing a \$65 million transformation of the stretch of Convention Center Boulevard from Poydras Street to Henderson Street, scheduled to be completed in 2020.

## Airport

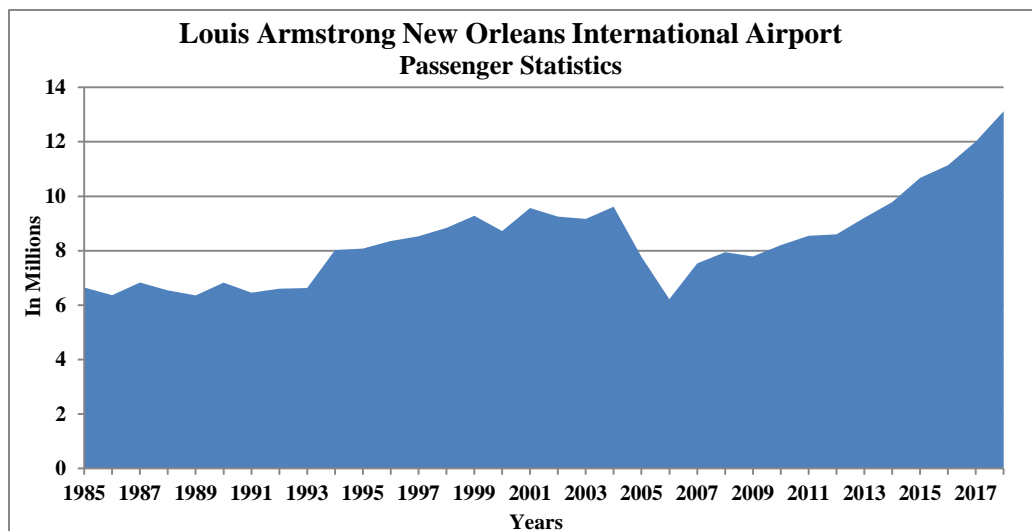
The **Louis Armstrong New Orleans International Airport** (the “Airport”) is the principal source of transportation of the millions of visitors who come to the City annually. The number of passengers (enplaned and deplaned) in 2018 was 13,122,762.

The Airport is currently served by the following domestic carriers: Alaska Airlines; Allegiant Air; American Airlines; Air Tran Airways; Delta Air Lines; Frontier; GLO Airlines; JetBlue; Spirit; Southwest; United Airlines; and US Airways. Of these, Southwest accounts for approximately 36% of the Airport’s passenger market and is classified as the largest carrier at the Airport. In 2017, the Airport offered 140 daily departures to 49 cities across the United States, with an average daily seat capacity of 18,400.

The Airport is also currently served by the following international carriers: Air Canada; British Airways; and Condor.

Domestic freight and mail is handled at the Airport by American, Delta, Frontier, Southwest, United, US Airways, Federal Express, and UPS. Air Cargo for 2004 totaled approximately 80,938.35 metric tons, compared to approximately 58,538.34 metric tons handled for the year ended December 31, 2018.

The Airport recently embarked on a major capital improvement project to construct a new passenger terminal, known as the North Terminal Project. The North Terminal Project is anticipated to be in service by Fall of 2019, which will feature 2 concourses with 35 gates and a 2,000 space parking garage. The new terminal is expected to generate \$6.3 billion in revenues as well as create an estimated 13,000 new construction jobs.



## **Port**

The Board of Commissioners of the Port of New Orleans (the “Dock Board”) is authorized and empowered under the Constitution and laws of the State of Louisiana, to administer the public wharves, docks, sheds, and landings of the port of New Orleans which are owned and operated, or which may be purchased, acquired, or operated by the Dock Board; to construct new wharves and other structures when necessary; to erect sheds and other structures on such wharves and landings; to place and keep these wharves and landings, sheds, and other structures in good condition; to provide mechanical facilities for the use of such wharves, landings, sheds, and other structures; to finance, erect, and operate all basins, locks, canals, and warehouse elevators, and to charge for the use of all facilities administered by it, and for all services rendered by it, such fees, rates, tariffs, or other charges as it may establish. The Dock Board may issue revenue bonds for any authorized purpose payable out of the income, revenues, and receipts derived or to be derived from the properties and facilities owned, leased, mortgaged, or pledged to, maintained or operated by the Dock Board or received by the Dock Board from these properties and facilities, or from contracts or agreements relating to these properties and facilities, including but not limited to lease or sublease agreements, sale agreements, loan agreements, pledge agreements, or other financing agreements.

The Port has two distinct cruise terminals, Carnival Cruises and Norwegian Cruise Line. The City set a new passenger record with 1,182,111 passengers in 2018. In addition to the large cruise lines, inland cruising has returned to the City, with options to cruise various segments of the Mississippi River from New Orleans to St. Paul, Minnesota.

Activity at the Port may be limited or decrease as a result of factors outside the control of the City, such as labor relations, tariffs, economic and river conditions and other matters.

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## Recent National Recognition of the City and Region

The City and the Greater New Orleans Region have recently been recognized by multiple publications for various achievements and accomplishments, including the following:

### General

- GNO, Inc. was named a Top Economic Development Agency in the USA (one of 11 of 2,300+) [*Site Selection*]
- GNO, Inc. was ranked as the #2 Economic Development Organization in the U.S. [*Business Facilities*]
- Greater New Orleans was ranked #1 for the Decade for Economic Development Wins in the South [*Southern Business & Development*]
- Greater New Orleans was named #2 Most Cost-Friendly Mid-Sized Market in the USA [*KPMG*]
- Greater New Orleans is the Fastest Growing Tech Cluster In America [*Area Development*]
- Greater New Orleans is #1 in the USA for Export Growth, over 400% [*US Chamber of Commerce*]
- MSY/New Orleans International is the #2 Fastest Growing Airport in America, 2006-2016 [*FAA*]
- New Orleans was named the #1 City (of 475) for Employment, Income, and Population [*Nerd Wallet*]
- Greater New Orleans is the #3 Big City Winning the IT Jobs Battle (after Silicon Valley and S.F.) [*Forbes*]
- Port of South Louisiana is the #1 Largest in the Western Hemisphere [*Fairplay*]

### Talent / Workforce

- New Orleans was ranked #1 on the list of Americas Biggest Brain Magnets [*Forbes*]
- New Orleans is the #1 Fastest Growing Traditional City in America [*Public Square/ U.S. Census*]
- Louisiana's FastStart training program ranked #1 in the USA nine years in a row [*Business Facilities*]
- Greater New Orleans ranks #2 in the USA for Women in Technology Jobs [*U.S. Census*]
- The New Orleans Metro area is #1 in the USA for in-migration of international residents [*U.S. Census*]

### Entrepreneurship

- New Orleans is the Best City in America for Creative Professionals [*SmartAsset*]
- Greater New Orleans is #2 in the USA for Growth in Knowledge Industries [*EMSI*]
- New Orleans is the #5 city where entrepreneurship is booming [*Entrepreneur*]

## Quality of Life

- New Orleans is #1 Place to Go in the World in 2018 [*New York Times*]
- New Orleans is the #1 Best Place for a Big Trip in 2018 in the World [*Thrillist*]
- New Orleans is the #2 Favorite City in America [*Travel + Leisure*]
- New Orleans is #1 City in America for Growth in International Tourists [*U.S. Department of Commerce*]
- New Orleans was named “Americas Best City for School Reform” [*Thomas B. Fordham Institute*]

For further information, see the website of Greater New Orleans, Inc., a regional economic development alliance, at <http://gnoinc.org/news/awards-and-rankings/>.

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**DECEMBER 31, 2018**

The 2018 Comprehensive Annual Financial Report of the City of New Orleans is available in PDF format at the City’s website using the following link:

<https://nola.gov/accounting/>

In addition, the 2018 Comprehensive Annual Financial Report can be viewed at the Municipal Securities Rulemaking Board – Electronic Municipal Market Access (MSRB-EMMA) site using the following link:

<https://emma.msrb.org/IssueView/Details/ES376896>

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**BUDGET  
FOR THE FISCAL YEAR ENDING  
DECEMBER 31, 2019**

The 2019 Operating and Capital Budget of the City of New Orleans is available in PDF format at the City’s website using the following link:

<https://nola.gov/mayor/budget/>

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**ANNUAL STATEMENT  
FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2018**

The Annual Statements of the Board of Liquidation, City Debt is available in PDF format at the Board of Liquidation City Debt’s website using the following link:

<http://www.boardofliquidation.com/FinancialReports.aspx?tab=1>

In addition, the 2018 Annual Statement can be viewed at the Municipal Securities Rulemaking Board – Electronic Municipal Market Access (MSRB-EMMA) site using the following link:

<https://emma.msrb.org/ER1144969-ER895895-ER1296427.pdf>

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**DEBT STATEMENT**

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**STATEMENT OF DIRECT, UNDERLYING AND PARTIALLY UNDERLYING  
BONDED DEBT AS OF SEPTEMBER 2, 2019**

*(The accompanying notes are an integral part of this statement)*

<u>Notes</u>	<u>Name of Issuer &amp; Issue</u>	<u>Interest Rates (%)</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>	<u>Principal Amount Due Within One Year</u>
(1)	<b><u>Direct Debt of the City of New Orleans, Louisiana*</u></b>					
(2)	General Obligation Refunding Bonds, Series 1998	5.50	12/1/98	12/01/21	\$ 37,160,000	\$11,705,000
(2)	Taxable Public Improvement Bonds, Issue of 2010A (Build America Bonds – Federally Taxable-Direct Payment to Issuer)**	7.2-8.8	1/19/10	12/01/39	33,560,000	950,000
(2)	General Obligation Refunding Bonds, Series 2012	4.0-5.0	8/28/12	12/01/33	145,500,000	19,080,000
(2)	Taxable Public Improvement Bonds, Issue of 2013A	3.15-5.0	3/01/13	12/01/42	35,920,000	900,000
(2)	Taxable Public Improvement Bonds, Issue of 2014A	4.7-6.10	1/21/14	12/01/43	36,585,000	725,000
(2)	Taxable Public Improvement Bonds, Issue of 2015A	3.5-5.0	4/29/15	12/01/44	61,235,000	1,355,000
(2)	Taxable Public Improvement Bonds, Issue of 2016	1.78-4.55	12/08/16	12/01/46	67,170,000	1,450,000
(2)	General Obligation Refunding Bonds, Series 2015	3.5-5.0	11/24/15	12/01/34	55,580,000	7,190,000
(2)	General Obligation Refunding Bonds, Series 2016	2.0-5.0	9/28/16	12/01/36	51,240,000	3,075,000
(3)	Taxable Limited Tax Refunding Bonds, Series 2012	3.142-4.961	10/23/12	9/01/30	145,250,000	10,850,000
(3)	Taxable Limited Tax Bonds, Series 2016	2.57	10/12/16	9/01/26	7,295,000	965,000
(3)	Taxable Limited Tax Bonds, Series 2017	3.26	11/30/17	9/01/27	8,565,000	865,000
(4)	Sales Tax Increment Revenue Bonds (St. Thomas Economic Development District), Series 2013	8.125	11/03/03	4/01/50	18,835,000	145,000
(5)	Variable Rate Revenue Bonds (Canal Street Improvement Project), Series 2004	Variable	9/29/04	8/01/24	3,940,000	715,000
(6)	Limited Tax Refunding Bonds, Series 2015A	1.8455	2/26/15	9/01/21	5,307,605	2,627,890
(6)	Limited Tax Bonds, Series 2015B	2.31	2/26/15	9/01/21	2,250,376	1,113,985
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Certificates of Indebtedness, Capital Leases, LCDA Bonds)	4.64	7/19/06	7/15/26	28,808,287	3,577,181
(A)	Cooperative Endeavor Agreement with the State of Louisiana (General Obligation Bonds)	4.64	7/19/06	7/15/26	13,621,086	1,691,357
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Capital Improvement Bonds)	4.64	7/19/06	7/15/26	1,600,377	198,722
(7)	<b><u>Underlying Debt of the Parish School Board of the Parish of Orleans, State of Louisiana</u></b>					
(8)	Revenue Bonds (Taxable QSCB), Series 2011B	4.4	12/20/11	2/01/21	79,055,000	(a)
(9)	<b><u>Underlying Debt of Parishwide School District of the Parish of Orleans, State of Louisiana</u></b>					
(2)	General Obligation School Refunding Bonds, Series 2010	5.0	9/01/10	9/01/20	9,700,000	9,700,000
(10)	<b><u>Underlying Debt of the Audubon Commission</u></b>					
(11)	Audubon Commission Aquarium Tax Bonds, Series 2011A-1	5.0	9/22/11	10/01/21	10,405,000	3,305,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana (Revenue Bonds)	4.64	7/19/06	7/15/26	2,704,811	335,862
(A)	Cooperative Endeavor Agreement with the State of Louisiana (4.11 Mill Tax Bonds)	4.64	7/19/06	7/15/26	5,930,344	736,382
(A)	Cooperative Endeavor Agreement with the State of Louisiana (0.44 Mill Tax Bonds)	4.64	7/19/06	7/15/26	601,441	74,682

\* Excludes Section 108 HUD Loans.

\*\* Will be redeemed on or about December 1, 2019.

(a) Various amounts are required to be deposited annually into a sinking fund.

<u>Notes</u>	<u>Name of Issuer &amp; Issue</u>	<u>Interest Rates (%)</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>	<u>Principal Amount Due Within One Year</u>
(12)	<b><u>Underlying Debt of the Sewerage and Water Board</u></b>					
(13)	Drainage System Refunding Bonds, Series 2014	2.0-4.0	11/20/14	12/01/22	\$ 7,665,000	\$ 1,815,000
(14)	Water Revenue and Refunding Bonds, Series 2014	5.0	7/02/14	12/01/44	98,000,000	2,800,000
(14)	Water Revenue Bonds, Series 2015	4.0-5.0	12/17/15	12/01/45	99,300,000	775,000
(14)	Sewerage Service Revenue Bonds, Series 2015	5.0	12/17/15	6/01/45	100,000,000	0
(14)	Sewerage Service Subordinate Revenue Bonds, Series 2011	0.95	11/22/11	11/01/32	6,475,000	435,000
(14)	Sewerage Service Revenue and Refunding Bonds, Series 2014	4.25-5.0	7/02/14	6/01/44	99,365,000	11,660,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	42,695,640	5,301,601
(15)	<b><u>Underlying Debt of the Regional Transit Authority</u></b>					
(16)	Sales Tax Revenue Bonds, Series 1991	7.1	12/26/91	12/01/21	1,850,447	660,857
(16)	Sales Tax Revenue Bonds, Series 2010	4.0-5.0	10/14/10	12/01/30	53,900,000	3,395,000
(17)	LCDA Revenue Bonds (Canal Streetcar Project), Series 2000	Variable	9/12/00	2/28/25	11,967,000	1,884,100
(17)	LCDA Revenue Bonds (Desire Streetcar Project), Series 2000A	Variable	9/12/00	11/28/29	17,301,356	1,300,600
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	10/02/06	7/15/26	19,768,873	2,454,732
(18)	<b><u>Underlying Debt of Law Enforcement District of the Parish of Orleans, State of Louisiana</u></b>					
(2)	General Obligation Bonds, Series 2010	4.0	3/01/10	9/01/24	6,525,000	1,170,000
(2)	General Obligation Bonds, Series 2011	2.97	12/02/11	9/01/26	2,590,000	335,000
(2)	General Obligation Bonds, Series 2012	2.85	4/27/12	9/01/26	2,615,000	340,000
(2)	General Obligation Bonds, Series 2013	1.95	6/14/13	9/01/22	3,395,000	1,105,000
(2)	General Obligation Bonds, Series 2015	2.75	1/15/15	9/01/24	4,430,000	820,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	9,510,859	1,180,982
(19)	<b><u>Underlying Debt of the Orleans Levee District</u></b>					
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	14,399,389	1,788,000
(20)	<b><u>Underlying Debt of the Downtown Development District of the City of New Orleans</u></b>					
(21)	Downtown Development District Limited Tax Refunding Bonds, Series 2012	2.68	6/13/12	12/01/26	3,240,000	365,000
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	881,938	109,512
(22)	<b><u>Underlying Debt of the Magnolia Economic Development District</u></b>					
(23)	Sales Tax Bonds, Series 2015	4.375-6.00	4/09/15	4/01/45	2,995,000	0

<u>Notes</u>	<u>Name of Issuer &amp; Issue</u>	<u>Interest Rates (%)</u>	<u>Dated Date</u>	<u>Final Maturity Date</u>	<u>Principal Outstanding</u>	<u>Principal Amount Due Within One Year</u>
(24)	<b><u>Underlying Debt of the New Orleans Aviation Board</u></b>					
(25)	Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010A	4.25-5.25	5/26/10	1/01/41	\$ 52,355,000	\$ 0
(25)	Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010B	5.125	5/26/10	1/01/38	1,285,000	0
(26)	General Airport Revenue Bonds (North Terminal Project), Series 2015A	5.0	3/26/15	1/01/45	54,590,000	0
(26)	General Airport Revenue Bonds (North Terminal Project), Series 2015B	4.0-5.0	3/26/15	1/01/45	510,735,000	0
(26)	General Airport Revenue Bonds (North Terminal Project), Series 2017A	5.0	5/25/17	1/01/48	100,010,000	1,485,000
(26)	General Airport Revenue Bonds (North Terminal Project), Series 2017B	5.0	5/25/17	1/01/48	219,390,000	3,295,000
(26)	General Airport Revenue Refunding Bonds, Series 2017C (Taxable)	2.227-2.949	5/25/17	1/01/23	46,995,000	11,335,000
(26)	General Airport Revenue Refunding Bonds, Series 2017D-1	5.0	10/04/17	1/01/20	2,535,000	2,535,000
(26)	General Airport Revenue Refunding Bonds, Series 2017D-2	5.0	10/04/17	1/01/38	48,000,000	1,570,000
(27)	Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project), Series 2009A	5.75-6.5	12/09/09	1/01/40	87,320,000	2,140,000
(27)	Special Facility Revenue Bonds (Parking Facilities Corporation Consolidated Garage System), Series 2018A	4.0-5.0	10/04/18	10/01/48	80,465,000	0
(27)	Special Facility Revenue Refunding Bonds (Parking Facilities Corporation Consolidated Garage System), Series 2018B	5.0	10/04/18	10/01/34	28,570,000	0
(A)	Cooperative Endeavor Agreement with the State of Louisiana	4.64	7/19/06	7/15/26	19,495,577	2,420,804

#### NOTES

- (A) On July 19, 2006, the State of Louisiana issued \$200,000,000 General Obligation Gulf Tax Credit Bonds, Series 2006-A; \$194,475,000 General Obligation Match Bonds, Series 2006-B; and \$200,000,000 General Obligation Refunding Bonds, Series 2008. In conjunction therewith, certain debt issuing entities in the City and the State entered Cooperative Endeavor Agreements in which the State agreed to make loans to the entities from the proceeds of any combination of the said bonds of the State pursuant to Act 41 of the First Extraordinary Session of the Louisiana Legislature of 2006 (“Act 41”) for the following purposes:
- Paying Debt Service of the City on outstanding debt for general obligation and special limited tax bonds.
  - Paying outstanding debt for special tax bonds of the Downtown Development District, Audubon Commission, and Sewerage and Water Board.
  - Paying outstanding sewerage revenue and water revenue bonds of the Sewerage and Water Board.
  - Paying outstanding bonds of the Orleans Parishwide School District; the Orleans Parish School Board; the Orleans Law Enforcement District; the New Orleans Aviation Board; the Orleans Levee District; the New Orleans Exhibition Hall Authority, and the Board of Commissioners of the Port of New Orleans.
- (1) The 2019 taxable assessed valuation for the City purposes is approximately \$3,873,915,110. Certain city taxes are levied on the total assessed value of the City, which is approximately \$4,345,460,180 for 2019.
- (2) Secured by and payable from unlimited *ad valorem* taxation.
- (3) Secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the issuer from the levy and collection of an *ad valorem* tax of 13.91 mills (subject to adjustment from time to time due to reassessment), which the issuer is authorized to impose and collect in each year the bonds are outstanding, to be levied on all property subject to taxation within the corporate boundaries of the issuer.

- (4) Secured by and payable solely from an irrevocable pledge and dedication of the City's 2 ½% tax collected each year on the sale at retail, use, the lease or rental, the consumption and storage for use and consumption of tangible personal property, and the sales of services, all as defined in R.S. 47:301 *et seq.* and as specified in Ordinance 24, 072 MCS derived by the City solely from Wal-Mart or any replacement or successor national retailer occupying the improvements which are expected to be occupied by a Wal-Mart to be located within the St. Thomas Economic Development District.
- (5) Payable from (i) money received from a draw on a Letter of Credit issued by Hibernia Bank, (ii) payments made by Canal Street Development Corporation and Downtown Development District pursuant to a cooperative endeavor agreement, and (ii) payments made by the City from the General Fund.
- (6) Secured by and payable from a pledge and dedication of the funds to be derived from the levy and collection of a special *ad valorem* tax of 1.82 mills (subject to adjustment from time to time due to reassessment), which the City is authorized to collect for a period of 26 years, approved in an election held in the City on July 15, 1995.
- (7) The total 2019 assessed valuation of the Orleans Parish School Board is approximately \$4,345,460,180, of which approximately \$3,873,915,110 is taxable.
- (8) Secured by and payable as to both principal and interest solely from the revenues from (i) a constitutional millage of 27.65 mills and (ii) a ½% sales and use tax authorized in an election held in the parish on November 4, 1980, subject only to the payment of the reasonable costs and expenses of collecting and administering said sales and use tax.
- (9) The total 2019 assessed valuation of Parishwide School District of the Parish of Orleans is approximately \$4,345,460,180, of which approximately \$3,873,915,110 is taxable.
- (10) The Audubon Commission is a related entity of the City established by state act and the City Charter.
- (11) Secured by and payable solely from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a 3.80 mills (adjusted to 2.99 mills pursuant to the provisions of Article VII, Section 23 of the Louisiana Constitution of 1974) special *ad valorem* tax subject to taxation within the City authorized to be collected for a period of 35 years, beginning in 1987, in an election held on November 4, 1986.
- (12) The Sewerage and Water Board is the agency responsible for the sewerage, water and drainage systems of the City.
- (13) Secured by and payable from a pledge and dedication of the funds to be derived by the City from the levy and collection of a special tax of 7.06 mills (such rate being subject to adjustment from time to time due to reassessment), which has been authorized to be levied in each of the years 1982 through 2031, inclusive, which tax was originally authorized at 9 mills pursuant to an election held in the City on May 16, 1981.
- (14) Secured by and payable solely from the net revenues of the system, including revenues received from the imposition of sewerage rates.
- (15) The Regional Transit Authority ("RTA") is primarily located in the City of New Orleans (Orleans Parish) and is parishwide.
- (16) Payable as to both principal and interest solely from a portion of the sales and use tax authorized at an election held in the Parish of Orleans on January 19, 1985, and levied by the issuer on May 29, 1985, such portion being ½% upon, with certain limited exceptions, the sale at retail, the use, the lease or rental, the consumption, and the storage for use or consumption of tangible personal property and on sales of services in the Parish of Orleans, State of Louisiana, subject only to the payment of the costs and expenses of collecting and administering said sales and use tax.
- (17) Under agreements with the Louisiana Local Government Environmental Facilities and Community Development Authority ("LCDA"), RTA may borrow not exceeding \$65,820,000 in funds to finance the local match portion of the costs expected to be incurred in the construction of the Canal Street Corridor and Desire Street Corridor Projects. The funds are provided from a portion of the proceeds of a Master Indenture Agreement and the sale of revenue bonds by LCDA. The principal amounts shown in this debt statement represent the amounts drawn down currently, and will be amortized over the remaining life of the agreement.
- (18) The Law Enforcement District of the Parish of Orleans is parishwide and has a 2019 taxable assessed valuation of approximately \$3,873,915,110.
- (19) The Orleans Levee District is parishwide and has a 2019 taxable assessed valuation of approximately \$3,873,915,110.
- (20) The 2019 taxable assessed valuation of the Downtown Development District is \$532,167,120.
- (21) Payable solely from and secured by the not exceeding 22.97 mills *ad valorem* tax currently being levied at a rate of 14.76 mills, authorized by voters at elections held on December 8, 1979 and April 7, 2001 upon all taxable real property situated within the boundaries of the district (such rate being subject to adjustment from time to time due to reassessment, which the City is authorized to collect for a period of 25 years, beginning with the year 1980, pursuant to the authority of an election held on December 8, 1979 and continuing for an additional 25 years, beginning with the year 2005, pursuant to the authority of an election held on April 7, 2001.
- (22) The Magnolia Economic Development District is located in the central portion of the City of New Orleans and covers an area of approximately 6.325 acres.
- (23) Payable from an irrevocable pledge and dedication of the special 1% sales tax now being levied and collected by the issuer pursuant to the EDD Act and other statutory authority, subject to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the tax.
- (24) The New Orleans Aviation Board is responsible for the management and operation of the New Orleans International Airport, owned by the City and located in Kenner, Louisiana.



- (25) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) Net PFC Revenues generated from passenger facility charges approved by the Federal Aviation Administration (the "Approved PFC") and imposed and collected by the Aviation Board for the use of the New Orleans International Airport, subject to the Aviation Board's obligation to make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities, and (iii) amounts on deposit in certain funds and accounts, included within the stand alone PFC Trust Estate. The Series 2010A and Series 2010B Bonds are subject to the Aviation Board's obligation to make payments into the Arbitrage Rebate Fund of the third Supplemental Indenture.
- (26) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) general airport revenues subject to the Aviation Board's obligation to pay the operation and maintenance expenses of the Airport and make payments into the Arbitrage Rebate Fund of the first Supplemental Indenture, (ii) the proceeds of any reserve asset and of any additional securities as further described in the official statement, and (iii) amounts on deposit in certain funds and accounts.
- (27) These bonds are special, limited obligations of the Aviation Board, payable from and secured by (i) revenues primarily to be derived from a customer facility charge imposed by the Aviation Board and secondarily from contingent rent derived from the initial facilities leases executed by the companies and other supplemental facility charges, if established pursuant to the CFC Master Indenture dated December 1, 2009, (ii) the proceeds of any reserve asset, and (iii) amounts on deposit in the pledged funds.

*(NOTE: The above statement excludes certain outstanding indebtedness of the New Orleans Home Mortgage Authority; New Orleans Exhibition Hall Authority; Greater New Orleans Expressway Commission; New Orleans Finance Authority; New Orleans Industrial Development Board, Inc.; New Orleans Housing Development Corporation; Transportation Center Authority; New Orleans Regional Loan Corporation; Louisiana Stadium and Exposition District; Board of Commissioners of the Port of New Orleans, and all operating and capital leases.)*

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**ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS**

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**ANNUAL DEBT SERVICE REQUIREMENTS ON OUTSTANDING DEBT  
AND CITY OF NEW ORLEANS, LOUISIANA, OF  
TAXABLE PUBLIC IMPORVEMENT BONDS, ISSUE OF 2019**

CALENDAR YEAR	OUTSTANDING BONDS (a)			SERIES 2019 BONDS			TOTAL REQUIREMENTS		
	PRINCIPAL	INTEREST	TOTAL	(12/1) PRINCIPAL	(6/1; 12/1) INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2019	46,430,000.00	12,897,417.13	59,327,417.13					12,897,417.13	12,897,417.13
2020	47,290,000.00	23,535,049.25	70,825,049.25	3,000,000.00	1,211,998.52	4,211,998.52	50,290,000.00	24,747,047.77	75,037,047.77
2021	49,575,000.00	21,193,966.75	70,768,966.75	3,000,000.00	1,033,532.50	4,033,532.50	52,575,000.00	22,227,499.25	74,802,499.25
2022	20,315,000.00	18,758,713.25	39,073,713.25	15,630,000.00	972,032.50	16,602,032.50	35,945,000.00	19,730,745.75	55,675,745.75
2023	21,285,000.00	17,764,799.25	39,049,799.25	11,875,000.00	643,802.50	12,518,802.50	33,160,000.00	18,408,601.75	51,568,601.75
2024	22,185,000.00	16,754,146.25	38,939,146.25	5,155,000.00	388,490.00	5,543,490.00	27,340,000.00	17,142,636.25	44,482,636.25
2025	23,260,000.00	15,654,912.25	38,914,912.25	3,400,000.00	275,080.00	3,675,080.00	26,660,000.00	15,929,992.25	42,589,992.25
2026	22,655,000.00	14,563,123.25	37,218,123.25	2,910,000.00	196,880.00	3,106,880.00	25,565,000.00	14,760,003.25	40,325,003.25
2027	20,545,000.00	13,456,786.25	34,001,786.25	2,225,000.00	127,040.00	2,352,040.00	22,770,000.00	13,583,826.25	36,353,826.25
2028	19,235,000.00	12,427,001.25	31,662,001.25	1,805,000.00	72,527.50	1,877,527.50	21,040,000.00	12,499,528.75	33,539,528.75
2029	20,105,000.00	11,480,812.25	31,585,812.25	1,000,000.00	26,500.00	1,026,500.00	21,105,000.00	11,507,312.25	32,612,312.25
2030	19,045,000.00	10,531,395.25	29,576,395.25				19,045,000.00	10,531,395.25	29,576,395.25
2031	18,475,000.00	9,565,757.75	28,040,757.75				18,475,000.00	9,565,757.75	28,040,757.75
2032	17,305,000.00	8,685,559.50	25,990,559.50				17,305,000.00	8,685,559.50	25,990,559.50
2033	18,030,000.00	7,864,112.75	25,894,112.75				18,030,000.00	7,864,112.75	25,894,112.75
2034	14,370,000.00	6,982,204.25	21,352,204.25				14,370,000.00	6,982,204.25	21,352,204.25
2035	14,080,000.00	6,268,298.25	20,348,298.25				14,080,000.00	6,268,298.25	20,348,298.25
2036	14,715,000.00	5,551,212.75	20,266,212.75				14,715,000.00	5,551,212.75	20,266,212.75
2037	11,505,000.00	4,837,958.75	16,342,958.75				11,505,000.00	4,837,958.75	16,342,958.75
2038	12,070,000.00	4,198,182.50	16,268,182.50				12,070,000.00	4,198,182.50	16,268,182.50
2039	12,660,000.00	3,521,432.50	16,181,432.50				12,660,000.00	3,521,432.50	16,181,432.50
2040	10,660,000.00	2,807,670.00	13,467,670.00				10,660,000.00	2,807,670.00	13,467,670.00
2041	11,190,000.00	2,287,530.00	13,477,530.00				11,190,000.00	2,287,530.00	13,477,530.00
2042	11,745,000.00	1,741,092.50	13,486,092.50				11,745,000.00	1,741,092.50	13,486,092.50
2043	9,795,000.00	1,167,057.50	10,962,057.50				9,795,000.00	1,167,057.50	10,962,057.50
2044	7,445,000.00	690,647.50	8,135,647.50				7,445,000.00	690,647.50	8,135,647.50
2045	3,895,000.00	363,090.00	4,258,090.00				3,895,000.00	363,090.00	4,258,090.00
2046	4,085,000.00	185,867.50	4,270,867.50				4,085,000.00	185,867.50	4,270,867.50
<b>TOTALS</b>	<b>523,950,000.00</b>	<b>255,735,796.38</b>	<b>779,685,796.38</b>	<b>50,000,000.00</b>	<b>4,947,883.52</b>	<b>54,947,883.52</b>	<b>527,520,000.00</b>	<b>260,683,679.90</b>	<b>788,203,679.90</b>

(a) Outstanding: General Obligation Refunding Bonds, Series 1998; Taxable Public Improvement Bonds, Issue of 2010A; General Obligation Refunding Bonds, Series 2012; Taxable Public Improvement Bonds, Issue of 2013A; Taxable Public Improvement Bonds, Issue of 2014A; Taxable Public Improvement Bonds, Issue 2015A; General Obligation Refunding Bonds, Series 2015; General Obligation Refunding Bonds, Series 2016 and Taxable Public Improvement Bonds, Issue of 2016.

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**FORM OF LEGAL OPINION**  
**OF**  
**FOLEY & JUDELL, L.L.P.**  
**AND**  
**AUZENNE & ASSOCIATES, L.L.C.**  
**CO-BOND COUNSEL**

[FORM OF LEGAL OPINION]

Board of Liquidation, City Debt  
City of New Orleans, Louisiana  
New Orleans, Louisiana

**\$50,000,000**  
**CITY OF NEW ORLEANS, LOUISIANA**  
**TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2019**

We have acted as co-bond counsel to the City of New Orleans, Louisiana (the "City"), in connection with the issuance of the captioned bonds (the "Bonds"). The Bonds are issued in fully registered form, are dated, bear interest at the rates, are payable and mature on the dates and in the principal amounts as set forth in the Bond Resolution (hereinafter defined).

The Bonds have been issued by the City pursuant to a resolution adopted by the Board of Liquidation, City Debt (the "Board of Liquidation"), on \_\_\_\_\_, 2019 (the "Bond Resolution"), under the authority conferred by Part XIV, Chapter 4 of Title 39, the applicable provisions of Chapter 5 and Chapter 6-A of Title 18 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"), and are the second and final emission of \$120,000,000 of bonds that were specially authorized at an election held on April 9, 2016, the results of which election have been duly promulgated in accordance with law.

We have examined the provisions of the Constitution and statutes of the State of Louisiana, a certified transcript of the proceedings of the governing authority of the City and the Board of Liquidation relating to the issuance of the Bonds, and such other documents, proofs and matters of law as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the representations contained in the Bond Resolution and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation. On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds are valid and binding general obligations of the City.
2. All taxable property within the territory of the City is subject to the levy of *ad valorem* taxes for the payment of the principal of and interest on the Bonds without limit as to rate or amount.
3. Interest on the Bonds is *not* excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended.
4. Under the Act, the Bonds are exempt from all taxation for state, parish, municipal, or other purposes in the State of Louisiana.



Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State of Louisiana, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

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**FORM OF CONTINUING DISCLOSURE CERTIFICATE**

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[FORM OF CONTINUING DISCLOSURE CERTIFICATE]

**\$50,000,000**  
**TAXABLE PUBLIC IMPROVEMENT BONDS, ISSUE OF 2019**  
**OF THE**  
**CITY OF NEW ORLEANS, LOUISIANA**

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Orleans, Louisiana (the "City"), acting through its duly elected Mayor, and the Board of Liquidation, City Debt (the "Board"), the entity created and charged by Act No. 133 of the 1880 Regular Session, as amended by Act 628 of the 1995 Regular Session of the Louisiana Legislature, with the issuance and administration of the general obligation debt of the City, acting through its duly authorized President, in connection with the issuance of the above captioned issue of Taxable Public Improvement Bonds, Issue of 2019 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board on July 31, 2019 (the "Resolution"), and are described in that certain Official Statement dated September 17, 2019 (the "Official Statement") which contains certain information concerning the City, the Bonds and certain financial and other information relating thereto. The City covenants and agrees as follows:

SECTION 1. *Definitions.* In addition to the definitions set forth in the preceding paragraph and in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

**"Annual Report"** shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

**"Board"** shall mean the Board of Liquidation, City Debt.

**"Bondholder"** shall mean any owner of the Bonds, including any owner of a beneficial interest in the Bonds.

**"Dissemination Agent"** shall mean the Secretary of the Board, or any successor Dissemination Agent designated by the City acting through the Board.

**"Listed Events"** shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

**"MSRB"** shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access Center ("EMMA") which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purposes of the Rule, and which is available at the following web address:

**Municipal Securities Rulemaking Board**  
**Electronic Municipal Market Access Center**  
<http://emma.msrb.org>

**“Participating Underwriter”** shall mean the original Purchaser (as defined in the Resolution) of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

**“Resolution”** shall mean the Resolution as adopted by the Board on July 31, 2019 authorizing the issuance of the Bonds.

**“Rule”** shall mean Rule 15c2-12 (b) (5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 2. *Purpose of the Disclosure Certificate.* This Disclosure Certificate is being executed and delivered by the City and the Board for the benefit of the Bondholders and the Participating Underwriter, and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 3. *Provision of Annual Reports.*

- (a) The City acting through the Board shall, or shall cause the Dissemination Agent to, in each year no later than eight (8) months from the end of the City's fiscal year, with the first such report to be due not later than August 31, 2019, provide to the MSRB an Annual Report which is consistent with the requirements set forth in Section 4 below. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as set forth below; *provided* that the audited financial statements of the City and the Board may be submitted separately from the balance of the Annual Report.
- (b) If the Dissemination Agent is unable to provide to the MSRB an Annual Report by the date required in (a) above, the City acting through the Board shall in a timely manner send a Notice of Failure to File Annual Report to the MSRB, in substantially the form attached as **Exhibit A**.
- (c) The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of the MSRB.

SECTION 4. *Content of Annual Reports.* The City's Annual Report shall contain or incorporate by reference the following:

1. Audited financial statements of both the City and the Board for the preceding fiscal year. If the City's or the Board's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Basis of accounting used by the City and the Board in reporting its financial statements. The City and the Board follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.
3. The total amount of general obligation debt of the City, as well as any general obligation debt which has been authorized but not yet issued.
4. Any material changes in the assessment procedures and the homestead exemption as authorized by law.
5. The assessed value of taxable property in the City and homestead exemptions for the most recent tax year available from the Louisiana Tax Commission.
6. The assessed value of property by classifications for the City for the most recent tax year available from the Louisiana Tax Commission.
7. The *ad valorem* tax levies and collections of the City and the Board for the prior tax year.
8. The millage rates for the prior tax year.
9. A listing of the ten largest *ad valorem* taxpayers within the City for the prior tax year.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the City or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The City shall clearly identify each such other document so incorporated by reference.

SECTION 5. *Reporting of Listed Events.* (a) This section shall govern the giving of notices of the occurrence of any of the following Listed Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the City;

- (xiii) The consummation of a merger, consolidation, or acquisition involving an City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect Bondholders; or
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Whenever the City or the Board obtains knowledge of the occurrence of a Listed Event, the Dissemination Agent shall file as soon as possible, but in no event more than ten business days after the occurrence of the event, a notice of such occurrence with the MSRB.

SECTION 6. *Management Discussion of Items Disclosed.* If an item required to be disclosed as part of the Annual Report or the Listed Events would be misleading without discussion, the City shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

SECTION 7. *Termination of Reporting Obligation.* The obligations of both the City and the Board under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. *Dissemination Agent.* The City, acting through the Board may, from time to time, appoint or engage a successor Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. *Amendment; Waiver.* Notwithstanding any other provision of this Disclosure Certificate, the Board acting on behalf of itself and the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if:

- (a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;
- (b) This Disclosure Certificate, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the Bondholders, as determined either by an opinion of a nationally recognized bond counsel or by approving vote of the Bondholders pursuant to the terms of the Resolution at the time of the amendment.



In the event of any such amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report relating to the City and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of change of accounting principles, on the presentation) of financial information or operating data being presented by or in respect of the City.

SECTION 10. *Additional Information.* Nothing in this Disclosure Certificate shall be deemed to prevent the City or the Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City or Board chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not have any obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. *Default.* In the event of a failure of the City to comply with any provision of this Disclosure Certificate any Bondholder or the Participating Underwriter may take such actions as may be necessary and appropriate, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. *Beneficiaries.* This Disclosure Certificate shall inure solely to the benefit of the City, the Board, the Dissemination Agent, the Participating Underwriter and the Bondholders, and shall create no rights in any other person or entity.

SECTION 13. *Other Stipulations.* Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB. Any document submitted to the MSRB pursuant to this Disclosure Certificate shall be in Portable Document Format (.pdf) and word-searchable (without regard to diagrams, images and other non-textual elements).

IN FAITH WHEREOF, the undersigned have executed this Continuing Disclosure Certificate on this, the \_\_\_ day of \_\_\_\_\_, 2019.

CITY OF NEW ORLEANS, LOUISIANA

By: \_\_\_\_\_  
Mayor

BOARD OF LIQUIDATION, CITY DEBT

By: \_\_\_\_\_  
President

ATTEST:

By: \_\_\_\_\_  
Secretary

**EXHIBIT A**  
**to Continuing Disclosure Certificate**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of City: City of New Orleans, Louisiana

Name of Bond Issue: \$50,000,000 Taxable Public Improvement Bonds, Issue of 2019

Date of Issuance: September 17, 2019

NOTICE IS HEREBY GIVEN that neither the City of New Orleans, Louisiana (the "City"), nor the Board of Liquidation City Debt (the "Board"), has provided an Annual Report as required by the Continuing Disclosure Certificate executed by the City and the Board in connection with the issuance of the above bonds. The City anticipates that its Annual Report will be filed by \_\_\_\_\_.

Date: \_\_\_\_\_

BOARD OF LIQUIDATION, CITY DEBT

By: \_\_\_\_\_  
Secretary

**BOOK-ENTRY ONLY SYSTEM**

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## **BOOK-ENTRY ONLY SYSTEM**

The Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry only system is used, only DTC will receive or have the right to receive physical delivery of the Bonds and, except as otherwise provided herein with respect to Beneficial Owners of Beneficial Ownership Interests, Beneficial Owners will not be or be considered to be, and will not have any rights as owners or holders of the Bonds under the Bond Ordinance.

The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. The Issuer makes no representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will initially act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Rating of AA+. The DTC Rules applicable to its Participants are on file with the U.S. Securities and Exchange Commission (the “SEC”). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede

& Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, the Bonds are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE ISSUER AND UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DTC PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS, (ii) CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DTC PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC, AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, UNDERWRITER NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (2) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (3) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE ORDINANCE TO BE GIVEN TO BONDHOLDERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

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**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**



## MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By \_\_\_\_\_  
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.  
1633 Broadway, New York, N.Y. 10019  
(212) 974-0100

