

CITY PLANNING COMMISSION
CITY OF NEW ORLEANS

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MAYOR

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EXECUTIVE DIRECTOR

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DEPUTY DIRECTOR

City Planning Commission Staff Report
Executive Summary

Applicant: New Orleans Downtown Development District

Consideration: 2017 Downtown Development District Budget and Work Plan

Summary of Proposal:

The DDD Budget and Work Plan for 2017 proposes expenditures of \$10,025,884 which constitutes an increase of \$713,260, or approximately 7.7%, from its adopted budget of \$9,312,624 for 2016. The plan proposes maintaining the property tax millage of 14.76 mills from 2016, which is projected to provide a net revenue of \$7,345,060. The additional revenues are expected to come from a mixture of event proceeds, interest, and banner deposits.

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. Five of eight of the budget categories would increase from the amounts approved for 2016. 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 2017 Downtown Development District 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 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.

Recommendation:

The staff recommends **APPROVAL** of the 2017 Downtown Development

District Budget and Work Plan as it is consistent with the *Plan for the 21st Century: New Orleans 2030*.

STAFF REPORT

To: City Planning Commission
Date: October 26, 2016

Prepared by: Stosh Kozlowski

Consideration: 2017 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 2017 proposes expenditures of \$10,025,884, which constitutes an increase of \$713,260, or approximately 7.7%, from its adopted budget of \$9,312,624 for 2016. The plan proposes maintaining the property tax millage of 14.76 mills from 2016, which is projected to provide a net revenue of \$7,345,060.¹ The additional revenues are expected to come from a mixture of event proceeds, interest, and banner deposits earned.

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. Five of the eight budget categories would increase from the amounts approved for 2016. The increasing budget categories include Public Space Operations, Public Safety, Economic Development, Infrastructure Debt Service and Administration. Communications and Capital Purchases decreases in their respective budgets as compared to 2016, while Capital Improvements remained the same. 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

¹ Including \$16,900 in interest on investments and less \$305,340 in collection and assessor's fees.

following table summarizes the approved budget amount for each category in 2016, the proposed amount for 2017, and the percent change.

<u>REVENUES</u>	<u>Adopted 2016</u>	<u>Proposed 2017</u>	<u>Pct. Change</u>
City Sources (Net Tax Revenue & Interest)	\$ 6,686,628	\$ 7,345,060	
DDD Events	136,000	135,000	
Sponsorships/Donations/Grants	125,000	-	
Interest	3,000	3,000	
Banner Deposits/Miscellaneous	14,400	18,000	
External Ranger Funding	222,528	-	
TOTAL REVENUE	\$ 7,187,556	\$ 7,501,060	+ 4.4%
<u>OPERATING EXPENSES</u>	<u>Adopted 2016</u>	<u>Proposed 2017</u>	<u>Pct. Change</u>
<u>1. Public Space Operations</u>			
Personnel Costs	\$ 238,908	\$ 236,834	
Landscape Maintenance	405,432	405,432	
Enhanced City Services	-	48,000	
Street Furnishings and Beautification	119,550	180,750	
Infrastructure	60,000	100,000	
Cleaning and Maintenance	1,469,060	1,524,660	
Miscellaneous (Truck, Storage, Other)	39,824	32,624	
Total Public Space Operations	\$ 2,332,774	\$ 2,528,300	+ 8.4%
<u>2. Public Safety</u>			
Personnel Costs	727,306	712,146	
Public Safety Rangers	20,000	22,300	
Enhanced Police Services	631,954	933,600	
Other Public Safety	38,300	14,250	
Homelessness Outreach	49,000	423,500	
Total Public Safety	\$ 1,466,560	\$ 2,105,796	+ 43.6%
<u>3. Economic Development & Planning</u>			
Personnel Costs	305,420	306,826	
Canal Street Development	15,900	16,800	
District Wide Development	33,240	36,240	
Medical Complex Development	-	-	

Research & Database Management	15,600	21,600	
Supportive Housing	-	-	
Administration/Meetings	12,180	18,060	
Presentations & Marketing	-	-	
Planning Initiatives	27,000	25,800	
Business Retention and Recruitment	80,100	115,500	
Façade Incentive	120,000	120,000	
Total Economic Development	\$ 609,440	\$ 660,826	+ 8.4%
<u>4. Communications</u>			
Personnel Costs	292,034	296,958	
Events	224,187	198,503	
Donor Relations and Digital Media	24,600	28,800	
Communications	86,872	47,400	
Miscellaneous	6,568	4,268	
Research	41,200	-	
Public Affairs	15,080	15,080	
Total Communications	\$ 690,541	\$ 591,009	- 14.4%
<u>5. Administration</u>			
Personnel Costs	581,144	575,771	
Supplies & Materials	12,900	13,800	
Equipment, Property & Maintenance	6,360	6,075	
Office Space	149,082	156,173	
Operations (Insurance, Prof. Services, etc.)	271,265	272,242	
Total Administration	\$ 1,020,751	\$ 1,024,061	+ 0.3%
<u>6. Debt Service</u>			
Debt Service – Interest	173,394	160,312	
Debt Service – Principal	421,342	440,580	
Total Debt Service	\$ 594,736	\$ 600,892	+ 1.0%
<u>7. Capital Purchases</u>			
Capital Purchases (Computers, etc.)	93,800	15,000	
General Fund Cash Reserves	4,022	-	
Total Capital Uses	\$ 97,822	\$ 15,000	- 84.7%
<u>8. Capital Improvements</u>			
District Wide Capital Improvements	2,500,000	2,500,000	

Total Capital Improvements	\$ 2,500,000	\$ 2,500,000	0%
TOTAL EXPENSES	\$ 9,312,624	\$10,025,884	+ 7.7%

III. EVALUATION

The DDD’s mission remains the same, to focus on cleanliness, public safety, and economic development within the Central Business District. The 2017 DDD Budget and Work Plan maintains the focus on these areas while also increasing the budget significantly to address homelessness, quality of life issues, and improving pedestrian, bicycle, and vehicular mobility. Most of the division budgets for 2017 are similar to those adopted for 2016, with several minor changes due to changing needs and programming objectives. Capital purchases decreased while and capital improvements remained the same from the 2016 DDD Budget and Work Plan. Below are summaries of the 2016 accomplishments and 2017 goals for each of the District’s divisions from the 2017 DDD Budget and Work Plan:

1. Public Space Operations (\$2,528,300)

The Public Space Operations division maintains and replaces sidewalks, trash receptacles, street landscaping, and removes litter and graffiti. In 2016, The Public Space Operations division met their goal to reduce cigarette butt litter. The 2% 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, to expand the DDD clean program to include daily litter abatement under the Calliope and Claiborne Avenue Expressways and provided over 5,000 additional clean team man-hours for cleaning during special events. In 2016, this division is also responsible for refurbishing 55 trash receptacles and redeployment throughout the DDD and planting 23 new trees in the downtown amongst many other projects.

In 2017 the Public Space Operations division plans to:

- Initiate the design development and community outreach for the redevelopment of Duncan Plaza;
- Provide funding and support to the City for hiring one full-time Sanitation Ranger with enforcement authority;
- Deploy 50 Big Belly trash units;
- Plant 20 to 30 trees;
- Complete the design phase of Andrew Higgins Streetscape project to improve sidewalks, landscaping and lighting;
- Work with the City to complete the Canal Street sidewalk repairs;

- Expand holiday lighting and decorations to include upper Canal Street from Basin Street to Claiborne Avenue.

The proposed funding for Public Space Operations represents an 8.4% increase from that adopted for 2016.

2. Public Safety (\$2,105,796)

This division manages the public safety rangers, police details, and code enforcement activities of the District. In 2016, the Public Safety division purchased an additional police vehicle for exclusive downtown usage and expanded private security patrols in the evening and overnight hours to complement DDD Public Safety Rangers and police detail patrols. The DDD also partner with the New Orleans Police & Justice Foundation to provide funding for the SafeCams programs for the installation of security cameras. The DDD then coordinated with the New Orleans Police Department to install permanent cameras and increase patrols of Canal Street and S. Rampart Street.

In 2017, the Public Safety division plans to:

- Fully integrate private security patrols into the DDD’s public safety program;
- Evaluate reporting requirements and monthly benchmarks to gauge performance of the patrol service;
- Implement a mobile workforce management system to use by DDD rangers to input daily work activates and improve reporting and productivity;
- Host quarterly meetings with Downtown residents to share public safety concerns and crime stats;
- Increase the number of detail officers who are Segway or scooter certified.
- In partnership with the City and Travelers Aid Society, make 1,200 homeless contacts with 24 “housings.”

The proposed funding for this division represents a 43.6% increase from the budget adopted for 2016.

3. Economic Development & Planning (\$ 660,826)

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 2016, the Economic Development division attracted two new high profile retail tenants to Canal Street and a third under construction at the Riverwalk. In addition to those efforts, the Economic Development division obtained three façade grants and completion for a fourth is “in the pipeline,” including an enhancement grant for Eagle Saloon, drafted a CEA with the City and preliminary design work for Low Barrier Shelter, initiated the update of

the Historic District Height Study, sponsored signature DDD Arts-Based Business Challenge and made presentation at ICSC and other points to potential developed and users for vacant second floor space at Harrah's. Further Economic Development Division include a co-sponsored SXSW and Collision Conference event along with NOLABA and GNO, Inc. to promote Industries of the Mind recruitment for Downtown, published appropriate economic metrics, such as real estate investment, cultural district statistics, residential growth, rental and occupancy rates, office rental and occupancy rates, pedestrian traffic count

In 2017, the Economic Development and Planning division plans to:

- Facilitate consolidation of small buildings in the 800 and 1000 block of Canal Street to redevelop second floor spaces for residential use;
- Continue regular calling program to existing retailers and Industries of the Mind businesses within Downtown to express appreciation for that they do and to solicit their suggestions on what would make the District better, documenting results and follow up;
- Sponsor or co-sponsor programs and events such as DDD/Launchpad Collision Conference, Culture-Up, NOEW, Idea Village, to sustain and initiate new efforts, directly and in collaboration with others to attract digital media, film, music and other creative businesses and entrepreneurs to the District;
- Administer Façade improvement Program to revitalize historic storefronts in the District;
- Publish improved Economic Activity metrics such as economic investment, cultural district statistics, jobs, rental and occupancy rates, residential growth, etc.;
- Develop strategy and methodology for DDD to aggressively address major blighting influence properties in the District, including direct investment possibilities, where warranted and appropriate.

The proposed funding for this division represents an 8.4% increase from the budget adopted for 2016.

4. Communications (\$ 591,009)

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 2016, the Communications division publicized DDD success stories, increased email subscribers by 20% and social media followers by more than 30%, continued promoting Downtown NOLA in New Orleans Living Magazine and television show, launched redesigned and upgraded DDD mobile app, produced five new videos testimonials for the website, produced the fifth annual "Downtown NOLA Awards" and the annual "Canal Street: Home for the Holidays" events, planned, produced and promoted Downtown NOLA Saturday Shopping Spree,

planned produced and promoted the DDD's 3rd annual PARKing Day and produced and/or promoted various downtown events.

In 2017, 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 the 6th Annual Downtown NOLA Awards and the Downtown NOLA Shopping Spree, 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 2016, the Public Affairs staff protected Historic Tax Credits, identified siting for a 100 bed Low Barrier Shelter, selected a location for a new pocket park in the DDD, was a stakeholder in the Canal Street upper floor redevelopment strategy and hosted a stakeholder meeting to determine what meaningful changes were necessary as part of the Master Plan review process. In 2017, 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.

The proposed funding for this division represents an -14.4% decrease from the budget adopted for 2016.

5. Administration (\$ 1,024,061)

The Administration division includes personnel expenses for the administrative staff of the district as well as funds to support general office operations. In 2016, the Administration division upgraded all laptop software to Windows 10, completed renovation of office space and created and/or supervised individual professional development plans for the entire staff. In 2017, the Administration division plans to work with the Board of Commissioners to update the Strategic Plan, work with Communications Department to secure new recurring, sustainable sponsorship funding sources for individual projects and activities, further create and/or supervise individual professional development plans for the entire staff, and continue to work on increasing participation by DBE certified firms in procurement of services and material. The proposed funding for this division represents a 0.3% increase from the budget adopted for 2016.

6. Debt Service (\$ 600,892)

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 1.0% from 2016.

7. Capital Purchases (\$ 15,000)

The capital purchases category of the budget involves expenses for long-term equipment needs for the agency. For 2017 the DDD has budgeted \$15,000 for capital purchases, a -84.7% decrease from the 2016 approved budget for minimal capital purchases. A general fund cash reserve has been omitted as a line item from the budget.

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

The last category of the District’s Budget and Work Plan pertains to capital improvements. The 2016 DDD Budget and Work Plan totaled \$2,500,000, the majority of which was budgeted to be available for any catalytic development that the board decided to participate in during the year. In 2017, DDD spending will not change from \$2,500,000 for capital improvement for the following purposes:

- District wide capital improvements;
- Canal Street streetscape;
- CSDC excess tax payments.

The proposed 2017 budget for capital improvements represents no change 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 investments to improve	Tailor policies and programs to maintain and enhance the physical, economic social and cultural character and diversity	Use zoning to guide the scale and character of new infill to fit in with the character of established residential areas.
		Use zoning to ensure appropriate transitions between established residential areas and

quality of life	of existing residential neighborhoods.	redevelopment of under utilized sites.
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The City Planning Commission staff believes that the 2017 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	Revitalize downtown New Orleans and Canal Street to transform downtown into a thriving, mixed-use urban center.	Adopt a historic rehab code, modeled on New Jersey's, to facilitate the renovation of upper floor space on Canal Street.
		Continue to market tax credits and other incentives to property owners.
		Continue aggressive code enforcement to ensure code compliance.
	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.
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 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 2017 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 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 Downtown Development District’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 Downtown Development District plans to improve connectivity in downtown and among tourist areas by updating the downtown wayfinding system. Finally, the Downtown Development District 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 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 14: Land Use Plan* element of the Master Plan. The Downtown Development District has been involved and will stay involved in the implementation of the new Comprehensive Zoning Ordinance. Many aspects of the Downtown Development District’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 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 façade 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 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 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 to 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 2017 Downtown Development District Budget and Work Plan is **consistent** with and supported by the City's Master Plan.

The 2017 Downtown Development District 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 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. PRELIMINARY STAFF RECOMMENDATION

The staff recommends **APPROVAL** of the 2017 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 Downtown Development District's 2017 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 2017 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 25, 2016)

The staff summarized the request, stating the staff's recommendation of approval. Two speakers were present as proponents. Commissioner Stewart made a motion for APPROVAL as recommended by the staff, which was seconded by Commissioner Green and adopted.

Motion

BE IT MOVED BY THE CITY PLANNING COMMISSION THAT THE 2017 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: Brown, Duplessis, Green, Steeg, Stewart,

NAYS:

ABSENT: Wedberg, Mitchell

VII. REASONS FOR RECOMMENDATION

1. The Downtown Development District's 2017 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 2017 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.