

CITY PLANNING COMMISSION
CITY OF NEW ORLEANS

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MAYOR

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EXECUTIVE DIRECTOR

LESLIE T. ALLEY
DEPUTY DIRECTOR

City Planning Commission Staff Report
Executive Summary

Applicant: New Orleans Downtown Development District

Consideration: 2018 Downtown Development District Budget and Work Plan

Summary of Proposal:

The DDD Budget and Work Plan for 2018 proposes expenditures of \$10,504,848, which constitutes an increase of \$478,964, or 4.8%, from its adopted budget of \$10,025,884 for 2017. The plan proposes maintaining the property tax millage of 14.76 mills from 2017, which is projected to provide a net revenue of \$7,571,824.¹ 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. Six of eight of the budget categories would increase from the amounts approved for 2017. 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 2018 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.

¹ Including \$8,880 in interest on investments and less \$314,388 in collection and assessor's fees.

Recommendation:

The staff recommends **APPROVAL** of the 2018 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: September 28, 2017

Prepared by: Larry W. Massey, Jr.

Consideration: 2018 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 2018 proposes expenditures of \$10,504,848, which constitutes an increase of \$478,964, or 4.8%, from its adopted budget of \$10,025,884 for 2017. The plan proposes maintaining the property tax millage of 14.76 mills from 2017, which is projected to provide a net revenue of \$7,571,824.² 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. Six of the eight budget categories would increase from the amounts approved for 2017. The increasing budget categories include Public Space Operations, Public Safety, Economic Development & Planning, and Administration. Capital Purchases and Debt Service budgets are significantly reduced compared to 2017, and the Capital Improvements budget is slightly reduced. 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 and starting of new projects. The changes are considered in greater detail below. The following table summarizes the approved budget amount for each category in 2017, the proposed amount for 2018, and the percent change.

² Including \$8,880 in interest on investments and less \$314,388 in collection and assessor's fees.

REVENUES	Adopted 2017	Proposed 2018	Pct. Change
City Sources (Net Tax Revenue & Interest)	\$ 7,345,060	\$ 7,571,824	
DDD Events	135,000	135,000	
Sponsorships/Donations/Grants	-	10,000	
Interest	3,000	8,880	
Banner Deposits/Miscellaneous	18,000	78,400	
TOTAL REVENUE	\$ 7,501,060	\$ 7,804,104	+ 4.0%

OPERATING EXPENSES	Adopted 2017	Proposed 2018	Pct. Change
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1. Public Space Operations

Personnel Costs	\$ 236,834	\$ 244,391	
Landscape Maintenance	405,432	501,432	
Enhanced City Services	48,000	48,000	
Street Furnishings and Beautification	180,750	163,230	
Infrastructure	100,000	100,000	
Cleaning and Maintenance	1,524,660	1,648,660	
Miscellaneous (Truck, Storage, Other)	32,624	32,624	
Total Public Space Operations	\$ 2,528,300	\$ 2,738,337	+ 8.3%

2. Public Safety

Personnel Costs	712,146	799,138	
Public Safety Rangers	22,300	26,900	
Enhanced Police Services	933,600	984,000	
Other Public Safety	14,250	10,850	
Homelessness Outreach	423,500	555,992	
Total Public Safety	\$ 2,105,796	\$ 2,376,880	+ 12.9%

3. Economic Development & Planning

Personnel Costs	306,826	315,324	
Canal Street Development	16,800	16,800	
District Wide Development	36,240	36,240	
Job Recruitment & Development	-	61,740	
Research & Database Management	21,600	21,600	
Housing	-	28,800	
Administration/Meetings	18,060	18,060	
Presentations & Marketing	-	-	
Planning Initiatives	25,800	25,800	
Business Retention and Recruitment	115,500	105,500	
Façade Incentive	120,000	180,000	
Total Economic Development	\$ 660,826	\$ 809,864	+ 22.6%

4. Communications

Personnel Costs	296,958	316,298	
Events	198,503	214,003	
Donor Relations and Digital Media	28,800	26,400	
Communications	47,400	25,800	
Miscellaneous	4,268	5,768	
Research	-	50,000	
Public Affairs	15,080	24,180	
Total Communications	\$ 591,009	\$ 662,449	+ 12.1%

<u>5. Administration</u>			
Personnel Costs	575,771	591,372	
Supplies & Materials	13,800	16,800	
Equipment, Property & Maintenance	6,075	5,772	
Office Space	156,173	157,030	
Operations (Insurance, Prof. Services, etc.)	272,242	289,632	
Total Administration	\$ 1,024,061	\$ 1,060,606	+ 3.6%
<u>6. Debt Service</u>			
Debt Service – Interest	160,312	96,212	
Debt Service – Principal	440,580	350,000	
Total Debt Service	\$ 600,892	\$ 446,212	- 25.7%
<u>7. Capital Purchases</u>			
Capital Purchases (Computers, etc.)	15,000	10,500	
General Fund Cash Reserves	-	-	
Total Capital Uses	\$ 15,000	\$ 10,500	- 30.0%
<u>8. Capital Improvements</u>			
District Wide Capital Improvements	2,500,000	2,400,000	
Total Capital Improvements	\$ 2,500,000	\$ 2,400,000	- 4.0%
TOTAL EXPENSES	\$10,025,884	\$10,504,848	+ 4.8%

III. EVALUATION

The DDD’s mission remains the same, to focus on cleanliness, public safety, and economic development within the Central Business District. The 2018 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 2018 are similar to those adopted for 2017, with several minor changes due to changing needs and programming objectives. Most significant decreases are to Debt Service and Capital Purchases. Nearly all other division budgets are proposed to increase, including significant increases to Public Safety, Economic Development and Planning, and Communications. Below are summaries of the 2017 accomplishments and lists of the 2018 goals for each of the District’s divisions from the 2018 DDD Budget and Work Plan:

1. Public Space Operations (\$2,738,337)

The Public Space Operations division assists with the maintenance and replacement of sidewalks, trash receptacles, street landscaping, and removes litter and graffiti. In 2017, the Public Space Operations division partnered with the City in the development of a low-barrier shelter (1530 Gravier Street), and with the Arts Council to secure a grant to develop an operations plan for a redeveloped Duncan Plaza. The Public Space Operations division also awarded \$70,000 in grants to assist property owners within

the District with sidewalk improvements, and partnered with the City to repair brick sidewalks on Canal Street.

In 2018 the Public Space Operations division's goals include (see Budget and Work Plan pgs. 49-51 for full list):

- Develop a Duncan Plaza operations plans that creates a safe, clean and vibrant environment.
- Begin Duncan Plaza transitional management activities to ensure a smooth transfer from the City of New Orleans to the DDD.
- Complete the development of Legacy Park in the Lafayette Square neighborhood to better serve children and families who reside Downtown.
- Expand DDD Clean Team capacity to support the increased activity and development in Downtown including new residential, hotels, and entertainment in areas such as Upper Canal, Gravier – Common neighborhood, and Medical District.
- Add clean and safe programs to the new University Medical Center campus to achieve continuity of operations in the Medical District.

The proposed funding for Public Space Operations represents an 8.3% increase from that adopted for 2017. The increased funds are proposed to be allocated to the Landscape Maintenance, Cleaning and Maintenance, and Personnel Costs line items within the proposed Public Space Operations budget.

2. Public Safety (\$2,376,880)

This division manages the public safety rangers, police details, and code enforcement activities of the District. In 2017, the Public Safety division supplemented DDD Public Safety Rangers and police details by expanding private security patrols within the District. This division also provided extra training to Public Safety Rangers on Crisis Intervention and Community Emergency Response (CERT). Additionally, quarterly neighborhood meeting were held to discuss crime and safety issues with the community.

In 2018, the Public Safety division's goals include (see Budget and Work Plan pg. 54 for full list):

- Begin operations of the new Community Resource and Referral Center (CRRC) low barrier homeless shelter in partnership with the City and others.
- Continue highly successful partnership with Travelers Aid Society to provide street outreach to the homeless. Make 1,800 homeless contact with 48 housings in 2018.

- Expand full time homeless outreach services to evening and weekends (using dedicated Public Safety Ranger personnel) to take advantage of the low barrier shelter at CRRC.
- Install additional video surveillance in crime and graffiti hotspots via successful partnership with the New Orleans Police and Justice Foundation (NOPJF).
- Partner with the Regional Planning Commission (RPC), the City and others to create and promote Safe Streets for Everyone to Downtown cyclists, pedestrians, and motorists.

The proposed funding for this division represents a 12.9% increase from the budget adopted for 2017. The DDD proposes to increase funding in Personnel Costs, Public Safety Rangers, Enhanced Polices Services, and Homelessness Outreach within the Public Safety budget category.

3. Economic Development & Planning (\$ 809,864)

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 2017, the Economic Development division attracted one major retailer to Canal Street, and a major amusement facility to Poydras Street. In addition to those efforts, the Economic Development division completed five façade improvement projects, with an additional four projects still active. As in past years, this division also sponsored signature DDD Arts-Based Business Challenge, Collision, Entrepreneur Week, and the Bioinnovation Center, among others.

In 2018, the Economic Development and Planning division’s goals include (see Budget and Work Plan pgs. 57-59 for full list):

- Take all reasonable action to encourage Canal Street property owners to commence the first project using the DDD Upper Floor Development Strategy.
- Transform the Loew’s State Palace Theatre block of Canal Street via redevelopment, including the DDD as a partner if necessary, or other physical upgrade.
- Develop a viable strategy for the redevelopment of Old Charity Hospital and the former Veterans Affairs complex (in concert with key stakeholders) into attractive, adaptively reused facilities (where appropriate) preserving the architectural and cultural importance of these assets.
- Initiate a comprehensive redevelopment and management strategy for the 100 block of Carondelet.

- In collaboration with the City, developers and others, initiate and activate a housing program in Downtown to address workforce and affordable housing needs.

The proposed funding for this division represents a 22.6% increase from the budget adopted for 2017. Items within the Economic Development and Planning budget proposed to have increased funding over last year's budget include Personnel Costs, Job Recruitment and Development, Housing, and Façade Incentive.

4. Communications (\$ 662,449)

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 2017, 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, produced six new videos and 16 new testimonials, produced the sixth 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 4th PARKing Day and produced and/or promoted various downtown events.

In 2018, the Communications division's goals include (see Budget and Work Plan pgs. 65-67 for full list):

- Collaborate with Downtown retail partners to increase shopping during peak and off-peak seasons.
- Develop and implement a communications strategy to promote DDD's 2018 public policy initiatives.
- Promote the Panhandling Public Awareness Campaign
- Plan, execute and promote Downtown NOLA Saturday Shopping Spree
- Promote the 6th Annual Arts-Based Business Pitch Challenge in order to draw attention to Downtown's Industries of the Mind.

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 2017, the Public Affairs worked with the City to find a site for the Low Barrier Shelter and to develop an RFP for its operator. Public Affairs also partnered with the Arts Council to secure a 2017 Southwest Airlines Heart of the Community Placemaking Grant to consider the redevelopment of Duncan Plaza, worked with the City for the community engagement and pre-launch of the city's bike share system, and participated in the RTA's Strategic Mobility Plan.

In 2018, the Public Affairs division's goals include (see Budget and Work Plan pgs. 68-69 for full list):

- Ensure that low barrier shelter operations at CRRC are launched on time with strong community support.
- Lead citywide effort to create additional sobering, mental health crisis, medical respite, drug and alcohol detox, and medical clearance capacity.
- Protect State and Federal historic tax credits.
- Secure commitment for a high-amenity Downtown transit terminal that serves transit riders and other Downtown stakeholders.
- Affect changes to local, state and federal programs that impede the ability to care for the mentally ill and homeless and diminish public safety and quality of life.

The proposed funding for the Communications division represents a 12.1% increase from the budget adopted for 2017. Line items receiving increases in this year's budget include Personnel Costs, Events, Miscellaneous, Research, and Public Affairs.

5. Administration (\$ 1,060,606)

The Administration division includes personnel expenses for the administrative staff of the district as well as funds to support general office operations. In 2017, the Administration division updated the Strategic Plan with the Board of Commissioners, created professional development plans for DDD staff, and secured funding for Duncan Plaza and searched for additional sources of funding for other ongoing projects.

In 2018, the Administration division's goals include (see Budget and Work Plan pg. 72 for full list):

- Work with the Communication Department to secure new recurring, sustainable sponsorship funding sources for individual projects and activities.
- Ensure the implementation of individualized professional development plans for entire staff.
- Maintain and expand participation of DBE-certified firms in the provision of services and materials to the DDD.
- Expand DDD's successful New Paths program for former homeless and incarcerated individuals.

The proposed funding for this division represents a 3.6% increase from the budget adopted for 2017. Increases for individual line items within the Administration budget include minor increases to Personnel Costs, Supplies and Materials, Office Space, and Operations (Insurance, Prof. Services, etc.).

6. Debt Service (\$ 446,212)

This item funds principal and interest debt service for bonds issued by the District. The cost for debt service in 2018 is projected a significant decrease of 25.7% from 2017.

7. Capital Purchases (\$ 10,500)

The capital purchases category of the budget involves expenses for long-term equipment needs for the agency. For 2018 the DDD has budgeted \$10,500 for capital purchases, a 30.0% decrease from the 2017 approved budget for capital purchases.

8. Capital Improvements (\$ 2,400,000)

The last category of the District’s Budget and Work Plan pertains to capital improvements. The 2017 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 2018, DDD spending will decrease slightly (4.0%) to \$2,400,000 for Districtwide Capital Improvements.

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 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 under utilized sites.

The City Planning Commission staff believes that the 2018 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 previous years, 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.	Provide incentives to facilitate safe and enhanced occupancy of upper floors of buildings in the CBD and nearby Vieux Carre, 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.
	Enhance transit, pedestrian and bicycle access to and within downtown as part of a larger equitable system of access across the city.	Continue aggressive code enforcement to ensure code compliance.
Preservation and expansion of established industries	Preserve and expand the tourism industry.	Implement policies that encourage efficient management of the curb space in the downtown area and along commercial corridors.
		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 2018 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 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.

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, 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 and to plant street trees implements portions of *Chapter 7: Green Infrastructure*. The increased outreach to homeless individuals and the plan develop 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 2018 Downtown Development District Budget and Work Plan is **consistent** with and supported by the City’s Master Plan.

The 2018 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 2018 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 2018 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 2018 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 (September 26, 2017)

The staff summarized the request, stating the staff’s recommendation of approval. Two representatives for the Downtown Development District were present as proponents. Commissioner Wedberg made a motion for **APPROVAL** as recommended by the staff, which was seconded by Commissioner Brown and adopted.

Motion

BE IT MOVED BY THE CITY PLANNING COMMISSION THAT THE 2018 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, Wedberg

NAYS: None

ABSENT: Hughes, Isaacson, Mitchell

VII. REASONS FOR RECOMMENDATION

1. The Downtown Development District's 2018 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 2018 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.