

RESOLUTION

NO. R-26-187

CITY HALL: May 7, 2026

**BY: COUNCILMEMBERS MORRELL, WILLARD, MCCARRON, HARRIS, KING,
GREEN AND HUGHES**

A **RESOLUTION** approving in principle the terms of an agreement to settle the pending litigation between the City of New Orleans and Orleans Parish School Board in exchange for a set sales tax collection fee of 1.5%, a one-time payment of \$6,000,000 from the City to the Orleans Parish School Board, annual payments from the City to the Orleans Parish School Board of \$2,000,000 beginning in 2027 for a period of fifteen years, and provisions regarding payments made to the Orleans Parish School Board and City under the lease agreement with Caesar's New Orleans.

WHEREAS, the City of New Orleans and the Orleans Parish School Board ("OPSB") are parties to litigation captioned *Orleans Parish School Board v. City of New Orleans, et al.*, Case No. 2019-5174, currently pending in the Civil District Court for the Parish of Orleans before Judge Nicole Sheppard; and

WHEREAS, the City and the OPSB have been negotiating to settle this litigation for some time; and

WHEREAS, the City and the OPSB have come to an agreement in principle regarding terms to settle this litigation; and

WHEREAS, a settlement agreement conforming substantially to these terms and providing additional terms and conditions regarding the settlement is forthcoming, and will be subject to approval by all parties, including the City Council and the OPSB; and

WHEREAS, this settlement will not be effective until such time as a settlement agreement is duly executed by all parties to the litigation; and

WHEREAS, a settlement of this litigation is in the best interests of all parties given the budget issues facing both the City and the OPSB and needs of the citizens of the City of New Orleans, especially its school-aged residents; **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the New Orleans City Council approves in principle of the following terms in exchange for the dismissal with prejudice of all claims brought by the OPSB in the litigation captioned *Orleans*

Parish School Board v. City of New Orleans, et al., Case No. 2019-5174, currently pending in the Civil District Court for the Parish of Orleans before Judge Nicole Sheppard:

1. The City will adopt a fixed fee of 1.5% on the collection of sales taxes on behalf of the OPSB beginning in January 2027;
2. The City will pay the OPSB a one-time payment of \$6,000,000, which may be made in two installments, and the timing of which is subject to negotiation in the final settlement agreement herein;
3. The OPSB will forego all payments under the Caesar's lease through December 31, 2029;
4. From January 1, 2030 through the expiration of the Caesar's lease, the OPSB will receive \$4,000,000 annually under the lease, provided that:
 - a. The timing of this payment is subject to negotiation in the final settlement agreement herein;
 - b. Should the amount received by the City under the Caesar's lease increase at any point during the term of the lease due to escalation terms already existing in the lease, the value of the annual payments to OPSB will increase on a pro-rata basis; and
 - c. The City will provide a copy of the current Caesar's lease to the OPSB within thirty days of this resolution.
5. Beginning in 2027, the City will pay the OPSB \$2,000,000 per year for a total of fifteen years, the timing of which payments are subject to negotiation in the final settlement agreement herein.

BE IT FURTHER RESOLVED, That this resolution expresses support of an agreement to terms in principle and shall not bind the City until the settlement is formally memorialized by a settlement agreement duly executed by all parties that substantially conforms to the terms set forth in this resolution.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, THE RESULT WAS AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

RECUSED:

AND THE RESOLUTION WAS ADOPTED.