

PRELIMINARY STAFF REPORT

To: City Planning Commission
Date: October 16, 2014

Prepared by: Nicholas Kindel

Consideration: 2015 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 2015 proposes expenditures of \$7,520,305, which constitutes a decrease of \$553,352, or approximately 6.9%, from its adopted budget of \$8,073,657 for 2014. The plan proposes maintaining the property tax millage of 14.76 mills from 2014, which is projected to provide a net revenue of \$6,071,836.¹ 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. Six of the budget categories would increase from the amounts approved for 2014, and the other two would decrease. 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. Following is a table summarizing the approved budget amount for each category in 2014, the proposed amount for 2015, and the percent change.

¹ Including \$6,000 in interest on investments and less \$252,743 in collection and assessor's fees.

<u>REVENUES</u>	<u>Adopted 2014</u>	<u>Proposed 2015</u>	<u>Pct. Change</u>
City Sources (Net Tax Revenue & Interest)	\$ 5,744,007	\$ 6,071,836	
State and Federal Funds	14,000	-	
DDD Events	123,000	126,000	
Sponsorships/Donations/Grants	180,000	125,000	
Interest	3,000	3,000	
Banner Deposits/Miscellaneous	9,650	14,400	
Interest on Bond Proceeds	-	69	
Economic Development Cash Reserve	2,000,000	-	
General Fund Cash Reserve	-	1,180,000	
TOTAL REVENUE	\$ 8,073,657	\$ 7,520,305	- 6.9%
<u>OPERATING EXPENSES</u>	<u>Adopted 2014</u>	<u>Proposed 2015</u>	<u>Pct. Change</u>
<u>1. Public Space Operations</u>			
Personnel Costs	\$ 218,692	\$ 232,266	
Landscape Maintenance	377,436	387,436	
Street Furnishings and Beautification	143,400	107,800	
Infrastructure	90,000	100,000	
Cleaning and Maintenance	1,347,576	1,374,917	
Miscellaneous (Truck, Storage, Other)	29,624	30,124	
Total Public Space Operations	\$ 2,206,728	\$ 2,232,543	+ 1.2%
<u>2. Public Safety</u>			
Personnel Costs	465,066	581,658	
Public Safety Rangers	18,700	20,100	
Enhanced Police Services	585,208	666,770	
Other Public Safety	11,300	9,200	
Homelessness Outreach	42,000	49,000	
Total Public Safety	\$ 1,122,274	\$ 1,326,728	+ 18.2%
<u>3. Economic Development & Planning</u>			
Personnel Costs	277,282	285,454	
Canal Street Development	29,300	12,900	
District Wide Development	35,386	32,340	
Research & Database Management	3,600	3,600	
Administration/Meetings	6,710	7,320	
Planning Initiatives	-	30,000	

Business Retention and Recruitment	74,600	76,704	
Façade Incentive	130,000	130,000	
Total Economic Development	\$ 556,878	\$ 578,318	+ 3.9%
<u>4. Communications</u>			
Personnel Costs	264,608	282,872	
Events	173,994	183,434	
Donor Relations and Digital Media	71,796	84,296	
Communications	39,300	3,800	
Miscellaneous	9,868	4,568	
Public Affairs	15,080	15,080	
Total Communications	\$ 574,646	\$ 603,050	+ 4.9%
<u>5. Administration</u>			
Personnel Costs	517,787	555,561	
Supplies & Materials	14,700	15,000	
Equipment, Property & Maintenance	6,492	6,072	
Office Space	135,928	148,004	
Operations (Insurance, Prof. Services, etc.)	299,471	266,718	
Total Administration	\$ 974,378	\$ 991,355	+ 1.7%
<u>6. Debt Service</u>			
Debt Service – Interest	198,332	189,890	
Debt Service – Principal	398,421	403,421	
Total Debt Service	\$ 596,753	\$ 593,311	- 0.6%
<u>7. Capital Purchases</u>			
Capital Purchases (Computers, etc.)	12,000	30,000	
Total Capital Uses	\$ 12,000	\$ 30,000	+ 150.0%
<u>8. Capital Improvements</u>			
District Wide Capital Improvements	2,030,000	1,165,000	
Total Capital Improvements	\$ 2,030,000	\$ 1,165,000	- 42.6%
TOTAL EXPENSES	\$ 8,073,657	\$ 7,520,305	- 6.9%

III. EVALUATION

The DDD's mission remains the same, to focus on cleanliness, public safety, and economic development within the Central Business District. The 2015 DDD Budget and Work Plan maintains the focus on these areas while also working to address homelessness, quality of life issues, and bringing an elementary school downtown. Most of the division budgets proposed for 2015 are similar to those adopted for 2014, with several minor changes due to changing needs and programming objectives. The one major change is to the proposed capital improvements for 2015, which will decline from \$2,030,000 in 2014 to \$1,165,000 in 2015. Below are summaries of the 2014 accomplishments and 2015 goals for each of the District's divisions from the 2015 DDD Budget and Work Plan:

1. Public Space Operations (\$ 2,232,543)

The Public Space Operations division maintains and replaces sidewalks, trash receptacles, street landscaping, and removes litter and graffiti. In 2014, the Public Space Operations division implemented the first public cigarette butt recycling program in the United States, provided additional cleaning services for special events, evaluated opportunities for enhancing downtown open spaces, and coordinated the annual Park(ing) Day. Additionally, the division awarded two sidewalk improvement grants, reduced gum spots by 13%, completed streetscape improvements in the Museum District, and initiated the Downtown Proud! public awareness campaign. For 2015, the Public Space Operations division plans to continue to reduce cigarette butts, expand the DDD Clean program, develop a plan to renovate Duncan Plaza, and get support for a downtown public space master plan. In addition, the Public Space Operations division wants to plant 20 to 30 trees, award four sidewalk improvement grants, refurbish 100 DDD trash cans, update holiday wreaths on Canal Street, and begin a planning process for a new downtown wayfinding program. The funding for this division is projected to be similar in 2015 to the amount adopted for 2014.

2. Public Safety (\$ 1,326,728)

This division manages the public safety rangers, police details, and code enforcement activities of the District. In 2014, the Public Safety division transitioned oversight of the enhanced policing program to the Office of Police Secondary Employment, donated a police cruiser to the New Orleans Police Department 8th District, implemented the Downtown/Home partnership's homeless outreach program, received homeless outreach and self-defense training, installed an anti-graffiti/crime camera, assisted in the awareness and expansion of the camera program, and restarted DDD code enforcement and data collection efforts. In 2015, the Public Safety division plans to provide 396 work hours per week in DDD police details, continue the successful Downtown/Home partnership and homeless outreach efforts, develop fair and balanced regulations for feeding homeless individuals in public spaces, roll out a public awareness campaign discouraging the public from giving money to

panhandlers and support agencies working to end homelessness, conduct code inspections on all properties, and develop a grant program for installing video cameras on private properties.

3. Economic Development & Planning (\$ 578,318)

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 2014, the division supported the signing of several retail leases in the CBD, awarded multiple façade improvement grant applications, catalogued vacant and underutilized buildings, supported downtown events such as Launchfest and SXSW, continued the regular calling program for both new retail attraction and retail retention, conducted a feasibility study to combine upper levels of numerous properties in the 800 block of the Uptown side of Canal Street, and assisted with multiple downtown redevelopment efforts. In 2015, the Economic Development division proposes to assist multiple development and redevelopment efforts on Canal Street, South Rampart Street, in the Theater District, at Old Charity Hospital, at Harrah's Casino, and at 2 Canal Street, promote the redevelopment and use of second floor spaces along Canal Street, maintain the funding for additional façade improvement grants at \$130,000, sponsor the Arts-Business Challenge, SXSW DDD/Launchpad, and other downtown events, continue the retail and business calling program, publish economic metrics, and explore opportunities to develop parking structures in Lafayette Square and Warehouse District.

4. Communications (\$ 603,050)

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 2014, 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, revised and reprinted the Canal Street brochure, redesigned the DDD website, produced five new videos for the website, produced the third annual "Downtown NOLA Awards" and the annual "Canal Street: Home for the Holidays" events, and sponsored, produced and/or promoted various downtown events. In 2015, 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, develop and execute a 40th anniversary strategy, 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, promote the Downtown Proud! campaign, and increase its digital media presence.

This division also includes funds for public affairs efforts, including costs of travel, meetings, and meals for the Director to attend the Washington Mardi Gras event and other potential intergovernmental meetings to further the District's legislative agenda. In 2014, the Public Affairs staff protected Historic Tax Credits from Senate Bill 543, supported Downtown Proud! with the passage of Act 100, supported the complete streets policy, secured the provisions of Lafayette Square/Warehouse District Height Plan, created candidate questionnaire for Spring elections, worked with City Council, worked with the Regional Transit Authority on a late night service plan, and established a skateboard working group. In 2015, 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 (\$ 991,355)

The Administration division includes personnel expenses for the administrative staff of the district as well as funds to support general office operations. In 2014, the Administration division upgraded all laptops, secured additional records and collateral storage space, implemented new employee orientation producers, managed funding for the South Market Infrastructure Project, processed closing of EDA grants, and completed closing of all FEMA Project Worksheets. In 2015, the Administration division plans to secure a new office lease, review and revise the District's Accounting Policy and Procedures Manual, update procurement policies to reflect changes at the State and to increase DBE participation, and secure new sustainable funding sources.

6. Debt Service (\$ 593,311)

This item funds principal and interest debt service for bonds issued by the District. The cost for debt service in 2015 is projected to negligibly decrease by 0.6 percent from 2014.

7. Capital Purchases (\$ 30,000)

The capital purchases category of the budget involves expenses for long-term equipment needs for the agency. In 2014, capital funds were used to purchase additional laptop computers. In 2015, it is anticipated that the DDD will spend \$5,000 on computer equipment and \$25,000 to replace holiday wreaths.

8. Capital Improvements (\$ 1,165,000)

The last category of the District's Budget and Work Plan pertains to capital improvements. The 2014 DDD Budget and Work Plan included \$2,030,000 to provide for the creation of an economic development investment fund. The fund was planned to be used to provide capital for building improvements, potentially through

low-interest financing, as an incentive to encourage retail development along Canal Street. In 2015, the DDD will spend \$1,165,000 for capital improvement for the following purposes:

- \$1,000,000 to be available for any catalytic development that the Board may decide to participate in during the year,
- \$50,000 to study and design of improvements to the wayfinding system,
- \$50,000 to help pilot a bike-share program,
- \$45,000 to refurbish 100 DDD trash receptacles, and
- \$20,000 towards planning related to the development of additional/improved green space.

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 both 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 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 2015 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 will enhance mobility and bicycle access by using \$50,000 in capital funds to pilot a bike-share program. The DDD’s Budget and Work Plan advances the Canal Street Redevelopment Plan by maintaining funding for façade grants, facilitating upper floor developments on Canal Street, and by attracting redevelopment efforts to Canal Street, including three new, high-profile retail tenants. The DDD plans to improve connectivity in downtown and among tourist areas by awarding four new sidewalk improvement grants and allocating \$50,000 to design improvements to 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, developing a grant program to for installing video cameras on private property, 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.
Strengthen the city’s public realm and urban design character.	Provide guidance on desired characteristics of new development to property owners and the public.	Manage the impacts of surface parking by locating, where feasible, parking in the rear of developments.

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 adoption 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, developing a plan 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, awarding sidewalk improvement grants, refurbishing 100 trash receptacles, piloting a bike share program, funding façade improvement grants, and continuing security provided by rangers and police details, which will enhance pedestrian amenities and create active, attractive street corridors. Finally, the DDD will explore opportunities to develop parking structures in Lafayette Square and the Warehouse District, which will accommodate the demand for parking while managing the impacts of and lessening the need for surface parking.

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 supports 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 2015 DDD Budget and Work Plan is **consistent** with and supported by the City's Master Plan.

The 2015 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 as the Draft Comprehensive Zoning Ordinance is implemented in the coming year. The City Planning Commission staff looks forward to working with the DDD and other City departments as the new Comprehensive Zoning Ordinance becomes effective and on other planning projects that impact the CBD.

V. PRELIMINARY STAFF RECOMMENDATION

The staff recommends **APPROVAL** of the 2015 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 2015 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 2015 Budget and Work Plan will promote economic development, enhance the urban environment, and improve public safety in the Central Business District.