CITY PLANNING COMMISSION CITY OF NEW ORLEANS

MITCHELL J. LANDRIEU MAYOR ROBERT D. RIVERS EXECUTIVE DIRECTOR

LESLIE T. ALLEY DEPUTY DIRECTOR

City Planning Commission Staff Report Executive Summary

Applicant: New Orleans Downtown Development District

Consideration: 2016 Downtown Development District Budget and Work Plan

Summary of Proposal:

The DDD Budget and Work Plan for 2016 proposes expenditures of \$9,312,624, which constitutes an increase of \$1,792,319, or approximately 23.8%, from its adopted budget of \$7,520,305 for 2015. The plan proposes maintaining the property tax millage of 14.76 mills from 2015, which is projected to provide a net revenue of \$6,686,628. The additional revenues are expected to come from a mixture of event proceeds, grants, sponsorships, interest, and cash reserves.

Expenses for the district would be divided among the same eight categories that have been used in previous years, which cover the agency's operational divisions, capital purchases and improvements, and debt service for previously issued bonds. All eight of the budget categories would increase from the amounts approved for 2015. The changes to the amounts for each expenditure category result from minor adjustments to particular budget line items, the shifting of priorities within certain divisions of the agency, and the completion of and starting on new projects.

The 2016 DDD Budget and Work Plan includes a number of elements that generally addresses 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 DDD will continue to serve as an effective convener of downtown stakeholders and City Planning Commission staff looks forward to working with the DDD and other City departments on planning projects that impact the CBD.

Recommendation:

The staff recommends **APPROVAL** of the 2016 DDD Budget and Work Plan as it is consistent with the *Plan for the 21st Century: New Orleans 2030*.

PRELIMINARY STAFF REPORT

To: City Planning Commission **Date:** October 15, 2015

Prepared by: Larry Massey, Jr.

Consideration: 2016 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 2016 proposes expenditures of \$9,312,624, which constitutes an increase of \$1,792,319, or approximately 23.8%, from its adopted budget of \$7,520,305 for 2015. The plan proposes maintaining the property tax millage of 14.76 mills from 2015, which is projected to provide a net revenue of \$6,686,628.¹ The additional revenues are expected to come from a mixture of event proceeds, grants, sponsorships, interest, and cash reserves.

Expenses for the district would be divided among the same eight categories that have been used in previous years, which cover the agency's operational divisions, capital purchases and improvements, and debt service for previously issued bonds. All eight of the budget categories would increase from the amounts approved for 2015. The changes to the amounts for each expenditure category result from minor adjustments to particular budget line items, the shifting of priorities within certain divisions of the agency, and the completion of and starting on new projects. The changes are considered in greater detail below. The following table summarizes the approved budget amount for each category in 2015, the proposed amount for 2016, and the percent change.

¹ Including \$3,000 in interest on investments and less \$278,358 in collection and assessor's fees.

<u>REVENUES</u>	Adopted 2015	Proposed 2016	<u>Pct.</u> Change
City Sources (Net Tax Revenue & Interest)	\$ 6,071,836	\$ 6,686,628	
DDD Events	126,000	136,000	
Sponsorships/Donations/Grants	125,000	125,000	
Interest	3,000	3,000	
Banner Deposits/Miscellaneous	14,400	14,400	
External Ranger Funding		222,528	
TOTAL REVENUE	\$ 6,340,236	\$ 7,187,556	+ 13.4%
OPERATING EXPENSES	Adopted 2015	Proposed 2016	<u>Pct.</u> <u>Change</u>
1. Public Space Operations			
Personnel Costs	\$ 232,266	\$ 238,908	
Landscape Maintenance	387,436	405,432	
Street Furnishings and Beautification	107,800	119,550	
Infrastructure	100,000	60,000	
Cleaning and Maintenance	1,374,917	1,469,060	
Miscellaneous (Truck, Storage, Other)	30,124	39,824	
Total Public Space Operations	\$ 2,232,543	\$ 2,332,774	+ 4.5%
2. Public Safety			
Personnel Costs	581,658	727,306	
Public Safety Rangers	20,100	20,000	
Enhanced Police Services	666,770	631,954	
Other Public Safety	9,200	38,300	
Homelessness Outreach	49,000	49,000	
Total Public Safety	\$ 1,326,728	\$ 1,466,560	+ 10.5%
3. Economic Development & Planning			
Personnel Costs	285,454	305,420	
Canal Street Development	12,900	15,900	
District Wide Development	32,340	33,240	
Medical Complex Development	-	-	
Research & Database Management	3,600	15,600	
Supportive Housing	-	-	
Administration/Meetings	7,320	12,180	
Presentations & Marketing	-	-	
Planning Initiatives	30,000	27,000	

Business Retention and Recruitment Façade Incentive	76,704 130,000	80,100 120,000	
Total Economic Development	\$ 578,318	\$ 609,440	+ 5.4%
4. Communications			
Personnel Costs	282,872	292,034	
Events	183,434	224,187	
Donor Relations and Digital Media	84,296	24,600	
Communications	32,800	86,872	
Miscellaneous	4,568	6,568	
Research	-	41,200	
Public Affairs	15,080	15,080	
Total Communications	\$ 603,050	\$ 690,541	+ 14.5%
5. Administration			
Personnel Costs	555,561	581,144	
Supplies & Materials	15,000	12,900	
Equipment, Property & Maintenance	6,072	6,360	
Office Space	148,004	149,082	
Operations (Insurance, Prof. Services, etc.)	266,718	271,265	
Total Administration	\$ 991,355	\$ 1,020,751	+ 3.0%
<u>6. Debt Service</u>			
Debt Service – Interest	189,890	173,394	
Debt Service – Principal	403,421	421,342	
Total Debt Service	\$ 593,311	\$ 594,736	+ 0.24%
7. Capital Purchases			
Capital Purchases (Computers, etc.)	30,000	93,800	
General Fund Cash Reserves	-	4,022	
-			
Total Capital Uses	\$ 30,000	\$ 97,822	+ 226.1%
8. Capital Improvements			
District Wide Capital Improvements	1,165,000	2,500,000	
Total Capital Improvements	\$ 1,165,000	\$ 2,500,000	+ 114.6%
TOTAL EXPENSES	\$ 7,520,305	\$ 9,312,624	+ 23.8%

III. EVALUATION

The DDD's mission remains the same, to focus on cleanliness, public safety, and economic development within the Central Business District. The 2016 DDD Budget and Work Plan maintains the focus on these areas while also working to address homelessness, quality of life issues, and improving pedestrian, bicycle, and vehicular mobility. Most of the division budgets for 2016 are similar to those adopted for 2015, with several minor changes due to changing needs and programming objectives. Other divisions including capital purchases and capital improvements propose substantial increases from the 2015 DDD Budget and Work Plan. Below are summaries of the 2015 accomplishments and 2016 goals for each of the District's division from the 2016 DDD Budget and Work Plan:

1. Public Space Operations (\$ 2,332,774)

The Public Space Operations division maintains and replaces sidewalks, trash receptacles, street landscaping, and removes litter and graffiti. In 2015, The Public Space Operations division met their goal to reduce cigarette butt litter. The 13% reduction in cigarette butt litter is attributable to the aggressive "Walk Your Butt to the Can" recycling program that was launched in 2014. In addition to its continued efforts in eradicating litter, the Public Space Operation division also focused, in concert with an LSU Landscape Architecture class, to reimagine Duncan Plaza. In 2015, this division is also responsible for launching an initiative aimed to encourage DDD contractors to hire the homeless and ex-offenders, called "New Paths." In 2016 the Public Space Operations division plans to continue to reduce cigarette butt litter, begin the redevelopment of Duncan Plaza, apply for funding to update the wayfinding signage in the District, enhance current graffiti elimination program, and plant 20 to 30 trees. The DDD also plans to replace banners in the Warehouse District/Lafayette Square neighborhood, and re-stablish a banner program on Tulane Avenue. The DDD also plans to begin providing public wireless internet in Lafayette Square Park. The proposed funding for this division represents a 4.5% increase from that adopted for 2015.

2. Public Safety (\$ 1,466,560)

This division manages the public safety rangers, police details, and code enforcement activities of the District. In 2015, the Public Safety division enhanced the police patrol efforts in the District with a focus on quality of life crimes and areas of concentrated criminal activity. Through the 2nd Quarter of 2015, the District experienced a 14% reduction in property crime and a 20% overall reduction in crime, thanks to the 8th District Police Department and assistance provided by the DDD. The DDD continued its homeless outreach efforts, and dedicated one-full time Ranger to these efforts. In 2016, the Public Safety division plans to further strengthen its assistance efforts with the 8th District Police Department, and hopes to promote the increased enforcement of bicycling laws in the District. The Public Safety division

also plans to increase the total number of homeless contacts made from 640 in 2015 to 1,200 in 2016, and an increase in homeless individuals housed from 4 in 2015 to 24 in 2016. The DDD also plans to host monthly public safety training sessions that will target small businesses and residents. The proposed budget for Public Safety also includes the purchase of new bicycles for ranger patrols. The DDD also plans to complete the Low-Barrier Shelter analysis and begin the development of the shelter by the end of 2016. Low-Barrier Shelters provides shelters to individuals they may not be admitted by other shelters. Many typical shelters do not allow pets, couples, or individuals that are not sober at the time of admittance. The proposed funding for this division represents a 10.5% increase from the budget adopted for 2015.

3. Economic Development & Planning (\$ 609,440)

The Economic Development division promotes economic development within the district by supporting planning, legislative advocacy, real estate development, and business attraction and retention activities. In 2015, the Economic Development division assisted multiple developments and redevelopment efforts including the Old Charity Hospital, the second floor of Harrah's Casino, and the World Trade Center. In addition to those efforts, this division named Wildlife Reserve the winner of the Arts Based Business Challenge, reached out to 40 businesses each month, drew attention to New Orleans at South by Southwest (SXSW), assisted with residential redevelopment of the second floor of 600 Canal Street, and maintained databases of residential properties and developments in progress. In 2016, the Economic Development and Planning division plans to continue efforts such as the redevelopment of Old Charity Hospital, the second floor of Harrah's Casino, and the World Trade Center. The DDD will also sponsor the 2016 Arts Based Business Challenge, identify ways to increase tenancy in targeted areas in the District including Canal Street, assist with the redevelopment of the Duncan Plaza, provide funding for the facade improvement program at \$120,000, and sponsor SXSW DDD/Launchpad, and other downtown events, continue the retail and business calling program, and continue to facilitate the redevelopment of second floor spaces on Canal Street for residential use. The proposed funding for this division represents a 5.4% increase from the budget adopted for 2015.

4. Communications (\$ 690,541)

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. In 2015, the Communications division publicized DDD success stories, increased social media followers and email subscribers, continued promoting Downtown NOLA in New Orleans Living Magazine and television show, redesigned the DDD website, produced six new videos for the website, produced the fourth annual "Downtown NOLA Awards" and the annual "Canal Street: Home for the Holidays" events, promoted the DDD's 40th anniversary, developed a DDD Katrina 10 brochure, and sponsored, produced and/or promoted various downtown events. In

2016, the Communications division will continue to build upon its work of the past year to publicize and promote DDD and Downtown NOLA successes and capture data on media and public outreach. Specifically, the Communications division will provide general outreach and engagement, raise funds, produce the annual Downtown NOLA Awards, Arts-Based Business Pitch Challenge, and Canal Street: Home for the Holidays events, engage in branding and outreach efforts, plan and promote two Leading Mind Breakfasts, and increase its digital and social media presence.

This division also includes funds for public affairs efforts, including costs of travel, meetings, and other potential intergovernmental meetings to further the District's legislative agenda. In 2015, the Public Affairs staff protected Historic Tax Credits, worked with the City of New Orleans to secure the provisions of Lafayette Square/Warehouse District Height Plan, car-sharing services, and a pilot bicycle lane on Baronne Street, and worked with the Regional Transit Authority towards the development of a downtown transit terminal. The Public Affairs division also began evaluating RFP responses for Old Charity Hospital and the first buildings of the Iberville public housing redevelopment were opened for tenants. In 2016, the Public Affairs staff plans to be involved with planning and zoning issues, support economic development, provide operations support, promote state and federal legislative agenda, and build relationships with the City, the State, and private/non-profit entities.

5. Administration (\$ 1,020,751)

The Administration division includes personnel expenses for the administrative staff of the district as well as funds to support general office operations. In 2015, the Administration division upgraded all laptop software, attempted to increase DBE participation by establishing relationships with the Black, Asian, and Hispanic Chambers of Commerce, updated the DDD Accounting Policy and Procedure Manual as well as the procurement policies to reflect changes at the State, and established the New Paths program. In 2016, the Administration division plans to complete professional development programs for DDD staff, continue promoting DBE participation, complete DDD office space renovation, and secure new sustainable funding sources. The proposed funding for this division represents a 3% increase from the budget adopted for 2015.

6. Debt Service (\$ 594,736)

This item funds principal and interest debt service for bonds issued by the District. The cost for debt service in 2016 is projected a negligible increase of 0.24 percent from 2015.

7. Capital Purchases (\$ 97,822)

The capital purchases category of the budget involves expenses for long-term equipment needs for the agency. In 2015, the DDD Budget and Work Plan included \$5,000 for computer equipment and \$25,000 for replacement holiday wreaths. In 2016, it is anticipated that the DDD will spend the majority of these funds, \$40,000, on office furnishings for expanded space and \$30,000 on a replacement DDD vehicle. Other capital purchases include \$5,000 for computer equipment, \$2,800 for four ranger bicycles, \$1,000 for a digital still/video camera, and \$15,000 for the matting and framing of photo portraits.

8. Capital Improvements (\$ 2,500,000)

The last category of the District's Budget and Work Plan pertains to capital improvements. The 2015 DDD Budget and Work Plan totaled \$1,165,000, the majority of which was budgeted to be available for any catalytic development that the board decided to participate in during the year. In 2016, the DDD will spend \$2,500,000 for capital improvement for the following purposes:

- \$2,000,000 for the planning, design, and implementation of a Low Barrier Shelter and Duncan Plaza initiatives,
- \$200,000 for improvements to the wayfinding system, and
- \$300,000 will be available for any catalytic development that the Board may decide to participate in during the year.

The proposed 2016 budget for capital improvements represents a 114.6% increase over what was budgeted in the same category last year.

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.

Chapter 5: Neighborhoods and Housing			
Goal	Strategy	Action	
Enhanced character and livability for neighborhoods, with	Tailor policies and programs to maintain and	Use zoning to guide the scale and character of new infill to fit in with the character of established residential areas.	
investments to improve quality of life	enhance the physical, economic social and cultural	Use zoning to ensure appropriate transitions between established residential areas and redevelopment of under utilized sites.	

character and diversity of	
existing residential	
neighborhoods.	

The City Planning Commission staff believes that the 2016 DDD Budget and Work Plan advances a goal of *Chapter 5: Neighborhoods and Housing* element of the Master Plan. The recent adoption of the new 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 2015, the DDD plans to continue its work with the City Planning Commission and City Council on zoning issues, Master Plan amendments, and plans to provide comments on project proposals within the downtown area.

Chapter 9: Enhancing Prosperity and Opportunity		
Goal	Strategy	Action
A 24-hour downtown to support its role as an economic driver En per bi ar	Revitalize downtown New Orleans and Canal	Adopt a historic rehab code, modeled on New Jersey's, to facilitate the renovation of upper floor space on Canal Street.
	Street to transform downtown into a	Continue to market tax credits and other incentives to property owners. Continue aggressive code enforcement to ensure code compliance.
	thriving, mixed- use urban center.	
	Enhance transit, pedestrian and bicycle access to and within downtown.	Implement the Downtown Development District Downtown Mobility and Parking Study, including establishment of a parking authority and coordinated off-street parking program.
expansion of expand	Preserve and	Improve Canal Street through implementation of the Canal Street Redevelopment Plan, including targeted regulatory changes and financial incentives.
	expand the tourism industry.	Improve connectivity in downtown and among tourist areas with transit and pedestrian improvements.
		Augment the perception and reality of safety in tourist areas.

The City Planning Commission staff believes that the 2016 DDD Budget and Work Plan advances this section of *Chapter 9: Enhancing Prosperity and Opportunity* of the Master Plan. The DDD plans to facilitate a project to consolidate small buildings on Canal Street to redevelop the second floor spaces which address the action item to renovate upper

floor spaces on Canal Street. The Work Plan advances the code enforcement efforts by continuing to conduct code inspections on all properties. The DDD's Budget and Work Plan advances the Canal Street Redevelopment Plan by maintaining funding for façade grants, and facilitating upper floor developments on Canal Street. The DDD plans to improve connectivity in downtown and among tourist areas by updating the downtown wayfinding system. Finally, the DDD Work Plan would augment the perception and reality of safety by maintaining police details and public safety rangers, and by increasing their homeless outreach and finding fair regulations for homeless feeding efforts.

Chapter 14: 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 DDD'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 14: Land Use Plan element of the Master Plan. The DDD has been involved and will stay involved in the implementation of the new Comprehensive Zoning Ordinance. Many aspects of the DDD's Work Plan will encourage a 24-hour live, work, and play environment downtown including facilitating the redevelopment second-story spaces along Canal Street with residential units, plans to renovate 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 DDD has been and will continue to play an integral role in encouraging higher density developments through the Lafayette Square & Warehouse District Refined Height Plan, the new Comprehensive Zoning Ordinance, and other planning and zoning issues. The Work Plan calls for planting street trees, working with the City of New Orleans to create opportunities for bike-share, car-share, and app-based for hire services, funding facade improvement grants, and continuing security provided by rangers and police details, which will enhance pedestrian amenities and create active, attractive street corridors.

In addition to *Chapter 9: Enhance Prosperity and Opportunity* and *Chapter 14: Land Use Plan*, the proposed DDD Budget and Work Plan supports other elements of the Master Plan. The DDD'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 renovate Duncan Plaza, to create a public space master plan, and to plant street trees implements portions of *Chapter 7: Green Infrastructure*. The increased outreach to homeless individuals and the plan the construct a Low Barrier Shelter support a strategy in *Chapter 8: Health and Human Services* element of the Master Plan.

Thus, both in terms of broad goals and in terms of specific actions, the staff believes the proposed 2016 DDD Budget and Work Plan is **consistent** with and supported by the City's Master Plan.

The 2016 DDD Budget and Work Plan includes a number of elements that generally addresses 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 DDD will continue to serve as an effective convener of downtown stakeholders and City Planning Commission staff looks forward to working with the DDD and other City departments on planning projects that impact the CBD.

V. PRELIMINARY STAFF RECOMMENDATION

The staff recommends **APPROVAL** of the 2016 DDD Budget and Work Plan as it is consistent with the *Plan for the 21st Century: New Orleans 2030*.

VI. REASON FOR RECOMMENDATION

- 1. The DDD's 2016 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 DDD's 2016 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.

VII. CITY PLANNING COMMISSION MEETING (October 27, 2015)

The Principal City Planner summarized the request and recommendation.

The President and CEO of the Downtown Development District (DDD) presented a summary of the District's accomplishments in 2015 and goals for 2016.

The Executive Director of the CPC asked if the proposed upgrades to the wayfinding signage will be coordinated with the large institutions located in the District. The DDD representative responded that the effort will be coordinated. The Executive Director then asked if the design of improvements on Andrew Higgins Drive will be funded from the

District's capital improvements budget. The DDD's representative responded that the project will be introduced to the DDD Board for approval.

Commissioner Brown then asked staff if the DDD's proposed capital improvements were considered during the development of the 2016-2020 Capital Improvements Plan. The Principal City Planner answered that it was not considered during that process.

Commissioner Brown made a motion for approval, which was seconded by Commissioner Allen and adopted.

Motion:

BE IT MOVED BY THE CITY PLANNING COMMISSION THAT THE 2016 DOWNTOWN DEVELOPMENT DISTRICT BUDGET AND WORK PLAN IS HEREBY RECOMMENDED FOR **APPROVAL**. BE IT FURTHER MOVED THAT THE EXECUTIVE DIRECTOR IS HEREBY AUTHORIZED TO NOTIFY THE CITY COUNCIL OF SAID ACTION.

YEAS: Allen, Brown, Mitchell, Mora, Steeg, Wedberg

NAYS: None

ABSENT: Duplessis

RECUSE: Marshall

VIII. REASONS FOR RECOMMENDATION

- 1. The DDD's 2016 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 DDD's 2016 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.