

PRELIMINARY STAFF REPORT

To: City Planning Commission
Date: October 19, 2021

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Consideration: 2021 Downtown Development District Budget and Work Plan

I. GENERAL INFORMATION

In accordance with Section 33:2740.3E(4) of the Louisiana Revised Statutes, the Downtown Development District (DDD) is required to submit a plan to the New Orleans’ City Planning Commission specifying the public improvements, facilities and services proposed to be furnished, constructed or acquired for the district. The City Planning Commission is required by law to review and consider the plan in order to determine whether or not it is consistent with the *Plan for the 21st Century: New Orleans 2030*, commonly known as the Master Plan. Within thirty days, the City Planning Commission must submit to the City Council its written opinion as to whether or not the plan or any portion or detail thereof is inconsistent with the comprehensive plan for the city, together with any written comments and recommendations.

II. SUMMARY

The DDD Budget and Work Plan for 2022 proposes expenditures of \$11,366,412, which constitutes a 14.2 percent increase in funding from the approved 2021 budget. This total budget is closer to the DDD’s pre-pandemic funding, though slightly lower than what was approved for 2020.

Table 1: 2020-2022 DDD funding levels

Budget Category	2020	2021		2022	
	#	#	% Change	#	% Change
Public Space Operations	\$3,002,397	\$2,566,895	-15%	\$3,069,446	20%
Public Safety	\$2,771,209	\$2,534,197	-9%	\$2,995,184	18%
Economic Development	\$614,484	\$382,721	-38%	\$539,506	41%
Communications	\$768,704	\$326,892	-57%	\$574,978	76%
Infrastructure Debt Service	\$447,050	\$452,134	1%	\$476,400	5%
Administration	\$1,147,801	\$1,044,595	-9%	\$1,060,898	2%
Capital Purchases	\$0	\$0	0%	\$0	0%
Capital Improvements	\$3,205,000	\$2,650,000	-17%	\$2,650,000	0%
Total	\$11,956,645	\$9,957,434	-17%	\$11,366,412	14%

III. EVALUATION

The DDD's mission remains the same, to focus on cleanliness, public safety, and economic development within the Central Business District. The 2022 DDD Budget and Work Plan maintains the focus on these areas while increasing expenditures across the board to be more consistent with pre-COVID-19 budget levels.

1. Public Space Operations (\$3,069,446)

The Public Space Operations division assists with the maintenance and replacement of sidewalks, trash receptacles, street landscaping, and removes litter and graffiti. A list of 2022 objectives for this category can be found on pages 44-45 of the DDD's Work Plan.

2. Public Safety (\$2,995,184)

This division manages the public safety rangers, police details, and code enforcement activities of the District. Homeless outreach is now a major part of these services. A list of 2022 objectives for this category can be found on page 47 of the DDD's Work Plan.

3. Economic Development & Planning (\$539,506)

The Economic Development division promotes economic development within the district by supporting planning, legislative advocacy, real estate development, and business attraction and retention activities. A list of 2021 accomplishments and 2022 objectives for this category can be found on pages 49-56 of the DDD's Work Plan.

4. Communications (\$574,978)

The Communications division leads the DDD's efforts to disseminate a positive image of the city's downtown through various media campaigns and at events throughout the year. A list of 2021 accomplishments and 2022 objectives for this category can be found on pages 58-64 of the DDD's Work Plan.

5. Administration (\$1,060,898)

The Administration division includes personnel expenses for the administrative staff of the district as well as funds to support general office operations. An expenditure breakdown of the administrative personnel, supplies, equipment, office space, and operations is found on pages 66-67.

6. Debt Service (\$ 476,400)

This item funds principal and interest debt service for bonds issued by the District.

7. Capital Purchases (\$ 0)

The capital purchases category of the budget involves expenses for long-term equipment needs for the agency. For 2022 the DDD has budgeted \$0 for capital purchases, the same number budgeted for 2021.

8. Capital Improvements (\$2,650,000)

The last category of the District’s Budget and Work Plan pertains to capital improvements. The 2022 projected expenses includes \$2,500,000 for the DDD Infrastructure Fund. A breakdown for this category can be found on page 68 of the DDD’s Work Plan.

IV. COMPLIANCE WITH MASTER PLAN

The policy recommendations of the *Plan for the 21st Century* relevant to the Central Business District are found throughout the Master Plan, but are focused in the neighborhood and housing, the economic development, and land use elements of the Master Plan. The relevant goals, strategies, and recommended actions are copied below for reference, followed by a summary analysis by the staff.

Table 2: Relevant goals, strategies, and actions from Chapter 5: Neighborhoods and Housing

Chapter 5: Neighborhoods and Housing		
Goal	Strategy	Action
Enhanced character and livability for neighborhoods, with investments to improve quality of life	Tailor policies and programs to maintain and enhance the physical, economic social and cultural character and diversity of existing residential neighborhoods.	Use zoning to guide the scale and character of new infill to fit in with the character of established residential areas, while accommodating an array of single- and multifamily housing options to meet the strong need for more housing units in New Orleans.
		Use zoning to ensure appropriate transitions between established residential areas and redevelopment of underutilized sites.

The City Planning Commission staff believes that the 2022 DDD Budget and Work Plan advances a goal of *Chapter 5: Neighborhoods and Housing*, an element of the Master Plan. The 2015 adoption of the Comprehensive Zoning Ordinance included provisions that prescribed appropriate heights of structures in the Downtown area. These height requirements help preserve the scale and character of these areas of downtown and also ensure appropriate transitions in areas that are being redeveloped. Though this was accomplished in previous years, the DDD plans to continue its work with the City Planning Commission and City Council on zoning issues and plans to provide comments on project proposals within the downtown area. The DDD is also in the process of supporting the redevelopment of the old Veteran’s Affairs Hospital, Plaza tower, and the Loew’s State Palace Property, helping to redevelop underutilized sites. The DDD also plans to initiate

and activate a housing program in Downtown to address workforce and affordable housing needs

Table 3: Relevant goals, strategies, and actions from Chapter 9: Enhancing Prosperity and Opportunity

Chapter 9: Enhancing Prosperity and Opportunity		
Goal	Strategy	Action
A 24-hour downtown to support its role as an economic driver	Revitalize downtown New Orleans and Canal Street to transform downtown into a thriving, mixed-use urban center.	Provide incentives to facilitate safe and enhanced occupancy of upper floors of buildings in the CBD and nearby Vieux Carré, and other historic commercial areas.
		Continue to market the use of tax credits and other incentives to encourage the rehabilitation of historic structures and new construction.
		Continue aggressive code enforcement to ensure code compliance.
	Enhance transit, pedestrian and bicycle access to and within downtown as part of a larger equitable system of access across the city.	Implement policies that encourage efficient management of the curb space in the downtown area and along commercial corridors.
Preservation and expansion of established industries	Preserve and expand the tourism industry.	Improve Canal Street through implementation of the Canal Street Redevelopment Plan, including targeted regulatory changes and financial incentives.
		Improve connectivity and transit within and between tourist areas and attractions.
		Augment efforts to preserve public safety in tourism districts.

The City Planning Commission staff believes that the 2022 Downtown Development District Budget and Work Plan advances this section of *Chapter 9: Enhancing Prosperity and Opportunity* of the Master Plan. The Downtown Development District plans to facilitate a project to revitalize historic storefronts in Downtown and on Canal Street to renovate upper floor spaces. Revitalization of vacant upper floors on Canal Street aligns with the City Planning Commission staff’s recommendations as part of the 2018 Canal Street Study. The Downtown Development District’s Budget and Work Plan advances the Canal Street Redevelopment Plan by maintaining funding for façade grants as well as specific funding for Canal Street Development. The Downtown Development District plans to improve connectivity in downtown and among tourist areas by updating the downtown wayfinding system as well as continued support for pedestrian and bicycle friendly upgrades to downtown infrastructure and the support of the bike share program. In addition, the DDD plans to work with the City and RTA to ensure the construction of a Downtown transit terminal. Finally, the Downtown Development District Work Plan would augment the perception and reality of safety by maintaining police details and public safety rangers, and through their homeless outreach.

Table 4: Relevant goals, strategies, and actions from Chapter 13: Land Use Plan

Chapter 13: Land Use Plan		
Goal	Strategy	Action
Promote development that can strengthen the city’s tax and job base while serving citizen needs and preserving city character.	Make downtown a vibrant 24-hour neighborhood and commercial/entertainment district.	Ensure that land use categories specific to downtown are used to encourage a 24-hour live, work, and play environment. (See Downtown land use categories descriptions and the Future Land Use map)
		Encourage higher-density development around a well-organized urban form.
		Create active, attractive street corridors that promote multimodal connections between different areas of the CBD, accommodate transportation access and parking demand, and promote a high level of pedestrian traffic and pedestrian amenity.

The City Planning Commission staff believes that many of the Downtown Development District’s efforts to promote downtown as an area for increased economic development will also advance the goals strategies, and actions relative to downtown in *Chapter 13: Land Use Plan*, an element of the Master Plan. Many aspects of the Downtown Development District’s Work Plan will encourage a 24-hour live, work, and play environment in downtown including facilitating the redevelopment upper story spaces along Canal Street with residential units, continued plans to renovate and activate Duncan Plaza and other downtown public spaces, bringing various events and activities downtown, supporting economic development efforts, and enhancing policing and other public safety efforts downtown. The Work Plan calls for planting street trees and repairing sidewalks, funding façade improvement grants, and continuing security provided by rangers and police details, which will enhance pedestrian amenities and create active, attractive street corridors. Additionally, future collaborative plans with the DDD and other agencies to redevelop Charity Hospital and Loews State Palace property will activate the areas in which they’re located.

In addition to *Chapter 9: Enhance Prosperity and Opportunity* and *Chapter 13: Land Use Plan*, the proposed Downtown Development District Budget and Work Plan supports other elements of the Master Plan. The Downtown Development District’s proposal to support the redevelopment of Canal Street, especially the upper floors of these buildings, helps implement *Chapter 6: Historic Preservation* element of the Master Plan. The plan to continue renovating and activating Duncan Plaza as well as planting street trees implements portions of *Chapter 7: Parks, Open/Green Spaces and Recreation*. The increased outreach to homeless individuals supports a strategy in *Chapter 8: Health and Human Services* of the Master Plan.

Thus, both in terms of broad goals and in terms of specific actions, the staff believes the proposed 2022 Downtown Development District Budget and Work Plan is **consistent** with and supported by the City’s Master Plan.

The 2022 Downtown Development District Budget and Work Plan includes a number of elements that generally address the goals and strategies of the Master Plan. In addition, the Work Plan proposes projects that implement specific actions called for by the Master Plan. The City Planning Commission staff is confident that the Downtown Development District will continue to serve as an effective convener of downtown stakeholders and City Planning Commission staff looks forward to working with the Downtown Development District and other City departments on planning projects that impact the Central Business District.

V. SUMMARY

The 2022 DDD Budget and Work Plan is consistent with the Master Plan. The budget acknowledges the significant impact of COVID-19 on the DDD's tax revenues for 2021, 98% of which comes from ad valorem taxes assessed on all Downtown properties. The 2022 DDD Budget and Work Plan includes budget increases that will provide funding closer to the organization's 2020 budget, and will aid in its ability to provide resources and services to the Central Business District, Warehouse District, and other areas served by the DDD.

VI. PRELIMINARY STAFF RECOMMENDATION

The staff recommends **APPROVAL** of the 2022 DDD Budget and Work Plan as it is consistent with the *Plan for the 21st Century: New Orleans 2030*.

VII. REASON FOR RECOMMENDATION

1. The Downtown Development District's 2022 Budget and Work Plan is consistent with the goals, strategies, and actions provided for the Central Business District in the Economic Development and Land Use Elements of the Master Plan.
2. The Downtown Development District's 2022 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.