

Enhancing New Orleans and the Region Through Public-Private Partnerships

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New Orleans CityBusiness published Scott Whittaker's article "Enhancing New Orleans and the Region Through Public-Private Partnerships." The article can be found on the *CityBusiness* website [here](#) or the full article is below.

Louisiana lawmakers in late May approved \$300 million for the building of a new bridge across the Mississippi River in Baton Rouge to alleviate chronic traffic issues. The project, which includes upgrades to existing roads as well as the crossing itself, could cost \$2.5 billion. But not all of that is expected to be financed by the government. Officials have said tolls and a public-private partnership between the state and private industry will finance the balance of the plan.

Growth and revitalization are essential to the long-term success of cities and communities where we work and live. But infrastructure buildouts and maintenance often come with a hefty price tag and require specific professional expertise, all of which cannot solely fall on government. Thus, public-private partnerships have become increasingly popular on a global scale, enabling funding and development of large-scale construction projects by marrying private parties with government agencies. Public-private partnerships are popping up in news headlines now more than ever and have led to the development of major projects in the Greater New Orleans and surrounding region.

What is a public-private partnership?

- A public-private partnership is an agreement between a government agency and private-sector company of a long-term nature for the purpose of delivering a project or a service that leads to improvement. It involves the development of large-scale government projects such as roads, parks and buildings using private funding.

How does a public-private partnership work?

- A city government, for example, may have public property that is not being utilized and it lacks the funds to invest in a capital-intensive building project. Ideally, a private company funds the construction in exchange for receiving all or part of operating profits once the project is complete.
- Public-private partnerships often have contract periods of 25 years or longer. Financing comes partly from the private sector but requires payments from the public sector and/or users over the project's lifetime. The private partner participates in designing, completing, implementing, and funding the project, while the public partner focuses on defining and monitoring compliance with the objectives.

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CAPABILITIES

Real Estate

What are some examples of public-private partnerships in New Orleans?

▪ Four Seasons Hotel Development

The former World Trade Center of New Orleans building, located at 2 Canal Street overlooking the Mississippi River, is a historic mid-century skyscraper built in 1968 and added to the National Register of Historic Places in 2014. For decades, the property sat underused and idle while the City of New Orleans proposed, started and stopped on many development deals that went nowhere given the challenge of finding a local developer with sufficient financing or ability to handle the scale of the restoration project. The New Orleans Building Corporation, a public benefit company that owns the World Trade Center building on behalf of the city, proceeded to hire a global commercial real estate services company to solicit bids internationally and eventually leased the building in 2015 to a development team led by Carpenter & Co, of Massachusetts, and Woodward Interests of New Orleans to develop the Four Seasons Hotel. Work began in 2018 and the luxury Four Seasons hotel and residences opened in 2021 as only the second condo development sitting on land leased from the City of New Orleans. The city receives a commission on the sales of each of the 81 private residences, and a share of the hotel revenue.

▪ Saenger Theatre Redevelopment

The Saenger Theatre, located in downtown New Orleans, is a premier performing arts facility featuring Broadway shows, concerts, comedians and events. It opened in 1927 and was both designated a historic landmark by the New Orleans Landmark Commission and added to the National Register of Historic Places in 1977. The building sat uninhabited for years following damage from Hurricane Katrina in 2005. The Canal Street Development Corporation ("CSDC"), a public benefit corporation owned by the City of New Orleans, acquired the property through a donation from the owners, then facilitated the redevelopment and financing of the historic theatre through HUD Community Development Block Grant funds loaned by the CSDC, federal new markets tax credits, federal and state historic rehabilitation tax credits and Louisiana live performing arts tax credits. The Saenger Theatre reopened its doors in September 2013 following a \$53 million redevelopment project featuring an authentic restoration of the original 1927 design, including restorations and recreations of the original finishes and color schemes. New, state-of-the-art building and technical systems has ensured that the Saenger will be able to continue hosting the very finest performing arts attractions, while the city benefits by receiving a portion of the theatre ticket revenue.

▪ Harrah's Casino Development

Harrah's New Orleans casino, located at the foot of Canal Street, sits on property owned by the New Orleans Building Corporation. The initial lease was one of the first public-private partnerships to occur in New Orleans in the mid-80's which was the redevelopment of the then obsolete New Orleans Rivergate Convention Center. Fast forward to 2020 when the New Orleans City Council approved a restated lease for the Harrah's Casino property, facilitating the rebranding of the property into Caesars New Orleans which includes the construction of a 340-room hotel by 2024 and ensures at least \$6 million annually in payments directly to the City of New Orleans from the casino. Additional gaming and operational revenue generated by the casino post-construction will continue to flow directly to the city. The project has created hundreds of construction jobs and will lead to hundreds more in sustainable new jobs when the hotel opens.

Who benefits from public-private partnerships?

Everyone. When business leaders from the private and public sector work harmoniously to invest time and resources into development, it produces positive outcomes such as jobs, improved infrastructure and cultural opportunities that fuel the Greater New Orleans and regional economy.