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Bond commission OKs borrowing for NOCCA expansion

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State officials approved \$14 million in borrowing Thursday that will help a New Orleans performing arts school expand.

The expansion will house a full-day high school and culinary arts classes.

The transaction that would transform warehouse space is complicated, and the State Bond Commission added a contingency to the borrowing.

The New Orleans Center for Creative Arts Institute — the private organization that helps fund the school — must reconcile discrepancies on how the finances will work.

“There is a slight discrepancy between the funding flows that we received previously and the ones that we just recently received. We would like a contingent approval subject to our being able to make sure that we can work out those variances,” said Whit Kling, the bond commission’s director.

Members of the commission agreed to the contingency after verifying that state dollars would not be spent on the project.

Kling said the only state money involved will be a lease agreement to pay the new construction’s utility bills.

The New Orleans Center for Creative Arts, or NOCCA, draws students from multiple parishes for instruction in culinary arts, dance, media arts, filmmaking, audio production, music, drama, visual arts and creative writing. Graduates include Wynton Marsalis, Harry Connick Jr. and Broadway performer Mary Catherine Garrison.

Tuition is free, but admission requires an audition.

The school has long wanted to expand its footprint on Chartres Street to encompass nearby warehouse space. A private developer helped the project by buying the warehouse space last year.

The price tag for the project is \$24 million.

First, the Louisiana Community Development Authority, or LCDA, will issue bonds through a low interest rate program for renovating school buildings. The LCDA is a one-stop shop that helps local governments navigate financing issues.

LCDA will loan money from the bonds to the New Orleans Center for Creative Arts Institute. The institute will loan the money to NOCCA Real Estate, which eventually will lease the warehouse to the institute. The institute will sublease the warehouse to the school.

Despite the complicated loan and lease structure, the institute will be responsible for the borrowing.

The institute’s spokesman, Richard Read, said private fundraising will pay for \$10 million of the project, with bond proceeds paying the rest of the tab. The state kicked in \$900,000 for furniture, fixtures and equipment.

Read said construction will begin in September. The project is expected to be completed by August 2014, he said.

“The renovation of the warehouse is a private project, not a state project,” he said.