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\$1 billion in ideas for recovery listed **CITY SETS PRIORITIES, BUT DETAILS ARE SCARCE**

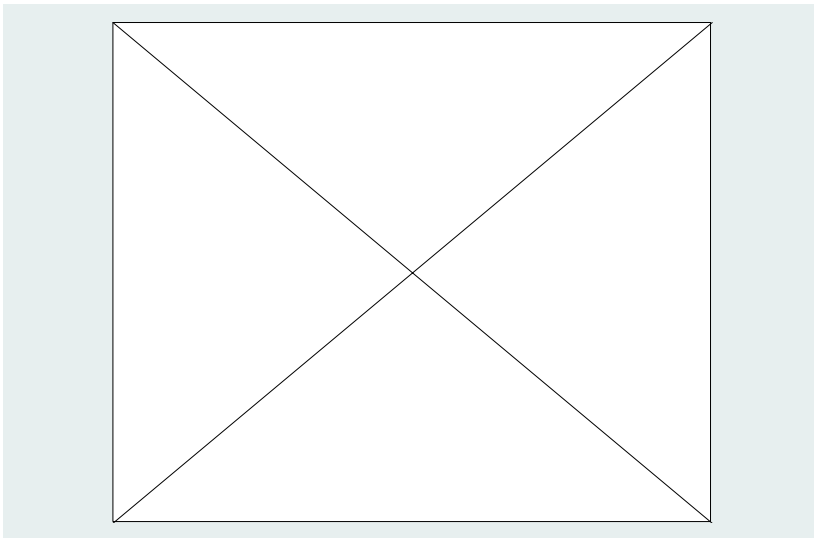
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By Michelle Krupa
Staff writer

Mayor Ray Nagin's recovery office has identified more than 160 neighborhood-level rebuilding projects that officials say should be New Orleans' top priorities as money begins flowing for capital improvements in a city still wrestling with a largely blighted landscape.

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The plan, which has not been released publicly and carries a price tag estimated at \$1 billion, was obtained by The Times-Picayune in the same draft form in which it was delivered last week to the City Council and on Wednesday to the City Planning Commission. Both Nagin and his hand-picked recovery chief, Ed Blakely, have declined to comment on it.

Though the plan likely will be revised based on recommendations from council members, planners and community groups, the 86-page draft paints the most vivid picture yet of the city's rebuilding priorities since Blakely unveiled his \$1.1 billion recovery blueprint in March. That plan, which identified 17 target zones for redevelopment, called for focused investment of public resources, including infrastructure improvements and tax incentives, around traditional neighborhood commercial hubs to encourage private developers to cluster around those sites.

Expanding on the existing outline, the new Target Area Development Plan comprises separate reports for each of the 17 zones. It also includes a report on citywide projects, such as a biomedical center and a criminal justice complex, as well as one for the planned expansion of the Naval Support Activity in Algiers into a "federal city."

Though the document is largely self-explanatory, some points remain unclear. Blakely last week vowed to post it online after council review.

Nagin spokesman James Ross said in an e-mail message Tuesday that it would be "utterly unfair

to everyone involved" if city officials commented on the draft while they await council input. He did not explain why.

Though the reports vary in length and scope, each includes an area map and a list of proposed projects in one of five categories: housing, commercial, public facilities, infrastructure and green space. On the citywide docket, categories also include recreation, health and education.

By and large, the projects reflect priorities expressed by residents who participated in at least seven urban planning initiatives that followed Hurricane Katrina, including meetings that led to the creation of the Unified New Orleans Plan and those directed by consultant Paul Lambert, whom the council hired to focus on flooded neighborhoods.

Among projects that made the zone reports are some that have become icons of community recovery: the reopening of the Rosa Keller Library in Broadmoor; the renovation of Circle Food Store on St. Bernard Avenue; the revitalization of the Joy, Saenger, Orpheum and State Palace theaters along Canal Street.

Other line items depict ongoing efforts to reestablish basic services, such as rebuilding Fire Station 18 near Harrison Avenue in Lakeview and reopening Pendleton Memorial Methodist Hospital in eastern New Orleans.

Still others reflect the creative ideas pitched by residents in neighborhood planning meetings: a 20-acre urban farm for the Alcee Fortier Street community, an amphitheater on North Claiborne Avenue near Interstate 10, an energy-efficient "green demonstration home" in Lakeview.

Largely absent from the reports are more than 800 hurricane-repair projects, from rebuilding police stations to repaving streets, scheduled throughout the city. Federal law requires FEMA to pay the cost of restoring public assets to their pre-disaster capacity, and the sum currently stands at \$378 million for city assets alone, not including the Sewerage & Water Board, public schools or other public entities and nonprofits, according to an Aug. 31 statement from City Hall.

The new development plan lists about 35 projects slated to receive money from FEMA under its primary repair program, known as Public Assistance. But unlike typical "PA" projects, these generally appear to rise beyond the level of simple repair jobs to include expansions or improvements that would require extra money.

For instance, while FEMA appears to be on the hook for \$167,000 to restore the St. Roch Market to its pre-Katrina condition, rehabbing the market in the vision residents conceived during planning efforts would take \$1 million. To fill the gap, the report suggests six other potential financing streams, including a private grant.

The development plan also includes several incentive programs. Loans capped at \$20,000 could be offered to small-business owners in a dozen areas. Another 11 zones could see loans or grants of \$10,000 each for owners who want to improve their building facades. New lighting, landscaping and sidewalks could be installed in 11 zones.

Finally, the draft offers a prospective timeline for zone-specific projects. About three-quarters of the projects would start within one year of the plan's implementation, though that date remains unknown. Another 22 percent would see action within one to three years, and the remainder would begin three years or more hence.

Details lacking

The citywide list, meanwhile, documents for the first time projects that Nagin and Blakely frequently have mentioned as potential drivers of the recovery: a contractors college, an industrial park along Old Gentilly Boulevard, a product distribution center at the Industrial Canal and the criminal justice complex.

But like previous allusions, most project descriptions -- as delivered to the council and planning

commission -- lack detail.

For instance, no location is given for the biomedical center, though officials have used that phrase to refer to the area around a downtown site reserved for two new proposed hospitals to be run by the federal Department of Veterans Affairs and Louisiana State University.

No location or description is offered for a project called "Victory complex," for which the city would "assist with demolition," according to the draft; it may refer to a proposal by Georgia-based Victory Development for a 35-block retail center in Mid-City. Unclear, too, are plans for the Joseph M. Bartholomew Sr. Golf Course in Pontchartrain Park; the draft states only that the project is a "possible partnership with the city of Phoenix."

The citywide report also lists the potential for City Hall-administered programs offering forgivable mortgages to first-time homebuyers and homeowners seeking second mortgages, along with forgivable loans for as much as \$20,000 each for repairing historic homes.

In addition to spelling out the particulars of each project, the draft also estimates costs. In total, the price tag reaches just more than \$1 billion, including more than \$62 million for citywide projects. A large part of the total, however, stems from \$422 million pegged for redeveloping the Lafitte public housing complex in Mid-City with a health clinic and community center. The project is expected to be financed largely by the U.S. Department of Housing and Urban Development.

Excluding the Lafitte project and a stalled plan to build a \$185 million production studio for the Louisiana Institute for Film and Technology, the cost of the remaining projects approaches \$425 million, or nearly 40 percent of the city's \$1.1 billion initial estimate.

In announcing his recovery plan in March, Blakely called for 40 percent of recovery dollars to go to the 17 target zones, which he said would be anchored by innovative projects, such as clusters of homes, businesses and public assets, to avoid blight. The remaining 60 percent would go to similar purposes across the rest of the city.

How to pay for it?

Beyond a simple cost-estimate for each project, the draft plan also describes how the city could potentially come up with the cash. Charts listing projects in each zone show 11 financing categories that include local, state, federal and private sources.

In some cases, dollar amounts are listed in connection with specific financing streams; in others, check marks show applicable sources for which exact allocations have not yet been determined. All but a handful of projects list more than one financing option, with most pegged for three or more.

All of the financing sources have been mentioned in ongoing discussions of how New Orleans will pay for its recovery. Most of the sources still are not guaranteed, a point City Council members already have noted.

The documents, for instance, show nearly 130 of 167 total projects relying at least in part on a pool of money that includes \$117 million in federal block grants unleashed last month by the Louisiana Recovery Authority for infrastructure improvements in New Orleans, plus \$324 million that the LRA has set aside for the same purpose.

Though the financing sources are combined in city reports, the latter sum -- which was freed up when Congress and the White House agreed to waive the requirement that local governments pay 10 percent of the cost of all reconstruction projects -- remains in limbo.

The money still is earmarked for New Orleans. But the LRA put a hold on it in June in the event that state officials cannot persuade Congress to plug a shortfall of as much as \$5 billion in the Road Home grant program, and Louisiana needs the money to use toward its contribution to fill the gap. Blakely has objected, saying the cash should come to the city as promised.

Meanwhile, 36 projects are slated to possibly tap a \$200 million revolving fund authorized and financed this summer by the Legislature. The fund is designed to jump-start rebuilding projects for which the cash-strapped city expects to be reimbursed through FEMA's PA program.

More than 20 projects could rely in part on general obligation bonds that voters authorized three years ago as part of a \$260 million capital-projects agenda. After months of delay, the Board of Liquidation-City Debt has scheduled a vote for Wednesday to authorize the sale of the first round of \$75 million in bonds. Officials have said they could have the cash in hand about a month after a competitive sale.

Gulf Opportunity Zone bonds could help finance more than 50 projects. The total value of those deals is unclear because the draft does not include dollar amounts for most projects. City officials have said they are aware of more than \$1 billion in bond financing that private developers intend to request in the next six months.

However, requests to the state Bond Commission, which authorizes projects, already exceed the \$7.9 billion in bonds available -- not including the New Orleans projects. The commission has vowed to consider the projects and Gov. Kathleen Blanco has proposed earmarking nearly \$1.8 billion in bonds for New Orleans, but the chances of securing financing remain iffy.

Other financing sources listed in the draft plan include federal grants that the city routinely receives from Washington, D.C., such as community development block grants not connected with hurricane recovery. Private funding and an unspecified "property acquisition revolving fund" also are cited.

The so-called "blight bonds" Blakely has touted for months as a potential funding source are not listed in the draft plan. Early on, Blakely suggested the city easily could leverage \$300 million using abandoned properties as collateral. But the windfall proved elusive, and Nagin started mustering private grants to use as security to borrow an unspecified sum. Blakely said last week that those efforts are continuing, though he would not say how much money, if any, has been raised.

City Council reviewing plans

Though Nagin administration officials have refused to comment on the draft plan, two members of the City Council offered their reactions, which they planned to share with the recovery office this week. Phone calls to the council's five other members were not returned.

Councilwoman Cynthia Willard-Lewis said through a spokesman that the plan is a "fairly good representation of the community's vision" consistent with neighborhood planning efforts. However, she also expressed concern about the apparent lack of solid financing for every project.

"It is imperative that we ensure that each is fully funded before it begins," Willard-Lewis said. "The target zones are major projects for the entire city, and we want to make sure that we can finish what we start."

Willard-Lewis, whose district covering eastern New Orleans and the Lower 9th Ward was heavily damaged by flooding, also said she wants to see more focus on removing blighted properties.

Councilwoman Stacy Head, who reviewed reports for six target zones that overlap her district, said she generally was pleased to see projects that reflect the priorities proposed by residents during Unified New Orleans Plan meetings.

But Head said she will ask recovery officials to shift some money from projects she described as "soft," such as small-business loans, to "hard assets," such as sidewalks and street lights. Direct investment in public spaces could prove more valuable than those programs, she said.

"Is \$20,000 per applicant for (the zone along South) Claiborne Avenue as good a use of money as ensuring that the infrastructure is there so that businesses that come in don't have to take on any

extra costs?" she asked.

Head also said she wants to see proof that such proposed projects as an after-school center and a community wellness clinic would be used in neighborhoods where many residents have not returned. She also wants to make sure that the \$117 million in LRA financing and traditional community development block grant money gets spent "equitably and efficiently" across all zones.

"That's the real money at play here," she said, noting that the money in most other categories is uncertain.

Head said she understands that the proposal is a "work in progress."

"At this point, I believe we're all working well together to make this a plan we can all live with," she said.

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