RAILS TO RECOVERY:

The Role of Passenger Rail Transportation in Post-Katrina New Orleans and Louisiana

Final Report

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IN POST-KATRINA NEW ORLEANS AND LOUISIANA

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### Abstract

The purpose of this research is: 1) to inform decision makers at both the state and local level on options for successfully implementing a proposed passenger train between New Orleans and Baton Rouge; 2) to evaluate the potential impacts of new streetcar extensions on growth and development within select service corridors within the City of New Orleans. Both of these projects are viewed within the context of a post-Katrina environment. This report also provides a Summer 2010 'snapshot in time' of existing and proposed real estate development along and adjacent to the proposed streetcar extensions in and adjoining the New Orleans Central Business District, and evaluates the relationship between real estate development and transit investment in post-Katrina New Orleans.

Research findings include:

- Two key ingredients to date have been lacking in the proposed NO-BR passenger rail service: 1) effective leadership championing the project; 2) creative solutions to funding the annual operating deficit.
- In New Orleans, several significant projects are being developed or have been designed in response to the Loyola Streetcar project and the proposed N. Rampart – St. Claude streetcar line. However, the vast majority of post-Katrina real estate investments have no relation to the funded or proposed Program of Projects by the Regional Transit Authority. This is due to the absence of pro-active planning by the City Planning Commission and the City Council that links land use decisions with transportation investments.

### Key Words

- rail passenger transit; post-Katrina recovery; new passenger rail service between New Orleans and Baton Rouge; streetcar extensions in New Orleans

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EXECUTIVE SUMMARY

Around the country, rail projects are increasingly being planned and constructed to fulfill both important transportation and economic development goals. Recent research has shown the potential to leverage rail infrastructure investments to help grow economically vital and livable communities. This research, funded through the Gulf Coast Research Center for Evacuation and Transportation Resiliency, investigates two case studies of rail projects in Louisiana. The two cases, a potential intercity rail connection project between New Orleans and Baton Rouge and a streetcar project in downtown New Orleans, show both the significant promise of rail as a recovery tool and the logistical and political barriers to successful implementation.

Research on intercity rail indicates that two key ingredients to date have been lacking in the proposed New Orleans – Baton Rouge passenger rail service: 1) effective leadership championing the project; 2) creative solutions to funding the annual operating expenses, estimated at $14-18 Million. Two case studies are examined to highlight radically different approaches to the successful implementation of new passenger rail service in the US: the Road Runner in New Mexico and the Downeaster in Maine. In both instances, strong leadership prevailed and creative funding strategies were employed.

The $45 Million Loyola Avenue Streetcar line, funded through the US DOT’s Transportation Investment Generating Economic Recovery (TIGER) Grant Program, shows the potential to leverage transportation investments to help grow strong, livable communities. Roughly 70 projects have been identified in close proximity to the rail project which are in various stages of construction, development or pre-development planning in the New Orleans CBD and adjoining neighborhoods. In total, recently completed and proposed downtown development projects (2005 to 2015) announced as of September, 2010 will add an estimated 2,314 new housing units, 2,381 new hotel rooms, and more than 390,000 sf of retail space to the downtown area, at an estimated total private investment figure of $2.7 billion.

More than $1.3 billion of this investment is or will be located within three blocks of the Loyola Avenue streetcar corridor. Some of these projects are being developed or have been designed, reprioritized, or accelerated in partial or direct response to the Loyola Streetcar project. The Hyatt Hotel complex, for example, is being reoriented to face Loyola Avenue, rather than retaining its original main entrance on the opposite side of the building. The Domain Companies’ $185M South Market District mixed-use development, moreover, is to be sited on Loyola Avenue in direct response to the streetcar’s construction: “What we felt made this site ideal was the streetcar expansion,” observed Domain Companies co-principal Matt Schwartz in a 2010 interview, “The most exciting development opportunities are really converging on this area.”

Our research also indicates that an absence of pro-active policy guiding the integration of land use and transportation within the City Planning Commission and the City Council ultimately inhibits the RTA’s Program of Projects’ impact. In addition, many developers interviewed over the course of this project have noted “missing links” in the Program of Projects for streetcar extensions as currently planned. Several of these “missing links,” which include very short additions to proposed alignments, would link proposed streetcar lines to existing transit services and could be made with small investments. More significant extensions of the RTA’s Program of Projects would reach a greater portion of the community and add complementary connectivity to existing streetcar lines.
Policy Implications: New Orleans – Baton Rouge Passenger Rail

The proposed NO-BR passenger rail line, while not a critical factor in any current development plans, is an investment which could favorably impact New Orleans’ Upper CBD as well as the entire service corridor. Based upon our research and recent survey results indicating the support of 75% of corridor residents, we conclude that new intercity passenger rail between Baton Rouge and New Orleans can also positively impact development at station stops along the route as well as its terminus in both Baton Rouge and New Orleans. In order to reinvigorate the NO-BR rail project, advocates should refine the schematic design with an emphasis on potential station stop locations and public transit connectivity options per location, and sponsor targeted events for the NO-BR rail project to benchmark progress toward service implementation. Ultimately, the implementation of this project will depend on resolving the unanswered question of how to finance the line’s operation; this should be a primary focus of service proponents, and additional research should be conducted to further evaluate the potential role of value-capture financing techniques in resolving recurring fiscal concerns. Strong project advocacy and leadership is essential, even when the impetus for transit investment comes from the community.

Key Policy Recommendations: New Orleans – Baton Rouge Passenger Rail

- Refine the current schematic design of the NO-BR rail project

- Support additional academic research to answer various financing questions. Resolving the financing gap should be the primary focus of service proponents.

- Develop a plan and financial strategy to increase intermodal interconnectivity between local transit service providers and service proponents at station areas.
Policy Implications: New Orleans Streetcar Expansion

The planned expansion of streetcar service in New Orleans, on the other hand, is already contributing to significant private downtown investment; this investment could be maximized and enhanced through the development of clear policy linking land use and transportation planning at the local and regional level. Interagency, interdisciplinary coordination is needed to facilitate the integration of transportation and land use. Relationships among these agencies need to be clarified and strengthened, and a clear organizational framework for linking transportation and land use policies and actions needs to be developed. At the local level, clear policies which should be adopted to support transit improvements, maximize ridership, and incentivize TOD by streamlining permitting processes, creating more efficient parking management systems, and enhancing pedestrian infrastructure in transit-served areas.

In addition, “Missing Links” should be provided to maximize public transit connectivity in the New Orleans CBD and adjoining neighborhoods. These include an upriver connection between the Canal Streetcar and the Riverfront Streetcar; a downriver extension of the Riverfront Streetcar to serve the Poland Avenue Cruise Ship Terminal and Phase 1 of the “Reinventing the Crescent” riverfront park; a connection between Loyola Avenue, St. Charles, Lee Circle and the Museum District via Howard Avenue / Higgins Boulevard; the downriver extension of the proposed St. Claude/North Rampart line to Poland Avenue; a connection to a downriver extension of the existing Riverfront Streetcar creating a Bywater Loop via Poland Avenue. Each of these could be made with varying degrees of investment to add complementary connectivity to existing streetcar lines. Finally, best practices in transit design and operation must be employed system-wide.

The Loyola Avenue streetcar project is a key test for the RTA and the City of New Orleans if future federal funds are to be secured. This project must demonstrate excellence in design, construction, and operations. It must meet or beat construction schedule deadlines and be within or under budget. It must also demonstrate superior operating characteristics.

Key Policy Recommendations: New Orleans Streetcar Expansions

- Make Land Use – Transportation linkages a priority for City of New Orleans. This will require the active participation of the City Council, the City Planning Commission (CPC) and the Department of Public Works

- Provide “Missing Links” to maximize public transit connectivity:

- Pursue public transit best practices in streetcar design and operation
CHAPTER 1: PROJECT OVERVIEW

Introduction

Historically, passenger trains and streetcars have played key roles in the growth and development of the State of Louisiana and the City of New Orleans. This research paper addresses their potential impacts on contemporary Louisiana, New Orleans and the greater New Orleans – Baton Rouge region in a post-Katrina environment.

After the destruction caused by the 2005 hurricanes (Katrina and Rita), citizens throughout Southern Louisiana, and in New Orleans, began to view rail passenger services—both between and within urban areas—as recovery tools, and as enhancements to the state's and city's public transportation and evacuation systems. Through many recovery planning processes, starting in late fall of 2005 and continuing through the present, state officials, city leaders, planning consultants, neighborhood organizations, engaged citizens, and the general populace have debated the merits of new passenger rail service within two contexts: 1) as a connector between various population centers located in South Louisiana; and 2) within existing and recovering neighborhoods in New Orleans. From these efforts two projects have emerged. The first is a proposed commuter train between Baton Rouge and the New Orleans Central Business District. The second, "A Streetcar Expansion Program" for New Orleans received initial funding by ARRA at 100%, for a new streetcar line between the New Orleans Union Passenger Terminal and Canal Street, the traditional main street bordering the French Quarter. The Loyola Streetcar is just the first of a series of projects being planned by the Regional Transit Authority to greatly expand streetcar service in New Orleans.

This research evaluates these rail passenger projects in light of national best practices for both new commuter rail services and urban streetcar lines. It also examines the relationship between the proposed lines and existing or planned development. In the case of the proposed passenger train between Baton Rouge and New Orleans, given its tenuous nature at this time, no developments are known to have been announced or planned within its service corridor except for tangential projects located adjacent to the New Orleans Union Passenger Terminal at its CBD terminus. Using key-person interviews with representatives of both the public and private sector, the research team has identified roughly 70 New Orleans projects that are in various stages of development or planning in or near the CBD. They are identified in a project-specific spreadsheet with their locations referenced and mapped. This offers a snapshot in time (Summer 2010) of existing and proposed developments along and adjacent to the proposed streetcar extensions.
Maps, at various scales, illustrate the apparent disconnect between the investments being made or planned within the CBD and adjoining neighborhoods and the investments being built or proposed by these streetcar extensions. The maps also demonstrate the scatter-shot nature of downtown and near-downtown development occurring in post-Katrina New Orleans. This is directly related to the lack of any public policy that links investment in public transit with land use and real estate development in New Orleans, regardless of location or neighborhood. Projects are being developed on or near streetcar extensions, but in many cases this is merely by happenstance. However, it has recently been announced that a new upper CBD MXD development, the South Market District, is being developed in large part because of the Loyola Streetcar project. With regard to the proposed N. Rampart – St. Claude streetcar extension, the anticipation of this project is spurring a nascent response with sporadic development either occurring or in the planning stages adjacent to the proposed streetcar line. In the case of both the Convention Loop – Riverfront Streetcar and the proposed Bywater Loop, these projects are being proposed to link existing or proposed developments located along a specific service corridor. But again, this is not necessarily by design nor is it by accident. Projects located in these two specific corridors have been in the planning stages for years but only recently have they “become real” and therefore now require enhanced public transportation linkages.

This disconnect, however, need not be the case, as numerous case studies demonstrate. In both Portland, Oregon and San Diego, California, public agencies and political bodies have adopted proactive development policies that have directly tied real estate development to public transit investment. The degree of success, however, is still being debated. With this study, another residual value is this freeze-frame “snapshot” of development prior to the construction and operation of any of the proposed streetcar extensions. This will also allow later researchers to quantify the actual impact the streetcars made on corridor development, neighborhood revitalization, etc. using a number of specific metrics, e.g. property value increases; sales tax revenue, etc.
Background: A Brief History of Passenger Rail Transportation in LA and New Orleans

The first passenger rail service in Louisiana opened in 1831 when the Pontchartrain Railroad began transporting both people and goods between Lake Pontchartrain and the French Quarter riverfront in New Orleans. In the ensuing years, New Orleans grew into a regional population and commercial center, due to the city’s strategic location on the Mississippi River and its extensive rail and maritime infrastructure. Railroad tracks crisscrossed the state providing both passenger and freight services to cities large and small. Major railroad terminals were constructed as landmarks throughout the state, as shown in the circa 1955 view of New Orleans’ newly constructed Union Passenger Terminal. Passenger rail service reached its apex during the 1950s when 44 passenger trains arrived daily at the New Orleans Union Passenger Terminal from all corners of the state and the nation.

Today New Orleans is served by three Amtrak trains: the Crescent, the City of New Orleans and the Sunset Limited. Consequently, New Orleans serves as a southern rail hub for the national passenger rail system and has been included in the federally designated Gulf Coast High Speed Rail Corridor since 1998. Supported by our long standing history with passenger trains and the 1998 HSR designation, starting in the late 1990s, a new passenger rail service between New Orleans and Baton Rouge was proposed, using existing freight rail tracks and having its southern terminus at the NOUPT. Although currently stalled by financial concerns, this project is being strongly supported by political and business interests in both cities as well as a core group of citizens along the service corridor. According to a recent poll, as reported by CONNECT, a Baton Rouge based transit advocacy group, in their December 2010 newsletter, 75% of people along the corridor connecting Baton Rouge and New Orleans want inter-city passenger rail.

Figure 2: New Orleans Union Passenger Terminal: The Charles L. Franck Collection at The Historic New Orleans Collection
Streetcars, on the other hand, served as a development framework for New Orleans as well as a connective tissue and a critical transportation link between neighborhoods and the CBD since 1835 when the first street railway began rolling along Nyades Street (later St. Charles Avenue). Over the next 90 years the New Orleans streetcar system grew to 221 route miles serving every neighborhood in the city. At its peak in 1926, the 26 streetcar routes and 5 motor bus lines carried 148M riders per year.

Figure 3: New Orleans Street Railways, 1904. (1904). Walle & Co. Ltd., Mapmakers: c/o The Collection of the Louisiana State Museum.
Soon thereafter, following a national trend, New Orleans began downsizing its streetcar system as it grew its motor bus service. Starting in the 1930s, ridership on the streetcar system declined as the bus fleet increased. Streetcar lines began a slow demise over the next 30 years. However, into the 1940’s, New Orleans still maintained an extensive streetcar system.

With the exception of the historically designated St. Charles Streetcar, New Orleans effectively stopped using streetcars for public transportation in 1964 when the Canal Street line was discontinued. However, in recent years, New Orleans has started to redevelop its streetcar system. Its first contemporary line, the Riverfront Streetcar, started revenue service on August 14, 1988 along the 1.5 mile Central Area Riverfront. In 2004, the Canal Streetcar line was reintroduced to Canal Street, operating from the riverfront to City Park Avenue, with the Carrollton Spur serving City Park and the Museum of Art. In the very near future, the newest streetcar line will start construction, using Loyola Avenue as a connector between the New Orleans Union Passenger Terminal (NOUPT) and Canal Street. This project, funded by 100% federal stimulus monies ($45M), will serve as an important link between the Upper Canal Street area / the envisioned Theater District / Upper French Quarter and an expanded Superdome / Upper Poydras development node. The Loyola Streetcar will begin revenue service in the summer of 2012. This project is just the first in a series of streetcar extensions being proposed by the Regional Transit Authority, New Orleans’ public transit provider.
Louisiana’s and New Orleans’ efforts to revive rail transit are aligned with recent policy initiatives at the federal level. The Obama administration has established a new federal priority for passenger rail transportation: Amtrak is now reenergized as a valuable facilitator of rail passenger development and national system improvement while continuing its historic role as the nation’s sole passenger rail system; the 2009 High Speed Rail bill provided $8B for shovel-ready projects, and the American Recovery and Reinvestment Act (ARRA) includes a $24.5B allocation for mass transit and passenger rail investments. In addition, a multi-agency initiative funded by the US DOT ($4.5B), HUD ($610M) and the EPA ($75M) has been developed to provide grants for “sustainable communities.”

Project Descriptions and Research Objectives

Post-Katrina, hurricane-impacted areas of Louisiana and New Orleans have used the prospect of passenger rail projects as a tool in recovery/redevelopment planning and implementation. Proposed projects have included new passenger rail connections between major population centers within South Louisiana as well as new streetcar lines within New Orleans. To date, the first new passenger train service (between Baton Rouge and New Orleans) has been proposed but as yet it has not been implemented. However, a portion of the New Orleans streetcar expansion program has been funded. The first new line, the Loyola Streetcar, is proceeding into construction and will be operational by the summer of 2012. A second line, extending from Canal Street along N. Rampart and St. Claude Avenue to Press Street is being funded locally by the RTA. The overall objective of this research project is to evaluate these Louisiana passenger rail projects relative to national best practices. Given their current status, our overriding questions are project specific: What steps need to be taken for the Baton Rouge – New Orleans (NO-BR) passenger train to become a reality? Relative to the streetcar expansions in New Orleans, what policies or programs need to be developed to maximize their development impacts on recovery and revitalization?
The key question regarding the new passenger train service from Baton Rouge to New Orleans remains: Why hasn't this new passenger service been implemented after all the years of investigation (1998 – 2010)? Research points to two key ingredients that to date have been lacking: 1) effective leadership championing the project; 2) creative solutions to funding the annual operating deficit. Two case studies are used to highlight radically different approaches to the successful implementation of new passenger rail service in the US: the Road Runner in New Mexico and the Downeaster in Maine. In both instances, strong leadership prevailed and creative funding strategies were employed.

The fundamental question posed by this research project regarding New Orleans’ proposed streetcar system expansion is: “What public policies or programs need to be developed to maximize the economic impact of these public sector investments in their respective service corridors, both in the near and long term?” We use two selected case studies to document the impacts of contemporary urban streetcars on service corridors in both Portland, Oregon and San Diego, California, and examine specific public policies employed in each locale to spur redevelopment adjacent to their routes.

**Methodology**

A literature review of implementation strategies and best practices for both new passenger train services and urban streetcar projects was conducted. Selected case studies of successful passenger rail projects were prepared, with an emphasis on implementation strategies for new state train services and development impacts associated with new urban streetcar systems. Key person interviews were used to gain insight into the views of local development and planning professionals regarding rail passenger projects in New Orleans. Interviews were conducted with leading real estate developers, architects, urban / regional planners, engineers, public policy officials, economic development specialists, property owners, CBD residents, and related city, regional and statewide officials as well as citizen advocates. Participants were selected based on their historical association with the projects, their recent real estate investment activity, their long-standing advocacy in affected service corridors and their on-going efforts in economic development and regional or urban planning. Information gained from these interviews allowed the research team to document the state of development in the New Orleans CBD and adjoining neighborhoods on a project-specific basis as of late 2010.

Large scale maps illustrate the Baton Rouge – New Orleans passenger train corridor as well as the existing New Orleans streetcar system and the proposed extensions. Location maps of existing and proposed developments in New Orleans are provided for orientation and reference (Appendices 2, 3, and 4). Each numbered project is keyed to a detailed development spread sheet with various data attributes. Specific development nodes are also noted and blowup maps are included to illustrate the projects and their spatial relationship to the existing and proposed streetcar lines.
CHAPTER 2: LITERATURE REVIEW AND CASE STUDY FINDINGS

Literature Review: Passenger Rail Implementation and Operation, and the Land Use-Transportation Link

Introduction

In order to evaluate the potential or anticipated impacts of the two proposed rail passenger projects outlined above, it is useful to examine comparable projects completed elsewhere, as well as to consult the existing body of literature regarding the implementation and operation of inter- and inner-city rail transit and best practices currently used in the industry. In this section, we first provide a review of selected literature relating to the role of public transit, and passenger rail in particular, in the development of sustainable and dynamic communities. We then examine more specific research questions relating to the two main themes of this report: new intercity passenger rail initiatives, and urban streetcar systems. This review is meant to provide a broader national context for the Louisiana and New Orleans projects.

This literature review seeks to assist in answering the fundamental research questions of this report. First, regarding the development of intercity passenger rail, what are the key elements in successful intercity rail implementation? Second, regarding urban streetcar system development, what public policies or programs are most critical for successful systems, specifically regarding redevelopment and neighborhood recovery? Finally, looking at both types of projects, we ask what best practices of rail passenger planning, development (intercity or streetcar) and operation can we apply to New Orleans’ proposed projects, to enhance multimodalism and better integrate transportation and land use planning?

General Themes in the Literature: Evaluating Public Transit Decisions


Across the literature, a strong need has been identified to find more comprehensive, holistic methods for evaluating transit impacts, to include the indirect, difficult-to-quantify benefits of transit—and particularly rail transit—which are often left out of the conventional analyses used by policymakers (Arndt et al 2009, Fleming 2009, Parsons Brinkerhoff 2001, Taylor, Kim, and Gaubauher 2009). The Victoria Transport Policy Institute has done extensive work in this area, finding that, using a comprehensive analysis framework which considers long-term social, economic, and environmental impacts, the benefits of rail over other forms of transportation improvements become more evident, and, despite higher initial capital investments, end up reducing transportation costs over time (Litman 2010a,
A comprehensive cost-benefit analysis of proposed rail projects in Southeast Louisiana is beyond the scope of this research; however, these documents may provide the base of an analytic framework for future efforts.

The literature on passenger rail transportation is vast and growing rapidly. For the purpose of this report, we have examined published material concerning only three specific dimensions of rail transit planning and policy: 1) critical concerns for the implementation of new passenger rail initiatives, 2) best practices for streetcar/urban light rail operations, and 3) policies and practices which address the integration of land use and transportation planning, to maximize the impacts of public and private investment.

Inter-city Passenger Rail Implementation Strategies and Best Practices

There are several recurring challenges which face the implementation of new inter-city passenger rail services in the United States. First, although feasibility studies have indicated that, in many situations, capital costs for new rail projects are comparable to—or lower than—costs for highway expansions providing similar increases in corridor capacity (MRCOG 2009), securing capital funds for construction remains a key obstacle (Dunphy et al. 2004, Edghill, Kroen, and Scheurer 2009, Fleming 2009, Task Force on Passenger Rail Funding 2007). Susan Fleming, U.S. GAO Director of Physical Infrastructure Issues, in a 2009 statement, addressed the need to change the way rail projects are financed, so that rather than competing with non-transportation needs, proposed rail projects are only compared to alternative transportation investments for a given corridor, so that the relative benefits, rather than only the absolute costs, of transit investments are considered.

In recent years, significant federal funding has been made available for new rail initiatives, thanks in part to the numerous studies referred to above, which have demonstrated the long-term fiscal advantages of rail investment. Even with support at the federal level for capital expenses, however, covering ongoing operating costs remains a tremendous challenge for most regional rail efforts (Fleming 2009, Parsons Brinkerhoff 2001, MRCOG 2009, Task Force on Passenger Rail Funding 2007). Passenger fares, even on successful rail lines, typically only cover a portion of operating expenses, and public “subsidies” to supplement fare-box revenues tend to be publicly unpopular and politically contentious (Edghill, Kroen, and Scheurer 2009, Fleming 2009). Some regions have developed solutions to this ongoing challenge, including sales tax increases to fund regional transit districts (MRCOG 2009). Many rail operators have relied, at least initially, on federal CMAQ funds, while seeking long-term local solutions (MRCOG 2009, Task Force on Passenger Rail Funding 2007).

One of the most important factors in getting new passenger rail projects (of any kind) off the ground, appears to be the presence of strong political leadership in support of transit investment (Arrington 2009, Bianco and Adler 2001, Curtis 2009, Edghill, Kroen, and Scheurer 2009, Mouritz and Ainsworth 2009, Taylor, Kim, and Gahbauer 2009). Lack of support results, at best, in a very slow implementation process and, at worst, in the outright obstruction of otherwise viable, well-considered projects (Taylor, Kim, and Gahbauer 2009). As Taylor, Kim, and Gahbauer (2009) observe in their analysis of the planned Wilshire Red Line Subway in Los Angeles, which has been repeatedly shut down over the last two decades by political opposition, “elected officials are…loath to appear to change course [having once rejected a proposal], even in the face of compelling evidence in support of doing so” (p.175). The authors go on to assert that the political interests of individuals in positions of power often supersede the recommendations of planners and even the needs of constituents. Taylor et al confirm the previously described need for more comprehensive evaluations of rail project impacts, including “normative and non-quantifiable considerations” (p.190), as one of planners' best tools for overcoming political obstructionism, while Arndt, et al (2009) observe the importance of garnering support from state DOTs in helping plan and implement regional rail, which extend beyond the jurisdiction of local transit authorities or MPOs.
In addition to the challenges of securing funding for both capital and operational expenses, and garnering sufficient political support to launch project development, a third challenge to implementing intercity passenger rail involves the operating characteristics which ultimately determine the project’s success. The Transportation Research Board has developed a comprehensive guidebook addressing the challenges of sharing rights of way with freight rail operations (Bing et al 2010)—a common problem, given that the integration of both freight and passenger services on existing track is usually the most cost-effective means of implementation. The guidebook provides best practices for how to address this challenge, including service needs, types of agreements between parties to ensure service needs (e.g. reliability) are met, and ongoing track management considerations. The need to develop frequent, reliable service which is cost- and time-effective for riders is consistently emphasized (Bing et al 2010, Cascetta and Pagliara 2009, Curtis 2009, Edghill, Kroen, and Sheurer 2009, Parsons Brinkerhoff 2001, Litman 2010c, Parsons Brinkerhoff 2001).

A 2001 literature review by Parsons Brinkerhoff addresses some of these issues. It also provides a list of key policy considerations for supporting rail development: the development of urban growth boundaries to promote development near passenger rail investments and increase ridership; development guidelines which locate new public facilities on transit lines; development of a “regional vision” which prioritizes transit and parking restrictions to discourage auto use; innovative station-area zoning to facilitate transit-oriented development; high standards of design to promote a quality pedestrian environment; station area selection which takes advantage of development or redevelopment opportunities and is aligned with market trends. Fleming (2009) adds to this list that better institutional frameworks (for passenger rail implementation) need to be established to expedite projects, thus reducing development costs and lead times and helping to sustain political and public support.

Key Concerns for Inter-city Passenger Rail Implementation

- Project impacts need to be evaluated in a more comprehensive manner, taking into account both “normative and non-quantifiable considerations.”

- Long-term operating costs remain a primary obstacle for many rail initiatives. New strategies for funding must be investigated and developed based on national best practices and additional sponsored research.

- Strong citizen and/or political leadership coupled with support from state agencies are critical factors in passenger rail implementation.

- Operating characteristics (speed, frequency, reliability, station area design and placement) are critical to growing ridership.

- Public policies including financial incentives, special use zoning, expedited permitting, etc. should be developed to promote “Transit Oriented Development” near station stops.

- Better institutional frameworks must be developed at a regional level to provide “vision” and organization for project implementation.

- Connectivity with public transit providers needs to be analyzed per station stop location and financial incentives investigated by the rail passenger implementing body to initiate or augment additional public transit services as required.
Streetcar Impacts and Key Operational Considerations

Streetcars (and other forms of intra-urban light rail) have long been viewed by planners and transit authorities as a tool to spark downtown and/or neighborhood revitalization (Berechman and Paaswell 1983, Crampton 2009, Dittmar and Ohland 2004,). Within the literature, delineations between streetcars and other light rail systems are often poorly defined. Some authors discuss streetcars as a separate and distinct form of transportation (e.g. Arrington 2009, Golem and Smith Heimer 2010), while others consider streetcars to be merely different in appearance, not function, and include streetcar projects in general discussions of light rail (e.g. Arndt et al 2009, Brown and Thompson 2009, Dunphy et al 2004). System design and operational characteristics of streetcars are, in some cases, similar to those of other urban light rail systems but normally they operate at slower speeds and have more frequent stops.

Golem and Smith-Heimer (2010) define a streetcar’s unique characteristics (relative to other light rail) as following: operation in a mixed, at-grade right-of-way (generally, though not always); smaller, lighter weight vehicles; lower construction costs; minimal support infrastructure; and frequent stops. They further differentiate streetcars based on their intended usage—typically much more local than a “light rail” line and running shorter distances. Light rail, they explain, is for getting into town, while streetcars serve to move people around town. However, the authors acknowledge that in many cases, the definitions of streetcars and other light rail types are blurred, and the literature overall does not generally distinguish streetcars as a separate typology. For the purpose of this report, and in recognition of the fact that there is little published literature pertaining specifically and exclusively to streetcars, we have reviewed both streetcar-specific and non-streetcar-specific reports, and do not attempt to differentiate between different types of streetcar systems (e.g. modern versus heritage).

Main issues which emerge regarding streetcar or urban light rail planning, operation, and impacts include: 1) the need to substantiate widely-held claims that such systems have significant social, economic, or land use/development impacts; 2) the need to examine a broader scope of indicators in assessing those impacts; 3) the imperative to thoroughly research market trends, land use patterns, commute patterns, and specific rider needs when planning streetcar/light rail projects, in order to maximize ridership and achieve project “success.”

The Transportation Research Board (Golem and Smith-Heimer 2010) identified a lack of streetcar-specific research. In particular, a gap exists between the claims made by cities and transit authorities regarding impacts on the built environment which justify streetcar investment and the actual body of research studying those impacts. The researchers developed a methodology for use by streetcar system operators to better assess those outcomes, but they also performed a study of fourteen recent streetcar systems (excluding those in cities whose heritage streetcars have been in continuous operation like New Orleans and San Francisco) to identify “commonalities among levels of success in impacting the built environment” (p. 1). Golem
and Smith-Heimer’s analysis provides a useful framework for streetcar system evaluation, as well as a comprehensive evaluation of existing systems nationwide. Their findings also revealed differences in the origin, implementation, and funding of different types of streetcar systems. Small-scale systems (e.g. demonstrations, or tourist-oriented lines) typically came about through the activity of community groups or business associations, while larger-scale systems required broader support and a greater degree of planning and political involvement to implement and integrate into regional transportation plans. Funding sources for streetcar systems varied, from the repurposing of highway funds in Memphis, to the implementation of special property tax assessments in Portland and Seattle. Other cities involved non-profits as streetcar developers or operators.

The authors’ survey of streetcar proponents indicated a widely held belief that streetcars are more attractive to riders than busses and have a positive impact in attracting new development and promoting an area’s revitalization, but that this belief is poorly supported by existing research. Of the cities examined, only Portland, OR had produced high-quality empirical data measuring economic streetcar impacts (Office of Transportation and Portland Streetcar Inc. 2008). They found, moreover, that research documenting changes in property values as a result of streetcar implementation exists, but due to the differing methodologies used to perform that research, results vary widely and are difficult to assess as a whole. Meanwhile, research measuring other economic impacts (e.g. retail sales, job growth, pedestrian counts) is largely nonexistent. What their report indicates is that claims used to justify streetcar implementation need to be better substantiated by empirical research performed post-construction documenting "the amount, type, density, and values of development within specified distances from streetcar routes" (p. 27); the authors suggest that it is the streetcar operator’s obligation to perform this research. In addition, factors other than property values must be considered in these analyses.

Arndt et al (2009), in their evaluation of rail impacts (both light and commuter rail are discussed) also identify a need to evaluate a broader range of impacts. They evaluate indicators, models, and methodologies currently used, and review previous literature on the subject. Like Golem and Smith-Heimer, the authors conclude that while significant evidence of rail transit’s positive impact exists, current research is inadequate and modeling techniques are too variable to make generalized statements.

Several other studies (Brown and Thompson 2009, Dunphy et al 2004, Iacono, Levinson, and El-Geneidy 2008, Ryan 1999) also address the problem of how to measure urban rail impacts. Brown and Thompson (2009) suggest that measurements of “successful” rail initiatives might include increases in the number of passenger miles per capita, the ratio of passenger miles to vehicle miles, or both. Using these indicators, they conclude that Portland, OR and San Diego, CA have most clearly demonstrated positive impacts.

Ryan (1999), on the other hand, analyzed empirical studies examining the relationship between various transportation facilities and property values, finding that methodological issues (e.g. measuring travel time versus travel distance, how study areas are delineated) greatly impact research outcomes. Overall, however, Ryan still found significant positive correlations between light rail project development and property value increases. Ryan's article also addresses the third key theme in the streetcar and light rail literature reviewed: the critical role well-planned system design and well-executed operation have on the degree of impact which can be expected from rail transit improvements. For
the purpose of this research, this issue is of the greatest importance. According to the FTA’s New Start’s Evaluation Criteria, rail projects receiving federal funding must: 1) save passengers time, 2) serve transit dependent and non-transit dependent markets, and 3) be located in corridors with supportive existing and proposed land uses, zoning, and development opportunities (Arndt et al. 2009, p. 5). How to best meet these goals is a key subject of this research.

Dominant issues which emerge repeatedly in the literature include the need to place stations and route corridors in areas which are not only suitable for, but also likely to experience, new development in the immediate future (Berechman and Paaswell 1983, Brown and Thompson 2009, Crampton 2000, Dunphy et al 2004, Ryan 1999). As Ryan observes (1999, p.426), “efforts should be made to design rights-of-way that connect to existing activity centers rather than to expect rail systems to attract concentrations of activity.”

Brown and Thompson (2009) corroborate this opinion, observing that rail alone is not sufficient to stimulate development where there would be none otherwise. Instead, they claim, it should be planned for areas which are already experiencing new investment or which are in a prime position for changes in market dynamics. In other words, while it is common among municipalities to consider new streetcar/light rail projects as tools for economic development in and of themselves, a successful outcome may only be realized if the city and transit authority work together to find corridors and station areas which make economic sense from a development standpoint.

In addition to effective routing decisions, Brown and Thompson (2009) continue, transit authorities and planners must take a regional view of the transit network, and aim for an integrated, multi-modal, multi-destination transit “vision” which leverages rail investments by integrating them with the wider transit network and carefully matching them to evolving rider needs—specifically, by serving a wide variety of non-CBD destinations in addition to downtown employment centers. Golem and Smith-Heimer (2010) elaborate on this view, classifying streetcar systems into three stages of development: 1) “demonstration” systems primarily targeting tourists, 2) “full-service” systems targeting CBD-bound commuters, and 3) “urban connector” systems in which streetcar lines are a “fully integrated component of overall regional transit strategies” (p.27). Brown and Thompson (2009) corroborate the opinion that transit systems need to serve non-CBD destinations, on the basis that “they are also the areas of growth in each metropolitan area,” whereas, “the CBDs…are in most cases stagnant or in decline” (p.61). While this assertion certainly cannot be extended to all CBDs beyond the authors’ study areas, the point holds true that commute, as well as non-work travel patterns have become much more complex in recent decades, and transit systems must adapt to serve a greater variety of spatial patterns and patron needs.

Brown and Thompson (2009) have summarized the following “key principles of a successful transit system: 1) the articulation of a regional, multi-modal, multi-destination transit vision; 2) a rail line or lines which serve as the ‘backbone’ of the transit system, around which bus systems are structured; 3) an emphasis on non-CBD destinations where growth is occurring; 4) the development of streamlined, efficient transfers which do not cost riders additional time and money; and 5) effective multi-modal linkages which reflect rider needs.”

But in addition to aspiring to full regional interconnectivity and maximal potential economic impact, urban streetcar/light rail lines must, above all, adhere to the basic principles of effective rail operation: they must be frequent, reliable, efficient, and easy to use (Brown and Thompson 2009, Cascetta and Pagliara 2009, Curtis 2009, Edghill, Kroen, and Sheurer 2009, Golem and Smith-Heimer 2010, Litman 2010c).
Key Issues and Considerations for Streetcar System Development

- There is a general lack of streetcar-specific research guiding system development and operation.

- More research needs to be performed to evaluate the various social, economic, and land use impacts of streetcar development and operation.

- Despite a small body of literature documenting specific streetcar impacts, there does exist significant evidence of light rail transit’s positive impact on property values, on efforts to reduce VMT, and on overall economic benefits.

- Before new streetcar investments are made market conditions need to be assessed for specific service corridors under consideration. Streetcar alignments should maximize benefits by locating in ‘emerging’ corridors with viable opportunities for development; rail should not be used as a tool to stimulate economic activity in distressed corridors without significant supportive policies and investments or other compelling circumstances (e.g. heavily damaged post-disaster neighborhoods).

- Successful inner-city rail must: save passengers time and money; serve both transit-dependent and non-transit dependent markets; serve a variety of non-CBD destinations reflecting rider needs; minimize and streamline transfers; provide frequent, reliable, easy-to-use service.

- Passenger rail systems should serve as the backbone of an integrated, multimodal regional transit vision.

The Integration of Transportation and Land Use Planning: Key Policy Issues

The third critical dimension of passenger rail development is the integration of land use planning with transit project development, so that investments made by all parties are maximized for the cumulative benefit of the community. That there is a strong link between transportation networks and land use outcomes—and between land use patterns and transit use—is commonly assumed (Berechman and Paaswell 1983, Iacono, Levinson, and El-Geneidy 2008), though not undisputed. Mees (2010), for example, has argued that attempting to reshape urban form to maximize non-automobile modes of transportation is futile, and that we should focus primarily on transit service characteristics to stimulate ridership, rather than supporting Transit-Oriented Development (TOD). Mees’ assertions regarding the need for sophisticated planning in order to create coordinated transport networks are certainly germane to these projects, but for the purposes of our research objectives, we focus on the dominant view presented in the literature, which indicates that transportation and urban form can and must influence one another.

“Land use transport integration has long been a basis of planning discipline, however at different stages in planning history this has applied to different transport modes” (Curtis 2009, p. 40). In recent decades, there has been a shift in planners’ focus from development surrounding automobile networks (i.e. highways) to development aligned with rail or other transit systems. This is manifest in the large and rapidly expanding body of literature on TOD. A key component of TOD, and one of its ongoing challenges, is the careful coordination of disciplines and agencies at various levels of government (Dunphy et al 2004, Cascetta and Pagliara 2009, Brown and Thompson 2009). As Cascetta and Pagliara (2009) observe, “transport systems…generally tend to reinforce past development trends rather than new development directions,” while land use planners typically just accept proposed transit plans, “rather than coordinating the transport plan with future land use, or, even better, using transportation infrastructure as a tool to obtain desired land use patterns” (p.49).
For this research we’ve reviewed a body of work addressing specific policies, partnerships, and conditions which promote the implementation of transit improvements in conjunction with land use development. The need for and benefits of integrated land use and transportation planning are clearly articulated in the literature. Namely, land use policies which are geared toward supporting transit investments increase transit ridership and revenues for transit agencies (Arrington 2009, Dunphy et al 2004) while failing to support transit through land use planning has the opposite effect, resulting in lower-than-expected ridership levels.

As previously noted, using rail transit alone as a tool to stimulate economic development is often unsuccessful, particularly if the transit improvement is made in a corridor which is not in a position to support development and growth, or if it does not carefully consider the needs and travel patterns of its potential users (Berechman and Paaswell 1983, Brown and Thompson 2009). In other words, if land use and transportation planning are performed independently, outcomes are likely to be unsatisfactory for all parties. On the other hand, effective coordination of transit investment and development, in which the two elements are “functionally related” (Dunphy et al 2004, p.5) results in greater ridership for transit agencies, and added value for developers.

Land use and transportation planning integration needs to occur across two dimensions. First, at the local or municipal level, transit agencies, city planning commissions and/or development agencies need to work in close coordination (Arrington 2009, Dunphy et al 2004, Edghill, Kroen, and Sheurer 2009). Second, greater communication and coordination needs to occur between local, regional and state agencies: i.e. state DOTs, regional planning commissions, and state planning agencies, where applicable (Arrington 2009, Bianco and Adler 2001, Curtis 2009, Dunphy et al 2004, Edghill, Kroen, and Scheurer 2009, Mouritz and Ainsworth 2009).

Edghill, Kroen, and Scheurer (2009) examine mechanisms needed at the local level to get land use planners and transit agencies out of their “silos” in order to join forces and ultimately, collaborate with higher levels of government. The authors claim that relationships between local agencies, which they describe as “typically uneasy or non-existing” (p.142) are the first, fundamental step toward achieving desired transportation-oriented development outcomes. The role of local governments, they go on, is to foster relationships with not only public transit agencies, but also with other stakeholders: public agencies, private developers, elected officials and members of the affected community to craft plans and policies based on collaborations with this diverse set of stakeholders.

As Dunphy et al (2004) observe, urban infill redevelopment around transit, in particular, tends to be expensive and difficult. However, local public policy which supports infill projects through tax incentives, infrastructure investments, expedited approval processes, and relaxed zoning or parking regulations can help defray the additional costs to private developers while furthering land use goals. The authors cite Seattle and San Francisco as cities with especially supportive policies for transit-oriented development implementation.

Transit agencies can also take responsibility for collaborating with developers to support projects. Dunphy et al (2004) found that transit authorities in Washington, DC, the Bay Area, Dallas, Denver, San Diego, and Charlotte all have joint development programs actively engaged in the development process or real estate development professionals available for consultation.

However, local governments, due to limited fiscal resources and the high costs of transportation infrastructure, often cannot achieve desired outcomes without further collaboration from higher levels of governments (Edghill, Kroen, and Sheurer 2009). Numerous articles and case studies cite the imperative of facilitating communication and coordination between local and state or regional authorities, in order to effectively achieve desired transportation and land use outcomes (Arrington 2009, Bianco and Adler 2001, Curtis 2009, Edghill, Kroen, and Scheurer 2009, Mouritz and Ainsworth 2009). Where strong relationships between localities and regions do not currently exist, local governments must take steps to enhance them. Edghill, Kroen, and Scheurer (2009) identified several case
studies in Australia and Germany where local governments created leverage by coordinating with one another, developing regional strategic plans, and lobbying state authorities for support.

The literature suggests that, with a few key exceptions, high-level coordination between local and state/regional agencies has occurred with greater ease and frequency outside the United States (Cascetta and Pagliara 2009, Curtis 2009, Edghill, Kroen, and Scheurer 2009, Mouritz and Ainsworth 2009). In Western Australia, for example, a strong regional planning system including a state planning department, a state planning commission, and an inter-agency state coordinating committee (involving planners, public works officials, transit officials, and development professionals) are specifically dedicated to ensuring land use/transportation coordination and have developed effective planning policies promoting transit-oriented development within a regional plan (Curtis 2009, Mouritz and Ainsworth 2009). This plan provides a solid organizational structure to accomplish regional goals, and prioritizes specific tasks for plan implementation (Curtis 2009).

Within the United States, examples of effective local inter-agency and local/regional coordination do exist. Dunphy et al (2004) found that at least eleven states have laws or incentives supporting transit-oriented development, and that even some cities without distinct regional planning authorities or policies have developed advanced regional transportation networks and coordinated models for station area development. In terms of comprehensive regional and state coordination, however, Portland, Oregon emerges as the preeminent illustration of successful policy implementation and outcomes (Arrington 2009, Bianco and Adler 2001, Golem and Smith-Heimer 2010). At the local level, Portland has fully integrated transit planning with land use and development goals through a strong partnership between the metro area’s transit agency (TriMet, which has a full-time staffer dedicated exclusively to TOD), the Portland Development Commission, and Metro, the region’s MPO. These three agencies have worked together over the last two decades to promote TOD and leverage public investments for maximum community benefit. Tools used at the local/metropolitan level to achieve their goals include TOD tax exemptions, development of tax increment financing policies, legally-binding station area plans (funded by TriMet, and characterized by minimum density requirements, maximum parking restrictions, and high design standards), and joint development agreements (public-private partnerships) to promote infill development (Arrington 2009). As a result of this inter-agency package of supportive incentives and policies, Portland has experienced successful TOD at each of its light rail stations, and along its streetcar lines (Arrington 2009).

Portland’s success, however, is not only the result of strong local coordination. Oregon has a long history of state and regional planning, originating with the 1973 passage of Senate Bill 100, which requires local governments to develop comprehensive plans which are aligned with state planning goals as outlined by the state’s Department of Land Conservation and Development (LCDC). Goal 12 specifically relates to transportation. The state adopted the Transportation Planning Rule in 1991 to further the objectives Goal 12 by requiring jurisdictions and MPO’s to adopt Transportation System Plans (Bianco and Adler 2001). Therefore, Oregon’s state-level planning system incorporates transportation planning as an important element of overall land use and growth management planning—transportation is viewed as a tool to maintain compact urban areas, to reduce auto use, and to support the development or redevelopment of specific areas through transit investments and development incentives (Arrington 2009). Leadership at the state level supports, and even mandates, the coordination of transportation and land use efforts at the local level, while promoting regional cooperation through MPOs. State-level tools which have bolstered Portland’s transit success include the implementation of an Urban Growth Boundary in 1979, the development of...

A third factor in Portland’s land use and transportation policies and outcomes is the region’s demonstrated ability to foster productive relationships with both private developers and the general public. In particular, 1000 Friends of Oregon, a state-wide (but Portland-focused) citizen watchdog group has been very influential in promoting regional planning efforts and enforcing compliance with the State’s planning goals. In some instances they have sued public or private entities to ensure compliance with the governing laws. Oregon also relies heavily on this group to garner political support for planning policy and implementation (Bianco and Adler 2001). The value of this close working relationship and developing inclusive processes of public engagement in land use and planning efforts is that this supports desirable outcomes and bolsters political support. This is a recurring point which has emerged elsewhere in the literature (Curtis 2009, Dunphy et al 2004, Ko and Cao 2010).

Finally, it is important to recognize the role of the federal government in local and regional transportation planning. Federal funding is a component of most major transit investments, and federal transportation policies have identified the integration of land use and transportation in project development as one of the ranking criterion for receiving funds (Arndt et al 2009, Golem and Smith-Heimer 2010, Fleming 2009).

**Elements of Local and Regional Land Use/Transportation Integration:**

- Lack of coordination of transportation and land use planning is an ongoing problem in many locations in the United States.

- Integration of land use, transit planning and public policy results in more successful outcomes (increased ridership, greater economic development).

- Two dimensions of integration are required: local interagency coordination (e.g. transit agency, planning department, and redevelopment authority); and across multiple levels of government (local, regional, and state).

- The role of local government is to foster relationships with other public agencies, private developers and other stakeholders (e.g. the community) in crafting plans and policies based on these collaborations.

- Collaboration among two or more municipalities can result in greater regional outcomes and increased political influence at the state and federal level.

- Regional planning is a key tool for coordinating land use and transit planning. Regional authorities can provide organizational structure to prioritize and implement projects as well as individual tasks associated with a particular undertaking.

- Local tools include tax exemptions for TOD, PILOT or TIF financing mechanisms, and public private partnerships (PPPs) where appropriate.

- Potential state tools include UGBs, tax exemptions, tax credits, and special bond financing programs. State planning guidelines outlining transportation and development goals can also assist developers at the outset of a project.
• Communication with citizen groups and an inclusive public participation process will strengthen planning efforts and ensure transportation investments match user needs. This should be an operational mandate in all phases of the Program of Projects being undertaken by the RTA in New Orleans.

• Federal policy supports enhanced land use/transportation integration. Therefore, all parties involved in the planning and implementation of the Program of Projects should make this a priority in all phases of these projects.

Case Study Findings:
In addition to the literature review, case studies of four successful inter- and inner-city rail initiatives were developed. Specifically they identified the following: what players, policies, and actions are required to implement new rail projects; what challenges are common to rail implementation; what steps can be taken to overcome those challenges; what spatial or economic outcomes can be expected. The full case studies are provided in Appendix 1. Key findings are outlined below.

Intercity Passenger Rail Project Implementation
Two case studies of successful “new-start” passenger rail projects (New Mexico Rail Runner Express and Maine’s Amtrak Downeaster) have been prepared. They demonstrate radically different approaches to project development and financing, provide insight into the recurring fiscal and political challenges of implementing new passenger rail projects, and provide options which may be of value in Louisiana’s effort to develop the proposed New Orleans-Baton Rouge passenger rail service.

New Mexico Rail Runner Express
New Mexico’s Rail Runner Express, serving the greater Albuquerque-Santa Fe growth corridor, was in large part achieved due to the political leadership of Governor Bill Richardson. Governor Richardson, through his GRIP transportation bill, explicitly dedicated capital funding for the Rail Runner Express. Governor Richardson was also instrumental in generating support for the project from both the business community and the general public; he ensured that the first phase of the project was developed as quickly as possible, and launched a publicity campaign to get constituents excited about the new service. Political and fiscal challenges were overcome, in part, by selling the Rail Runner as the least expensive means to ease highway congestion. Governor Richardson also incorporated the Rail Runner Express into his larger vision for protecting and enhancing the state’s future through infrastructure investment.

The operational costs for the first three years of service (2005-2008) were supported using federal CMAQ funds. The train’s ridership and popularity grew significantly during this period and in 2008, the residents of the counties along the route approved a sales tax increase to provide ongoing operational revenues. This tax increase would likely not have been approved by voters, if the project had not first been given the opportunity to demonstrate success and viability.
The implementation of the Rail Runner Express provides a useful example of how to effectively integrate multiple transportation modes and land use concerns into rail project planning: first, half of the sales tax which now funds the train’s operation goes toward funding connecting services (i.e. busses), which greatly extend the rail service’s reach. These connecting services link rail stations with airports, residential neighborhoods, business centers; transit systems in Albuquerque, Santa Fe, and the surrounding area have been reoriented around the Rail Runner Express, which serves as the “backbone” of regional public transit. Furthermore, a vigorous station area planning program is being developed for each station served by the Rail Runner Express, ensuring effective land use integration. Station areas are envisioned as town centers for the suburban communities between Albuquerque and Santa Fe, and are already bringing new concentrations of commercial and residential activity to previously underutilized areas. TOD has been slow to materialize, due to current economic conditions, however, the necessary policies and regulations are now in place to facilitate complementary development when the economy recovers.

Maine’s Amtrak Downeaster

In Maine, by contrast, the Amtrak Downeaster was driven by a citizen’s initiative, led by a local banker and regular user of Amtrak. The citizen advocacy group Trainriders Northeast developed a petition, and collected 90,000 signatures in support of new rail service. The envisioned train would serve coastal Maine and connect the state to the Boston region. In 1991, this petition provided the impetus for the adoption of the Passenger Rail Service Act— the state’s first citizen-driven legislative initiative.

The Downeaster lacked the top-level political backing to push the project ahead which the Rail Runner enjoyed; as a result, the implementation process took much longer. In 2001, however, Downeaster service began from Boston to Maine. Since operations began, the train has had a significant impact on economic development—particularly for smaller Maine and New Hampshire towns along the route. These towns have experienced unprecedented new real estate investment and increased tourism revenues. By 2015, the Downeaster is expected to provide $100M per year in total (direct and indirect) economic benefits for Maine and New Hampshire.

Developing a sustainable solution for long term operating costs remains a problem for the Downeaster; a task force has been developed to resolve the issue, but to date, the service relies on federal CMAQ funds. However, the Downeaster was recently awarded $38.35M for a northward extension of the route, and enjoys continued increases in ridership (consistently exceeding projections) and ongoing transit-related development activities.

Streetcar System Development Impacts

Two case studies of new urban streetcar systems in Portland, Oregon and San Diego, California demonstrate how supporting policies linking land use and transportation can significantly affect investment outcomes. These two case studies show how streetcar/light rail systems can integrate land use with transportation to spur corridor specific revitalizations and TOD.

The Portland Streetcar

Portland has a long history of integrating transit and land use planning. Their tools and policies have evolved over decades and provide valuable lessons for communities considering streetcar or light rail systems. The base of Portland’s success with the streetcar, which began operation in 2001, is the strong partnerships which have developed between
the regional transit agency, the Portland Development Commission, and the city provides a variety of incentives to make transit-oriented development happen which maximize ridership, make economic sense to developers, and support the city's land use and development goals by providing a variety of transit-accessible housing types and businesses.

From its inception, the Portland Streetcar was seen as a major commercial revitalization tool and was supported by the local business community. The streetcar is credited with the redevelopment of the Pearl District, an area near downtown which has experienced significant development along the streetcar route. The streetcar was made possible through the implementation of various policies and programs: $19.4M streetcar LID tax assessment for property owners who stood to benefit from streetcar access; a TIF strategy; increased parking rates in public garages to encourage transit use; a variety of funds and bonds from all levels of government. Portland took advantage of every tool at their disposal to create a set of mutually supportive policies for transit and land use development, and they have been rewarded with a highly successful streetcar system—currently in expansion—which has had a profound impact on revitalization efforts and urban redevelopment along its service corridor.

San Diego Trolley

San Diego, California also has a well-developed urban light rail system, which has been growing incrementally since 1981. San Diego has clearly delineated TOD goals in their master plans, and has been slowly working toward achieving them. The entire light rail system has been developed with TOD goals and opportunities in mind. Early phases of the system's development were highly successful, and enjoyed high farebox recovery rates, which helped raise political and popular support for future expansions, including a voter-approved sales tax increase. The San Diego Trolley is credited with the revitalization of the city's historic Gaslamp District, and is also seen as a critical asset for providing access to downtown sporting events. Nine major transit-oriented development projects have been attributed to San Diego's light rail program and TOD-supportive development policies.

Regional coordination among various jurisdictions within the San Diego region has been achieved but it has not been as thorough or successful as Portland's. Moreover, TOD projects have been more difficult to develop in low-demand market areas, and many have required some degree of public subsidy. This is in part because of San Diego’s concurrent aim of linking TOD to affordable housing development. The need for public subsidy to spur development in transit-served areas which do not have strong markets is a recurring challenge for planners.
Conclusions from the Literature: Best Practices in Passenger Rail Planning, Implementation, and Operation

Overall, the literature and case studies reveal a clear set of requirements or “best practices” for the implementation of individual projects, as well as for the development of a successful transit system. The literature synthesized intercity passenger rail implementation, streetcar system development, and transportation/land use integration. These provide useful insight into the key organizational, policy, and operational concerns which are relevant to this report’s discussion of recent and proposed rail initiatives in New Orleans. They also illustrate practical solutions to issues which are likely to emerge in the development of the proposed rail transportation improvements. The most critical planning issues and best practices which should be considered based on the research, and which are summarized below, include:

• Interagency, interdisciplinary coordination is needed to facilitate the integration of transportation and land use

• Strong project advocacy and leadership is essential, even when the impetus for transit investment comes from the community

• Implement transit-supportive policies and strategic planning to maximize outcomes and minimize operating deficits

• Efficient, effective and equitable operational characteristics are necessary to maximize connectivity and accessibility while serving the needs of both choice and non-choice patrons

Organizational/Institutional Issues and Best Practices:

Establishing relationships among different agencies and across levels of government, and developing a framework or organizational structure for collaboration (such as an inter-agency committee) are critical first steps for making integrated land use/transportation decisions (Curtis 2009, Mouritz and Ainsworth 2009). Community engagement is critical to project implementation, as is the development of synergistic relationships with private developers (Belzer et al 2004, Curtis 2009, Ko and Cao 2010, Mouritz and Ainsworth 2009). The roles of various agencies and stakeholders involved must be clearly articulated, to ensure effective implementation and guarantee maximal public benefit (Belzer et al 2004, Dittmar and Ohland 2004, Mouritz and Ainsworth 2009). Finally, there must be an overall vision, strategy, and set of policies guiding the regulation and implementation of collaborative efforts (Arrington 2009, Belzer et al 2004).

Policy Issues and Best Practices:

First, new rail transit investments should be planned according to the following criteria: 1) Rail alignments should be strategically located in corridors which have a maximum opportunity and potential for economic impact (e.g. available land for development or redevelopment, existing or emerging market demand, potential to serve jobs, housing, and public amenities) (Curtis 2009, Ko and Cao 2010, Parsons Brinkerhoff 2001). 2) Transit investment should occur where there is demonstrated need and/or a significant potential ridership base (Curtis 2009, Deka 2010). 3) Rail investments should aim to connect existing activity centers, or to connect existing activity centers with emerging/potential activity centers (Belzer et al 2004, Cascetta and Pagliara 2009, Dunphy et al 2004).

Second, policies supporting transit-oriented development, infill development, and station area development are essential to linking land use and transportation efforts. Some important tools which may be employed include:
implementing urban growth boundaries to encourage development in desired areas; requiring area development plans connected to all major infrastructure investments; developing specific station area plans which provide a high-quality, pedestrian-friendly urban environment for transit users; providing financial incentives for mixed-use transit oriented development such as tax credits or abatements and FAR/density bonuses; the use of tax-increment financing or other innovative financing structures; and streamlining regulatory procedures for projects which serve transit/land use goals (Arrington 2009, Cascetta and Pagliara 2009, Litman 2010c, Parsons Brinkerhoff 2001).

In addition, municipalities can further promote successful transit investment by locating all new public facilities along transit lines to generate ridership, investing in non-motorized transit improvements (e.g. pedestrian and bicycle facilities) in conjunction with transit investment, and developing parking and road pricing regulations (e.g. restricting parking supply, incentivizing transit for commuters, and congestion pricing mechanisms) to encourage transit use (Dittmar and Ohland 2004, Litman 2010c, Parsons Brinkerhoff 2001). However, it is critical that municipalities and transit authorities maintain a focus on the needs of transit riders, as well as the larger community, rather than solely emphasizing revenue generation. The provision of affordable housing should be a factor, as should the achievement of an optimal mix of land uses, and creating a ‘sense of place’ through urban design (Arrington 2009, Dittmar and Ohland 2004, Mouritz and Ainsworth 2009).

Finally, policies should be implemented to create public awareness about transportation and development plans, to promote innovative approaches to design and marketing, and to support research and publication of project impacts over time (Bernstein 2004, Cascetta and Pagliara 2009, Mouritz and Ainsworth 2009). Most importantly, though, policies should support a holistic, integrated approach to transportation planning which considers a comprehensive range of benefits and impacts. Strategic long-term local and/or regional plans should be required to ensure the development of cohesive, successful transit networks which maximize returns on investment, as well as community benefits.

**Operational Issues and Best Practices:**

Lastly, it is virtually unanimous across the literature reviewed that if the operating characteristics of a transit project are inadequate, no amount of supportive policymaking will make the project a success. Transit must be fast, reliable, and frequent or it will not be utilized by anyone who is not by circumstance compelled to do so (Brown and Thompson 2009, Cascetta and Pagliara 2009, Curtis 2009, Edghill, Kroen, and Sheurer 2009, Litman 2010c). More specifically, rail transit should aim for “high frequencies…[an] even-spaced rail timetable, connections between lines, homogenous performance and high quality standards for rolling stock fleet, integrated bus/rail fare system, [and] integration with other modes of transport” (Cascetta and Pagliara 2009, p.53). In other words, rail transit should be efficient, multimodal, and convenient to use. Specific tools for achieving these objectives include fare discounts for special groups (e.g. students), passes, or off-peak travel; improved wayfinding, maps, and schedules; and coordinated scheduling to streamline transfers to other lines or modes (Curtis 2009, Litman 2010c). Integration with other modes of transit and transportation, in particular, is critical, “in order to have a system-wide rather than marginal impact” (Curtis 2009, p.46). Most importantly, transit should serve to meet the needs of both those who depend on it for daily transportation, as well as those who have greater transportation choice, through the development of frequent, convenient service connecting a variety of origins and destinations.
The passenger rail link between Baton Rouge and New Orleans first emerged as a priority transportation initiative for Louisiana on November 18, 1998, when US DOT Secretary Rodney Slater officially designated the Gulf Coast High Speed Rail Corridor as part of a national high speed rail system. This federal designation allowed the Southern High Speed Rail Commission (SHSRC), working in partnership with the Louisiana Department of Transportation and Development (LDOTD) and the Federal Railroad Administration (FRA), to undertake preliminary investigations into the viability of various rail corridors, including the BR-NO segment, to estimate probable construction costs and a range of operating costs. An initial study, completed by Morrison Knudsen in the late 1990s, concluded that a new BR-NO service would cost, based on varying levels of service, between $100M and $400M for capital and result in an annual operating deficit between $10.3 and $24M. These costs, both capital and operating, were viewed as beyond the limits of available state resources by LDOTD and the project was effectively “shelved”.

Post-Katrina, there has been renewed interest in the NO-BR rail link, especially when viewed as an additional emergency evacuation option for New Orleans. Working in partnership with the Louisiana Recovery Authority (LRA), LDOTD pursued a low cost alternative, estimated to cost $55M, which LRA was prepared to fund until Road Home Program deficits precluded this option. However, LDOTD and the SHSRC continued to pursue the project in hopes that future federal funds would become available. Burk Kleinpeter Inc. (BKI), a New Orleans-based planning and engineering firm, was contracted to reevaluate the project in the fall of 2008 based on an incremental approach to high speed rail operations: i.e. 79, 90, and ultimately 110 mph speeds were the main design thresholds. All station stop locations were tentative, except for the New Orleans Union Passenger Terminal. Currently, New Orleans serves as a southern hub for three Amtrak long distance trains: the City of New Orleans, the Crescent and the Sunset Limited. All three trains terminate at the New Orleans Union Passenger Terminal, located at the upriver edge of the Central Business District.

Post-Katrina, the Baton Rouge – New Orleans corridor has also experienced significant population and economic redistribution. Immediately post-storm a large number of residents from the greater New Orleans area relocated to communities in Jefferson Parish, St. Tammany, the River Parishes and East Baton Rouge Parish for temporary or permanent housing. Even long-established New Orleans businesses chose to relocate to Baton Rouge in order to remain viable for an interim period post-storm. In response, LDOTD created LA Swift in late 2005, to provide inexpensive public transportation between the two cities for both residents and workers displaced by the storm. Initially funded by FEMA, this “commuter bus” service continues in operation today offering over 100 trips per week with an average daily passenger count of 400 (Reigel 2009).

LA Speaks, a post-Katrina/Rita recovery planning process, sponsored in part by the LRA, targeted 19 hurricane-impacted parishes in South Louisiana for comprehensive post-disaster planning and redevelopment. Led by the Baton Rouge-based CPEX (Center for Planning Excellence) and a consultant team including nationally and internationally recognized experts, the plan emphasized rebuilding in a “safer, stronger, and smarter” manner. Using extensive citizen outreach and sophisticated survey tools (27,000 respondents), the consultants formulated a regional plan that relied heavily on enhanced passenger rail transportation linkages as a development framework for South Louisiana. These links included the Baton Rouge and New Orleans passenger rail service as well as others to Lafayette, Lake Charles, Slidell, and the Mississippi Gulf Coast. LA Speaks reiterated the need for the Baton Rouge – New Orleans passenger rail link as a state priority to both political and business leaders statewide as well as the general citizenry.

The 2005 hurricanes and their aftermath also increased the movement of goods and people between the state’s two largest metropolises along both the I-10 and I-12 corridors. Today the region connecting Baton Rouge and New Orleans represents roughly 50% of the state’s population, employment and Gross Domestic Product (Center for Planning Excellence 2010). Post-Katrina both the Baton Rouge Area Chamber (BRAC) and GNO, Inc. (Greater New Orleans, Incorporated) market the Baton Rouge – New Orleans region as the “Creative Corridor”
and remain strong proponents of the rail link. Business leaders in both metropolises remain committed to this rail link and CPEX continues to organize grass roots advocacy efforts in support of the BR-NO passenger rail service. They have recently created “Connect”, an initiative “to connect people with transit, housing and workforce options throughout Southeast Louisiana” (Center for Planning Excellence 2010), which is a direct response to their LA Speaks outreach and planning activities begun in 2006.

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA), a bill which included an $8 billion allocation specifically for high-speed rail investments (City Business 2009). Applications for the first round of grants were due on October 2, 2009. Despite sufficient planning and groundwork to prepare and submit a “shovel-ready” proposal for development of passenger rail between New Orleans and Baton Rouge, based upon the BKI project and in spite of strong support from both the New Orleans and Baton Rouge business communities, LA. Governor Bobby Jindal elected not to submit a proposal, citing the state’s inability to fund the estimated $14M to $18M annual operating costs (James 2010). The ARRA grant, if awarded, would have covered 100% of the project’s capital costs, estimated at that time to be $300M. Based on the most recent work conducted by BKI and HDR Engineers, the project costs have been revised to $448M (James 2010) of which $58M is for the acquisition of rolling stock. The annual operating cost deficit varies between $14.6M and $18.7M based on the frequency of service.

Although Governor Jindal has declared his opposition to the project, Louisiana rail advocates have continued to work to advance the NO-BR passenger rail service. The BKI - HDR study, released in late 2009, details the project’s financial and engineering feasibility. Additional research conducted by Dr. John Renne, Associate Professor in the

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Figure 18: Louisiana Speaks Transportation Systems Map (2007). Image c/o Center for Planning Excellence.
Department of Planning and Urban Studies and Associate Director of the UNOTI (Renne 2010) is investigating the potential for value-capture financing along the corridor, which could be used to recover operating costs. During the regular 2010 legislative session, State Representative Michael Jackson (Baton Rouge), who serves on the Southeastern High-Speed Rail Commission, introduced legislation HB 1410 (the Louisiana Intrastate Rail Compact). This bill was subsequently passed and signed into law by Gov. Jindal. It enables any two or more parishes or municipalities to form a compact to develop inter-city passenger rail. Both New Orleans Mayor Mitch Landrieu and Baton Rouge Mayor Kip Holden have announced their support for the proposed NO-BR rail service, and they recently signed an agreement to work cooperatively for the economic development of both cities (James 2010).

Governor Jindal is not expected to submit a proposal for any future rounds of ARRA rail funding. However, there exists strong evidence that with continued support from local business and political leaders, citizen advocates and the continued development of creative financing alternatives, the proposed NO-BR passenger rail may eventually become a reality.
The Regional Transit Authority’s Locally Preferred Alternative for a Streetcar Program of Projects for the New Orleans Central Business District and Adjoining Neighborhoods

Post-Katrina, the Regional Transit Authority (RTA) has been aggressively pursuing federal funds for the expansion of their existing streetcar system. In September 2009, the RTA completed the Alternatives Analysis for three new streetcar extensions. These projects have been designed to improve mobility within the Central Business District and adjacent neighborhoods while promoting neighborhood and corridor-specific revitalization. The proposed extensions were combined into a Locally Preferred Alternative (LPA) for a Streetcar Program of Projects, prepared by HDR, RTA’s lead consultant. They included the New Orleans Union Passenger Terminal (NOUPT) / Loyola Avenue line; the N. Rampart / St. Claude Avenue Street line; and the Convention Center / Riverfront line. In November 2009, the RTA began an Environmental Assessment as well as Preliminary Engineering to advance these projects.

On February 17, 2010 the U.S. Department of Transportation awarded the RTA a $45M grant (100% federal / 0% local) for the construction of a portion of the proposed LPA: specifically, the Loyola Avenue streetcar line (1.5 miles) connecting Canal Street with the New Orleans Union Passenger Terminal. Funds were provided by a Transportation Investment Generating Economic Recovery Grant (TIGER), a part of the American Recovery and Reinvestment Act (ARRA), the Obama administration’s stimulus program. Only New Orleans, Dallas, and Tucson were awarded funds for rail passenger projects, although 30 cities submitted proposals for consideration. Design and construction activities for the Loyola Avenue Streetcar are now on a fast track. The project must be operational by Spring of 2012.
Two additional projects included in the RTA’s original streetcar expansion program (LPA) were resubmitted for federal funds but were not selected. The French Quarter Loop, a $115M project, would extend streetcar service down N. Rampart / St. Claude Avenue to Press Street (4 miles) and connect via Elysian Fields with the Riverfront Streetcar at Esplanade (1.2 miles). Currently the RTA has split this extension into two individual projects: the North Rampart / St. Claude Streetcar line ($100M) and the Elysian Fields Spur ($15M).

The RTA was recently authorized by the state Bond Commission to issue $75M in bonds. In October, 2010 the RTA successfully borrowed $79.4M based on 30 year sales tax revenues (Donze 2010) to construct the North Rampart – St. Claude Avenue Streetcar. They are still seeking additional funds from the Federal Transit Administration for the construction of the unfunded portions of their Program of Projects.

The Riverfront extension is estimated to cost $51M, which would extend the current line by 1.8 miles, with significant portions of the route constructed within the CBD, providing streetcar service to the front door of the Convention Center and direct connections to the major hotels on or adjacent to Canal Street and Convention Center Boulevard. Additional sources of local match include $13M from an RTA reserve account and $5M from the Convention Center.
CHAPTER 4: STAKEHOLDER INSIGHT

Connecting the dots has been the driving force to date. We now have new dots. We need new connections.

Post-Katrina New Orleans, its CBD, and its adjoining neighborhoods are in a state of transition and transformation. The research team has identified roughly 70 projects that are in various stages of construction, development or pre-development planning. Key person interviews were used to gain insight into the views of local development and planning professionals regarding rail passenger projects and their impact on development dynamics within and adjoining the Central Business District. Participants in the interview process included leading the following: real estate developers; architects; urban / regional planners; engineers; public policy officials; economic development specialists; property owners; CBD residents; related city, regional and statewide officials; citizen advocates and neighborhood leaders (for more information on the stakeholders interviewed, see appendices 5 and 6.) Complete summaries of the interviews are found in Appendix 7.

Key Issues Identified By Stakeholders:

• The emerging BioDistrict is poised to dramatically impact New Orleans’ economy and the development dynamics affecting the CBD and the Mid-City neighborhood; this multi-billion dollar project is the number one driver of downtown development today.

• As development continues to diversify to new nodes, especially in the upper CBD, in the Museum District and along the upper and lower Central Area Riverfront, additions to the streetcar system and enhancements to the overall public transportation system are warranted.

• Major projects which will have a significant impact on the CBD's future include: renovations at the Superdome and adjoining properties; development of the BioDistrict; expansions within the Museum District; the emerging Theater District; new upper CBD residential construction including the recently announced South Market District; and the continuing redevelopment of New Orleans' Central Area Riverfront.

• The Loyola Streetcar will serve as a vital connector linking a number of these projects with upper Canal Street and the emerging Theater District.

• The Loyola streetcar has caused 1 project to be announced (South Market District) and other developments to be reoriented (Hyatt Hotel) or reconsidered (234 Loyola) and their timelines (Holiday Inn Downtown) accelerated in light of the streetcar line's pending construction and operation.
Figure 22: Domain Companies’ planned upper CBD mixed-use development. (2010). Image C/O Domain Companies. concepts + renders: studioYVESinc+ : Yves Rathle architect: web.me.com/studioyves.

Figure 23: Hyatt Regency Hotel, Loyola Avenue Entry. (2010). Rendering c/o The Hyatt Regency Hotel.
Operating characteristics of current and proposed transit lines must improve: i.e. be reliable; operate on a schedule; increase frequency of service; and utilize state-of-the-art technology to maximize efficiency.

Critical “Missing links,” including short additions to the proposed alignments, would link proposed streetcar lines to existing transit services. More substantial extensions to the current proposals have also been identified as additions to the current streetcar expansion program. The following “Missing Links” should be considered in a revised Program of Projects by the RTA: an upriver connection between the Canal Streetcar and the Riverfront Streetcar; a downriver extension of the Riverfront Streetcar to serve the Poland Avenue Cruise Ship Terminal and Phase 1 of the “Reinventing the Crescent” riverfront park; a connection between Loyola Avenue, St. Charles, Lee Circle and the Museum District via Howard Avenue / Higgins Boulevard; the downriver extension of the proposed St. Claude/North Rampart line to Poland Avenue; a connection to a downriver extension of the existing Riverfront Streetcar creating a Bywater Loop via Poland Avenue. Each of these could be made with varying degrees of investment to add complementary connectivity to existing streetcar lines.

**Post-Katrina Development in the CBD & Adjoining Neighborhoods: A Summary**

Post-Katrina, the city’s traditional economic drivers continue to regain strength. In 2008, tourism totaled 7.6M visitors compared to a pre-Katrina high of 10.1M in 2004 (The Boston Consulting Group 2010). In 2010, visitors exceeded 8.3M, with total expenditures of $5.3B, a $1.1B increase over 2009 and the highest total visitor spending figure in the city’s history (“N.O. Tourism Reaches a Milestone” 2011). The French Quarter and New Orleans in general continues to grow and diversify its visitor base. As one example, the city now offers 300 new post-K restaurants. The recently renovated Ernest N. Morial New Orleans Convention Center ranks as the sixth largest convention facility in the nation and continues to draw regional, national and international attendees. It is rebuilding its delegate attendance with the 2010 count estimated at 704,975. Attendance for concerts, NBA, NFL and other sporting events at the Arena and the Superdome continues to rebound with the 2009 World Champion Saints drawing record numbers of ticket-holders and revelers to the Superdome and its newest addition, Champions Square, a tail-gating public space immediately adjacent to the “Dome.” In 2010, total attendance for both the Superdome and the Arena totaled roughly 2M. The Tulane University Medical Center has been reestablished in the upper CBD at a post-Katrina recovery cost of roughly $87M. As well, the emerging BioDistrict and bioscience cluster is poised to dramatically impact New Orleans’ economy as well as the development dynamics affecting the CBD and Mid-City. The first phase of this cluster, the University Medical Complex including a new VA hospital, represents a $2.2B investment in state-of-art facilities, and is projected to create over 7,200 jobs with an average salary in excess of $95,000. Today, five years after Katrina, New Orleans continues to regain and grow its traditional bases (tourism, conventions, special events) while planning for a more diversified future.

The diagram at right shows the diversity, by type and location, of recent projects either under construction, in final design or in pre-development / conceptual design stages. The streetcar extension program of the RTA connects a large number of these projects but the Museum District remains unconnected as does the Central Area Riverfront downriver of Esplanade Avenue and upriver of Henderson Street. Enhanced transportation connections (nonstreetcar) to the emerging BioDistrict are still being finalized.

The Loyola Streetcar will serve as one vital connector linking a number of projects, either under construction or being actively planned, along the Upper CBD. The N. Rampart – St. Claude streetcar extension will further serve a number of recovering downriver neighborhoods. The Riverfront Streetcar extension, when constructed, will also extend its service area to the Upper Central Area Riverfront to Henderson Street and tie back into downtown hotels on or near Canal Street. However, development nodes in new geographic and economic nodes need enhanced transit connectivity.
The development community, in both the public and private sector, generally sees the CBD, and the upper CBD, in particular, as having a very robust future. Due to the current economic and financial climate, it may take a number of years to achieve the area’s full potential but CBD developer Elie Khoury predicts: “Follow the money. It’s going to the Upper CBD and Upper Canal Street. It may not happen tomorrow, but it’s going to happen.” James P. McNamara, a leading advocate for the bioscience cluster, reinforces this belief: “The emerging BioDistrict, estimated at over $2.2B, will be the driving force in the growth and location of future residential, commercial and office markets within and adjoining the CBD.” Along the Upper Central Area Riverfront, in addition to the relocated Mardi Gras World and the ongoing development of RiverSphere, new public spaces included in the Reinventing the Crescent project will also bring added vitality to this former industrial riverfront area. It was recently announced that the Market Street Power Station is now being considered for a major MXD.

The Loyola Streetcar will have a positive impact on both development dynamics and general mobility in the Upper CBD but this new line is only one part of an aggressive program of streetcar extensions. As stated in numerous interviews, the streetcar extension program, as planned, is not enough. Proposed and suggested “missing links” to the proposed program are certainly warranted. As well, general operating improvements to the public transit system are sorely needed. If implemented, these added “missing links” between transit services in key development nodes as well as operational improvements to the RTA’s system will greatly increase ridership and enhance both resident and visitor connectivity throughout the CBD and its adjoining neighborhoods.
Recently Completed or Proposed Projects in the CBD Affecting the Loyola Streetcar

Specific development details for each of these projects may be found in Appendix 3. A series of maps showing each development’s location relative to the RTA’s Locally Preferred Alternative Streetcar Program of Projects and existing streetcar lines are also found in Appendices 2 and 4.

Map 1: December 2010 Locational Map

Projects

1. BR-NO Intercity Passenger Rail
2. Loyola Streetcar Extension
   2a. North Rampart St. - Claude Streetcar Ext. to Press St.
   2aa. Elysian Fields Spur
   2ab. St. Claude Streetcar Extension Press St. to Poland Avenue
   2b. Riverfront/CDB Extension
   2c. Howard/Higgins Corridor
   2d. Tulane Avenue Gateway
3. Superdome Renovations
4. Benson Tower/New Orleans Center/Package Garage
   Benson Tower Interior Renovations/Upgrade
5. Superdome Public Space Improvements (SPSI)
   Champions Square: Phase I (SPSI)
   Phase II: Champions Square/Lasalle St. Closure/Enhancements
6. Phase III: Sports/Entertainment Complex
   6a. Future Residential Tower
7. Hyatt Hotel/1250 Poydras/Entergy Building (639 Loyola)
   7a. Hyatt Hotel
8. South Market District MDX
9. Plaza Tower
10. Holiday Inn Downtown Superdome Phase I
    Holiday Inn Downtown Superdome Phase II
    Holiday Inn Downtown Superdome Phase III
11. Maritime Building
12. Saratoga Building
13. 234 Loyola Avenue
14. Rault Center
15. Hibernia Bank Headquarters Building
16. Factors Row
17. Audubon Building
18. 930 Poydras
19. Civic/Theater Redevelopment
20. Drony Inn Expansion
21. Rouse Grocery (former Sewell Cadillac)
22. The Garage (original Stephens Chevrolet)
23. Julia Row Redevelopment
24. Saenger Theater Renovation
25. Love's State Theatre
26. Joy Theater
27. Roosevelt Hotel
28. Orpheum Theater
29. 1201 Canal Street (former Krauss Department Store)
30. 1501 Canal Street (original Texaco Headquarters building)
31. Tulane Medical Center Rehabilitation
32. Louisiana Cancer Research Center in New Orleans
33. BioInnovation Center
34. VA Hospital
35. University Medical Center
36. VA-LMC Infrastructure Improvements
37. The Preserve
38. The Crescent Club
39. The Meridian
40. The Shops at Crescent Club
41. WWII Victory Theater et al
42. John E. Kushner (WWII) Restoration Pavilion
43. Streetscape Enhancements
In total, recently completed and proposed downtown development projects (2005 to 2015) announced as of September, 2010 will add an estimated 2,314 new housing units, 2,381 new hotel rooms, and more than 390,000 sf of retail space to the downtown area. These projects will significantly increase the residential and visitor population of the CBD and its surrounding neighborhoods. This excludes additional office and meeting space and does not include additional concurrent projects which would be served by the proposed “Bywater Loop,” which will further impact downtown living and retail opportunities.

### Population Growth of New Orleans’ CBD, 2000-2010

<table>
<thead>
<tr>
<th></th>
<th>Census tracts 57, 58, 59, 2000:</th>
<th>Census Tract 134, 2010:</th>
<th>Absolute Change</th>
<th>Percent Change</th>
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</thead>
<tbody>
<tr>
<td>Total Population:</td>
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<td>2,276</td>
<td>482</td>
<td>26.9%</td>
</tr>
<tr>
<td>Population 18 and over</td>
<td>1,705</td>
<td>2,211</td>
<td>506</td>
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<tr>
<td>Housing Units:</td>
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<td>1,782</td>
<td>609</td>
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<tr>
<td>Occupied Housing Units:</td>
<td>921</td>
<td>1,260</td>
<td>339</td>
<td>36.8%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, 2010 Census: 2010 Census Redistricting Data (Public Law 94-171) Summary File, Tables P1, P2, P3, P4, H1; U.S. Census Bureau, Census 2000 Summary File 1 (SF 1)

#### A. The Superdome / Benson / Zelia Group LLC Complex

One of the largest impacts on the Upper CBD is the redevelopment of the Superdome (funded by the Louisiana Superdome and Exposition District) and adjacent properties purchased post-Katrina by Saints owner Tom Benson and being developed by his family’s company (the Zelia Group LLC). Current projects by Zelia include the complete renovation of the former Dominion Tower, newly named the Benson Tower, as a Class A office building (scheduled to reopen in December 2010), alterations and additions to the former New Orleans Center as a large sports-oriented entertainment complex, and a major new public space (Champions Square). These projects will be completed in multiple phases tied to specific sporting events culminating in the 2013 Super Bowl.

The Superdome has recently undergone an $85M renovation, the first major new investment in the Louisiana Superdome and Exposition District (LSED) since the completion of The Arena in 1999. In 2010, the Superdome hosted approximately 1,176,000 patrons, while the Arena received an estimated 793,000 visitors. A master plan is currently being developed by Eskew+Dumez+Ripple for both the Superdome and the Zelia LLC properties. The first phase, “Champions Square,” opened for the Saints 2010 season. A sports entertainment complex is being planned for portions of the former New Orleans Center. A future residential condominium is also being considered, “if the CBD residential market will support it,” according to Allen Eskew, master planner / architect for Zelia LLC.
In addition to the renovation of the Superdome, $30M has been allocated for public space improvements in the surrounding area, including the transformation of LaSalle Street into a pedestrian zone and Poydras Street into an “Olympic-quality streetscape” according to Mr. Eskew. The entire area's redevelopment will be completed to coincide with the 2013 Super Bowl. Other CBD developers are thrilled with Benson's plans, and believe the projects will have a significant impact on the Upper CBD in particular. Lou Talebloo, owner of several CBD properties, suggests that the linkage between these projects (the new sports entertainment complex, the renovated Superdome, the refurbished office tower, the new public space improvements) as one cohesive entity helps guarantee that each individual component will be realized, providing greater certainty for other area developers to proceed with their projects. This view was reaffirmed by James P. Coleman, Jr., owner of the Holiday Inn Downtown Superdome.

B. The Hyatt Complex

Another significant project which directly impacts the Loyola Avenue corridor is the redevelopment of the Hyatt Hotel, vacant since Katrina. The Hyatt was recently acquired by Poydras Properties Hotel Holdings, after previous owner Laurence Geller's redevelopment scheme (involving the construction of a National Jazz Center including a major performance hall, a new urban park, as well as the relocation of City Hall) failed to gain momentum. The renovated Hyatt Hotel will feature expanded convention facilities, three new ground floor restaurants and a new entry all oriented to Loyola Avenue and the new streetcar line. The Hyatt is scheduled to reopen in late 2011.
C. Renovations and Phase II of the Holiday Inn Downtown-Superdome

The existing Holiday Inn Downtown-Superdome, which currently receives approximately 117,000 overnight guests per year, has recently begun a $5M upgrade. Its owners are presently in the pre-development stages for a new $15+M 150 room convention-oriented hotel adjacent to their current facility on an existing surface parking lot on Loyola.

![Holiday Inn Downtown-Superdome](image)

Figure 27: Downtown Superdome Holiday Inn, Loyola Avenue. (2011). Amdal, J.

D. Domain Companies South Market District MXD

During the course of this project, the Domain Companies finalized pre-development plans for a major $185M MXD project, including 450 apartments and 125,000 sq ft of retail. The project will occupy sites on four municipal squares bounded by Loyola Avenue, Julia Street, Baronne Street, and Lafayette Street. The project, as envisioned, will include market rate residential and retail components that will replace surface parking lots. The developers’ decision to move forward at this location is directly related to the Loyola streetcar extension. Further reinforcing their investment decision were the redevelopment activities at the Dome and the Hyatt, the development of the BioDistrict and the announcement of a Rouse’s grocery store opening adjacent to their site.

![Domain Companies South Market District Project](image)

Figure 28: Domain Companies South Market District Project. (2010). Image c/o Domain Companies. concepts + renders: studioYVESinc+; Yves Rathle architect: web.me.com/studioyves
Map 2: Upper Loyola Avenue Corridor

Projects

1 BR-NO Passenger Rail/ NOUPT
2 Loyola Streetcar Extension
3 Superdome Renovations
4 Benson Tower/New Orleans Center/Pkg Garage
   Benson Tower Interior Renovations/Upgrade
5 Superdome Public Space Improvements (SPSI)
   Champions Square: Phase I SPSI
   Phase II: Champions Square/Lasalle St. Closure/Enhancements
6 Phase III: Sports/Entertainment Complex
5a Future Residential Tower
7 Hyatt Hotel/1250 Poydras/Entergy Building (639 Loyola)
7a Hyatt Hotel
8 South Market District MXD
9 Plaza Tower
10 Holiday Inn Downtown Superdome Phase I
11 Maritime Building
12 Saratoga Building
13 234 Loyola Avenue
14 Rault Center
18 930 Poydras
15 Civic Theater Redevelopment
21 Rouse Grocery (former Sewell Cadillac)
22 The Garage
E. The LSU/VA Complex

The $2+ B University Medical Center and VA Hospital complex on Tulane Avenue in Lower Mid-City and associated projects in the BioDistrict are having the most impact on development activity and investment in the upper CBD. The VA Hospital is scheduled for completion in 2013. The University Medical Center will probably open in late 2014.

Other related medical facilities currently under construction within or abutting downtown include the BioInnovations Center on Canal Street and the Cancer Research Center of Louisiana at Claiborne and Tulane Avenue.
Taken in toto, these facilities and others projected for the future by the Greater New Orleans Biosciences Economic Development District could create in excess of 7,500 jobs with an average salary of $95,000. All stakeholders interviewed during this research project are supportive of this otherwise controversial plan, due to the massive impact it will have on the city’s economy and on CBD development activity. James P. McNamara, Executive Director of BNOBEDD, notes “these facilities will represent a larger investment in New Orleans than the Super Dome.” The Regional Planning Commission, working with the Department of Public Works and LDOTD, plans to transform Tulane Avenue into a transportation “gateway” in response to this emerging medical district. Their proposed project will include major streetscaping along Tulane Avenue as well as enhancements and future expansions to RTA’s current service to better serve this development corridor.

In addition to these projects, the Tulane Medical Center spent $87,298,881 reconstructing and rehabilitating its downtown campus after Katrina. It currently serves approximately 823 students, 445 medical residents, and employs approximately 1400 faculty, staff, and facilities personnel, primarily at their downtown campus. Tulane currently has one residential dormitory for 224 medical center students located on Loyola Avenue. Their facilities served approximately 337,475 patients in 2010.
F. Canal Street Theaters

New Orleans’ Theater District, centered on Canal Street at the terminus the proposed Loyola Streetcar line, represents another area of growth in downtown New Orleans, although progress to date has been slow and problematic. The Saenger Theater is slated for reopening in 2012. The purchase and planned redevelopment of the heavily storm-damaged Orpheum Theater, long entangled in legal problems, was recently announced. Developers have expressed interest in reviving other theaters in the vicinity, specifically the Joy and the Loews State. The Joy Theater is currently under contract. Added connectivity by new streetcars is viewed as an extremely positive addition to the envisioned Theater District, according to Cindy Connick, Executive Director of the Canal Street Development Corporation, a leading force behind this initiative.

Figure 34: New Orleans Theater District: Lowes Theater on Canal Street. (2011). Amdal, J.

Figure 35: New Orleans Theater District: Saenger Theater on Canal Street. (2011). Amdal, J.
G. Existing and Proposed Downtown Residential Projects

The last two decades have seen a dramatic increase in downtown living options, especially in the Warehouse District, the Lafayette Square neighborhood and the old Financial District (downriver of Poydras). It is now estimated that there are more residents living in the CBD than in the French Quarter. The upper CBD has only recently begun to see residential development activity, but this trend is expected to continue with increasing downtown demand but with fewer available buildings in the more highly developed areas: i.e. the Warehouse District and the Lafayette Square neighborhood. In February 2010, Developer Brian Gibbs opened 930 Poydras, a market-rate apartment building, providing 250 high-end units in the first new residential building constructed in the upper CBD. Construction was funded through HUD financing and GO Zone bonds, which both Mr. Wisznia and Mr. Talebloo noted were critical to making the project feasible. Mr. Talebloo and Mr. Khoury also noted that Gibbs was “lucky with his timing” in that he secured financing for the project just prior to the 2008 economic downturn. Mr. Gibbs is currently planning to expand his Civic Lofts building by employing historic tax credits to renovate the adjacent Civic Theater as a mixed-use project. The Domain Companies’ South Market District, as previously described, will also introduce an additional 450 residential units to the upper CBD.

Local Developer Marcel Wisznia started his downtown residential projects with the conversion of the historic Western Union building into the Union Lofts. This apartment complex at 334 Carondelet opened in 2007, and is currently 100% leased. Fully furnished units currently rent for $2.50 / ft. / month. Mr. Wisznia has used the direct access to streetcar lines as a selling point for both existing and future projects. He plans to use streetcars in his marketing campaign for the $38M Maritime Building (105 units), located at Common and Carondelet, scheduled to open in late 2010 or early 2011. Inquiries for pre-leasing units at The Maritime have already exceeded the available supply. Wisznia is currently developing the Saratoga Building at the corner of Tulane and Loyola Avenue; a $42M, a 155 unit apartment conversion slated to open in the summer of 2011. Lou Talebloo noted that this project is “huge” for the area, and will have a positive impact on all other development currently planned in the vicinity. In addition, Wisznia has a third, 65-unit CBD residential project planned, pending financing, in the former Stephens Chevrolet Garage on Carondelet Street in the Lafayette Square District. Mr. Wisznia cites the very high occupancy rates in his existing CBD apartment buildings as evidence of the increasing demand for downtown living, and attributes his lower-than-average parking ratios to his tenants’ streetcar access. Post-Katrina, Mr. Wisznia has been uniquely successful at employing HUD 221 D4 loans and historic tax credits where possible for his projects.
Lou Talebloo, a major CBD property developer, has several pending projects which will increase downtown residential and commercial activity. Factors Row, an important historic property located in the old Financial District, will be renovated into a mixed use residential (rental) / commercial property in the near future. The former Industries Building at 234 Loyola will be redeveloped into 100 residential (rental) units at a cost of $15-20M. It is targeted to medical center employees. This project will move forward as soon as Mr. Talebloo renovates Factor’s Row. When 234 Loyola is completed, Mr. Talebloo will then redevelop the adjacent Rault Center as an 85-90 unit condominium building. Despite today’s fragile economy and the current financial challenges, Mr. Talebloo still believes that the CBD, and the Loyola Corridor, in particular, has excellent potential due to its location, market access, and its proximity to the emerging BioDistrict.
Developer Elie Khoury, founder of KFK Group, has been involved in CBD residential projects for the past 15 years and lived in his first downtown project, The St. Joseph condominium, during the mid to late 1990’s. Post-Katrina, he has pioneered residential developments on upper Canal Street. He purchased the former Krauss Department Store pre-Katrina and signed the original construction contract for its redevelopment on Friday August 27, 2005 (2 days before Hurricane Katrina struck New Orleans). Post-Katrina challenges, including cost escalations, labor shortages, and the general unknown future of the city, caused him to rethink the nature of this project as well as its financing. Ultimately the project was developed as both a rental residential and condominium complex with 24 hour valet parking, on-site security, and enhanced amenities. Currently the project is over 90% occupied at market rates. Based on the success of this project, KFK Group purchased the former Texaco Building at 1501 Canal Street and is in the process of converting the 17 story 1950's era structure into residential units. He plans to further invest in the upper CBD as opportunities present themselves in the future.
One critical component sorely missed post-Katrina is a grocery store, located in or close to the CBD. Several developers (Gibbs, Khoury, Cummings) noted that its absence has affected the desirability of downtown living. In response to the growing downtown residential population, Rouses Market has announced their plans to open a 40,000 sq ft full-service grocery store in the former Sewell Cadillac building. All developers, planners and downtown advocates interviewed noted that this is a much-needed addition to the CBD. They also agreed that Rouses Market will stimulate additional downtown residential demand as it serves as a major neighborhood asset for both CBD workers and residents.

Figure 43: Future Rouses Market. (2011). Amdal, J.
Map 3: Loyola Corridor / Upper Canal Street Developments

Projects

- Tulane Avenue Gateway
- Holiday Inn Downtown Superdome Phase I, 2, 3
- Saratoga Building
- 234 Loyola Avenue
- Rault Center
- Hibernia Bank Headquarters Building
- Audubon Building
- Drury Inn Expansion
- Saenger Theater Renovation
- Lowes State Theatre
- Joy Theater
- Roosevelt Hotel
- Orpheum Theater
- 1201 Canal Street / former Krauss Department Store
- 1501 Canal Street / original Texaco Headquarters Building
- Tulane Medical Center
- Louisiana Cancer Research Center in New Orleans
- BioInnovation Center
- VA Hospital
I. WW2 Museum Expansions and the Museum District

An expanding node of development is the Museum District, now anchored by a number of mature institutions (e.g. the Contemporary Arts Center, the Ogden Museum of Southern Art, the Louisiana Children's Museum). The original National D-Day Museum has been transformed into the National World War II Museum with its most recent additions including the Solomon Victory Theater, the Stage Door Canteen and the American Sector Restaurant. This multi-block complex will be further enhanced by the completion of the John Kushner Restoration Pavilion. Future phases of the museum will include the US Freedom Pavilion, the Campaigns Pavilion and the Liberation Pavilion. All are scheduled for completion by 2015. In toto, these projects represent over $200M in new investments by the National WWII Museum.

Figure 44: Solomon Victory Theater (2011). Amdal, J.
Figure 45: National WWII Museum (2011). Amdal, J.
Map 4: World War II Museum Expansions and the Museum District

22 The Garage (original Stephens Chevrolet Building)
41 WWII Victory Theater et al
42 John E. Kushner (WWII) Restoration Pavilion
43 Streetscape Enhancements
44 WWII Phase 3 (Land Sea and Air Pavilion)
45 WWII Phase 4 (Campaigns Pavilion)
46 WWII Phase 5 (Liberation Pavilion)
47 WWII Phase 6 (Special Exhibits)
48 WWII Original Museum Upgrade
49 Future Parking Garage
50 Future Hotel / Conference Center
The Loyola Streetcar Project and its Impact on Development

With the exception of Sean Cummings, all persons interviewed for this project view the proposed Loyola streetcar project as a positive addition to the CBD and potentially for downriver neighborhoods when the streetcar system is expanded down N. Rampart and St. Claude Avenue in the near future. Developers, including Wisznia, Kabacoff, Khoury, Coleman, and Talebloo, as well as the Downtown Development District’s (DDD) Henry Charlot all believe that any and all improvements to public transit will have a positive impact on downtown’s viability and its future development potential. “The streetcar may influence developers to consider the upper CBD for new projects” suggests Mr. Charlot, “when they otherwise might not consider this area for investment.” According to Pres Kabacoff, “Transportation drives development, so let it drive!” He pointed out, “perhaps even greater than the enhanced accessibility of these new transportation improvements, is the effect that streetcars have on peoples’ perception of the area. That’s what streetcars do! They make an area more desirable and attractive.” Reinforcing this position, Mr. Khoury views streetcars as “a form of public transit that people want to use. It’s a magnet for residents and tourists alike. We use the Canal Streetcars in our marketing materials.” However, a number of downtown interests noted that in order to maximize the benefit of the streetcar investment and to increase RTA’s overall ridership, the operating characteristics of public transportation in New Orleans must improve: i.e. be reliable; operate on a schedule; increase the frequency of service; utilize state-of-the-art technology to maximize efficiency; operate in reserved rights-of-way.

Post-Katrina, the DDD commissioned a market research study regarding the impact of the “creative class” on the CBD. The project, conducted by RDA Global, found that the most important factor for this segment of society when choosing where to live is access to public transit (Downtown Development District2010). CBD developers, as well as property owners, cite the potential advantage the streetcar will provide in reducing event-day traffic along the corridor, if operating in a reserved traffic lane while providing easier access to the Superdome and the Arena in general as well as Canal Street and the French Quarter. Of all stakeholders interviewed, only Sean Cummings failed to see value in the Loyola streetcar project: “it can’t move statistically significant numbers of people, and unless it is a component of a much larger rail transit network connecting downtown with all of the riverfront neighborhoods from Bywater to the Lower Garden District, it will benefit very few people.” Cummings was also alone in stating generally that “as a developer, transit has no bearing on my development decisions.” This is in direct contradiction to the views of Marcel Wizsnia and Elie Khoury, who use proximity to public transit (streetcars in particular) as a marketing tool for their downtown residential projects. Consequently, all of their projects are located on streetcar lines.
Loyola Corridor Development Potential

As Pres Kabacoff explained, “In the late 50s and into the early 60s, Loyola was supposed to be the next Canal St. This was never realized, although the street was designed for that future. Maybe now its time has come”. According to the DDD's Henry Charlot, development along the Loyola corridor, which is not subject to height limitations or other major restrictions, has been and will continue to be shaped by market forces. Currently there are projects in various phases of development which provide evidence of Loyola's revitalization, including Wisz尼亚’s Saratoga building, Talebloo's 234 Loyola, Coleman’s Holiday Inn expansion, the redevelopment of the Hyatt Hotel and the most recent announcement by the Domain Companies of their South Market District, a new $185M mixed use development.

According to Ray Manning, a market study conducted post-Katrina as part of the Unified New Orleans Plan (UNOP) District 1 recovery planning process, confirmed the feasibility of 7,000 to 10,000 additional downtown residential units, possibly within a new mixed use neighborhood located in the upper CBD along the Loyola Corridor.
Jack Stewart, CBD resident, property owner, and President of the Lafayette Square Association, which includes the Loyola corridor, explained that most participants in the post-Katrina UNOP process supported an incremental approach to mixed-use development (MXD) along the Loyola / N. Rampart corridor. In a recent post-UNOP Height Study for the CBD, sponsored by the DDD, planners identified the upper CBD (Loyola to Baronne) as the prime location for new residential development downtown. The recommendations of the UNOP District 1 recovery plan as well as the DDD height study have been incorporated into the recently adopted Master Plan for the city and will serve as the basis for the companion Comprehensive Zoning Ordinance, currently under development.

One major unrealized opportunity along the Loyola corridor is the redevelopment of the Plaza Tower, New Orleans' first “high-rise” constructed in the late 1960s. This property was purchased post-Katrina at auction for $583,000. An additional $10M was spent on gutting the building and for remediations of hazardous materials. One Post-Katrina development plan, a proposed $120M conversion of the office tower into 197 condominiums, did not materialize. Currently, the property is back on the market for $15.5M. According to a recent article in the Times-Picayune (Mobray 2010) the building is currently under contract. Of the building’s potential, Pres Kabacoff believes “Plaza Tower, as a new mixed-use development, has synergy,” due to its location, “but it would need historic tax credits, as well as a Public Private Partnership, to renovate and return it to commerce.” Kabacoff suggested that the Plaza Tower would be an excellent site for the relocation of City Hall and its current 346 employees, with the City serving as the building’s anchor tenant. The tower would be a good location for City Hall, he also believes, due to its excellent transportation access, especially with the addition of the new Loyola streetcar service. Its’ renovation would also serve to reinforce other investments in the area by anchoring the corridor. While other stakeholders interviewed generally agree that City Hall must be relocated or rebuilt in the near future, they do not share Mr. Kabacoff’s view that the Plaza Tower is an ideal location.

Property adjacent to the New Orleans Union Passenger Terminal (NOUPT) site (currently a surface parking lot on Loyola Avenue) presents another investment opportunity. Ray Manning, who has been involved in various redevelopment plans for the NOUPT since the 1990s, noted that a 1995 study suggested the development of this site for a mixed-use tower with an intermodal transportation center for streetcars and busses on portions of the ground floor. This proposal was never realized. Instead of constructing a transfer terminal on this site, RTA’s streetcar and bus transfer station is now planned for a much smaller site on the uptown edge of the NOUPT abutting the bridge ROW, accommodating two streetcar tracks and five bus bays. This decision is currently under review by the City Council.
Stakeholder Insights: Missing Links

The Loyola Avenue streetcar project is envisioned as the first phase of a larger network of new streetcar lines serving downtown and adjoining downriver neighborhoods. These include one line serving the Rampart/St. Claude corridor, and another which extends the current Riverfront Streetcar line further upriver and connects the Convention Center with Canal Street and the adjoining French Quarter. However, it was the consensus of all those interviewed that the system, as planned, omits several important links that would complement and reinforce the proposed extensions.

Howard Avenue Connector

Nearly all participants believe that the Loyola Streetcar should connect to the existing St. Charles line via Howard Avenue at Carondelet. “This link,” Mr. Wisznia asserts, “is critical for downtown.” Kabacoff, Gibbs, and Stewart all call this three-block strip “a missing link” in the RTA’s current proposal. Even streetcar skeptic Sean Cummings admits that connecting the two lines along Howard Avenue “makes sense” as the first step in creating a useful downtown streetcar circulator system. Current development plans for the Loyola streetcar do not call for a Howard Avenue extension.

Figure 51: Howard Avenue Neutral Ground above Lee Circle. (2011). Amdal, J.
Map 4: World War II Museum Expansions and the Museum District

North Rampart/St. Claude Corridor/Elysian Fields Spur

Projects

- 2a North Rampart-St. Claude Streetcar Extension to Press St.
- 2aa Elysian Fields Spur
- 2ab St. Claude Streetcar Extension Press St. to Poland Ave.
- 57 Reinventing the Crescent Phase I
- 58 Lafitte Corridor
- 59 Mahalia Jackson Theater of the Performing Arts
- 60 Armstrong Park Renovations

- 61 N. Rampart Main Street
- 62 Eleven37 Apartments
- 63 The Healing Center
- 64 St. Claude Main Street Initiatives
- 65 St. Roch/ St. Claude Ave. Roadway Improvements
- 66 St. Roch Market Rehabilitation
- 67 Charles Colton School Renovation
The N. Rampart / St. Claude streetcar extension will reinforce activities currently underway on both N. Rampart Street and St. Claude Avenue. Both sections of this corridor are represented by Main Street corporations. Their organizational and management activities complement significant public sector investments being made along this corridor including the recent rehabilitation of the Mahalia Jackson Performing Arts Center as well as the refurbishment of Armstrong Park on N. Rampart. St. Claude Avenue renovation activities include the upcoming restoration of the iconic St. Roch Market, the active rehabilitation of numerous storefronts into art galleries, studios, and artist housing, and the conversion of the former Universal Furniture Store into the multi-faceted “Healing Center.” Other projects on St. Claude Avenue include the renovation of Colton School and the future expansion of the New Orleans Center for Creative Arts (along the Press Street Corridor and adjacent to the riverfront between Chartres Street and the floodwall). The RTA recently was unsuccessful in securing federal funding for the Rampart/St. Claude line, but they are now utilizing their own funds to construct the project to the freight rail corridor at Press Street. Downriver community leaders and developer activists support its extension to Poland Avenue in order to maximize its development impact, its ridership potential and, in times of disaster, provide another option for evacuation. A major and historical impediment to the St. Claude extension below Press Street is the refusal by the Norfolk Southern Railroad to allow electrified streetcars to cross their active rail corridor, a source of debate for at least a decade.
Sean Cummings maintains that “the RTA's current streetcar plan is still not expansive enough to truly provide circulation among the five riverfront neighborhoods” which he believes serves as the economic heart of the city. He supports the extension of the proposed N. Rampart – St. Claude streetcar line to Poland Avenue as a way to further connect Bywater with the upper French Quarter and the CBD. He also supports the downriver extension of the existing Riverfront Streetcar to serve the Marigny and Bywater neighborhoods (part of the Bywater Loop) and its upriver extension to Henderson Street and beyond.
The Bywater Loop is a recently resurrected idea for the downriver extension of the original Riverfront Streetcar. This project was first discussed over 20 years ago when the military facilities at the Port of Embarkation, with its 3,000 officers and staff, needed a transit link between their downriver facility at Poland Avenue and their CBD offices in the Hale Boggs Building on Poydras. The concept was relatively easy: extend the streetcar downriver within the existing freight corridor to access the Naval Reserve Base adjacent to the Inner Harbor Navigation Canal. Soon after the concept was proposed priorities within the RTA abruptly changed to another downriver route: the Desire Streetcar running along N. Rampart and St. Claude Avenue to Poland Avenue. The downriver extension of the Riverfront Streetcar soon lost all momentum.

Post-Katrina, the New Orleans Building Corporation undertook an aggressive planning process entitled “Reinventing the Crescent” which envisioned a publicly oriented redevelopment of the Central Area Riverfront from Jackson Avenue downriver to the Inner Harbor Navigation Canal. As part of this project extensions of the Riverfront Streetcar both upriver beyond the Crescent City Connection and downriver to the Poland Avenue Wharf were proposed. Participants in this planning process basically endorsed extensions to the Riverfront Streetcar to provide additional public transportation linkages along the entire corridor.

Figure 55: Reinventing the Crescent: Crescent Park rendering. c/o Eskew+Dumez+Ripple

In the Fall of 2010, a group of Bywater leaders started advocating for the “Bywater Loop” in hopes that the project could provide additional connectivity between their neighborhood and a series of proposed additions on their riverfront with the upriver attractions provided by the existing Riverfront Streetcar which currently terminates at Esplanade Avenue. As this project emerged during the last phase of our research project, we will briefly review significant projects that are either under construction, under consideration or are in various phases of development to put this proposal into its proper context relative to the other streetcar extensions included in the RTA’s proposed Program of Projects.
Map 6: St. Claude /Riverfront “Bywater Loop”
Canal and Riverfront Streetcar Connections / Extensions

With relatively minor expenditures the Riverfront Streetcar could serve as an interim connector between the Convention Center and Canal Street by constructing new trackwork and switches going upriver at Canal Street. The RTA should also expand its revenue service upriver to the John Churchill Chase station stop, connecting to the existing Convention Center overhead pedestrian bridge. It should then be extended upriver to serve Mardi Gras World, the proposed Riversphere, and the Dock Board’s headquarters with a station stop at Henderson Street. If the proposed redevelopment of the Market Street Power Plant succeeds, further upriver expansions may be warranted. The RTA should also consider a downriver extension of the Riverfront Streetcar from Esplanade Avenue to serve the Poland Avenue Cruise Ship Terminal, the Port of Embarkation buildings and properties adjacent to the Inner Harbor Navigational Canal with a potential connection with the St. Claude Streetcar: i.e. the previously described “Bywater Loop.”

*Figure 57: John Churchill Chase Streetcar Station. (2011). Amdal, J.*

*Figure 58: Canal Streetcar Terminus at Riverfront. (2011). Amdal, J.*
Figure 59: Market Street Power Plant. (2011). Amdal, J.

Figure 60: Port of Embarkation, Poland Avenue. (2011). Amdal, J.
Map 7: Convention Center Boulevard / Upper Riverfront Streetcar Corridor

Convention Center/ Riverfront Streetcar/ Development Corridor

Projects

- Riverfront Streetcar/ CCB Extension
- Morial New Orleans Convention Center (MNOCC)
- Julia Street Cruise Ship Terminal/Water Stair
- MNOCC Conference Center

Districts
- Superdome District
- Upper CBD
- Museum District
- Convention Center
- Loyola Corridor

Streetcar Lines
- Existing Streetcar Lines
- Proposed Streetcar Lines
The New Orleans RTA is currently developing operational plans for the new streetcar line including an intermodal terminal at NOUPT and the integration of the streetcar extensions into their overall system of public transit. Stefan Marks, Director of Planning and Scheduling for the RTA, acknowledges the limitations of the proposed NOUPT site in relation to the city’s existing transit network. The terminal is, in his opinion, “on the wrong side of town,” and the proposed site for the streetcar terminal is not sufficient to provide a fully functioning hub for RTA’s operations. Jack Stewart, Sean Cummings and Henry Charlot agree that NOUPT’s location makes it less than ideal for an RTA hub. They also caution that the relocation of some transit lines to the new NOUPT terminal may result in an increase in patron transfers between lines. Finally, a number of stakeholders noted that it would be preferable to operate the new streetcar in the Loyola Avenue neutral ground or in a dedicated ROW rather than operating in the street, as is presently being planned. There are obvious benefits with a reserved operating ROW: greater operational efficiency; the ability to avoid vehicular congestion (especially on event days); greater operating speeds unimpeded by vehicular traffic. This matter is still under discussion between the RTA, transit advocates, the Department of Public Works, the City Planning Commission and the City Council.

The question of how the proposed streetcar service will connect to the rest of the city’s transit network is also in question. Several stakeholders noted that the Loyola streetcar should be directly linked to the Canal streetcar, eliminating the need for a transfer at Canal Street. Stefan Marks, Director of Planning and Scheduling for the RTA, is currently studying this option.

Finally, all stakeholders cited the need to improve the quality, efficiency, and reliability of New Orleans’ public transit system. “Streetcars and busses need to be well linked system-wide. They need to be faster, easier to use and more convenient than driving in order to gain riders” according to Brian Gibbs. Both Gibbs and Wisznia believe their CBD tenants would like to drive less, but will not take transit unless it is both frequent and reliable. Mr. Marks of the RTA appears to agree with these suggestions, but also notes that it can be extremely difficult to effect any change to existing services, even when the changes could improve the overall system, given the financial and political realities associated with any changes proposed by the RTA.
Finally, stakeholders were questioned about the stalled Baton Rouge to New Orleans passenger rail project. While some (e.g. Cummings) expressed doubt about the project’s feasibility or whether it would be effective and well-used, most expressed a positive opinion of the project. They also believe that it will reinforce the RTA’s current plans for redeveloping NOUPT as a transit hub, as well as creating a stronger connection between the state’s two largest cities while spurring demand for downtown development in New Orleans. A recent survey conducted for the Center for Planning Excellence (CPEX) in Baton Rouge in conjunction with the National Association of Realtors, found that “75% of residents along the proposed rail corridor want to see the two metro areas linked by intercity rail,” according to the December 2010 CONNECT Newsletter. Further, there remains continued interest in developing a rail connection between downtown New Orleans and the Louis Armstrong New Orleans International Airport, either as part of an expanded NO-BR rail project or as a stand-alone project, although there has been limited discussion of this idea post-Katrina.
Conclusions from Stakeholder Interviews

Based upon the extensive interview process used in this research project, we conclude:

- The Loyola Streetcar will provide needed connectivity between existing and proposed development nodes along its route. Some projects along Loyola have been reevaluated or reconsidered for development in light of its eminent construction; however only 1 project, the South Market District, has occurred as a direct result of this project. Others have been reoriented to Loyola (Hyatt Hotel) or have had their development timelines accelerated (Holiday Inn Downtown-Superdome and 234 Loyola).

- Design and operational modifications may be required as the project develops to reflect on-going concerns by various interests after reviewing the recently released EIA. These include modifications to Loyola Avenue to create dedicated operating rights of way, special trackwork needed to make a Howard Avenue connection, and a re-evaluation of the NOUPT streetcar terminus and its operating characteristics.

- The RTA's proposed Program of Projects does not fully “connect the dots” either within the CBD, in the downriver neighborhoods and along portions of the Central Area Riverfront. “Missing Links” must be addressed in future planning and funding requests.

- Current RTA operations must be significantly improved. The riding public must be offered a reliable, reasonably priced, efficient, worry-free transit experience as a matter of routine operations. Transfers should be minimized in any operational plan developed by the RTA.
CHAPTER 5—SIGNIFICANT FINDINGS AND RECOMMENDATIONS:

Significant Findings: NO-BR Rail

The proposed NO-BR passenger rail line, while not a critical factor in any current development plans, is an investment which could favorably impact New Orleans' Upper CBD as well as the entire service corridor. Based upon our research and recent survey results previously cited, we conclude that new inter-city passenger rail between Baton Rouge and New Orleans can also positively impact development at station stops along the route as well as its terminus in both Baton Rouge and New Orleans.

However the specific impacts of this service remain undefined based on the tentative nature of the project. Equally important, proponents must identify and test various funding mechanisms to address the system's annual operating deficit. This has remained an unresolved issue for the last ten years and remains a significant impediment to the project's construction and operation. Recent legislation, passed during the 2010 LA regular session, provides a new opportunity for regional compacts between individual parishes to resolve a number of outstanding issues including project financing, operating agreements involving the private freight railroads, station stop locations, and potential zoning issues associated with Transit Oriented Development. Additional research should be conducted to further evaluate the potential role of value-capture financing techniques in resolving recurring fiscal concerns (See Smith and Gihring 2004 and Renne 2010 for additional background and resources).

Currently the Baton Rouge – New Orleans passenger rail project has been schematically designed using existing freight rail ROWs. There remain a number of unknown variables that need to be resolved before this system can be adequately assessed: the station stops need to be specifically located; some proposed locations need to be reevaluated; there needs to be close cooperation, consultation and operating agreements negotiated between the entity responsible for the new passenger rail service (as yet determined) and the public transit providers at the station stops; service to major ridership generators needs to be reexamined: i.e. the Baton Rouge CBD, the LSU campus and the Louis Armstrong New Orleans International Airport.

Additionally, the value of the proposed NO-BR passenger train in evacuation planning needs to be reassessed. Post-Katrina, the Louisiana Recovery Authority envisioned developing the proposed New Orleans-Baton Rouge rail connection as an evacuation option for disasters. New Orleans serves as Amtrak's southern hub for three long distance trains, providing New Orleans with the added benefit of additional equipment and capacity not typical for Amtrak terminals. Coupled with New Orleans-Baton Rouge service equipment, an enhanced number of train sets could be used for carless resident transportation to evacuee sanctuaries within a short distance of New Orleans. The proposed Baton Rouge – New Orleans rail service needs to be considered not just as a transportation linkage, but also as a specialized evacuation tool. A comprehensive cost-benefit analysis which evaluates all categories of benefits and costs would be a useful tool for future studies. The Victoria Transport Policy Institute’s “Transportation Cost and Benefit Analysis: Techniques, Estimates and Implications” guidebook [Litman 2009] provides a helpful tool in developing this comprehensive cost-benefit evaluation.

Finally, supporters of this service and their respective organizations/associations should remain actively engaged in its ongoing development. Rail advocates should continue to exert pressure on business interests in both New Orleans and Baton Rouge as well as along the route to support this project and to assist in securing the funding necessary for additional research. Support by political leaders at all levels of government remains crucial to the implementation of this regional service. Local and national partners include: Greater New Orleans, Inc.; the Baton Rouge Area Chamber; the Baton Rouge Area Foundation; the Center for Planning Excellence; the recently formed advocacy group CONNECT; the Southern High Speed Rail Commission; Smart Growth America; Reconnecting America; the National Association of Railroad Passengers and the Louisiana Association of Railroad Passengers.
Significant Findings: Streetcar System Expansions

The planned expansions of New Orleans' streetcar system are widely seen as positive additions to the city by a diverse set of downtown and neighborhood interests. Generally, developers feel streetcars help increase the access to and the image of the areas they serve. Streetcars also increase retail and residential development, and can be used as a powerful marketing tool. Many of these same developers have made significant investments based on a property’s proximity to existing or proposed streetcar expansions. Furthermore, the Downtown Development District’s recent survey of the “creative class” cites access to public transportation as the #1 priority for this group when choosing a place to live. These streetcar extensions also represent a significant investment and commitment by the public sector to specific development corridors while providing needed mobility and connectivity. According to local developer Elie Khoury, “The Canal Streetcar was always part of our decision to buy the Krauss building and soon thereafter the Texaco Building. One big plus: residents don’t have to drive. Further, they (streetcars) improved our land values and enhance the quality of life for our residents.” The streetcar extension program also has broad support among elected officials including the City Council, the RTA’s Board of Commissioners, Veolia Transportation executives and their management team, the Regional Planning Commission, the City Planning Commission, the Department of Public Works, the New Orleans Building Corporation, Canal Street Development Corporation, neighborhood leaders and transit activists.

Based on our recent interviews and independent research activities, we conclude that the existing streetcar extension program needs to relate to existing as well as emerging development nodes in the Central Business District, along the Central Area Riverfront, and in adjoining neighborhoods. Appendices 2 and 3 include a detailed reference map and an itemized spreadsheet showing projects currently underway or in various phases of development that will directly impact and influence new streetcar extensions. The overriding philosophy of the RTA should be “Connect the dots!” To date, the Locally Preferred Alternative for a Program of Projects does not fully connect the development nodes existing today or under development in the near future. Additional lines should be included in subsequent planning activities by the RTA and their consultants to serve Bywater and provide a connection between NOUPT and the Museum District with future extensions to the Convention Center via Howard Avenue / Higgins Boulevard as well as un-served portions of the Central Area Riverfront. These “missing links” in the RTA's Program of Projects need to be incorporated into the on-going process of planning and financing for streetcar extensions.
Equally important to the success of these streetcar extensions is their ability to offer a service that operates on a schedule and within a dedicated unobstructed Right of Way. Frequency of service, speed of operation and schedule reliability are important factors in retaining and growing ridership while encouraging development. Developers decry public transit’s current operating characteristics. According to developer Brian Gibbs, “We need more streetcars running in service! If you want people to use them they have to run more frequently. Reliability is very important. This is elementary.” A “Best Practices Checklist for Rail and BRT Premium Transit” has been included in the recently adopted City of New Orleans Master Plan (Chapter 11 page 31) to serve as a design and operational guide for all future rail transit projects undertaken by the Regional Transit Authority.

The Loyola Avenue streetcar project is a key test for the RTA and the City of New Orleans if future federal funds are to be secured. This project must demonstrate excellence in design, construction, and operations. It must meet or beat construction schedule deadlines and be within or under budget. It must also demonstrate superior operating characteristics. This is particularly important given recent changes in Congress, which are likely to result in decreased amounts of federal funds for transit projects, at least in the near future. The RTA recently sold $75M in bonds, intended as the local match for anticipated federal funding for the streetcar extension program. However, given today’s political realities (post November 2, 2010) the RTA should reexamine what short-term low-cost portions of their Program of Projects could be constructed in the near future to improve and expand their current system; i.e. the Howard Avenue streetcar connector to the St. Charles line; new trackwork and switches connecting the Canal Streetcar with the upriver section of the Riverfront Streetcar; expanding revenue service of the Riverfront Streetcar upriver to the John Churchill Chase station stop with a vertical connection to the Convention Center’s overhead pedestrian bridge; extend the Riverfront Streetcar upriver to serve Mardi Gras World and the Dock Board’s headquarters with a station stop at Henderson Street. Bond money may be better used toward these minor improvements, which will greatly improve downtown mobility and increase potential ridership, until such time as the complete Program of Projects can be fully funded.
Significant Findings: The Land-Use / Transportation Link Is Missing

Currently there is a complete disconnect between land use and transportation in New Orleans. Consequently, development is scatter-shot with no discernable policy framework or guiding principles linking land use decisions and transportation infrastructure investment. Rail development alone is not enough to spur a real revitalization of an area or even in a particular service corridor; for developers, financing is always a critical concern. Until national and local economic conditions improve, and the real estate market grows stronger, upper CBD development progress may likely proceed at a slower pace. However, projects currently underway or being proposed, including the recently announced South Market District mixed use project, the LSU/VA medical complex, the revitalization of the Saenger Theater, the development of the Zelia, LLC complex and the redevelopment of the Hyatt Hotel have reinforced local developer’s faith in the economic potential of the upper CBD.

All stakeholders interviewed envision a bright future for the CBD and view an effective transit system as a major component of that vision. The integration of land use and transportation planning—at the local as well as the regional level—is essential to the development of an efficient, coordinated transportation network which supports—and is supported by—complementary land use and development policies. In addition, the role of NOUPT as an intermodal transit terminal for passenger rail, as well as RTA and JET (Jefferson Parish’s public transit provider) busses needs to be reevaluated and refined; an integrated approach to planning this important site must consider a variety of transportation and land use opportunities.

To implement these projects, both inter-city and intra-city, close coordination and cooperation will be required between multiple players: the Federal Railroad Administration, the Federal Transit Administration, the Louisiana Department of Transportation and Development, the Regional Planning Commission, the Regional Transit Authority, the Department of Public Works, the City Council, the New Orleans Building Corporation and the City Planning Commission. Relationships among these agencies need to be clarified and strengthened, and a clear organizational framework for linking transportation and land use policies and actions needs to be developed. At the local level, clear policies which should be adopted to support transit improvements, maximize ridership, and incentivize TOD by streamlining permitting processes, creating more efficient parking management systems, and enhancing pedestrian infrastructure in transit-served areas.
Key Policy Recommendations:

• Refine the current schematic design of the NO-BR rail project
  o Reassess proposed station sites along the corridor
  o Evaluate public transit connections at station stop locations

• Support additional academic research to answer various financing questions. Resolving the financing gap should be the primary focus of service proponents.
  o Test various finance tools, e.g. a station area development fund or station area taxing district, to model how much money per year each could generate
  o Further analyze existing laws and regulations that may currently preclude TOD at station stops along the proposed service route

• Develop a plan and financial strategy to increase intermodal interconnectivity between local transit service providers and service proponents at station areas.

• Make Land Use – Transportation linkages a priority for City of New Orleans. This will require the active participation of the City Council, the City Planning Commission (CPC) and the Department of Public Works
  o Reinforce the City Council's Surface Transportation Committee's critical role in all public transportation decisions
  o Implement the City's Master Plan transportation element
  o Fund a CPC transportation planner
  o Develop a comprehensive city-wide Transportation Master Plan
  o Develop transit-supportive policies at the local level to maximize ridership and incentivize TOD: e.g. by adopting an accelerated timeline for permitting and city approvals for TOD to prioritize transit-supportive projects
  o Adopt reduced parking requirements and more efficient parking policies, e.g. unbundling of parking with residential units, cash incentives, and market-sensitive pricing for both public and private parking facilities
  o Improve and enhance pedestrian infrastructure in conjunction with transit improvements
  o Reevaluate current plans for NOUPT serving as an intermodal transit terminal

• Provide “Missing Links” to maximize public transit connectivity:
  o Connect Canal Streetcar to upriver section of Riverfront Streetcar
  o Extend the Riverfront Streetcar upriver to provide revenue service to the Convention Center’s John Churchill Chase station stop, the Dock Board headquarters, Mardi Gras World, the proposed redevelopment of the Market Street Power Station and eventually to Jackson Avenue, a proposal first made in the early 1990's.
  o Loyola Avenue / Howard Avenue Extension to Carondelet or further riverward
  o St. Claude Streetcar extension from Press St. to Poland Avenue
  o Downriver Riverfront extension from Esplanade to Poland Avenue Cruise Ship Terminal
  o Bywater Loop connecting St. Claude Avenue Streetcar with the Riverfront Streetcar via Poland Avenue
Pursue public transit best practices in streetcar design and operation
  o Provide frequent / reliable / fast / worry-free service
  o Minimize transfers
  o Consider the elimination of mid-block vehicular turning lanes along the Canal Street, St. Charles Avenue, Loyola Streetcar lines as well as future lines on N. Rampart Street / St. Claude Avenue / Elysian Fields Avenue.
  o Consider multi-line integrations: i.e. Loyola-Canal-Riverfront Streetcar operations with no transfers
  o Operate in dedicated rights-of-way or reserved traffic lanes
  o Utilize state-of-art fare collection systems
  o Transition to low floor vehicles

Research Conclusions

• Post-Katrina New Orleans and the greater New Orleans region can be used as an urban laboratory to study how passenger rail systems, both inter and inner city, can function as a development tool in post-disaster reconstruction and recovery. This is especially important when evaluating service corridors in heavily impacted post-disaster neighborhoods: Treme and the Upper French Quarter; the Upper Marigny, New Marigny, St. Roch and the entire N. Rampart / St. Claude corridor.

• The existing and proposed streetcar Program of Projects provides a unique opportunity to quantify actual outcomes (social, economic, land use) resulting from new streetcar service on a project and corridor specific basis. These indicators may include jobs generation, increased tax revenues, increased public transit rider ship and/or increased real estate development activity along a service corridor (new residential units, new hotel rooms, new retail gross square footage).

• Post construction research needs to be conducted on a regular basis (every 3 years) given the development timelines associated with the various projects in both the public and private sector to quantify specific results.

• Additional academic research needs to be conducted on the existing operating characteristics of public transit in New Orleans, both streetcar and bus, to establish a current (2011) operating profile. With the completion of the Loyola Streetcar, a post-construction evaluation needs to be conducted to quantify operating characteristics of affected streetcar and bus lines serving Orleans and Jefferson parishes. As other lines are developed in the future, similar post-construction evaluations should be performed.

• A review of national and international best practices for public transportation needs to be conducted by an impartial third-party team of service providers and recognized experts to establish operating standards and benchmarks which can be applied to the New Orleans region’s public transit providers.
APPENDICES

Appendix 1: Case Studies

A) New Intercity Passenger Rail Projects

New Mexico Rail Runner Express

Project History and Development

The New Mexico Rail Runner project was announced in 2003, as part of Gov. Bill Richardson’s Investment Partnership (GRIP) transportation improvement bill, which appropriated $1.6 billion to transportation projects, and specifically included the implementation of commuter rail service from Belen (south of Albuquerque) to Santa Fe. Governor Richardson championed the bill through New Mexico’s October 2003 legislative session, and secured support from local governments and chambers of commerce throughout the state. Initial planning and alternatives as well as impact analyses were performed by MRCOG (Mid-Region Council of Government, the MPO for Sandoval and Bernalillo counties). The project was envisioned to serve bedroom communities as well as rural and suburban areas and the larger urban centers and employment clusters of central Albuquerque and Santa Fe. The project was expected to be completed within five years, with a total capital cost estimate of $400M. An annual operating budget of approximately $18M was projected. The state anticipated an estimated $10M annual operating deficit; for the first three years, operating expenses were to be supplemented by an appropriation of federal CMAQ funds, while MRCOG and NMDOT sought a more permanent funding strategy (MRCOG 2009).

The development of rail service in the Albuquerque-Santa Fe corridor was divided into two phases. The first phase ran from downtown Belen through Los Lunas, Isleta Pueblo, South Albuquerque, downtown Albuquerque, the North Valley of Albuquerque, Sandia, Pueblo, and Bernalillo, terminating at a station intersecting U.S. 550.
Phase two of the project extends from Bernalillo through Santa Ana, San Felipe, and Santa Domingo Pueblos north to downtown Santa Fe.

The early phases of the project included alternatives analyses and environmental assessments, prepared by NMDOT, MRCOG, and the FTA. Three alternative rail routes were considered, as were a HOV lane along the I-25 corridor, Bus Rapid Transit, new general purpose lanes along I-25, and a no action alternative (MRCOG 2005a).

Alternatives were assessed based on travel times, capacity, capital and operational costs, and implementation issues (see Albuquerque-Santa Fe Transportation Corridor Alternatives Analysis Executive Summary, 2005, for more detail). Once the preferred route, the BNSF/community district alternative, was chosen, station sites were selected based on available or potential locations, existing rights of way, and the communities that could be served by the new passenger rail service. Several of the stations were primarily park-and-ride facilities consisting of a parking lot and a loading platform, while others, like the Alvarado Transportation Center in Albuquerque, were intended as multimodal transportation hubs, incorporating local public transit, and in the case of Alvarado, contiguous with Albuquerque's Amtrak and Greyhound stations. Accessibility to other forms of transit was considered in station selection.

Market analyses were performed to determine potential demand and ridership for various origins and destinations. This included an intensive examination of 2000 Census data, the development of origin and destination data using the Census Transportation Planning Package (CTPP), and data gathered from the MRCOG travel demand model. This data provided information on county-to-county work trips, demonstrating significant commute exchanges between Sandoval and Bernalillo counties, as well as between Bernalillo or Sandoval and Santa Fe County. In addition, the City of Albuquerque hired Research and Polling to conduct a survey of travel behavior in the Albuquerque-Santa Fe corridor in March, 2003. This survey determined that there was a sizable market for work-related travel in the region, and that 51-66% of survey respondents traveled to Albuquerque five or more times per week, both positive indicators of a stable potential ridership base (MRCOG 2009, MRCOG 2005a).

In addition to determining total trip markets, MRCOG used a disaggregate model called the Transportation Accessibility Model (TRAM), which produced travel-time contours for single or multiple modes and provides measures of accessibility. This model was used to estimate what percentage of the total travel market could be captured by commuter rail, under different scenarios of rail and connecting service. Through this modeling process, MRCOG was able to identify potential service areas where transit travel times would be most comparable to automobile travel times. Overall, daily ridership figures have significantly and consistently exceeded the original estimates.

Once the most desirable alternatives were identified, MRCOG coordinated with local transit authorities in the communities to be served to coordinate train schedules with local bus and tram schedules, in order to optimize connectivity and accessibility among modes, thereby creating intermodal synergies and capturing the greatest possible market share for both commuter rail and local transit services. The Albuquerque and Santa Fe downtown...
efforts have demonstrated the most success in these efforts. In Albuquerque, the Alvarado Transportation Center serves as the hub for the Rail Runner, Amtrak, and Greyhound Bus stations, as well as for local transit. Routes for the local bus system have been expanded and modified to provide better connecting services with the Rail Runner, and to better serve surrounding employment centers. To this end, a new shuttle service between the downtown Albuquerque station and the University of New Mexico Hospital was implemented in July, 2006, and a downtown circulator bus was added to make access to and from the station more convenient (MRCOG 2009). Existing routes have been extended to serve the Kirtland Air Force Base and VA Hospital. Additionally, a new bus route serving Albuquerque International Airport has been in operation since 2007, with connecting service through the Bernalillo County/Sunport International Station, and another new bus route has been jointly developed and funded by MRCOG, the City of Rio Rancho, Sandoval County, and the City of Albuquerque to serve the Journal Center area (MRCOG 2009). For outlying Rail Runner stations which are not served by local transit, MRCOG is working with those communities to identify possible feasible transit services.

In Santa Fe, the entire local bus system was examined to determine how to better serve origin and destination markets through existing routes, and where new connections were needed. Schedules of existing routes were adjusted to promote efficient transfers to and from the Rail Runner, and additions were made to the system, such as a shuttle service connecting the Santa Fe depot with the town of Taos. Connecting transit service expansions are expected to continue throughout the Santa Fe region (MRCOG 2009). Overall, local transit services in the Albuquerque-Santa Fe corridor have been substantially improved since Rail Runner service began, providing a much more integrated, functional, and efficient regional transit system. Arrangements were made with Herzog Transit Services Inc. to act as the Rail Runner’s operator by 2005. Herzog’s contractual obligations include staffing and operating trains, maintaining equipment and rights of way, and construction of some capital improvements. As of the 2010 fiscal year, Herzog’s annual management fee is $538,841 (Blewett 2010). Additionally, MRCOG worked with Operation Lifesaver (to develop and distribute railroad safety awareness materials) and NMDOT (to develop a marketing strategy). Telephone surveys were conducted by Research and Polling, Inc. across the state to determine
citizen support for the project. With a projected total cost of $400 million and with an estimated ongoing $10 million annual operating subsidy, 60% of survey respondents statewide supported the plan, while only 31% did not. Within the proposed service corridor, the number of supporters rose to 70%. Concurrent with the release of a draft plan for the Rail Runner, surveys were also conducted regarding the importance of passenger rail (60% of respondents indicate “very high” importance), amount of money currently spent on gas for their commute, and willingness to pay train fare, resulting in the Rail Runner’s zoned fare structure (MRCOG 2009). Results from these surveys allowed MRCOG to determine train fares to promote maximum ridership levels.

Meanwhile, MRCOG was engaged in acquiring new cars and locomotives, purchasing track and facilities from BNSF, as well as station property and track alignment, and constructing the stations and any additional trackage required. New Mexico secured an advantageous deal with BNSF, and became the owner of the corridor, with BNSF as its tenant. The total negotiated cost of acquisition for the line and rights of way from Belen to the Colorado State line was $75 Million (MRCOG 2009). New Mexico can operate as many trains as they choose, as long as freight travel is not unreasonably impacted. Thanks to the good condition of the rail and roadbed, the track’s limited use, and BNSF’s cooperation, New Mexico was able to construct the first phase of the project (from Belen to Bernalillo) for a total cost of only $2.8 million/mile. For comparison, Denver’s proposed commuter lines are projected to cost between $10-12 million/mile (MRCOG 2009).

Passenger cars were acquired through a contract with Bombardier Transportation Inc, who agreed to build ten new bi-level cars, each with a 200 person capacity. Locomotives were acquired through a purchase agreement with the San Joaquin Regional Rail Commission to purchase up to five Diesel-Electric MP36PH-3C locomotives (with 3600 horsepower and top speeds exceeding 100 mph) from Motive Power, Inc. in Idaho. The cars and locomotives were received in the Fall of 2005. In July of 2006, the first official trip from Albuquerque to Bernalillo was made.

The second phase of the project was more expensive (about $5.4 million/mile) due to the need to construct 18 miles of new track, but the entire project stayed on budget ($403 million,) despite increases in the costs of resources and materials. The report observes that the longer cities wait to begin the process of implementing new rail projects, the more difficult and expensive it will be. In December, 2008, the second phase of the project, from Bernalillo to Santa Fe, was completed, and the first trip from Albuquerque to Santa Fe was made, to great fanfare. Average total trip time from downtown Albuquerque to Santa Fe Depot is 1 hour, 33 minutes. For comparison, approximate driving time (under ideal conditions) between the two cities is 1 hour, 10 minutes. However, driving time is expected to increase throughout the next decade concurrent with population growth and due to planned roadwork activity in the corridor (MRCOG 2009).

As previously noted, capital funding for the Rail Runner came primarily from the GRIP bill. MRCOG and NMDOT approved and secured $32 million in federal Congestion Mitigation Air Quality (CMAQ) funds in 2005 to cover the first three years of service, while more permanent funding sources were sought. The original annual operating estimate for phase I service alone was $8-12 million, based on the budgets of comparable commuter rail services. This figure includes liability insurance, train operation and maintenance, right of way maintenance, staff, and marketing expenses. The operating cost estimate for Phase I and Phase II combined is $22 million (MRCOG 2009). However, projected revenues (consisting of farebox revenue and BNSF/Amtrak maintenance payments) for the 2009 fiscal year only amounted to about $3 million, and 2010 revenue estimates only reached $4.1 million. In order to bridge this deficit, a tax initiative was placed
on the November, 2008 ballots of the four counties directly serviced by the Rail Runner, proposing a 1/8% increase on the New Mexico Gross Receipts tax to fund public transit. Half of the resulting revenues would go to Rail Runner operations, while the other half would go to connecting services in the four counties. This 1/16% tax allocated to the Rail Runner was estimated to generate a total of $14.5 million among all four counties. The tax initiative passed 54% to 46%, despite late 2008’s economic downturn and low gas prices.

Key Rationale: Population Growth and Congestion

The Belen to Santa Fe corridor is the center of New Mexico’s population and economy which links financial, governmental, and educational facilities. Nearly half of New Mexico’s population lives within the Albuquerque-Santa Fe corridor, and 60% of New Mexico’s jobs are found there. Albuquerque has nearly doubled in population in the last three decades, to a (2002) population of 740,000, and is expected to increase to 1,075,000 by 2025. Santa Fe’s population has also doubled in the last 30 years, to 142,500, with an expected 2025 population of 228,000. Total population along the corridor exceeds one million residents. Most job growth is expected to occur within existing employment centers along the corridor, many of which are now served by the Rail Runner line (MRCOG 2009).

In addition, Santa Fe, with its historic core, is one of New Mexico’s most popular tourist attractions, with more than 1200 hotel rooms within one mile of the downtown Santa Fe rail station. The Albuquerque-Santa Fe area receives more than two million visitors per year. Before the Rail Runner was implemented, the corridor was served by only one main roadway, Interstate 25. The lack of alternate routes left this critical corridor vulnerable to travel disruptions ranging from accidents to construction projects, as well as to serious delays caused by ever-increasing levels of congestion. New Mexico has recognized that an efficient transportation network is vital to a healthy economy, as is connecting employers with employees, who increasingly live outside the communities where they work.

Studies have shown that congestion in the Albuquerque-Santa Fe corridor, as in many other cities, is expected to dramatically outpace new roadway construction, resulting in even greater congestion in the next decade. In addition, the increase in total VMT will inevitably result in greater total numbers of accidents, further increasing the risk of delays. Furthermore, the current and projected high rates of residential growth in the greater Albuquerque area will produce an even greater number of trips at peak periods, exacerbating the congestion problem. By 2025, travel times between downtown Albuquerque and downtown Belen, for example, are expected to nearly double from 45 minutes to 82 (MRCOG 2009).
For comparative purposes, the alternative solution to the corridor’s congestion problem, adding another lane to I-25 between Belen and Santa Fe, would have cost an estimated $720-740 million. According to Alan Pisarski (“Commuting in America”), public transit is the best commute time saver available, as its presence decreases time drivers spend in traffic by 32%. New Mexico’s commuter rail project cannot solve congestion problems entirely, but as part of a comprehensive congestion strategy, it can serve to effectively address many traffic issues by utilizing previously underutilized rail track, within existing rights of way. The fact that the existing railways were operating with excess capacity enhanced the feasibility of their use for passenger rail.

Analyses demonstrated that travel times for the Rail Runner would be immediately comparable to car travel times during peak periods and would show a greater advantage in the future, as congestion increases car travel times. Furthermore, improvements in rail infrastructure and/or equipment will result in even faster train travel times. As transportation costs increase relative to incomes, particularly for the poor, more and more people will seek out less costly (in terms of time, as well as money) alternatives.

Modeling of growth patterns and commuter travel patterns by MRCOG in 2005 indicated that by 2025, the Albuquerque-Santa Fe region could expect a 92% increase in the number of intra-regional commuters, 22% of whom could reasonably be captured by transit, resulting in a total Rail Runner ridership of 2,954 passengers daily, or 818,071 annually by the year 2025 (MRCOG 2005b). As the table below demonstrates, actual ridership during the train’s first year of full operation (Phase I and Phase II) has already significantly exceeded these estimates, and ridership is expected to continue to grow.

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<th>Projected (by 2025)</th>
<th>Actual (2009)</th>
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<td>Daily (weekday) Ridership</td>
<td>2,954</td>
<td>4,181</td>
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<tr>
<td>Annual Ridership</td>
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Table 1: (data source: Alternatives Analysis Final Report, 2005; personal communication with C. Blewett, MRCOG, 2010)

**Economic Development Impact**

The New Mexico Rail Runner was conceived with an understanding of how, in other parts of country, new passenger rail systems have increased regional employment, business activity, and productivity. Meanwhile, development surrounding rail stations stimulates economic growth, raises property values and contributes to the revitalization of downtowns. New Mexico has aimed to take advantage of these trends, by locating stations in communities’ traditional downtowns, and designing them in conjunction with main street redevelopment programs. There has been substantial anecdotal evidence of the Rail Runner’s positive effect on Santa Fe’s downtown, in particular, as the result of economic activity resulting from induced travel to the area via rail. Businesses near the downtown rail station have benefited significantly from increased foot traffic from both commuters and visitors. Due to the severe recession of 2008-2009, which had a significant negative effect on both property values and tax revenues in the region, quantitative data indicating the positive benefits of the Rail Runner’s presence is not yet available. As overall economic conditions improve, the long term impacts should become clear.

In addition, MRCOG and the communities served by the Rail Runner are actively engaged in utilizing commuter rail stations as the locus of new business, housing, and public spaces, thus increasing land values and stimulating both public and private investment in underutilized areas. In 2007, a report was prepared for MRCOG entitled “New Mexico Rail Runner Express Transit Oriented Development Market Evaluation,” to determine current and projected economic and demographic conditions in each affected community, station area market conditions, market potentials and demand projections within each of those areas. The report was released in January of 2008, and MRCOG has
used the data within the report to work with local governments to identify how the Rail Runner can help those localities to meet current needs and future housing, transportation, and economic development goals. The report indicated continued economic growth and increased demand for new residential units, and increased demand for affordable higher density residential development due to demographic shifts. It also emphasized that station area master plans are “essential to synthesize the community vision and provide direction to developers” (MRCOG 2008, p 8).

Since the report’s release, station area plans have been crafted to identify how stations and TODs can best be integrated with communities to reach their individual goals. So far, station area master plans have been adopted for the Town of Bernalillo, Las Lunas, and Bernalillo County/Sunport. These plans, though delayed by the recent economic downturn, are now in the early phases of implementation, emphasizing public action in order to stimulate private investment. All cite the existence of Rail Runner service as the primary catalyst of new development and revitalization within their communities.

Project History and Development

Maine’s Amtrak Downeaster

The Downeaster train system is to be “part of Maine's statewide integrated, multi-modal passenger transportation system that supports and promotes tourism and economic development” (Economic Development Research Group [EDRG]2005). Its implementation was the result of an eight year planning design and construction process, culminating in the restoration of passenger service in December of 2001 between Portland, ME, and North Station, Boston, MA. Primary drivers behind the Downeaster’s implementation were the State of Maine, local, state, and federal leaders, rail advocacy group TrainRiders Northeast, and the Northern New England Passenger Rail Authority (NNEPRA), a public transportation authority created in 1995 by Maine's legislature to develop passenger rail service.

A 1990 report conducted for the Maine Department of Transportation, “Report on Passenger Needs: Boston-Portland-Brunswick Corridor,” indicated the utility and viability of restoring passenger rail service, and estimated an annual ridership of 167,900 with an annual operating subsidy of $5.2M (Task Force on Passenger Rail Funding 2007). In 1991, TrainRiders Northeast collected 90,000 signatures asking the State of Maine to enact legislature enabling passenger rail, which became the Passenger Rail Service Act, signed into law by Governor John McKernan in 1991. This was Maine's first citizen-initiated bill. The bill called for the appropriation of $58Million for the rehabilitation and construction of the rail line and grade crossings, completed in 2001 (Task Force on Passenger Rail Funding 2007).

The Downeaster currently serves ten stations—Exeter, NH; Durham (at the University of New Hampshire); Dover, NH; Wells, ME; Saco, ME; Old Orchard Beach, ME; Portland, ME; North Station, MA; Anderson Transportation Center Woburn, MA; and Haverhill, MA. Multiple service extensions are planned. One line is from Portland to Freeport, Brunswick, and Rockland. Another line from Portland to Lewiston and Auburn is being evaluated. Seasonal passenger train service from Brunswick to Rockland currently exists via the privately-owned Maine Eastern Railroad. The Amtrak service extension to Brunswick recently received $38.35M in federal stimulus money, allowing track upgrades and
new construction to begin, with an estimated project completion date of 2012 (“Downeaster Extension,” 2010). The Downeaster currently operates with five daily round trips, making the 114 mile trip on average in two hours, 25 minutes (NNEPRA 2011).

**Project Finance**

Original operational funding for the Downeaster was provided by federal Congestion Mitigation Air Quality (CMAQ) funds, originally authorized for the first three years of operation, and extended in 2005 for use through 2009. In 2007, a Governor’s Task Force was established to identify sustainable financial resources for the train’s continued operation. Due to increased service costs from Amtrak, by FY2009, the deficit between fare box revenues and operating expenses had grown to about $8 million. The Governor’s Task Force recommended funding strategies linking revenue from car rentals, general merchandise sales, meals and lodging, and vehicle sales to transit and train operation, resulting in an estimated $12.8 million in additional revenue, more than covering projected deficits (Task Force on Passenger Rail Funding 2007). The task force also determined, through polling, that 98% of Mainers would support the funding of the rail service through increased taxes or fees. To date, however, it is not clear that the recommendations of the Governor’s Task Force have been adopted, and the Downeaster’s operational funding remains dependent on the reauthorization of the federal transportation spending bill and a further extension of CMAQ funds.

As previously noted, the Downeaster recently secured a $38.35 million federal grant for the extension of service to Brunswick. Operational funding sources for the extension are not yet available.

**Ridership Result**

The Maine 1997 Strategic Passenger Transportation plan, which looked at passenger train service alternatives, estimated a maximum potential ridership of 850 boardings per day, with an annual total of approximately 230,000 (Maine DOT 1997). Since fiscal year ’03, the first full year of the Downeaster’s operation, these figures have been consistently exceeded. The figure below shows total annual ridership for fiscal years 2002-2007; total ridership for fiscal years 2008 and 2009 was 441,769 and 471,291 respectively, indicating continued growth potential (Northern New England Passenger Rail Authority [NNEPRA] 2010).

Downeaster ridership increased dramatically with the high gas prices of late 2008, exceeding 1,600 riders per day in August of that year (NNEPRA 2010). Ridership has remained high (above 1300 boardings per day) throughout FY2009 and into FY 2010. Improvements to existing service and extension of service Northward to Brunswick, with connection to Rockland, promise further gains in ridership and revenue.
Economic Impact

The State of Maine commissioned the Economic Development Research Group, Inc. (EDR group) and KKO Associates to assess economic impacts associated with Downeaster service from 2002 to 2015. Their projections are based on current service, as well as the anticipated extensions to Freeport, Brunswick, Rockland, and Lewiston/Auburn.

The methodology used by the EDR group and KKO and Associates to form their projections included calculations of visitor spending, economic development activities in towns served by train service, travel savings for residents who would have otherwise used another mode, one time construction impacts, tax benefits, a 2004 passenger survey, tables of boardings and alightings, site visits, interviews, ridership projections and econometric modeling (using the IMPLAN modeling package) to trace multiplier effects. The 2004 passenger survey revealed that approximately 22% of visitors to Maine and New Hampshire would not have traveled if not for the existence of the train; it is this percentage of passengers who are used to calculate the impacts of visitor spending (EDRG 2005).

The final report generated by EDR and KKO and Associates in 2005, purports that $15 million in annual economic activities were generated by 2005, and that 200 jobs and $5 million in wages are attributable to rail service. With the planned extensions, the report estimates a total of $100 million in economic benefits by 2015. Private sector investment (in planned and existing projects) will total $37 million by 2015. State and local tax revenues generated by train service in 2005 in Maine and NH totaled $380,000 each, and are expected to grow to $800,000 in NH and $4.6-$5 million in Maine by 2015 (EDRG 2005).

By 2015, the potential total economic benefits of Downeaster service to Maine and New Hampshire could exceed $100 million per year, and support more than 1700 jobs between the two states. In addition, some $87 million in construction investments and spin-off effects will have been generated. Visitor spending by 2015 is expected to increase from 2005 totals of $3.6M to over $6M.

<table>
<thead>
<tr>
<th>Table 1: Annual Economic Benefits to Maine and NH, 2005</th>
<th>Business Sales Generated</th>
<th>Jobs Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor Spending</td>
<td>$3,500,000</td>
<td>66</td>
</tr>
<tr>
<td>Economic Development Impact</td>
<td>$4,390,000</td>
<td>83</td>
</tr>
<tr>
<td>Transportation Savings</td>
<td>$737,000</td>
<td>6</td>
</tr>
<tr>
<td>Spin-off (Multiplier) Activities</td>
<td>$6,495,000</td>
<td>86</td>
</tr>
<tr>
<td>Total direct and Spin-Off Activities</td>
<td>$15,122,000</td>
<td>240</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2: One-time Construction Benefits in Maine and NH, 2005</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct benefits from construction</td>
<td>$649,000</td>
</tr>
<tr>
<td>Spin-off activities</td>
<td>$635,000</td>
</tr>
<tr>
<td>Total:</td>
<td>$1,284,000</td>
</tr>
</tbody>
</table>

Data Source: EDRG (2005)
Table 3: Projected 2015 Annual Economic benefits

<table>
<thead>
<tr>
<th></th>
<th>Business Sales Generated</th>
<th>Jobs Generated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine--from operations at current stations</td>
<td>$12,063,000</td>
<td>248</td>
</tr>
<tr>
<td>Maine--from operations at planned stations</td>
<td>$41,283,000</td>
<td>743</td>
</tr>
<tr>
<td>New Hampshire--from operations at current stations</td>
<td>$5,195,000</td>
<td>91</td>
</tr>
<tr>
<td>Spin-off (multiplier) activities</td>
<td>$44,746,000</td>
<td>632</td>
</tr>
<tr>
<td>Total:</td>
<td>$103,446,000</td>
<td>1713</td>
</tr>
</tbody>
</table>

Table 4: Projected 2015 One-time Construction Benefits in ME and NH

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct construction benefits</td>
<td>$36,861,000</td>
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<tr>
<td>Spin-off Activities</td>
<td>$35,689,000</td>
</tr>
<tr>
<td>Total:</td>
<td>$72,550,000</td>
</tr>
</tbody>
</table>

Data Source: EDRG (2005)

Specific economic development projects underway which are at least partly attributable to Downeaster service include the redevelopment of old station area mill buildings in Saco, ME as a $110 million mixed-use development, scheduled for completion in 2010. Station proximity was identified as a major draw for potential customers (Center for Neighborhood Technology [CNT] 2008). In Wells, ME, the train station area has been rezoned as a Transportation Center District and 11 acres are undergoing redevelopment. In Freeport, ME, the train station is to be located adjacent to a new Hilton conference facility and hotel, while in Brunswick, ME, the proposed station is being developed with 160,000 square feet of retail, housing, and offices (EDRG 2005). In Old Orchard Beach, ME, two hotels and a $20 million residential/retail complex have been constructed near the train station.

The State of Maine has identified transit-oriented development (TOD) as a tool for the state to promote in-migration and manage the rapid population growth already occurring along Maine's coast in conjunction with Downeaster service, such as at Brunswick's Main Street Station, and Island Point in Saco, ME (CNT 2008).

In addition, Downeaster service has helped to bolster ridership levels on local and intercity busses, ferries, and cruise ships with connecting services to train terminals (EDRG 2005). In Portland, Downeaster service connects at the Portland Transportation Center with the local METRO Bus system, as well as regional services including the CAT ferry, the Casco Bay Line ferry, Greyhound busses, Concord Coach Lines, an airport shuttle, and the curb-to-curb Regional Transportation Program. In Brunswick, future Downeaster service will connect at the Maine Street Station with the Maine Eastern Railroad, as well as serving as the transportation hub for the local city bus system and taxi service. The new train station in Saco, ME is powered by a wind turbine and heated with geothermal energy, and connects with local Nor’easter Express and Tri-Town shuttle bus services, as well as ZOOM commuter bus service to Portland. The Island Point TOD, currently in development, is just a few blocks away from the station.
**B) Contemporary Urban Streetcar Systems**

**Portland, Oregon**

*Introduction*

The City of Portland, Oregon, consistently ranks high in urban livability, and is known for its vibrant, thriving downtown. These attributes are largely the result of the city’s long-term commitment to high-quality public transit, and to forging strong links between land use and transportation planning. Beginning in the 1960s and 70s, Portland has demonstrated this commitment through the development of its regional transit agency TriMet, the deconstruction of a waterfront freeway, the rejection of a new urban freeway project, and the construction of a robust regional light rail service (Portland Streetcar Inc 2010). The development of the Portland streetcar, which began operating in 2001, is the latest component of the city’s extensive network of local and regional transit services, and in less than a decade has proved to be invaluable to the dramatic revitalization of the city’s downtown core.

*Project History—The Portland Vintage Trolley*

Beginning in the 1970s, civic leader, rail advocate, and prominent commercial developer Bill Naito, along with Oregon Electric Railway Historical Society president Lawrence Griffith, initiated an effort to revive the city’s historic network of downtown light rail lines, in part as an effort to revive downtown shopping center, such as Naito’s recently purchased and redeveloped Galleria (Portland Vintage Trolleys 2010).

By 1987, the first phase of Portland’s suburban light rail line, MAX, was operational, and Vintage Trolley Inc, headed by Naito, had been formed. An agreement between Vintage Trolley Inc, and TriMet was reached, to allow trolley operation on TriMet track. Financing for the trolley project came from TriMet, a federal Urban Mass Transit Administration grant, and matching local funds generated through a local improvement district (LID), also spearheaded by Naito (Portland Vintage Trolleys 2010). In 1991, the trolley line began operating with four replica vintage cars between Lloyd center mall and downtown Portland, near the Galleria. Service was concentrated around weekends and holidays, in keeping with the trolley’s intended purpose of promoting retail activity. By 2000, service was reduced to only Sundays, as a second TriMet MAX line began operating on part of the vintage trolley’s route, and the modern Portland Streetcar line was developed (Portland Vintage Trolleys 2010).

*Project History—The Portland Streetcar*

The Portland streetcar project was initiated in 1990, when the city began a streetcar feasibility study and developed a Streetcar Citizens Advisory Committee. In 1992, the city received a locally-matched, $500,000 federal grant to get the project off the ground. The non-profit corporation, Portland Streetcar, Inc. was selected to build and operate the service, and construction began in May of 1999 (Portland Vintage Trolleys 2010).
In July of 2001, service from Legacy Good Samaritan Hospital in Northwest Portland, through the Pearl District and downtown to Portland State University began. This was the first modern streetcar service to begin operation in North America (Office of Transportation and Portland Streetcar Inc. 2008). Two of the Vintage Trolley cars were transferred to the new line, and were interspersed with the rest of the fleet from 2001 to 2005.

By 2006, service was extended from Portland State University to RiverPlace, SW Moody and Gibbs. The Lowell Extension to the South Waterfront District was completed in August, 2007. The result to date is an 8 mile continuous loop with 46 stops, located 3 to 4 blocks apart. The fleet includes ten handicapped-accessible streetcars manufactured by Skoda-Inekon in Plzen (Czech Republic), each with a capacity of up to 140 passengers, and equipped with a GPS tracking system allowing real-time arrival information at stops and online. Since the streetcar’s 2001 opening, ridership has consistently exceeded targets, and continues to grow as new residential and commercial development along the line occurs. 2009 ridership exceeded 12,000 riders per day, while personal vehicle use has begun to decline (Institute for Sustainable Communities, n.d.).

Development Impact

From its inception, the Portland Streetcar was designed as part of a strategy to spur redevelopment of declining downtown areas while managing urban growth. Since the late 1990s, when the proposed streetcar alignment was announced, 10,212 new housing units and 5.4 million square feet of office/retail/institutional space have been constructed within two blocks of the streetcar line, representing approximately $3.5 billion of investment (Office of Transportation and Portland Streetcar Inc. 2008). Since 1997, 55% of new central business district development has been within one block of the line, and parking ratios for residential buildings in the area are consistently lower (Office of Transportation and Portland Streetcar Inc. 2008).

A 2005 study by E.D. Hovee & Company showed that the Floor Area ratios (FARs) of development close to the streetcar alignment has achieved densities much closer to their zoned maximums (90% of potential maximum density within one block of alignment) than properties further from the line (43% of potential density at three or more blocks from track) (Office of Transportation and Portland Streetcar Inc. 2008). Since the streetcar began operating in 2001, more than 100 new development projects (representing more than $2.3 billion) have occurred which can be directly attributed to the streetcar’s presence (Institute for Sustainable Communities, n.d.). In addition, the Portland Streetcar has been cited as an instigator for the redevelopment and revitalization of the Pearl District.
a former light industrial and warehousing district which has undergone significant renewal since the late 1990s, and which is now characterized by high-rise condominiums, converted warehouse lofts, galleries, and boutiques. The renovation of the district’s historic Weinhard Brewery building into a five-block, mixed use development along the streetcar line is representative of the streetcar’s impact on economic development (Office of Transportation and Portland Streetcar Inc. 2008). On the other end of the line, the development of South Waterfront (expected completion date 2015), another formerly dilapidated industrial area, will bring an estimated 5,000 residential units, 10,000 jobs, and supporting facilities and retail space to central Portland (Office of Transportation and Portland Streetcar Inc. 2008).

**Key Policy Actions**

The new development and redevelopment which has occurred along the Portland Streetcar line has been the result of strong partnerships between the city and private developers.

The Portland Development Commission (PDC) has negotiated agreements with local property owners and developers, linking city-funded public improvements with minimum required housing densities, to ensure development which supports transit use. For example, the PDC formed an agreement with Hoyt Street Properties, the owner of a 40-acre brownfield site in the River District, to increase minimum required housing densities incrementally from 15 to 131 units per acre, in concurrence with various public improvements, including streetcar access. The developer of the site has affirmed that the success of the development at the increased density is possible only because of the accessibility provided by the streetcar service (Office of Transportation and Portland Streetcar Inc. 2008).

Agreements such as this are made possible through the implementation of the $19.4 million Streetcar Local Improvement District (LID)--a special tax assessment which encompasses property owners who are expected to benefit most from streetcar access. Capital costs of the Portland Streetcar totaled $103 million, averaging $12.9 million per track mile. Funding sources included the LID, a tax-increment financing strategy implemented by the PDC, an increase in short-term parking rates in city-owned garages, as well as other state, local, and federal transportation funds and bonds (Office of Transportation and Portland Streetcar Inc 2008).

**Conclusion**

In September 2009, the Vintage Trolley ceased operating on its original route, and instead provides Sunday service along the recently redeveloped Portland Transit Mall, between Union Station and Portland State University (TriMet, no date).

Currently, a 28-stop extension of the Portland Streetcar is underway to provide greater connectivity to the city’s light rail and bus services (Institute for Sustainable Communities, n.d.). Community support for the project is high, and the streetcar is seen as an attractive way to ease congestion, improve mobility, and spur the revitalization of neighborhoods. Portland's successful application of the LID demonstrates the potential for cooperative public/private partnerships which result in high-quality, higher-density development, which would not have occurred without public transportation investment.
San Diego, California

Introduction

The San Diego “trolley” system has been incrementally expanding since operations began in 1981. Its widespread political and civic support has ensured continued funding for operations and expansions—support which comes partly from the trolley’s critical role in facilitating the City of San Diego’s goal of promoting Transit-Oriented Development. Wherever the San Diego trolley has gone, new development has followed, thanks to a regional commitment to linking transit planning to local land use plans and development goals, thereby maximizing the total benefits of public investment.

Project History

In 1949, San Diego became the first major Californian city to retire its streetcar lines and convert to a bus-only transit system (San Diego Metropolitan Transit System [SDMTS], 2010a). In the following decades, transit use declined at rates similar to elsewhere in the country. In an effort to improve transit ridership, as well as the overall quality and efficiency of the San Diego transit system, state senator James R. Mills introduced a bill to the California legislature in 1975 which would require a percentage of highway funds to be allocated to transit. The bill was originally intended to impact all of California, but after protest from Los Angeles and Orange County, it was reduced to affect only the San Diego area (Boarnet and Compin 1999).

The Metropolitan Transit Development Board (MTDB) was formed in 1976, to oversee transit improvements. In 1979, board member Maureen O’Connor was instrumental in MTDB’s $18.1 million purchase of rail right of ways in the San Diego metropolitan area (SDMTS 2010a). Originally, the first “trolley” line was meant to extend northward, on existing San Diego and Arizona Eastern Railroad freight track, but after a 1976 hurricane damaged the proposed alignment, and in order to comply with the state’s funding guidelines (which specified that all funds must be utilized within 5 years), a new route (also using SD & AE track) was selected heading south (Boarnet and Compin 1999). In 1980, the San Diego Trolley, Inc. (SDTI) was formed to oversee the development of a new light rail system. The first phase opened in 1981 with service between downtown and the U.S./Mexico border, then known as the South Line (SDMTS 2010a). MTDB negotiated a Sale/Leaseback transaction, generating $1.7 Million, and then another similar transaction for $1.3 million in 1985 (SDMTS 2010a).

In 1986, a second line (the East Line) began operations from downtown to Euclid Station (SDMTS 2009). In 1987, San Diego voters approved a 20 year, ½ cent local sales tax increase called TransNet. One-third of the proceeds from that tax were to be allocated to public transit projects (SDMTS 2010a). As a result, the East line was extended to Spring Street and El Cajon in 1989, and along the bay to the Gaslamp Quarter in 1990, funded by another $1.6 M offshore sale/leaseback transaction (SDMTS 2010a).
These early phases of the trolley system were funded entirely with state and local funds, and had relatively high fare box recovery rates, engendering continued political support for the project (Boarnet and Compin 1999). Over the course of the 1980s, total annual transit ridership grew from 35 million to 54 million (SDMTS 2010a). A 32 story high-rise tower opened at the American Plaza Transfer Station in 1991, the same year that the San Diego Trolley received a 1991 APTA Public Transportation System Outstanding Achievement Award (SDMTS 2010a). In 1992, the South Line was extended northward to Little Italy/County Center, and reached Old Town by 1996. In 1997, the South line and East Line were renamed the Blue line and Orange line, respectively.

By the end of the 1990s, annual transit ridership had grown to 84 million (SDMTS 2010a). In 2005, a third line, (the Green Line) opened between Santee Town Center and Old Town, connecting the north ends of the Blue and Orange lines (SDMTS 2009). Today, there are more than 53.5 miles of double-tracked streetcar lines, serving 53 stations on three lines. Ridership averages 100,000-110,000 per day, with up to 225,000 on special event days (SDMTS 2009). Trolley ridership is significantly impacted by special events such the NFL’s Super Bowl (in 1998 and 2003), and the major League Baseball’s world series (in 1998), as well as by local sporting events, which many residents have found are easier to attend via streetcar (SDMTS 2010a).

**Project Outcomes**

Over the 30 years of the San Diego Trolley’s existence, downtown San Diego has grown from a quiet, beachside town center to the centerpiece of a bustling metropolis. Rail transit connectivity occurred simultaneously with the revitalization of the historic Gaslamp district and was followed by the development of Petco Park, home of the Padres, in 2004 (Esola 2008). At College Station, on the Orange line, a 301 unit condo tower with 93,000 sq. ft. of office space and 25,000 sq. ft. of retail called “Smart Corner” has been constructed on top of an underground parking garage, and directly over the trolley line, which passes through the ground floor of the development (Silva 2006). The property owner and developer of the project was Centre City Development Corp, San Diego’s redevelopment agency, and is an example of the city’s commitment to smart growth and Transit-Oriented development (TOD) principles, with both jobs and housing located near transit (Silva 2006).

TOD principles have been codified in San Diego’s land use plans since 1992, with an emphasis on including housing in the mix of land uses surrounding station areas (Boarnet and Compin 1999). The city of San Diego has fused the goal of creating TOD with the goal of providing affordable housing in projects at Barrio Logan and Creekside Villas, two transit-based residential developments constructed with public agency involvement which include low-income units (Boarnet and Compin 1999). Other developments spurred by the trolley’s implementation include the office buildings at American Plaza and the Mills Building, both of which incorporate the attached station as part of the physical structure of the building. Boarnet and Compin (1999) identify at least nine projects constructed in the San Diego area between 1989 and 1995 alone which can be directly attributed to the city’s TOD guidelines and the implementation of the trolley. The most evident of these, the authors contest, are the four station areas of the city of La Mesa, all of which have been redeveloped with both public and private developers as mixed-use communities. In
La Mesa, the trolley served to spur and facilitate locally desirable development of “problem” sites throughout the city, which would not have been achieved without the transit connection (Boarnet and Compin 1999).

San Diego, and La Mesa in particular, have invested significant public resources in the planning and implementation of transit-oriented development adjacent to trolley lines. They have been largely successful. However, a few significant obstacles to greater achievements have been identified. First, inducing private development in lower-income areas has remained a challenge, and public investment has been required to get projects off the ground. Second, most of the trolley system was constructed on existing right of way, much of which traverses areas which have already been developed, with automobile travel in mind (Boarnet and Compin 1999). The existing land use patterns in these areas, and the difficulty of assembling large parcels of land for redevelopment, present a challenge for the effective use of station areas for walkable, transit-oriented development patterns. The result is that the development of land surrounding trolley stations has been a slow and incremental process, approached at the local level, and without regional coordination (Boarnet and Compin 1999).

Currently, an 11 mile extension of the trolley system from Old Town to University City (home of the University of California at San Diego) is in development. The $939 million extension will serve 8 stations, and provide an alternate route for commuters along the Interstate 5 corridor. The extension, known as the Mid-Coast Trolley, is partially funded by a voter-approved half-cent sales tax increase (SDMTS 2010b).
Appendix 2: December 2010 Locational Map

[Image of a map with various districts and streetcar lines highlighted.]

**Districts**
- Superdome District
- BioDistrict
- Upper CBD
- Museum District
- Upper Canal/Theater District
- Convention Center
- Loyola Corridor
- St Claude/North Rampart

**Streetcar Lines**
- Existing Streetcar Lines
- Proposed Streetcar Lines
1 BR-NO Intercity Passenger Rail
2 Loyola Streetcar Extension
2a North Rampart-St. Claude Streetcar Ext. to Press St.
2aa Elysian Fields Spur
2ab St. Claude Streetcar Extension Press St. to Poland Avenue
2b Riverfront/CDB Extension
2c Howard/Higgins Corridor
2d Tulane Avenue Gateway
3 Superdome Renovations
4 Benson Tower/New Orleans Center/Pkg Garage
   Benson Tower Interior Renovations/Upgrade
5 Superdome Public Space Improvements (SPSI)
   Champions Square: Phase I SPSI
   Phase II: Champions Square/Lasalle St. Closure/Enhancements
   Phase III: Sports/Entertainment Complex
6a Future Residential Tower
7 Hyatt Hotel/1250 Poydras/Enery Building (639 Loyola)
7a Hyatt Hotel
8 South Market District MXD
9 Plaza Tower
10 Holiday Inn Downtown Superdome Phase I
   Holiday Inn Downtown Superdome Phase II
   Holiday Inn Downtown Superdome Phase III
11 Maritime Building
12 Saratoga Building
13 234 Loyola Avenue
14 Rault Center
15 Hibernia Bank Headquarters Building
16 Factors Row
17 Audubon Building
18 930 Poydras
19 Civic Theater Redevelopment
20 Drury Inn Expansion
21 Rouse Grocery (former Sewell Cadillac)
22 The Garage (original Stephens Chevrolet)
23 Julia Row Redevelopment
24 Saenger Theater Renovation
25 Loews State Theatre
26 Joy Theater
27 Roosevelt Hotel
28 Orpheum Theater
29 1201 Canal Street (former Krauss Department Store)
30 1501 Canal Street (original Texaco Headquarters building)
31 Tulane Medical Center Rehabilitation
32 Louisiana Cancer Research Center in New Orleans
33 Bioinnovation Center
34 VA Hospital
35 University Medical Center
36 VA-UMC Infrastructure Improvements
37 The Preserve
38 The Crescent Club
39 The Meridian
40 The Shops at Crescent Club
41 WWII Victory Theater et al
42 John E. Kushner (WWII) Restoration Pavilion
43 Streetscape Enhancements
44 WWII Phase 3 (Land Sea and Air Pavilion)
45 WWII Phase 4 (Campaigns Pavilion)
46 WWII Phase 5 (Liberation Pavilion)
47 WWII Phase 6 (Special Exhibits Pavilion)
48 WWII Original Museum Upgrade
49 Future Parking Garage
50 Future Hotel/Conference Center
51 New Orleans Morial Convention Center (NOCC)
52 Julia Street Cruise Ship Terminal/Water Stair
53 NOCC Conference Center
54 Mardi Gras World
55 RiverSphere
56 Market Street Power Station Redevelopment
57 Reinventing the Crescent Phase I
57a Proposed Hospitality Zone Capital Investments
58 Lafitte Greenway
59 Mahalia Jackson Theater of the Performing Arts
60 Armstrong Park Renovations
61 N. Rampart Main Street Corp. Initiatives
62 St. Aloysius Apartments
63 The Healing Center
64 St. Claude Main Street Initiatives: Private Sector Investments
65 St. Roch/St. Claude Avenue Roadway Improvements
66 St. Roch Market Rehabilitation
67 Charles Colton School Renovation
### Appendix 3: Development Matrix for Projects in the CBD and Adjoining Neighborhoods

<table>
<thead>
<tr>
<th>Legend</th>
<th>Development</th>
<th>Cost</th>
<th>Developer</th>
<th>Status</th>
<th>Notes</th>
<th>New Housing Units</th>
<th>New Retail / Office</th>
<th>New Hotel Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>BR-NO Intercity Passenger Rail</td>
<td>$447M</td>
<td>To Be Determined (TBD)</td>
<td>Pre-Development</td>
<td>Sources for Annual Operating Shortfall ( $14+M ) Under Study</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Loyola Streetcar Extension</td>
<td>$45M (ARRA 100% Award by USDOT)</td>
<td>RTA/FTA</td>
<td>Pre-Construction</td>
<td>Construction Completion: Spring 2012</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2a</td>
<td>North Rampart - St. Claude Streetcar to Press Street</td>
<td>($79M RTA Bond Issue)</td>
<td>RTA</td>
<td>Design Development</td>
<td>Construction Completion: Fall 2013</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2aa</td>
<td>Elysian Fields Spur</td>
<td>$15M</td>
<td>RTA</td>
<td>Design Development</td>
<td>Included in North Rampart-St Claude Streetcar bond funding</td>
<td></td>
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<tr>
<td>2ab</td>
<td>St. Claude Streetcar Extension Press Street to Poland Avenue</td>
<td>TBD</td>
<td>RTA/FTA</td>
<td>TBD</td>
<td>Major obstacle: Press Street rail corridor at-grade streetcar Crossing.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2b</td>
<td>Riverfront / CCB Extension</td>
<td>$51M</td>
<td>RTA/FTA/NOCC et al</td>
<td>Design Development</td>
<td>Final Funding Pending</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2c</td>
<td>Howard / Higgins Connector</td>
<td>TBD</td>
<td>RPC/DDD/DPW/PPW</td>
<td>Pre-Development</td>
<td>Currently not in RTA's Streetcar Extension Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2d</td>
<td>Tulane Avenue Gateway</td>
<td>TBD</td>
<td>RPC/DDD/DPW/PPW</td>
<td>Pre-Development</td>
<td>Alternatives Under Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Superdome Renovations</td>
<td>$85M</td>
<td>LSED</td>
<td>UC</td>
<td>Renovation Ongoing: 2010 attendees = 1.2M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Benson Tower / New Orleans Center / Parking Garage</td>
<td>$42.1 acquisition only</td>
<td>Zelia, LLC</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Description</td>
<td>Cost (M)</td>
<td>Contractor</td>
<td>Phase</td>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------------------</td>
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<td>------------------------------------------------------------------------</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Benson Tower Interior Renovations / Upgrade</td>
<td>$12.5</td>
<td>Zelia, LLC</td>
<td>UC</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Superdome Public Space Improvements (SPSI)</td>
<td>$30.0</td>
<td>LSED</td>
<td>UC</td>
<td>Champions Square / Lasalle Street Pedestrian Mall et al</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Champions Square: Phase I (SPSI)</td>
<td>$13.5</td>
<td>LSED / Verizon</td>
<td>UC</td>
<td>Initial 60,000 gsf public plaza</td>
<td></td>
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<tr>
<td>Phase II: Champions Square / Lasalle Street Closure / Enhancements</td>
<td>TBD</td>
<td>LSED</td>
<td>UD</td>
<td>Final Improvements to plaza and streetscape enhancements</td>
<td></td>
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<tr>
<td>Phase III: Sports / Entertainment Complex</td>
<td>$90.0 (preliminary estimate)</td>
<td>Zelia, LLC</td>
<td>Pre-Development</td>
<td>2013 Interior Reconstruction</td>
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<tr>
<td>Future Residential Tower</td>
<td>TBD</td>
<td>TBD</td>
<td>Concept Only</td>
<td>If supported by market conditions</td>
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<tr>
<td>Hyatt Hotel / 1250 Poydras / Entergy Building (639 Loyola)</td>
<td>$32.0 property acquisition</td>
<td>PPHH</td>
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<td>Hyatt Hotel</td>
<td>$243.0</td>
<td>PPHH</td>
<td>UC</td>
<td>Renovated Hyatt Hotel: 200,000 gsf Convention Facilities / Main Entrance / 3 New Restaurants and Ground Floor Retail Relocated to Loyola Avenue; Opening Fall 2011</td>
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<td></td>
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<td></td>
<td></td>
<td>80,000 sf retail 1,193: Estimated annual occupancy 367,951</td>
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<td>Project Description</td>
<td>Cost</td>
<td>Developer (Investor)</td>
<td>Status</td>
<td>Comments</td>
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<td>8</td>
<td>South Market District MXD</td>
<td>$185</td>
<td>Domain Companies</td>
<td>Pre-Development</td>
<td>Proposed MXD: 450 Market Rate Residential Apartments / 125,000 sf Retail</td>
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<td>9</td>
<td>Plaza Tower</td>
<td>$15.5M</td>
<td>For Sale</td>
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<td>450 125,000 sf retail</td>
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<td>10</td>
<td>Holiday Inn Downtown - Superdome Phase I (existing hotel rehab)</td>
<td>$5M</td>
<td>TBD</td>
<td>Complete</td>
<td>Facility upgrade</td>
<td>303</td>
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<td></td>
<td>Holiday Inn Downtown - Superdome Phase I</td>
<td>$7M</td>
<td>TBD</td>
<td>UD</td>
<td>Convention space, exterior landscaping</td>
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<td></td>
<td>Holiday Inn Downtown - Superdome Phase II</td>
<td>$12M - $15M</td>
<td>TBD</td>
<td>UD</td>
<td>150 room expansion</td>
<td>150</td>
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<td>11</td>
<td>Maritime Building</td>
<td>$38M</td>
<td>Wisznia Development</td>
<td>Occupancy Fall 2010</td>
<td>105 market rate apartments; 2 floor office space; ground floor retail</td>
<td>105 9,000 sf retail</td>
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<td>12</td>
<td>Saratoga Building</td>
<td>$42M</td>
<td>Wisznia Development</td>
<td>UC: Occupancy Summer 2011</td>
<td>155 market rate apartments @ Tulane and Loyola</td>
<td>155 8,000 sf commercial</td>
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<td>13</td>
<td>234 Loyola Avenue</td>
<td>$15M-$20M</td>
<td>Lou Talebloo</td>
<td>Pending</td>
<td>80 apartments / 2 floors commercial</td>
<td>80 TBD</td>
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<td>14</td>
<td>Rault Center</td>
<td>$15M</td>
<td>Lou Talebloo</td>
<td>Pending</td>
<td>75 condominiums / 2 floors commercial</td>
<td>75 TBD</td>
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<td>15</td>
<td>Hibernia Bank Headquarters Building</td>
<td>$58M</td>
<td>HRI / Carl E. Woodward LLC</td>
<td>Pre-Development: 176 apartments : 44,000 gsf (2 floors) Class A Office: Ground Floor Bank Retained;</td>
<td>176 44,000 sf office</td>
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<td>16</td>
<td>Drury Inn Expansion</td>
<td>$15M</td>
<td>Drury Inn</td>
<td>Pre-Development: 60 suite expansion / 225 structured parking garage</td>
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<td>60</td>
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<tr>
<td>17</td>
<td>930 Poydras</td>
<td>$65M</td>
<td>Brian Gibbs Companies</td>
<td>Complete</td>
<td>250 luxury apartments; $2.00 per square foot per month rental</td>
<td>250 8,700 sf retail</td>
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<td>Project</td>
<td>Cost</td>
<td>Company</td>
<td>Status</td>
<td>Description</td>
<td>Floors</td>
<td>Square Feet</td>
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<tr>
<td>Civic Theater Redevelopment</td>
<td>$3.5M</td>
<td>Brian Gibbs Companies</td>
<td>UD</td>
<td>Conversion of historic Civic Theater into MXD project</td>
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<td>Rouse Grocery (former Sewell Cadillac)</td>
<td>$11M</td>
<td>Rouse Markets</td>
<td>UD: Opening</td>
<td>40,000 gsf grocery; $4.6M acquisition cost</td>
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<td>40,000 sf</td>
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<td>The Garage (original Stephens Chevrolet building)</td>
<td>$41M</td>
<td>Marcel Wisznia</td>
<td>UD</td>
<td>65 market rate apartments; 14,500 gsf ground floor retail; &quot;green&quot; development prototype</td>
<td>65</td>
<td>14,500 sf</td>
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<tr>
<td>Factors Row</td>
<td>$17M</td>
<td>Lou Talebloo</td>
<td>UD</td>
<td>64 apartments / ground floor commercial</td>
<td>64</td>
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<tr>
<td>Audubon Building</td>
<td>$16m</td>
<td>Burgundy Development LLC</td>
<td>Under construction</td>
<td>175 room hotel conversion of former Canal Street office building recently restarted</td>
<td>175</td>
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<tr>
<td>634, 638, 640 &amp; 642 Julia Row</td>
<td>$3M</td>
<td>STC Julia LLC</td>
<td>Under construction</td>
<td>21 residential apartments; 8,000 gsf ground floor retail</td>
<td>21</td>
<td>8,000 sf</td>
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<td>Saenger Theater Renovation</td>
<td>$38.8M</td>
<td>Canal Street Development Corp.</td>
<td>UC: Reopening in 2012</td>
<td>1927 theater restoration / renovation (2,700 seats); National Register of Historic Places</td>
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<tr>
<td>Lowes State Theatre</td>
<td>TBD</td>
<td>TBD</td>
<td>Preliminary Discussions</td>
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<td>Joy Theater</td>
<td>$8M</td>
<td>Neal Hixon</td>
<td>UD</td>
<td>Post-Katrina restoration of the iconic 500 room property (123 Baronne Street)</td>
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<td>500</td>
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<td>Roosevelt Hotel</td>
<td>$140M</td>
<td>Hilton Hotel Corp.</td>
<td>Complete</td>
<td>1,500 seat live entertainment venue</td>
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<tr>
<td>Orpheum Theater</td>
<td>$10M</td>
<td>Andrew Reid</td>
<td>Pre-Development</td>
<td>111 condos; 122 apartments; 25,000 ground floor retail</td>
<td>233</td>
<td>25,000 sf</td>
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<tr>
<td>1201 Canal Street / former Krauss Department Store</td>
<td>$70M</td>
<td>KFK Group</td>
<td>Complete</td>
<td>108 apartments; 2,500 ground floor retail</td>
<td>108</td>
<td>2,500 sf</td>
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<tr>
<td>1501 Canal Street / original Texaco headquarters building</td>
<td>$25M</td>
<td>KFK Group</td>
<td>UC</td>
<td></td>
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<tr>
<td>#</td>
<td>Project Name</td>
<td>Funding</td>
<td>Owner/Developer</td>
<td>Status</td>
<td>Description</td>
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<tr>
<td>31</td>
<td>Tulane Medical Center Rehab</td>
<td>$87M</td>
<td>Tulane University</td>
<td>Complete</td>
<td>TMC facilities include a 235 licensed bed hospital with 1400 full time employees and a 300 room residential pavilion. TMC has over 1250 medical students, residents, masters or doctoral candidates.</td>
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<td>32</td>
<td>Louisiana Cancer Research Center in NO</td>
<td>$100M</td>
<td>State of Louisiana</td>
<td>UC</td>
<td>175,000 gsf / 300 employees</td>
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<td>33</td>
<td>BioInnovation Center</td>
<td>$60M</td>
<td>LDED</td>
<td>UC</td>
<td>65,000 gsf technology business incubator for bioscience entrepreneurship</td>
<td></td>
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<tr>
<td>34</td>
<td>VA Hospital</td>
<td>$800M</td>
<td>Veterans Administration</td>
<td>UD: Opening late 2013</td>
<td>Multi-use medical complex with 200 bed hospital, rehab and mental health facilities; 1,000 car garage;</td>
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<tr>
<td>35</td>
<td>University Medical Center</td>
<td>$1.2B</td>
<td>State of Louisiana</td>
<td>UD: Opening late 2014</td>
<td>424 bed teaching hospital</td>
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<td>36</td>
<td>VA - UMC Infrastructure Improvements</td>
<td>$12M</td>
<td>City of NO et al</td>
<td>On-Ongoing Construction</td>
<td>Roadway Reconstruction and Replacement of Affected Utilities</td>
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<td>37</td>
<td>The Preserve</td>
<td>$50m</td>
<td>Domain Companies</td>
<td>Complete</td>
<td>183 apartments with market-rate and &quot;work force&quot; units (60/40 mix): former Crystal Hot Sauce plant</td>
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<td>38</td>
<td>The Crescent Club</td>
<td>$60M</td>
<td>Domain Companies</td>
<td>Complete</td>
<td>228 apartments with market-rate and &quot;work force&quot; units (60/40 mix): 3,000 gsf ground floor retail</td>
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<td>39</td>
<td>The Meridian</td>
<td>$20M</td>
<td>Domain Companies</td>
<td>Complete</td>
<td>72 apartments including market-rate and &quot;work force&quot; units (60/40 mix)</td>
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<td>40</td>
<td>The Shops at Crescent Club</td>
<td>$5M</td>
<td>Domain Companies</td>
<td>UC</td>
<td>15,000 gsf retail (3100 block of Tulane Avenue): 80% pre-leased</td>
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<td></td>
<td>Project Description</td>
<td>Cost</td>
<td>Funding Agency</td>
<td>Status</td>
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<td>41</td>
<td>WWII Victory Theater et al</td>
<td>$60M</td>
<td>National WWII Museum</td>
<td>Complete</td>
<td>250 seat high-tech theater: Stage Door Canteen &amp; Executive Offices</td>
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<td>42</td>
<td>John E. Kushner (WWII) Restoration Pavilion</td>
<td>$3M</td>
<td>National WWII Museum</td>
<td>Completion Spring 2011</td>
<td>Exhibit restoration / rehab workshop</td>
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<td>43</td>
<td>Streetscape Enhancements</td>
<td>$1.5M</td>
<td>National WWII Museum</td>
<td>Completion Spring 2011</td>
<td>Streetscape Improvements</td>
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<td>44</td>
<td>WWII Phase 3 (Land Sea and Air Pavilion)</td>
<td>$30M</td>
<td>National WWII Museum</td>
<td>Open February 2012</td>
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<td>45</td>
<td>WWII Phase 4 (Campaigns Pavilion)</td>
<td>$43M</td>
<td>National WWII Museum</td>
<td>Open September 2012</td>
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<td>46</td>
<td>WWII Phase 5 (Liberation Pavilion)</td>
<td>$30M</td>
<td>National WWII Museum</td>
<td>Open 2013</td>
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<td>47</td>
<td>WWII Phase 6 (Special Exhibits and Collection Pavilion)</td>
<td>$17M</td>
<td>National WWII Museum</td>
<td>Open 2014</td>
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<td>48</td>
<td>WWII Original Museum Upgrade</td>
<td>$20M</td>
<td>National WWII Museum</td>
<td>Open 2015</td>
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<td>49</td>
<td>New Parking Garage</td>
<td>TBD</td>
<td>National WWII Museum</td>
<td>Pre-Development</td>
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<td>50</td>
<td>WWII Hotel and Conference Center</td>
<td>TBD</td>
<td>National WWII / Joint Venture</td>
<td>Pre-Development</td>
<td>Post-Katrina Rehabilitations and New Capital Improvement Projects</td>
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<td>51</td>
<td>Ernest N. Morial New Orleans Convention Center (NOCC)</td>
<td>$65M</td>
<td>NOCC</td>
<td>Construction Complete</td>
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<td>Project Description</td>
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<td>52</td>
<td>Julia Street Cruise Ship Terminal / Water Stair</td>
<td>$13.5M</td>
<td>PNO / LDOTD</td>
<td>Completion June 2011</td>
<td>Facilities Upgrade</td>
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<td>53</td>
<td>NOCC Conference Center</td>
<td>$75M - $90M</td>
<td>NOCC / State of LA</td>
<td>TBD</td>
<td>Redevelopment of Upper Julia Street Terminal (former Expo ’84 Imax Theater / Canadian Pavillion)</td>
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<td>54</td>
<td>Mardi Gras World</td>
<td>TBD</td>
<td>MGW et al</td>
<td>TBD</td>
<td>Secured 20 Year Lease Extension: Facility Expansions Being Formulated</td>
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<td>55</td>
<td>RiverSphere</td>
<td>$11M - $14M: Tentative Opening 2014</td>
<td>Tulane University et al</td>
<td>Pre-Construction Design Development</td>
<td>Secured 20 year Lease Extension: Recent EDA $3M Grant: Phase 1 Construction Pending</td>
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<td>56</td>
<td>Market Street Power Station Redevelopment</td>
<td>$600M</td>
<td>TBD</td>
<td>Pre-Development</td>
<td>Proposed MXD Utilizing the Former Market Street Power Plant and Adjacent Properties</td>
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<td>57</td>
<td>Reinventing the Crescent Phase I</td>
<td>$30M</td>
<td>City of New Orleans</td>
<td>Construction Pending</td>
<td>Phase 1 construction under contract</td>
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<td>58</td>
<td>Lafitte Corridor Greenway</td>
<td>$11M</td>
<td>City of New Orleans</td>
<td>UD</td>
<td>Post-Katrina recovery project: 3.1 mile active transportation greenway using abandoned RR ROW</td>
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<td>59</td>
<td>Mahalia Jackson Theater of the Performing Arts</td>
<td>$22M</td>
<td>FEMA / LRA / City of NO</td>
<td>Complete</td>
<td>Reopened January 2009</td>
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<td>60</td>
<td>Armstrong Park Renovations</td>
<td>$5M +</td>
<td>FEMA / LRA / City of NO</td>
<td>Phases 1 Complete</td>
<td>Phases 2 &amp; 3 Rehabilitation On-Going</td>
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<tr>
<td>61</td>
<td>N. Rampart Main Street Corp. Initiatives: Private Sector Investments</td>
<td>$20M</td>
<td>Private Businesses and Residents</td>
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<td>62</td>
<td>Aloysius Apartments (Esplanade @ N. Rampart)</td>
<td>$17M</td>
<td>HRI</td>
<td>UC</td>
<td>20 market rate / 29 affordable apartments: 1,500 ground floor retail: on-site parking</td>
<td>49 1,500 sf retail</td>
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Addendum: Additional “Bywater Loop” Development Projects:

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<th>Legend</th>
<th>Development</th>
<th>Cost</th>
<th>Developer</th>
<th>Status</th>
<th>Notes</th>
<th>New Housing Units</th>
<th>New Retail/Office</th>
<th>New Hotel Rooms</th>
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<tr>
<td>B1</td>
<td>NOCCA Master Plan</td>
<td>TBD</td>
<td>NOCCA</td>
<td>Pre-Development</td>
<td>100 year Vision for facility, etc</td>
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<tr>
<td>B2</td>
<td>Rice Mill Lofts</td>
<td>$15M</td>
<td>Ekistics</td>
<td>Under Construction</td>
<td>Adaptive Reuse of the largest rice mill in the United States into 60 market rate housing units and 20K sf of ground floor commercial space: LEED certified</td>
<td></td>
<td>60</td>
<td>20,000 sf</td>
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<td>B3</td>
<td>Port of Embarkation Redevelopment</td>
<td>TBD</td>
<td>PPP</td>
<td>Pre-Development</td>
<td>Facility Conversion to MXD and new housing, public open space, etc</td>
<td>TBD</td>
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Appendix 4: Project Area Maps

A. Upper Loyola Streetcar Corridor

Upper Loyola Avenue Streetcar Corridor

Projects

1. BR-NO Passenger Rail/ NOUPT
2. Loyola Streetcar Extension
3. Superdome Renovations
4. Benson Tower/New Orleans Center/Pkg Garage
   Benson Tower Interior Renovations/Upgrade
5. Superdome Public Space Improvements (SPSI)
   Champions Square: Phase I SPSI
   Phase II: Champions Square/Lasalle St. Closure/Enhancements
6. Phase III: Sports/Entertainment Complex
7. Future Residential Tower
8. Hyatt Hotel/1250 Poydras/Entergy Building (639 Loyola)
9. Hyatt Hotel
10. South Market District MXD
11. Plaza Tower
12. Holiday Inn Downtown Superdome Phase I
13. Maritime Building
14. Saratoga Building
15. 234 Loyola Avenue
16. Rault Center
17. 930 Poydras
18. Civic Theater Redevelopment
19. Rouse Grocery (former Sewell Cadillac)
20. The Garage

Districts

Superdome District
BioDistrict
Upper CBD
Upper Canal/ Theater District
Loyola Corridor

Streetcar Lines

Existing Streetcar Lines
Proposed Streetcar Lines
B. Loyola / Upper Canal Street Developments

Loyola Corridor Upper Canal Developments

Projects

- Tulane Avenue Gateway
- Holiday Inn Downtown Superdome Phase I, 2, 3
- Saratoga Building
- 234 Loyola Avenue
- Rault Center
- Hibernia Bank Headquarters Building
- Audubon Building
- Drury Inn Expansion
- Saenger Theater Renovation
- Lowes State Theatre

- Joy Theater
- Roosevelt Hotel
- Orpheum Theater
- 1201 Canal Street/ former Krauss Department Store
- 1301 Canal Street/ original Texaco Headquarters Building
- Tulane Medical Center
- Louisiana Cancer Research Center in New Orleans
- BioInnovation Center
- VA Hospital
C. North Rampart / St. Claude Avenue Streetcar / Elysian Fields Spur

North Rampart/St. Claude Corridor/Elysian Fields Spur

**Projects**

- **2a** North Rampart-St. Claude Streetcar Extension to Press St.
- **2aa** Elysian Fields Spur
- **2ab** St. Claude Streetcar Extension Press St. to Poland Ave.
- **57** Reinventing the Crescent Phase I
- **58** Lafitte Corridor
- **59** Mahalia Jackson Theater of the Performing Arts
- **60** Armstrong Park Renovations
- **61** N. Rampart Main Street
- **62** Eleven37 Apartments
- **63** The Healing Center
- **64** St. Claude Main Street Initiatives
- **65** St. Roch/ St. Claude Ave. Roadway Improvements
- **66** St. Roch Market Rehabilitation
- **67** Charles Colton School Renovation
D. Convention Center Boulevard / Upper Riverfront Streetcar Corridor

**Projects**

- 2b  Riverfront Streetcar/ CCB Extension
- 51  Morial New Orleans Convention Center (MNOCC)
- 52  Julia Street Cruise Ship Terminal/Water Stair
- 53  MNOCC Conference Center
- 54  Mardi Gras World
- 55  RiverSphere
- 56  Market Street Power Station Redevelopment
- 57  Proposed Hospitality Zone Capital Investments
E. World War II Museum Expansion and the Museum District

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22 The Garage (original Stephens Chevrolet Building)
41 WWII Victory Theater et al
42 John E. Kushner (WWII) Restoration Pavilion
43 Streetscape Enhancements
44 WWII Phase 3 (Land Sea and Air Pavilion)
45 WWII Phase 4 (Campaigns Pavilion)
46 WWII Phase 5 (Liberation Pavilion)
47 WWII Phase 6 (Special Exhibits)
48 WWII Original Museum Upgrade
49 Future Parking Garage
50 Future Hotel / Conference Center
F. Proposed Downriver Riverfront Streetcar Extension and Bywater Loop Connection
# Appendix 5: Interview Matrix

<table>
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<tr>
<th>Interviewee</th>
<th>Architect / Urban Designer</th>
<th>Project Manager</th>
<th>Transport Planner</th>
<th>Economic Development Specialist / Downtown Advocate</th>
<th>Executive Director</th>
<th>Property Owner / Manager / Real Estate Developer</th>
<th>Neighborhood Leader / Transportation Advocate</th>
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Appendix 6: Interview Participant Profiles

Ray Manning, a local architect, urban designer, and founder of Manning Architects has been actively involved in transformative developments in the New Orleans CBD since the mid-1980’s. These have included the Riverfront Streetcar, the Harrah’s Hotel, the Erato Street Cruise Terminal Complex, as well as the Loyola Corridor Development Study recently completed for the Downtown Development District. Mr. Manning has been involved with master development plans for the NOUPT since the early 1990’s. He is currently working on the Loyola Streetcar project as part of the Regional Transit Authority’s consultant team. He has also participated in various post-Katrina recovery projects (Bring New Orleans Back Commission) and his firm is a member of the consultant team responsible for the City Planning Commission’s Master Plan and the Comprehensive Zoning Ordinance currently being formulated.

Alan Eskew, a leading New Orleans based architect, urban planner, and development consultant is the founder of Eskew+ Dumaz+Ripple (EDR). His firm is presently the principal architect for extensive renovations underway for the interior of the Superdome. The firm is also serving as the master planner for the recently acquired properties of the Benson family adjacent to the Superdome and the Hyatt Hotel. Mr. Eskew served as the master planner for the New Orleans World’s Fair in 1984 and has subsequently been involved in a multitude of projects that have shaped the contemporary New Orleans CBD and the Central Area Riverfront including the Audubon Institute’s Aquarium of the Americas and the visionary riverfront master plan entitled “Reinventing the Crescent”.

Peter Trapolin, principal of Trapolin-Peer Architects, has been a CBD property owner, businessman and resident of the Lafayette Square neighborhood since the early 1980s. Since opening his practice in 1981, Mr. Tropolin has developed a diverse portfolio of projects in New Orleans, the region, and throughout the Gulf Coast. His property acquisitions started in 1985 when he purchased a former flophouse on Julia Street and converted it into ground floor commercial with Trapolin Architects occupying the second floor. In 1995 he purchased a fire damaged 1840’s townhouse in the 900 block of Magazine Street and converted it into his primary residence. Wearing many hats simultaneously, Mr. Trapolin has been involved in numerous professional and civic leadership roles demonstrating neighborhood activism, civic stewardship, and advocacy for the development of a new 24/7 neighborhood downtown. Post-Katrina, Mr. Trapolin participated in various Bring New Orleans Back Commission committees, the UNOP District 1 Recovery Steering Committee and subsequent post UNOP District 1 activities.

Sean Cummings recently served as the Chief Executor Officer of the New Orleans Building Corporation. In this position he was the City’s representative in negotiating for the lease, sale, or development of city-owned properties. He has played a major role in redevelopment plans for the World Trade Center, the New Orleans Union Passenger Terminal and most recently in the “Reinventing the Crescent” master plan. A developer by background, he was one of first investors in historic property in the CBD. As founder of Ekistics, a property development and management company based in New Orleans, Mr. Cummings has been involved in numerous projects in the Warehouse District and Picayune Place over the years. Notable projects include the Paragon Condominiums, the Lengsfield Lofts, the International House Hotel and several smaller residential projects. Most recently, Mr. Cummings, representing NOBC, was been responsible for directing the visionary master plan for the Central Area Riverfront: “Reinventing the Crescent”.

Pres Kabacoff, a prominent New Orleans based developer, is a co-founder of HRI Properties, a multi-faceted real estate development and property management company. HRI began in the mid-1980’s as a small company specializing in the adaptive reuse of historic properties primarily focused on Warehouse District properties. HRI pioneered the redevelopment of the Warehouse District with the conversion of the post-Fair Federal Fiber Mills into an upscale apartment building. Soon thereafter, Mr. Kabacoff and his partner Ed Boettner, developed additional
Warehouse District historic properties including the St. Mary Apartments, the Woodward Lofts, and the Cotton Mill. More recently they have expanded into other local markets (the New Orleans financial district, Mid-City and the former St. Thomas Housing Development) as well as other U.S. cities (St. Louis, Omaha). In early 2010, Mr. Kabacoff served as co-chair of Mayor Landrieu’s Housing Task Force. For the past 25 years Mr. Kabacoff has been at the leading edge of urban development, especially in New Orleans. Mr. Kabacoff, starting in 1984, served as a founder and Board Member of the Riverfront Transit Coalition, the private sector partner of the Regional Transit Authority in the development and operation of the Riverfront Streetcar, the first new streetcar line constructed in New Orleans since the 1920’s.

**Brian Gibbs**, since founding his real estate development company in 1996, has developed, either solely or with partners, a number of major residential properties in the Upper CBD. These have included the Civic Lofts and 547 Baronne, both rehabs of historic buildings within the Lafayette Square neighborhood. His most recent project is 930 Poydras, which opened in Feb 2010. This is the first new residential apartment building constructed on Poydras Street. Mr. Gibbs is currently in the pre-development phase of a MXD project, the Civic Theater, which will involve the adaptive reuse of this historic structure into multiple uses, including some additional residential units. Mr. Gibbs continues to promote and develop the CBD as a vibrant and diverse 24/7 neighborhood.

**Marcel Wisznia**, a New Orleans architect turned CBD developer, specializes in the adaptive reuse of historic buildings located in the old financial district and more recently in areas adjacent to the original Medical Center. He manages both Wisnia Development and Wisznia Architects, currently with 10 employees. He specializes in maximizing existing tax credit programs, particularly Investment Tax Credits for Historic Preservation and HUD 221 D4, the underlying financing used in all of his projects. His original foray into CBD development was the Union Lofts, an upscale furnished apartment renovation of the original Western Union Building on Carondelet Street. His current project, the Maritime Building (New Orleans’ first skyscraper which opened in 1893) is being converted into 105 up-scale apartments at the corner of Carondelet and Common in the original financial district. His current conversion is the Saratoga Building, located at Loyola and Tulane Avenue.

**Elie Khoury**, founder of the KFK Group, began his property acquisition and redevelopment activities in the CBD with the St. Joseph Condominiums, completed in 2003. He has also developed significant projects throughout the city including the St. Elizabeth Condominiums in Uptown, the 1205 St. Charles Condominiums immediately upriver of the CBD, and the 1725 Delachaise Condominiums. His most recent project is 1201 Canal, the conversion of the historic Krauss Department Store. Currently the KFK Group is converting the original Texaco Headquarters at 1501 Canal Street into 108 luxury condominiums located immediately adjacent to the BioInnovation Center.

**James J. Coleman**, Jr. is a prominent businessman, civic leader and real estate developer in New Orleans as well as a major land owner and hotelier in the Upper CBD. Along with his father and family, Mr. Coleman, Jr. has been involved in the development and operation of the Holiday Inn Downtown- Superdome, the Windsor Court Hotel (consistently ranked one of the world’s finest hotels), as well as the upper CBD office towers located at 1515, 1555 and 1650 Poydras.

**Lou Talebloo**, owner of several significant buildings in the CBD, has been actively involved in property acquisition and management since the mid 1990’s throughout the city. His CBD properties include Factors Row, 234 Loyola and the Rault Center. These buildings were all significantly impacted by floodwaters from Hurricane Katrina. Mr. Talebloo is currently working on the redevelopment of Factors Row into an apartment building featuring ground floor retail. Both 234 Loyola and the Rault Center are in various stages of storm damage mitigation.

**Jack Stewart**, an early investor in historic properties located in the Lafayette Square neighborhood of the CBD, has been a neighborhood leader and preservation activist for the last 30+ years. He was one of the founders of the
Lafayette Square Association in 1976, the first CBD neighborhood association to be formally organized to protect and promote historic properties. He has also been a leader in the preservation and development of historic streetcars since the mid 1960’s. Mr. Stewart was a major supporter of the Riverfront Streetcar in the mid 1980’s and promoted the Regional Transit Authority’s efforts to rebuild the St. Charles Streetcar fleet using their in-house craftsmen in the late 1980s. Post-Katrina, Mr. Stewart has been actively engaged in various recovery efforts for the CBD including: UNOP District 1 Recovery Steering Committee; the Downtown Development District sponsored Height Study for portions of the CBD; most recently advising the City Planning Commission on a variety of subjects (land use, building height and passenger rail transit) for the Master Plan and the Comprehensive Zoning Ordinance (CZO). Based on his extensive knowledge of downtown development dynamics (both pre and post-K), New Orleans’ streetcar system, and public transit operations Mr. Stewart offers a unique perspective on the impact of passenger rail initiatives for the CBD and adjoining neighborhoods.

James P. McNamara presently serves as President and CEO of the Greater New Orleans Biosciences Economic Development District (GNOBEDD). This newly created state entity is assisting in the planning and proactive development of a 1,500 acre district, spanning portions of the CBD and Mid-City, for the biosciences industry as a critical component in the region’s economy. Mr. McNamara was a founding board member of the New Orleans BioInnovation Center, presently under construction on Canal Street. For many years Mr. McNamara served as a Commissioner of the Downtown Development District (DDD), a special taxing district encompassing the CBD. In the private sector, Mr. McNamara served as the Managing Principal of Exchange Equity, investors in office, retail, medical and specialty properties specializing in partnerships and tenant-in-common structures. His professional expertise includes real estate tax, specialty finance and property development Henry Charlot is the Economic Development Director of the Downtown Development District. He is responsible for implementing the Canal Street Development Strategy and was involved in various initiatives with the Regional Transit Authority for the streetscaping of Canal Street. He participated in UNOP District 1 Recovery Steering Committee efforts post-Katrina representing the DDD. Patrick Thompson, Manager of Public Safety of the DDD oversees the public safety rangers, manages police detail contracts, and mitigates issues related to code compliance and the homeless.

Stefan Marks, AICP serves as the Director of Planning and Scheduling for the New Orleans Regional Transit Authority. Prior to moving to New Orleans, Mr. Marks, originally from England, most recently served as Business Development Manager for Veolia Transportation in the greater San Diego area. He has also served in various other transit agencies in the US including the North County Transit District and at Intercity Transit. He was educated at Penn State University. In his current position, he is responsible for designing and scheduling the routes for all forms of transportation within RTA’s service area.

Bob Farnsworth is Senior Vice President for Capital Projects at the National WWII Museum. In his capacity, he is responsible for all phases of the existing museum complex’s expansion. Currently, the original D-Day museum building, the newly opened Victory Theater, the Stage Door Canteen and relocated Executive Offices are forming the nucleus of an ambitious plan for this world renowned complex. Since opening in 2000, the original D-Day Museum has created another unique and important visitor attraction in downtown. Over the next 5 years future phases will include the John Kushner Restoration Pavilion; the US Freedom (Land, Sea and Air) Pavilion; the Campaigns Pavilion; the Liberation Pavilion; the Special Exhibition and Collection Pavilion. Pre-development planning is also being undertaken for a proposed convention hotel and multi-story parking garage. Currently the WWII museum is in the midst of a $300M campaign to fund both physical and operational needs. When complete, these facilities will continue to enhance the significant presence of the National WWII Museum in downtown’s American Sector, home of numerous other cultural institutions and a major tourist destination.

Chris Papamichael, a founding co-principal of the Domain Companies, is a young developer who, with his partner Matt Schwartz, has led the revitalization of the Tulane Avenue corridor in Mid-City. This historic neighborhood, where
the Domain Companies have concentrated their investments, abuts the CBD and contains within its boundaries the New Orleans Medical Center. The Domain Companies, working within the constraints of New Orleans’ post-Katrina physical and financial environment, have succeeded in developing almost 500 units of new mixed income housing in three distinct complexes: the Crescent City, the Preserve and the Meridian. Each property has an occupancy rate in the upper 90s and offers significant amenities to their residents. To support their residents as well as their neighbors, the company is in the final stages of constructing 15,000 gsf of ground floor retail immediately adjacent to the Crescent City on Tulane Avenue. The developer’s ultimate goal is to transform this area of the city into a “24/7 live/work/play” destination community. Recently, they have expanded their development activity to include a major MXD project, the S. Market District, sited along Loyola Avenue adjacent to the Hyatt Hotel. For additional info see: http://www.thedomaincos.com/current_portfolio.htm.
Appendix 7: Interview Summaries

Note: These interviews took place in the Spring and Summer of 2010 and do not reflect events that have occurred since they were conducted.

Interview:  Jack Stewart, PhD  
President, Lafayette Square Association (LSA)  
CBD Property Owner, Resident and Business Owner  
Board Member, Bring Our Streetcars Home Committee (BOSH)  
July 4, 2010

UNOTI  James R. Amdal, Director

Mr. Stewart, an early investor in historic properties located within the CBD, has been a neighborhood and preservation activist for the last 30+ years. He was one of the founders of the LSA in 1976, the first CBD neighborhood association to be formally organized to protect and promote historic properties. He has also been a leader in the preservation and development of historic streetcars since the mid 1960’s. Mr. Stewart was a major supporter of the Riverfront Streetcar in the mid 1980’s and promoted the RTA’s efforts to rebuild the St. Charles Streetcar fleet using their in-house craftsmen in the late 1980s. Post-Katrina, Mr. Stewart has been actively engaged in various recovery efforts for the CBD including serving on the UNOP District 1 Recovery Steering Committee, the DDD sponsored Height Study for portions of the CBD, and most recently advising the CPC on a variety of subjects (land use, building height and passenger rail transit) for the Master Plan and the Comprehensive Zoning Ordinance (CZO). The following reflect his views on specific topics or issues.

JA: What did the UNOP District 1 planning process recommend for the Loyola – O’Keefe corridor; specifically upriver of Poydras?

JS: The consultants, Goody-Clancy (GC), advocated new streetcar services throughout the CBD using the Loyola Avenue corridor. They suggested an incremental approach to new mixed-use development (MXD). GC’s real estate sub-consultants indicated that these developments would be market supportable. The numbers of housing units, their massing and their relatively compact location would add to the viability of the CBD with a new complimentary / reinforcing MXD neighborhood. GC proposed the Loyola-OKeefe-Baronne corridor as a prime location for this new residential development. They envisioned a dense urban environment composed of higher mid-rise structures with building heights decreasing to respect the adjoining Lafayette Square District (height gradient from Loyola to Baronne). A similar treatment was suggested from Poydras upriver to the bridge.

JA: Were these concepts incorporated in the later DDD Height Study?

JS: These concepts were refined in the DDD Height Study prepared by H-3 Studio (St. Louis) after the completion of the UNOP plan. This study was overseen by a citizens committee composed of DDD staff and commissioners, preservationists, architects, developers, and neighborhood activists.

JA: How do these concepts relate to both the newly crafted Master Plan and the CZO currently being formulated?

JS: The final recommendations included in both the UNOP District 1 plan and the Height Study are being incorporated into the new CPC Master Plan and CZO.
JA: What are thoughts about the NOUPT as a western public transit location? How should this facility function?

JS: The NOUPT locations makes sense for certain lines. However, bus lines should not “go out of their way” to connect at this location. Transfers should also be minimized. “Make NOUPT no more than one transfer away from any bus line currently serving the CBD.”

JA: In recent interviews with other CBD activists, architects, and developers the issue of streetcar connectivity has been discussed at length. What are your thoughts?

JS: There needs to be further connections on the upriver side of the CBD between the NOUPT and the Convention Center. The first “missing link” is the connection between Loyola and Carondelet using Howard Avenue. The WWII Museum is strongly in favor of converting Andrew Higgins (former Howard Avenue riverside of Lee Circle) into a shared transit / pedestrian mall. Additional streetcar extensions, as envisioned by the RTA, should also be pursued so that the CBD, French Quarter and adjoining neighborhoods (Treme, Marigny) are linked by a passenger rail system circulating through these neighborhoods.

JA: You have served as an advisor to the City Planning Commission, Goody Clancy (GC) and the City Council on the New Orleans Master Plan relative to the CBD and passenger rail systems, in particular. What operating attributes do you recommend for New Orleans' streetcar systems?

JS: As you know, I worked closely with CPC staff as well as Goody Clancy on a set of “best practices” for passenger rail systems either currently operating or those being designed and constructed over the next several years. These have been included in the text of the Master Plan and they are quite specific. However, in retrospect, I failed to include an important recommendation: the city should seriously consider: reducing the frequency and number of both mid-block street crossings as well as transit stops. I would suggest that, as a first step, barricades or bollards be constructed in the paved street crossings to preclude their use by vehicles. I would also reiterate the need for a pre-paid fare collection system and a dedicated operating right-of-way for the sole use of streetcars. The intent of these recommendations is to increase the operating speed of the streetcars.

In a conversation with Dave Dixon, GC’s principal planner responsible for the UNOP District 1 Recovery Plan and currently GC’s point man for the Master Plan and CZO Mr. Stewart noted that: “Transit Oriented Development won't work if transit is glacially slow”, so every effort must be made to make the streetcars operate in an efficient, dependable, and speedier manner. See Chapter 14 of the Master Plan for specific recommendations regarding Public Transit (www.nolamasterplan.org)
Interview:  PRES KABACOFF  
CEO / Board Co-Chair  
HRI Properties  
New Orleans  
May 4, 2010

UNOTI:  James R. Amdal, Director  
Stan Swigart, Principal Investigator  
Tara Tolford, PLUS GA  
Laurence Ringenbach, PLUS Visiting Researcher

Pres Kabacoff, a prominent New Orleans based developer, leads HRI Properties, a multi-faceted real estate development and property management company. HRI began in the mid-1980’s as a small company specializing in the adaptive reuse of historic properties. They pioneered the redevelopment of the Warehouse District with the conversion of the post-Fair Federal Fiber Mills into a market-rate (up scale) apartment building. Soon thereafter, Mr. Kabacoff and his partner Ed Boettner, developed additional Warehouse District historic structures including the St. Mary Apartments, the Woodward Lofts, and the Cotton Mill. More recently they have expanded into other local markets (old New Orleans financial district and the former St. Thomas Housing Development) as well as other U.S. cities (St. Louis, Omaha).

Mr. Kabacoff is currently actively engaged in the revitalization of the St. Claude / Bywater / St. Roch neighborhoods. Consequently, he has been heavily involved in supporting efforts by the affected neighborhoods, the RTA, and the City of New Orleans to secure additional federal funding for the proposed Rampart / St. Claude Streetcar project. It should be noted that Mr. Kabacoff, starting in 1984, served as a founder and Board Member of the Riverfront Transit Coalition, the private sector partner of the RTA in the development and operation of the Riverfront Streetcar, the first new streetcar line constructed in New Orleans since the 1920’s. Most recently Mr. Kabacoff served as co-chair of Mayor Landrieu’s Housing Task Force. For the past 25 years Mr. Kabacoff has been at the leading edge of urban development, especially in New Orleans.

The following reflects Mr. Kabacoff’s views on a variety of subjects regarding development dynamics in the upper CBD as well as the impacts of streetcar service on selected corridors within and connecting to the CBD. Post-Katrina he has proposed that the Plaza Towers building be renovated as a new City Hall. This could cause the Loyola vacant parking lots to be transformed into new development opportunities (housing, MXD projects) by anchoring them with a new City Hall. It’s a perfect catalyst for future developments along both the Loyola and the Howard corridors. “In the 50s, Loyola was supposed to be the next Canal St. This was never realized, although the street was designed for this future.” Plaza Towers was the first private MXD development to locate along Loyola. The existing building has been completely gutted and remediated post-Katrina. It is currently on the market for $15.5M.

“Plaza Tower as a new MXD development has synergy. It would need historic tax credits, as well as PPPs to renovate it and return the building to commerce. City Hall could serve as the anchor tenant. The project wouldn’t be expensive and would be strategically important and be a financially feasible investment for both the City and the developer. Furthermore, it has good transportation access, especially now that the Loyola Streetcar will serve the upper blocks of Loyola adjacent to the NOUPT and Plaza Towers. Transportation drives development – so let it drive! Previous proposals for an interim or relocated City Hall have not been feasible. The Chevron Building was in the wrong location. The original Charity Hospital building is too monstrous. The existing City Hall complex can’t accommodate the needs of a reinvigorated organization.” In Mr. Kabacoff’s opinion “we need to fix the whole area between Armstrong Park and Charity Hospital.”
Regarding the vacant parking lot at NOUPT? “If City Hall goes to Plaza Tower, this would create new demand in the area. Right now there is NO demand for new office space. We need to create some.” What about a hotel? “Well the Hyatt has been a failure because of its location, so the NOUPT lot shouldn’t be a hotel site either.”

Regarding the role of streetcars in urban development or neighborhood redevelopment, in Mr. Kabacoff’s opinion the greatest impact they have is on the perception of an area: “that’s what streetcars do! They make an area seem more desirable and attractive.” He cited the recently DDD commissioned market research project of the creative class: “Streetcars and a well run public transit system are big draws for this segment of the population.” He also supports a streetcar extension down Howard Avenue to connect with the St. Charles line at Carondelet. “It’s the missing link. If this was built, you would connect the various streetcars lines along beautiful new streetscapes: the streets already have landscaped neutral grounds that are natural assets. Along Howard Avenue there are also potentially valuable historic buildings that could benefit from renovation and new uses.”

Regarding general development dynamics, “the downtown market is doing ok. But it’s also expanding beyond the traditional CBD boundaries. New projects are being developed by the Domain Company on Tulane Avenue as residential buildings and new commercial is being built as well.” He noted however that the new housing is a mix of market and Section 8 units: 60/40 split. “This mix is a challenge.”

Finally Pres and his company are investing lots of effort into the Rampart – St. Claude Corridor. Pres believes that sustainable development needs to occur close to the FQ and the CBD on naturally high ground. HRI is currently developing 1137 Rampart at the corner of Esplanade as a new multi-story residential project on property that was vacant for decades. He views both Rampart and St. Claude as the next generation of great local streets: “just like St. Charles Avenue and Magazine Street they too could become crucial corridors if they were revitalized in part by the reintroduction of the proposed streetcar project.” The Rampart – St. Claude corridor has been in decline for many years: it began with the removal of the Desire Streetcar. “But with the right investments, this could become the next corridor to come back.” Keys to its success would be a pedestrian / bike-friendly environment with great streetscapes, lush plantings and street trees and animating features: reopened theaters, an enlivened Armstrong Park, galleries, coffee houses, clubs, etc.

The Rampart – St. Claude neighborhoods are now forming a partnership with NORA for neighborhood revitalization and they are working with the RSD to rebuild Colton and Douglas schools. Pres and neighborhood activists are also working to open a multi-faceted “Healing Center” at the old Universal Furniture Warehouse on St. Claude and the revitalization / renovation of the historic St. Roch Market. They are also targeting the St Claude/St Roch intersection as a centroid for revitalization where dozens of businesses and services for the neighborhood will be located. Finally, the envisioned Healing Center will offer economic, social, environmental, as well as physical/mental/ spiritual revitalization thru its myriad future tenants.
Since founding his real estate development company in 1996, Brian Gibbs has developed, either solely or with partners, a number of major residential properties in the Upper CBD. These have included the Civic Lofts, 547 Baronne (rehabs of historic properties) and his most recent project, 930 Poydras, which opened in Feb 2010. This is the first new residential building constructed on the upper end of Poydras Street.

Mr. Gibbs is a confirmed “New Orleanian” who admits that he loves the city. “It is a wonderful place to live and work, despite its challenges (high crime rate, poor public education, unreliable public transit service).”

We interviewed Mr. Gibbs to discuss his views on the development potential of the Upper CBD, existing public transit and new streetcar expansions, and general conditions within Downtown.

Regarding his views on the potential for additional projects in the Upper CBD:

“Currently there are approximately 3,000 units ‘downtown’ including the Saulet (700 units) just upriver of the CCC. This represents a significant number of urban dwellers, but we need more. A major challenge is making the entire area more attractive and active 24 hours per day. We need amenities.”

“We need a grocery store! Hopefully this is happening at the Sewell building at Girod with a new Rouse’s but you just never know if this development will happen. There remains a lack of certainty in the development world today, given the nature of financing. NYC has grocery store incentive program. We need this in New Orleans!”

“We need ground floor activity in the area. It’s improving, but we need more. In the 1990s, downtown was dead but it has gotten significantly better over time.”

We discussed a proposed CVS pharmacy on Lee Circle. Currently, it is envisioned to be a stand-alone project, but several neighborhood activists have suggested having upper residential as an added component. In Brian's opinion, “this would be doable, especially by having a strong ground floor tenant that pays for your land”.

He also believes in the old adage retail follows rooftops. “We need to have people in order to support neighborhood services but need to have services to attract more people. This remains a chicken and egg situation faced by all developers and business owners and continues to be a challenge.”

Specifics of various residential projects developed by his company demonstrate his focus on the high-end residential market. At the Civic Lofts (90,000 sf rentable) rents average $1.40/sq ft with the average unit having 1200 sf. He offers 1, 2 and 3 bedroom units. Lenders require 1 parking space per unit. Parking costs between $125 and $165 per space per month. At the newly opened 930 Poydras 56 units have been leased out of 250 units total. Apartments are small but are equipped with upper-end kitchen appliances and bath fixtures; 600-735 sf = 1 br; 860-920 sf = 2 br (1 bath);
2 br 2 ba up to 1069 sf. The base rent is $1.91/sf plus a $10 /floor premium that increases the higher the floor. This project also has a number of townhouses (1300 sf) that offer private patios and balconies. All are presently leased at $2500/month. There are no corporate rentals yet. They do offer discounts for Tulane Medical School students. They might consider a Master Lease with medical schools.

Relative to his tenants, “they are typically ‘dinks’—dual income no kids. At least 50% work in the CBD and probably another 25% are graduate students. We have some families living in the Civic, but there aren't many.” More people are now considering urban living. “Hollywood has glamorized this style of living over the last 2 decades and now it has caught on in New Orleans.”

Regarding his views on streetcar service and extensions: Mr. Gibbs made the point about current operations of the RTA: “We need more streetcars running in service! If you want people to use them they have to run more frequently; reliability is also important. This is elementary! Also, try to reduce or eliminate the need for transfers. Efficient and reliable operations are critical for the system to succeed. This means you must have accountability and brains at the RTA. It had these in the past, but post-K I’m not sure. Public transit also may be another chicken and egg situation in New Orleans. Why doesn't the new Loyola extension connect to Lee Circle? This is a no brainer. It’s the missing link. We the users and the RTA as the provider need to think about what will get people to use transit and get out of their cars.”

Another point made during the interview: “This city does everything in its power to get you to leave and band aids everything. This must stop.”

Gibbs won't touch anything on Canal: “The Iberville project needs to go.” Regarding doing projects in the more established neighborhoods, “Remaining buildings in the CBD are either too big or overpriced. There are few opportunities left for renovations of historic buildings or other buildings located within our CBD historic districts.” Furthermore “I am not interested in the Loyola corridor.”

Other points made by Mr. Gibbs: 930 Poydras cost $ 3.1 M just for land ($100/sf).

GO zone incentives—not really that useful—eliminates bonus depreciation, which lets you claim half of your total 30 year depreciation in the first year—only certain people can use bonus depreciation however they were used on the apartments.

At 930 Poydras new market tax credits were used on the garage and the ground floor retail 128 parking is a key selling feature. “I wouldn't do one without parking”. If the project ultimately flips from rental to condo parking is a must.

Civic Theater (behind the Civic Lofts building) is going to be developed as mixed use. We’ll add floors into theater space for apartments. The auditorium side will be used as an open space amenity area. The project qualifies for historic tax credits!

Relative to the existing NOUPT parking lot facing Loyola, Mr. Gibbs believes that a residential or mixed use project could be developed above an intermodal transit terminal? However, this would only be possible if the surrounding area (upriver of the bridge) is substantially improved. “Tear down all the vacant buildings and reconstruct quality housing. The quality of life in this area must also improve.”

He also suggested that particular lots within the sea of surface parking along Loyola be developed as an urban park. “Like Lafayette Square for the Upper CBD. This could serve as an anchor for the neighborhood. An individual (Gibbs or another interested developer) could buy the land, put a conservation easement on it, donate the land to city or
nonprofit and create a park as an amenity for the neighborhood. It could possibly be private; residents get a key to the park? If private, developers surrounding it would pay for upkeep. An amenity like this would help create more residential demand in area! It could also be used as the site for a relocated Farmers Market for the CBD.”
Mr. Eskew, a leading New Orleans based architect, urban planner, and development consultant is the founder of Eskew+Dumas+Ripple (EDR). Currently the firm is developing a Master Plan for Tom Benson's post-Katrina properties including the former New Orleans Center (NOC) shopping complex as well as the NOC's 2,000 space parking garage on Girod Street. A formal announcement of the development plan is expected within weeks as Phase 1 of the project is scheduled for completion to coincide with the NFL's season opener, approximately in 70+ days. Mr. Eskew's firm is also working on an $85M upgrade of facilities within the Superdome.

Based on their recent property acquisition, Zelia LLC and the Louisiana Superdome and Exposition District (LSED) are working with a team of architects/planners, led by EDR, on a master plan for the Zelia properties as well as the Dome and associated facilities. LSED is spending $85M on renovations to the Dome and $30M for public space improvements. Phase 1 for the Zelia project, Champions Square, will “go live in late August 2010.” Development plans for the total project will be formally unveiled in July 2010. The intent of Champions Square, a major new sports themed open space, is to be a “gift to the fan base” from Mr. Benson and his family. A Football Hall of Fame induction will coincide with its formal opening.

Phase 1 will include Champions Square, a public plaza located at grade at the site of NOC’s atrium space, which is currently being demolished and the conversion of Lasalle Street into a pedestrian mall (closed on 2010 game days only but permanently in 2011) between Poydras and Girod. A monumental staircase from Lasalle adjacent to the new Champions Square is currently under construction linking the new square with the Dome's upper level plaza. Future phases of the project including the conversion of the NOC into a sports / entertainment complex will be complete prior to Super Bowl 2013. A proposed future residential tower, “if the CBD residential market will support it above Macy’s shell is also being considered, potentially as a second Benson tower. The total redevelopment of Zelia's properties will evolve over the next 4 years.” As part of the preparations for Super Bowl 2013 Poydras Street will also be upgraded to an “Olympic-quality streetscape”.

Pre-development plans are also proceeding for the renovation, reconfiguration and reopening of the vacant Hyatt Hotel, recently acquired by Poydras Properties Hotel Holdings (PPHH) under the direction of Chris Robinson.
(partner). This REIT also owns the two adjacent office buildings, 1250 Poydras and the Entergy Building. Poydras Properties Hotel Holdings bought the Hyatt from Strategic Hotels and Resorts, a Chicago based company led by Laurence Geller in December 2007, after he was unable to move forward on an aggressive redevelopment plan that included the renovation of the Hyatt Hotel (700 rooms plus 300+ converted into residential units), relocating City Hall, building a National Jazz Center including a major performance hall, and a grand public space at the intersection of Poydras and Loyola. The intent, according to a project description by Morphosis Architects, was to have the Jazz Center serve as an anchor for a 24 hour cultural and civic center but this plan was never realized. However, Mr. Eskew indicated that there is still interest in developing a 1,000 seat venue for Jazz, “but not at this site.”

Current plans call for a renovated downsized Hyatt (formerly 1,184 rooms), with a new entry fronting on Loyola, to open coinciding with Super Bowl 2013, at the request of the NFL. Vehicular access will remain on S. Liberty Street. There is now renewed interest in the redevelopment of this entire portion of the Upper CBD with construction on-going for selected properties.

Mr. Eskew also commented on passenger rail initiatives affecting New Orleans and Baton Rouge. Both Mayor Landrieu and Baton Rouge Mayor Holden have recently recommitted to jointly lobby for the NO-BR rail project, but an airport light rail system, previously a priority for the City of New Orleans, “doesn't really work on its own”. In Mr. Eskew’s opinion, the bigger issue is connecting BR and NO with a fast and frequent service, since business leaders in BR need access to the LANOIA.

Mr. Eskew also suggested that the UNOTI team obtain a recent study by Boston Consulting on reimaging New Orleans, a project sponsored by the New Orleans Convention and Visitors Bureau, the Convention Center, and the Chamber of Commerce. The Boston Consulting Group has also worked on rebranding of Paris and other major internationally renowned cities. The focus of the study was to rebrand New Orleans so that it could recover its pre-Katrina hospitality capacity, etc. They tried to answer the question, “What's missing for New Orleans to compete internationally?” The study’s findings were presented in January, 2010. The final report was released in March, “but it was mostly lost in mayoral election news.”

Finally, Mr. Eskew referred to recent work in which he has developed the conceptual New Orleans “hospitality tripod”: the Super Dome; the Convention Center; the French Quarter. In his opinion we need to leverage the “connective tissue” between these existing nodes and begin to factor in the emerging $2B Medical Center scheduled to open in the Fall of 2013. “Upon its completion, it will represent a larger investment in New Orleans than the Super Dome! And it should/must incorporate hospitality—800 beds.”
Interview: SEAN CUMMINGS
Executive Director, New Orleans Building Corporation
Founder, Ekistics
5/27/10

UNOTI: James R. Amdal, Director UNOTI
Tara Tolford, PLUS GA
Laurence Ringenburg, PLUS Visiting Researcher

Sean started the discussion by sharing his views on the role of public transportation (PT) in the US. “In most cases, PT has low ridership which makes for a losing operation: i.e. its direct costs exceed its direct benefits. PT needs lots of population density to succeed. Therefore PT is a piece of economic infrastructure that the government provides as a public service (benefit).” He sees PT as “a solution in search of a problem.” Transit needs to be faster and cheaper than cars to work.

He asked: “What is the public policy problems we’re trying to solve with PT?” And then answered his own question: Congestion? Pollution? Mobility? We don’t have these problems in New Orleans. What is really the next step in transit, if transit makes sense at all? You need a central idea that you’re designing to — “what societal goal are you seeking to advance or achieve?” There is also a moral imperative for society to provide mobility to those who need it—but why not electric busses? You can make an argument for a “clean system”: i.e. one that provides carbon reduction that connects the 5 “economic-engines of the city: sports, riverfront, hospitality, in-town residential, tourist infrastructure. With such a system, you need to access the ‘core’ of downtown (CCC to Esplanade that includes both the CBD and the FQ) from either upriver or downriver.”

With regards to the Loyola streetcar corridor: “The RTA can’t move statistically significant numbers of people during Special Events or Game Days even though there is little congestion in the area.” However, in the context of a larger system, connecting the central riverfront and its abutting neighborhoods within a zone defined by Jackson / Claiborne / IHNC / River, Sean thinks a streetcar circulator system would be useful. However, even with this envisioned system, there is currently no plan to connect the Loyola Streetcar down Howard Avenue to the St. Charles Streetcar but “this connection makes sense.” Also, the proposed RTA streetcar extensions for Rampart / St. Claude / Elysian Fields and Convention Center are not enough.

Relative to streetcar expansions: “I don’t really care. They should help service industry employees access jobs, but I doubt that they do, however public transit helps the service and tourist industries by making another mode available for workers, residents and visitors so it has some value.”

While directing the Reinventing the Riverfront project for the city over the last several years, Sean has given a lot of thought to transportation within the neighborhoods abutting the Central Area Riverfront: “76% of the city’s companies/jobs are in the 5 neighborhoods which are currently served by both the RTA’s bus and streetcar system.” And since streetcars are the preferred option for PT, “there is more potential and more benefits for the Rampart line than the Loyola line.” Further, in Sean’s opinion, “NOUPT is useless”. However, a light rail system to the airport might change his opinion about the facility, but this system would need to provide a seamless delivery of people and their baggage to their downtown destination. (ie no transfers). PT or other means of circulating people from the facility are problematic but not insurmountable. The key is providing point to point service.

In New Orleans, people are attached to forms of transportation from a different era. A smarter view would be to look at electric cars as a model. The real problem for transportation: today and into the future, “everyone wants to
own a car. But for society, we need to provide mobility and at the same time we need to minimize pollution, etc.
The electric car is the solution! These cars in the near future are going to be more and more affordable and will
expand their range. For certain segments of the population, especially city-dwellers in compact urban settings, they
are perfect.” Sean supports zip car-type services, “but this service only makes sense when you have greater urban
densities” than currently exist in New Orleans however he does know of other local residential developers who are
presently investigating this option.

Relative to the proposed NO – BR passenger train “the project really makes no sense. If you go by rail it takes more
time, more money, more hassle. This project is really a silly idea. No one is going to ride it. Anything involving
‘schlepping’ is bad - people won't do it - you need continuous service to your destination, not a transfer at NOUPT.”

Other thoughts expressed by Mr. Cummings included: “If maximizing prosperity is a goal then transportation
should aid this. But how can public transit facilitate prosperity? I'm not sure. Could the problem be solved more
easily with carpools or electric bus? Streetcar extensions are just money from Washington to further recovery and to
give unionized labor something to do. If there is light local rail connecting 5 neighborhoods in a loop, then you can
have real benefits.”

In addition: “Transit should be about equity and helping tourism. Connection from the river to St Charles is not
really important. Inclement weather for PT riders is a big negative. No need for extension of riverfront line — it
serves only the tourist population. Class issues are also important to consider — does light rail serve as a substitute
for bus service for the people who might actually use transit but for the social stigma associated with bus service
and bus riders? Doesn't it make more sense to have electric BRT in existing infrastructure? RTA should have tried to
become the country's 1st carbon neutral system. This would be more versatile, too.”

Finally, “As a developer — transit has No Bearing On My Development Decisions especially in these times of change.
In my mind there are 2 emerging trends — electric vehicles and virtual offices. We've become a Lap-Top economy.
Another fundamental problem is the lack of prosperity, both here in New Orleans and in the U.S. We need forward
looking solutions to advance prosperity — that's the problem we need to address, not copying and pasting an
anachronistic mode of transportation into the 21st century.”
Marcel Wisznia, a New Orleans architect turned CBD developer, specializes in the adaptive reuse of historic buildings located in the CBD, specifically in the old financial district and more recently adjacent to the Medical Center. He manages both Wisznia Development and Wisznia Architects, currently with 10 employees. He specializes in maximizing existing tax credit programs, particularly Investment Tax Credits for Historic Preservation and HUD 221 D4, the underlying financing used in all of his projects.

His first residential development was the Union Lofts, a 33 unit upscale furnished apartment complex in the original Western Union building at 334 Carondelet. This project was conceived pre-Katrina but its development schedule was abruptly altered by the storm. Currently this project is 100% leased at $2.50 per sq. ft. Since opening in 2007 the project has averaged 92% occupancy. Apartments range in size from 684-824 sf. for 1 bedroom units ($1600-$2050/month) to 957-1026 sf. for 2 bedroom units ($2100-$2500). A limited number of 2 + study units are also available (1225 sf for $2700-$3100 per month). All units feature classic modern furniture by noted architects and designers (Le Corbusier, Mies van der Rohe, Charles Eames). It's location on the St. Charles Streetcar line is a marketing attribute.

Currently he is completing the Maritime Building, at the corner of Carondelet and Common. This is a $38 million project that will be a 105 unit apartment building located 1 block from Canal Street and Bourbon Street. The project will feature high-end apartments (1 and 2 bedroom units) with rents at $2.00 psf. Opening is scheduled for Fall 2010. It will offer conveniently located parking within existing garages in the immediate vicinity of the building. All units come with 1 parking space (a requirement of the lender), although Mr. Wisznia believes the market only requires .7 ps/apt. of which only 25% would be needed during the normal business hours. He believes his market is not car dependent. Parking will be available at the Pere Marquette Garage on Common Street and at other conveniently located CBD garages, but not on site. Given the building's location in the heart of the CBD and directly adjacent to the St. Charles Streetcar, Wisznia believes that the availability of public transit, including the recently funded Loyola Avenue Streetcar line, is a positive for all his projects. Mr. Wisznia has discussed with Brian Gibbs, another CBD high-end apartment developer, offering a Zip-Car service, a popular car sharing program offered in New York, Portland, etc. for the convenience of non-auto owning residents.

His newest project, the Saratoga, is a 155 unit apartment building (avg. 700 sf/unit) developed in a 1956 modernist mid-rise (15 story) office building located at the corner of Tulane and Loyola. This building, at the upper edge of the CBD, is adjacent to the Tulane Medical Center. Financing for the Saratoga was a very laborious process involving many federal bureaucrats that started pre-Katrina. It ultimately took five years to secure financing. The building had been vacant for over 15 years, but Wisznia and his associates felt it was a significant example of mid-20th century architecture in New Orleans. In his opinion, this era of local architecture needs to be considered within the context of historic preservation or an entire generation's work will be lost. Towards that end, the development team worked with the State Historic Preservation Office to expand the boundaries of the historic district and to extend the period of significance from 1936 to 1956 in order to qualify for historic preservation tax credits (worth $15M in equity of the total $42M project cost). These tax credits were critical to the financing of the project which was finalized on March 9, 2010. Construction started March 10, 2010. The completion date is Summer 2011, a 15 month construction
schedule. The building will include 8,000 sf of ground floor commercial space. It will offer 1 parking space per unit in an adjacent parking garage. A connecting pedestrian bridge will be constructed between the garage and the building providing a direct and “secure” entry. Mr. Wisznia believes this will be a prime location for Medical District employees. In his opinion, Tulane should pre-lease a substantial number of these units for their students and staff. He believes that the new Medical District, including the LSU teaching hospital and the VA, will be one of the city’s most important economic generators. He also thinks that Old Charity will have a new and better use: probably as a mixed use complex.

Work on the Hibernia Bank building is on-going, being co-developed by HRI Properties and Carl Woodward, but Mr. Wisznia will probably not participate in the project. Plans are to convert this early 20th century office building into a 170 unit apartment building using New Market tax credits. Mr. Wiznia does not use GO zone bonds, due to their low income requirements, for any of his developments. “It’s an untested social experiment” (80/20 works; 60/40 is questionable). All his projects to date have used HUD 221 D4 loans — a 40 year non-recourse debt: i.e. no personal guarantee required on debt — i.e. “the project has to prove market viability to qualify.”

His next project will be the Stephens Chevrolet garage on Carondelet near Lee Circle. It is currently awaiting financing. The project was turned down by HUD recently. According to HUD, as stated by Mr. Wisznia, “there is no need for more downtown housing. They think the CBD is overdeveloped for the residential market. However, numerous historic buildings have been converted to residential apartments with very strong market response. So our local market rebuts this opinion.” The American Bank Building at 200 Carondelet Street, immediately adjacent to the Maritaine, is currently 92% occupied. When completed The Garage will have 65 apartments (700 sq ft avg.) plus 14,000 sf. of retail. The building will be 5 stories tall with apartments on floors 2-5. The building currently has 2 car elevators which will be used in the conversion to provide auto access to the upper floors without the use of ramps. The building will utilize solar power for more than half of its total energy needs. It will also provide electric car charging via solar for residents with electric cars. More info is available at thegarageneworleans.com.

With regards to the Loyola Streetcar impact, Mr. Wisznia believes it needs to be directly connected to the Canal Streetcar so riders don’t have to transfer at Canal Street. He thinks this will happen. He also believes that an extension of the line down Howard Avenue connecting to the St. Charles Streetcar is important for CBD connectivity. “This link is critical for downtown.” Asked about development closer to UPT and when it will happen, he believes that we need to first create a critical mass downtown which will allow higher rents to become the norm. “Once this happens you can afford to build. It won’t work unless you can get the money for new construction which at this time is impossible, regardless of the project or its specific circumstances.” For 930 Poydras, Brian Gibbs used HUD financing for the apartment building—the parking structure was financed separately with GO Zone bonds. Without these financing tools, the project would not have been financially feasible. Mr. Wisznia also believes that the downtown side of Poydras is “the true urban environment in the CBD” (the old financial district). In contrast to the uptown side (Warehouse District / Lafayette Square) this area has more amenities when you factor in its adjacency to the French Quarter with all its shops, restaurants, and entertainment.

Regarding marketing, Mr. Wisznia uses art as a selling tool. In the Saratoga—Terence Sanders (Art Voices and Turnstile magazines) has been hired to curate an art collection for the building. It will feature 60 emerging artists. A book will be published to celebrate the Saratoga Collection. Marcel uses art as an investment strategy and branding tool in each of his buildings. John Lawson is the artist for the Maritime— his art works will celebrate the uniqueness of this building in New Orleans history.
Veolia Transportation recently negotiated a long term management contract with the Regional Transit Authority (RTA). Under this contract, Veolia is responsible for the day-to-day operation, management as well as planning and scheduling of RTA's fleet of buses, streetcars, and demand response vehicles (LIFT and the Lil Easy). Mr. Marks is currently working on a new city-wide public transit plan for the RTA that reflects both the city's repopulation post-Katrina (a significantly smaller rider base) and the realities of a reduced fleet and smaller operating budgets. However, regarding ridership on streetcar lines, they are approaching pre-Katrina levels, at least on St. Charles Avenue and Canal Street.

In his new plan, Mr. Marks is considering altering the configuration of fixed route service to provide for cross-city travel (the preferred model) in contrast to the current system that is designed with Canal Street as the primary hub with transfers between lines occurring at strategic intersections along Canal Street both within the CBD and in Mid City. Veolia is considering a new service plan that would include cross town destination pairings: i.e. New Orleans East with Carrollton / Claiborne; West Bank / De Gaulle with Canal Boulevard / City Park. This plan would be implemented over time. It would also move transfer points off Canal Street: one alternative would be at Tulane and Loyola (2 blocks upriver of Canal Street). Currently Mr. Marks does not have sufficient journey-to-work data in order to make these decisions. Interestingly, in crash incident data being assessed by UNOTI's Dr. “Billy” Fields and his associates, the locations of heavily populated transfer points correspond to high numbers of pedestrian and bicyclist accidents.

Mr. Marks also has to factor into his route design the recently awarded Loyola Streetcar line and its proposed terminal adjacent to the NOUPT. According to Mr. Marks, NOUPT is on “the wrong side of town”. Its location and site limitations present unique operational challenges. Consequently, the design for the transit terminal at NOUPT is limited to 6 bus bays + 2 streetcar tracks. Mr. Marks admitted that this is not sufficient to provide a fully functioning hub for RTA's operations. Mr. Marks is considering various operational plans that would allow Loyola streetcars to connect directly with the Canal Streetcar tracks in lieu of a transfer from one line to the other.

Mr. Marks is also constrained by the decision pre-Veolia to reintroduce RTA service in the post-Katrina environment with its pre-Katrina design. This does not reflect today's operating or financial environment “but will be very difficult to change.” A recent RTA public hearing concerning proposed “minor” route changes drove this point home: the proposal to reroute the existing St. Bernard bus from St. Anthony to Paris Avenue was vehemently rejected by the attendees. To paraphrase Tip O’Neill’s famous statement “All politics is local”: in New Orleans “All routes are local” with their distinct advocates, issues and overtones.

Overall, some portions of the RTA system are returning to normalcy in terms of daily ridership: the streetcars are approaching their 2005 levels. However, system-wide numbers are still anemic. Also, as neighborhoods receiving Lil
Easy service recover and repopulate, fixed route service may return to select routes.

New development dynamics will also greatly affect selected RTA lines. The LSU / VA Medical Complex will impact the Tulane route as well as the Broad and Galvez lines. It may also impact the Canal Street service. The RPC is currently working with DPW, the RPC, and affected medical center interests on improvements to Tulane Avenue.
Mr. Manning, a local architect and urban designer, has been actively involved in master development plans for the NOUPT since the early 1990's. He has also participated in various post-Katrina recovery projects and is currently working on the Loyola Streetcar project as part of the RTA's consultant team. The purpose of the meeting was to discuss the history of these projects and their relation to the future development dynamics in the Upper CBD, specifically along the Loyola / S. Rampart corridor, a portion of the CBD that Mr. Manning and his associated have recently analyzed.

Recent master plans for the redevelopment of the NOUPT started with a 1995 study, prepared by Billes-Manning Architects, which focused on properties owned by the NOUPT that could be used as part of a larger parcel for the proposed Arena. Ultimately, the City's downtown heliport was incorporated into the site. The resultant New Orleans Arena, a $114 M project, is located adjacent to the Louisiana Superdome and was opened in 1999. The 1995 study also proposed a MXD tower on a surface parking lot, owned by the City of New Orleans, adjacent to the terminal fronting Loyola Avenue. The project included an intermodal transportation center serving both streetcars and buses on the ground floor with a tower constructed above the parking lot. The study also proposed a Howard Avenue Extension to better serve the Arena and Dome. A 2007 Master Plan Update was also authored by Manning Architects. It included track reconfiguration in the train yard to assist in the City Assisted Evacuation Plan and to increase intercity rail capacity. Currently NOUPT is served by Amtrak and Greyhound.

In the most recent planning for the Loyola Streetcar, this surface parking lot was not considered as a streetcar / intermodal terminal since the NOUPT remains “in the black” because of parking revenues derived from this lot. A new transit terminal, serving both streetcars and buses, is proposed on property located between the NOUPT entry drive and the CCC frontage road. It will accommodate 2 streetcar tracks as well as 5 bus bays and 1 BRT stop. A final operational plan for this facility is currently being prepared by RTA/Veolia.

In discussing future development opportunities for the existing parking lot fronting Loyola Avenue, Mr. Manning believes its potential for MXD development is problematic. “Any future project will require the cooperation of multiple parties including the developer, NOUPT and the City of New Orleans. This may be easier with Mayor Landrieu and his new administration. However, other parcels may be easier to develop.” In Mr. Manning’s opinion,
“why encumber any developer with constraints if he’s going to come in and build in an area where you want people to live but is at the fringe of the downtown residential area?” One possible financing tool being considered for CBD development is PILOT: payment in lieu of taxes. This could be considered for a project at the NOUPT lot.

Regarding the residential potential for the Loyola / Upper CBD corridor, studies conducted as part of the UNOP District 1 identified between 7,000 - 10,000 downtown residential units are feasible in the next 5 years. Mr. Manning, in partnership with Wisznia Associates in 2007, conducted a study for the Downtown Development District to determine the desirable development of the Loyola / Rampart corridor: i.e. density, scale, and mass. However, Mr. Manning thinks that a new residential market demand analysis is needed given the national economic collapse and the nature of current financing and related development issues in real estate development.

According to Mr. Manning, the Zelia, LLC complex, currently being designed by Eskew+Dumez +Ripple Architects, has a target completion date coinciding with the upcoming 2013 Superbowl. The project includes partial demolition of the New Orleans Center, the closure of La Salle Street, the creation of specialty retail / sports oriented ground floor development and a future residential tower adjacent to Girod Street.

Regarding other proposed streetcar projects, Mr. Manning thinks the N. Rampart - St Claude line will be funded in the near future. “This project will greatly enhance the connectivity of the CBD and French Quarter for workers and residents.” Relative to the BR — NO passenger rail service, “the primary issue is the new competition New Orleans faces with Baton Rouge: their business community is much stronger now. New Orleans needs to be connected with Baton Rouge. We need to operate as one region and not continue to be competitors. In my opinion, the proposed passenger rail link will further complement these efforts.”

Finally, Mr. Manning reiterated that the owners of parking lots see them as sources of easy money! “Even if lots are for sale, owners will just hang on to them. Incentives are needed to get developers interested.”
Interview:  HENRY CHARLOT  
Director of Economic Development / DDD  
J. PATRICK THOMPSON 
Public Safety Manager / DDD  
April 27, 2010

UNOTI:  James R. Amdal, Director  
Tara Tolford, PLUS GA

Mr. Charlot reiterated that the DDD has been a strong supporter of the Loyola – Canal streetcar project and sees it as an important addition to the development mix in the upper CBD. However, he noted that the rather remote location of the NOUPT requires additional linkages to the rest of the CBD. “We also need better public transit connections between the NOUPT and the rest of the city.” According to Mr. Charlot, one obvious connection, supported by a number of developers active in the CBD, is a direct connection from the NOUPT down Howard Avenue to the St. Charles Streetcar at Carondelet. “If this connection were made the combination of streetcar links would result in a maximum 3 block distance from a streetcar line to anywhere in the downtown area. The proposed passenger rail link between Baton Rouge and New Orleans would also benefit the NOUPT and the new streetcar line.”

Another obvious issue impacting the streetcar corridor is the amount of vacant property, currently used for surface parking, along Loyola and South Rampart Street. According to Mr. Thompson, this “parking sea becomes an event day island” whenever a major sports or entertainment event occurs at the Superdome or the Arena. “It’s not just vehicular congestion. It’s massive amounts of people that further conflict with the traffic. In the end, for certain periods before and after an event, it’s just gridlock. And it can be dangerous.”

According to Mr. Charlot, the streetcar may influence developers to relook at this portion of the CBD for new projects. This will be reinforced by development plans currently being prepared by Tom Benson and his organization for the former New Orleans Center and the potential reopening of the Hyatt Hotel. The last major investment in this area was The Arena, completed in 1999.

Concerning adjacent development activity, the Plaza Towers is back on the market, with the building’s decontamination/remediation complete. Costs for these activities were estimated at $10M. The most recent offer price is $15.5M. The last developer defaulted on the mortgage and the property was purchased in 2007 at auction for $583,000. Post-Katrina, developers planned to convert the office tower into a 197 unit condo at a cost of $120M and to market the building with the adjacent transportation hub as a selling feature. This project did not materialize and the property has gone thru several developers since Katrina.

Adjacent properties along Loyola Avenue, in the 700 block, were slated for development by WWLTV and their parent company, Belo Corporation, pre-Katrina. Belo planned on constructing a new broadcasting facility for WWL, WUPL and WWLTV.com. The project, originally scheduled for completion late 2007 / early 2008, has been stalled since Katrina. Mr. Charlot has heard no news regarding new projects being proposed by Brian Gibbs, although his 930 Poydras project was recently completed and is now being actively leased. This project opened in February, 2010. Regarding other major downtown developments, Mr. Charlot mentioned the Master Plan for the Benson Properties (former New Orleans Center) adjacent to the Superdome.

When asked about various data sets available from the DDD on existing and proposed development within the CBD, Mr. Charlot indicated that the data is not up to date and the DDD may need assistance in compiling the necessary
information. This would include a comprehensive database with total commercial development/sq footage info; total residential unit counts by building and neighborhood (Warehouse District; Lafayette Square District; Picayune Place; former Financial / Medical District) for existing and proposed development. Regarding the NOUPT master plan, the DDD was only tangentially involved in its development. However they did sponsor a “Loyola / Rampart Corridor Planning + Development Study” completed in 2007 that looked at potential development within and adjacent to NOUPT. This was a follow-up activity to the UNOP District 1 Recovery Plan and its steering committee. The study was co-authored by Manning Architects and Wisznia Associates. There are no height limits along this corridor so development will most likely be framed by market forces.

Mr. Charlot also mentioned the various passenger rail initiatives that could positively impact the NOUPT. However, with the current “in limbo” status of the BR – NO link (no political support from the Governor) the immediate impact of this project cannot be realized. Similarly, since Katrina, there has been little discussion about the light-rail service between the LANOIA and the CBD. This service would also positively impact NOUPT but it will need strong local support and leadership in order to be realized.

Mr. Charlot also strongly supports the N. Rampart / St. Claude streetcar line. He feels it would have a positive impact on ridership for the Loyola streetcar and would help ease Superdome / Arena event generated traffic congestion and parking options. Sports fans could “go to the game” on the streetcars via Canal Street – Rampart / St. Claude – Loyola.

Relative to the recent “New Orleans Mobility and Parking Study” released in January of 2009, the DDD is currently working on its implementation. “The CBD has ample parking supply, but uneven distribution. We need to better coordinate existing lots and decks. Some lots are vacant after hours. We also need better rates.” All this led the DDD and its consultants to look at a parking management program. “We also need better ‘way finding’ to access parking.”

Mr. Charlot also is supportive of development (both new residential and the proposed LSU / VA Medical complex) along Tulane Avenue as well as the RPC’s plans for Tulane as a re-imagined transportation corridor with an enhanced streetscape. He noted the success of the Domain Company in providing both new residential and retail development on Tulane. “In the past, property owners were waiting for someone else to act first. Domain has created their own critical mass of development and are now adding support retail.”

Regarding other impacts on the CBD, Mr. Charlot sees limited development potential on Rampart Street due to the height limits imposed by the Vieux Carre Commission. Also the Orpheum Theater is currently entangled with legal issues. “There is more debt on the building than its value. The Roosevelt Hotel has expressed interest in developing the property but it can’t be sold until the existing debt is removed (ie foreclosure).” In the upper Lafayette Square District neighborhood, the Jacobs Candy Company “has owner issues; the shareholders have taken control of the building, but the project has potential.” The former Sewell auto dealership on Baronne is still being considered by a local grocer. There are no other major projects in the works, although the Phase 3 of the WW2 museum is a potential? The proposed National Jazz Museum lies dormant as does the redevelopment of the Hyatt Hotel. The City is in the process of developing bike lanes on Common, Gravier, Magazine, Tulane and Camp. “This will significantly impact overall mobility downtown.” Finally, regarding the status of City Hall moving, “there are lots of ideas but there has been little real progress. Eventually, it must move. The current building is too expensive to fix. The Chevron building could be good interim solution.”
Interview: PETER TRAPOLIN
Principal, Trapolin Peer Architects
CBD Property Owner, Resident, Business Owner
4/28/2010

UNOTI: James R. Amdal, Director

Since founding his New Orleans based architectural firm in 1981, Mr. Trapolin's practice has included hospitality, institutional, single and multi-family residential as well as preservation and planning projects. In 1985, he bought a building at the corner of Julia and St. Charles Avenue, a former skid row property, and converted it into his firm's headquarters with commercial space on the ground floor. With this purchase he was one of the early investors in the Lafayette Square Historic District. In 1995 he purchased a fire damaged 1840's townhouse on Camp Street and renovated the structure into his residence. Given his multiple roles as a CBD property owner, business owner and resident, Mr. Trapolin has a unique perspective on the growth and development of the New Orleans CBD over the last 30 years.

For decades, Mr. Trapolin has been a strong advocate for the creation and growth of 24/7 neighborhoods within the CBD. He has also been a leader in historic preservation and citizen activism on numerous issues affecting downtown development. Peter was involved in numerous post-Katrina planning initiatives including various committees of BNOB (Bring New Orleans Back) and served on the committee advising the DDD on height issues affecting the Lafayette Square Historic District and the upper CBD.

Given Peter’s investment in downtown property as well as being both a CBD business owner and resident, we discussed his views on the potential for growth in the upper CBD and the impact new streetcar service could have on the area. Peter noted that recent post-Katrina planning studies, including the UNOP District 1 Recovery Plan, the previously referenced DDD Height Study, and most recently the new Master Plan being formulated in conjunction with a rewrite of the Comprehensive Zoning Ordinance have all identified the upper CBD (specifically the Loyola - Baronne corridor between Poydras and the bridge ROW) as an area for a new mid-rise / high-rise / MXD neighborhood. Most of these plans called for a streetcar line serving this new neighborhood.

He also noted that developers have purchased and partially renovated the original Plaza Tower at Howard and Loyola. This building is currently on the market for $15.5M. An early post-K residential condominium project (191 market rate units) was never realized as were several other residential projects proposed for the CBD (Trump Tower, the Tracage, etc.).

Peter noted that projects previously constructed on Loyola or currently being planned for the general area have also included a mid-rise / high-rise component. The Energy Building’s parking structure located on Loyola between Lafayette Mall and Girod Street was designed and constructed to accommodate a tower component as a Phase 2 development. Tom Benson’s redevelopment plan for the former New Orleans Centre also includes a future residential tower at the corner of Girod and LaSalle. Adding to the development dynamics at work along Loyola, developers of the severely damaged Hyatt Hotel have received $225M in “Go Zone” bonds and are beginning a major reconstruction project of the property, scheduled for reopening in the fall of 2011. A major pedestrian entrance to the hotel is planned on Loyola. Vehicular access to the hotel will still be from a restricted roadway running between Poydras and Girod.
Between Poydras and Canal Street, Mr. Trapolin emphasized the importance of Marcel Wisznia’s residential conversion of the Saratoga Building on the corner of Tulane and Loyola and the future development opportunities for two properties owned by Lou Talebloo, his client: the 234 Loyola Building and the Rault Center, located 1 block riverside of Loyola.

For all of these existing and potential projects, Peter believes mobility and connectivity are key attributes for their success. “Streetcars bring an inherent attraction to a street and with the right operating characteristics and system linkages they can also enhance properties fronting on the particular route. This has historically been the case with St. Charles Avenue Streetcars and most recently with Canal Streetcars. However, to make the most of the Loyola Streetcar, it must be extended down Howard Avenue. This extension will create a new opportunity for adaptive reuse for buildings fronting Howard Avenue, especially from Loyola to Carondelet.” Peter also thinks there is sufficient market demand to support additional residential development downtown and cited Larry Shedler’s comments at the most recent Latter & Blum Realty Outlook as one source.

Finally, very positive developments continue to occur for his neighborhood (the Lafayette Square District) and for the rest of downtown. Of most recent note, Rouse’s just announced their plans for a 40,000 gsf full-service grocery store in the former Sewell Cadillac Showroom and Garage at the corner of Girod and Baronne. “930 Poydras is doing well as an up-scale rental residential project and vacancy rates in downtown residential projects remain low. To me, this bodes well for the future of downtown and for the future of new downtown neighborhoods. Vacant surface parking lots are available for development along the Baronne-Loyola corridor and it’s just a matter of time before they are redeveloped to a higher and better use.”
Mr. Talebloo owns several CBD properties including 234 Loyola, the Rault Center, and Factors Row, which he purchased in 1995. He also owns numerous properties in the French Quarter, the Garden District, the Lower Garden District as well as Pratt Stanton Manor (1224 St. Charles Avenue) which he is currently converting into condominiums (1/3 pre-sold). Mr. Talebloo, originally from Iran, moved to New Orleans 30 years ago and owns a number of other businesses in the city: the Balcony Bar on Magazine Street, 2 uptown restaurants, and his oriental rug shop at 2015 Magazine.

Mr. Talebloo originally purchased CBD properties to diversify his property holdings in the city. Prior to Katrina, both Factors Row and 234 Loyola were viable office buildings (very profitable) with occupancies in the 80%. However, Katrina caused significant damage to the buildings (basement flooding) and to his leasees. Currently, Factors Row has 1 commercial tenant on the first floor. He plans to renovate this building using historic preservation tax credits. The 234 Loyola property, originally the Industries Building, has been vacant since Katrina. He plans on developing the property as rental residential (110,000 gsf / 100 units / estimated cost of $15-$20M) featuring primarily smaller units for tenants who work in the Medical District. To date, he has remediated the environmental issues at 234 and once the local financial market improves he will begin the renovation using historic preservation tax credits. Eventually he plans on redeveloping the Rault Center into a condominium building (115,000 gsf / 75 units / $15M) with 2 floors for commercial tenants.

According to Mr. Talebloo, “Each of these projects must be completed in sequence, starting with Factors Row. This is based on the current financial situation. It’s tough to get a project going these days! It’s never been harder. Currently lenders don’t think the market will support new residential projects so they won’t provide financing at this time for these types of projects. And now with the BP spill, financing is going to be even more difficult.” Although developing property these days is difficult, Mr. Talebloo still feels that the Loyola Corridor (excellent location / great market opportunity) and the CBD in general has great potential. Commenting about the success of Marcel Wisznia in these times, “Marcel is uniquely qualified: he’s the best at using the various federal tax credits to make projects happen. Plus, right now, he has no competition. And finally, his conversion of the Saratoga Building into rental residential is huge for the whole Tulane / Loyola area, not just for my properties. Marcel will do well, because he’s the only one getting anything done in the upper CBD right now! People still have money, but everyone’s a little nervous right now about everything, so development is tricky.”

Regarding the potential impact of the Loyola streetcar project on his development plans, Mr. Talebloo stated that at this time financing is a more important consideration for him than transit access or connectivity in general. But he is very supportive of the streetcar project. “Streetcars are a big plus for buildings and neighborhoods that they serve.” Regarding that portion of Loyola between Tulane and Poydras, “you can really ‘see’ the city in this stretch—streetcars need to be on boulevards—on neutral grounds, not in street. You get a better view.”

He thinks the Loyola Streetcar will provide a new form of transportation for events at the Dome and the Arena, which, in his opinion, is great. He also sees the project as a plus for ground floor retail. In his opinion, the streetcar
should operate in the neutral ground and not use the street. “Once it is operating, it should reduce traffic during event days.” Questioned about the impact of a future Tulane Avenue streetcar, he thinks it would be OK, but it is not key. However improvements to Tulane Avenue are needed: “Traffic is bad!” He believes that the future Medical District can use the Canal Streetcar system for access.

He thinks that Tom Benson's plans for the entire area around the Dome are fantastic. He credits both Mr. Benson and the state for creating a “winner” for all parties, including the city, its residents and visitors. Events in the Dome and Arena have a huge impact for the CBD and particularly for the upper CBD. “Benson's plans tie all these together: the Dome, the Arena, the office tower, the mall, the parking garage and ultimately the reopened Hyatt Hotel so no one can pull out.” Regarding earlier post-Katrina plans for the Hyatt including a new mega park and the National Jazz Museum, Mr. Talebloo loved the vision. He strongly supports additional investment in the upper CBD. “The recent announcement by Rouse of a new grocery store downtown is great news for everyone downtown. We also need a grand park in this area to draw people.” Mr. Talabloo's vision for the CBD is a mini-Manhattan “where people come out of their apartments and walk.”

Regarding other RTA streetcar expansions proposed for the CBD and adjacent neighborhoods, the overall resident and visitor transportation / distribution system will work better if the routes are correct — “that's how to get people out of their cars! Jimmy Coleman, who owns the Holiday Inn Hotel on Loyola and also surface parking lots in the immediate vicinity needs to be contacted! He will be a great source of info and insight.”
Interview: ELIE KHOURY, Founder and Principal
DAVID GARCIA, Vice President Development
KFK Group Executives
7/8/2010

UNOTI: James R. Amdal, Director
Tara Tolford, PLUS GA

Mr. Khoury, founder of KFK Group, has been involved in the development of major real estate projects in New Orleans since 1996. His first CBD project was the St. Joseph Condominium, the adaptive reuse of a historic building located in the Lafayette Square Historic District. Mr. Khoury lived in this property for several years and thoroughly enjoyed the downtown lifestyle. He often gazed at the looming Plaza Tower and "wondered what I could do with that?" He is still pondering that question, after twice unsuccessfully bidding for the property post-Katrina. His company's development of other historic properties include the St. Elizabeth Condominiums on Napoleon Avenue (a former orphanage built in the 1860s for the Daughters of Charity) and most recently the former Krauss Department Store on Canal Street. Immediately pre-Katrina, KFK began 1205 St. Charles, the conversion of an older 14 story apartment building into a 221 unit condominium project, upriver of the CBD. All of these projects have been extremely successful, regardless of their location.

His largest and most complex project to date has been the Krauss complex, at the corner of Canal Street and Basin. This $70M development features 111 upscale condominiums, 122 luxury apartments and 25,000 square feet of ground floor retail. KFK purchased the property in the early 2000s and signed the construction contract on Friday, August 27, 2005, just 2 days before Katrina struck New Orleans on August 29, 2005. The project was sold out as condos pre-Katrina, but post-storm 122 contracts out of 233 were cancelled. The original $30 million construction contract escalated to $40 M, the project was delayed 12-16 months due to financing problems and the original Krauss Department Store building had to be redesigned as apartments in order to qualify for historic tax credits. Completed in 2009, the project has been hugely successful. Apartments rent for $2.05 / square foot and are 95% occupied. The condominiums are substantially sold. “Krauss just got FHA approved loans: i.e. mortgages for 3% down, 30 year term, low interest rates and no closing costs. This is a great deal! This will help buyers get financing, even those with lower credit ratings. But it only worked because 70 out of 111 units were already sold.” The complex offers unique amenities including 24 hour valet parking and security. Although the Krauss complex is located immediately adjacent to the Iberville Housing Development, safety for residents or visitors has never been an issue.

Residents typically are DINKS (double income no kids), professionals associated with the Medical Center or other CBD businesses, empty nesters, or second home buyers wanting a “place in New Orleans.” There are few families currently living at Krauss, although Mr. Khoury, his wife and young daughter have lived there since it opened. “This is not unusual for the CBD. Few families live downtown and this has been the case for last 20+ years.”

The KFK Group’s newest project is the former Texaco headquarters (1501 Canal Street), which they acquired in 2006. This 17 story mid-20th century modernist building (108,500 gross square feet), just blocks lakeside of the Krauss project, has been placed on the National Register of Historic Places and is currently being converted into 108 market rate apartments with 2,500 square feet of ground floor retail. According to materials provided to UNO, this project exemplifies the company’s approach to urban development. “KFK becomes involved in a district on a multi-property basis so that the beneficial effects of each property’s improvements are compounded, resulting in a dramatic enhancement of the overall qualities of the district.”

KFK views the Texaco redevelopment as a catalytic project “that would serve as an additional anchor for our multi-property investment strategy within the upper Canal Street district. Adding multi-family residential and ground
floor retail at Texaco to serve the emerging Medical District, Theater District, and downtown communities will push the growth of Canal Street further upriver, will help activate a long-neglected area of downtown, and will strengthen and leverage the surrounding investments …, including Krauss.”

KFK further states, “This massive project (the VA and LSU hospitals), which, at over $2 billion is among the largest in the city's history, will generate over 10,000 new jobs and truly transform the downtown medical district adjacent to the Texaco project.” In Mr. Khoury’s opinion, “Upper Canal is the epicenter of development for the next 5 years, where projects will be developed by both the public and private sectors for a variety of uses.”

According to both Mr. Khoury and Mr. Garcia, the two recent KFK CBD projects demonstrate both the value and challenge presented by downtown historic properties. “Their locations are a big plus, especially when they are served by streetcars, however there are significant issues regarding their development. Renovations of historic structures are costly: typically development costs exceed $200 per square foot versus new construction costs at $100+ per square foot. There are also additional restrictions given their historic designation: height limits, restoration standards imposed by the National Park Service tax credit program, etc. However, in the end, they are well worth it.” In his opinion, based on recent KFK projects, “Canal Street will boom, but the City needs to facilitate efforts by the DDD and others to develop the upper floors of Canal Street buildings. We need to pass laws at both the local and state level to get this done, including new or revised building codes.” Estimates indicate there are 2.4M square feet in Canal Street’s vacant upper floors according to a recent study conducted for the DDD. “This is the next challenge. But to make it happen, we also need to get the bad tenants cleaned up and off the street. This is slowly happening but we need more action and enforcement of existing laws.”

Regarding the impact of existing and future streetcar service on KFK’s CBD properties, Mr. Khoury sees this unique form of public transit as a plus for all concerned. “The Canal Streetcar— it’s public transit that actually gets used! Everybody likes the streetcar! The Canal Streetcar was always part of our decision to buy the Krauss building and soon thereafter the Texaco building. One big plus: residents don’t have to drive. Further, they (streetcars) improved the land values and the quality of life for our residents.” Advertisements for Krauss routinely highlight the streetcar. In Mr. Khoury’s opinion “We definitely need the streetcars to loop around the French Quarter, but the Loyola (streetcar) has value by itself” as part of a larger CBD / FQ circulator system. Concerning the Canal Streetcar, “it’s underutilized right now, but ridership will go up big time, when all the downtown projects are completed”: i.e. Saenger’s $40M renovation, the Orpheum’s proposed $10M live music venue, the Joy’s pending conversion, the BioInnovation Center ($60M bio-tech incubator), the Tulane / LSU Cancer Research Center ($100M), and the recently completed $140M renovation of the Roosevelt Hotel. “Follow the money—it’s all going to Canal Street and the streetcar and development along the Loyola corridor will complement the overall development of the CBD. We’ve come a very long way since Katrina. If all the current projects get finished, we will be in good shape.”

Concerning development along the Loyola streetcar line, Mr. Khoury believes it has potential. “We made an offer on the Plaza Tower, but lost out to the other guys. However, I love that building. Right before we bought 1205 St Charles, we tried to buy Plaza Tower again, but it was a legal nightmare. A bank bought the building originally for $500,000. Then a developer spent $4M to buy it and then spent many more millions for environmental remediation. So now it’s on the market for $15.5M. It has no worth as an acquisition. It will take another 5 years or so before it will qualify for historic tax credits and then the numbers might work. Right now, they don't. Plus it’s a big building and there is a limited condo market.” At this time, according to Mr. Khoury, residential development probably won't work. “Gibbs was very lucky with his timing and financing for 930 Poydras. It only worked because the parking garage (part of the project) was financed with Go Zone bonds and New Market tax credits. You couldn’t do that project today.” However, KFK believes “there’s a condo future here—the condo market will come back—there’s just been a slowdown in the real estate market recently.”
“The impact of the LSU/V A medical complex is huge—high paying jobs (estimated at 10,000) will drive residential development downtown. This project has the potential to quadruple downtown's residential population. There's no reason for the residential growth downtown not to increase tenfold. Right now the population is 2,500 but you could have 10-15,000 easily when you factor in all the new developments impacting downtown, including the streetcar, the emerging Theater District, and continued investment in the Upper CBD.” To reiterate his position, “I'd bet on downtown before anywhere else. Benson and Hyatt will have another very positive impact. We're starting to have a very active downtown and it's only going to get better.”

Mr. Khoury also sees significance in a number of announced or pending projects. “Rouses is a very big deal for the CBD — we've needed a grocery in the area for years. Uptown Whole Food's developer Neal Hixon wants to develop the Joy Theater. Eventually, it'll happen—there are lots of good tax credits for him to use—the challenge is operations.”

Finally, Mr. Khoury discussed the Iberville Development, immediately adjacent to both the Krauss project and the Texaco Building. “We have had no crime issues at all. But the perception is that crime is a big deal. This isn't true but that perception is a problem. In reality, Iberville is a gem, but public housing in its present and past form doesn't work. Iberville needs to be redeveloped as mixed income with existing buildings renovated and reconfigured. Re-establish the street grid and reduce the density. If this were done, Iberville would succeed.” However, there is too much politics for KFK to get involved. According to Mr. Khoury, “HRI might do it and now there's finally the political will at both the federal and local level to take action. Expect an RFP within a year. If it gets redeveloped, it will have a huge impact on Canal Street, the French Quarter, and all of downtown. It will a winner for everyone, including the residents.”
Mr. Farnsworth reviewed recent projects completed by the National WWII Museum as well as those being planned for the near future. On November 6, 2009 the Solomon Victory Theater opened as Phase II of the Museum's multi-phase expansion. This phase, a $60M investment, also includes the Stage Door Canteen, the American Sector (a John Besh restaurant) and the WWII Museum's Executive Offices. The John Kushner Restoration Pavilion, a $3M project, is scheduled to open in the Spring of 2011. Located on Andrew Higgins Boulevard immediately across from the original museum building, this pavilion will provide a showcase for the on-going work of restoring and preserving exhibits.

Coinciding with this project will be an upgrade of Andrew Higgins Boulevard from Camp Street to Lee Circle. The planning and design is supported by the Museum, the Regional Planning Commission and the Downtown Development District. The museum, subject to traffic studies and with City approval, hopes to convert Andrew Higgins Boulevard between Camp and Magazine into a pedestrian-only zone ($1.5M), initially only on the weekends and for special event days. “Eventually we hope to expand this zone from Camp Street to Convention Center Boulevard and create a pedestrian friendly environment / entry way leading to the museum.” Preliminary discussions with interested parties have included the idea of a rubber tired people-mover to shuttle visitors from the Convention Center to the Museum and potentially to Lee Circle. A streetcar providing this linkage “would seal the deal for a number of projects being envisioned for the upper Warehouse District / Lafayette Square District neighborhoods.”

In Mr. Farnsworth’s opinion, upgrading Andrew Higgins Boulevard into a “pedestrian / transit mall” is a great idea. Since opening on June 6, 2000 pedestrian activity in the immediate environs has steadily increased as has attendance to the Museum. Prior to Katrina, annual visitations were in excess of 700,000. Currently visitations exceed 400,000 and are expected to reach 700,000 upon completion of the expansion in 2015 or 2016. “Pedestrian activity has easily tripled in the last couple of years.”

Phase III, the US Freedom Pavilion ($30M), will feature exhibits highlighting the context and the historical background leading up to WW II. Phase IV, the Campaigns Pavilion ($43M), will portray all aspects of the war in specific time and place. All campaigns of the war on land, sea and air, and every branch of the US military services will be presented. Phase V, the Liberation Pavilion ($30M), will focus on the closing months of the war and immediate postwar years. Phase VI, the Special Exhibits and Collection Pavilion ($17M) and an upgrade to the original museum building / exhibits ($20M) will complete the complex. In total, these pavilions and related projects represent a collective investment in excess of $200M. A conference hotel (200 rooms) with structured parking is currently under discussion but these projects are not included in the investment total.

Although all of these projects are being constructed riverward of Lee Circle, they represent another development node within the CBD, especially when taken in conjunction with the other museums in the area (CAC, Ogden Museum of Southern Art) and reinforce the need for added connectivity between the Convention Center, the Museum District and the upper CBD. Towards this end, Mr. Farnsworth supports a comprehensive analysis of mobility within the CBD.
Mr. McNamara has served as a Commissioner and Chairman of the Downtown Development District for many years. Consequently, he has been a leader in formulating both policies and projects impacting the CBD with funds provided by a special millage paid by property owners within the DDD. These projects have included the streetscape improvements to Canal Street, the Lafayette Mall, streetscape improvements to St. Charles Avenue, the “Acres of Diamonds” demonstration project for the upper floor redevelopment of Canal Street properties and the Warehouse District's Mississippi River Heritage Park.

Recently Mr. McNamara assumed leadership of GNOBEDD, a state entity, with a 13 member Board of Directors. GNOBEDD is responsible for the transformation of a 1500 acre area of New Orleans, encompassing portions of the CBD and Mid City, into a biosciences / healthcare hub for business, industry and educational ventures. The district is bounded by Carrollton Avenue, Iberville Street, Loyola Avenue, and the Expressway. GNOBEDD is currently developing a comprehensive master plan with the assistance of a consultant team led by AECOM, a nationally recognized leader in the planning of multi-institutional urban medical centers, and local GIS experts GCR, responsible for developing a multidimensional profile of the district. Within the GNOBEDD are the BioInnovation Center, currently under construction on Canal Street, the Louisiana Cancer Research Center, under construction on Tulane Avenue, as well as the to-be-constructed VA Hospital and the University Medical Center in Mid City. The collective investment represented by these 4 projects exceeds $2B. They represent the single largest infusion of capital and employment in the history of New Orleans. It is estimated that the combined institutions will be responsible for 7,500 new jobs with an average salary of $95,000. The VA estimates their employment at roughly 1,100; UMC estimates total employment between 2,000 and 2,200. This is a driving force behind various residential developments within Mid City spearheaded by the Domain Companies and in the CBD by other development interests.

Mr. McNamara reviewed in-progress materials regarding the GNOBEDD including its overarching goals and objectives, its organization, and current activities. In Mr. McNamara's opinion, the biosciences cluster is the most significant element in New Orleans' economic future. “GNOBEDD represents an emerging giant for our economy. Our charge is to manage its impact for the greatest community benefit.”

Mr. McNamara and members of his Board are currently reviewing the evolution of similar bioscience districts in St. Louis, San Francisco, Birmingham and Miami and quantifying their impacts; specifically the jobs generated, the spin-off development and overall economic impact. The premise for their efforts is “BioBoom”; building on the significant resources currently represented by New Orleans' biomedical institutions. During Mr. McNamara's project briefing, he noted that his organization is just starting a four part process: Phase 1: Initiation / Discovery; Phase 2: Concept Development; Phase 3: Master Plan; Phase 4: Execution. A major effort in this process is stakeholder outreach and engagement. Over 300 individuals and organizations will participate in workshops, planning sessions, and related meetings over the course of this master planning project.

During Phase 1, transportation systems are being carefully evaluated for capacity, future expansion, and overall impact to the existing and proposed facilities. The Canal Streetcar provides an ADA public transit link along the
downriver edge of the District linking downriver to the new Loyola Streetcar at Elks Place, the St. Charles Avenue
Streetcar at Carondelet and the Riverfront Streetcar at the terminus of Canal Street at the river. The upriver terminus
is at the Cemeteries at City Park Avenue. A spur track also serves City Park via Carrollton Avenue. RTA also
provides extensive bus service within and through the District. GNOBEDD is currently working with the RTA on
maximizing its services to the District. Shuttle services are also provided by the respective institutions for inner-
district transport. Previous TIA reports have been prepared for both the VA and the UMC projects and reviewed by
the consultant team. These reports were primarily traffic analyses of the major roadways serving the District. Both
reports indicated a Level of Service C both before and after construction. Minor modifications were recommended.
GNOBEDD is currently working with the DPW, the RPC and the RTA on modifications to roadways and public
transit service. They are also consulting with the Parks and Parkways and utility providers on streetscaping issues.

Given the impact of the BioSciences District's investment and employment generators on Mid City and the CBD,
this new dynamic will have significant influence on development dynamics, transportation, residential development
and economic activity along Canal Street, Tulane Avenue as well as Loyola Avenue and the upper CBD / upper
French Quarter.

The District will also create a new economic node to the traditional Big Three generally accepted to date by New
Orleans’ planning and economic development professionals: i.e. the French Quarter, the Convention Center and
the Superdome. “These must now must include GNOBEDD,” Mr. McNamara noted that recent activities regarding
a Strategic Plan for New Orleans’ Hospitality Cluster minimized GNOBEDD’s potential impact on the future of the
city.
Interview:  CHRIS PAPAMICHAEL  
Co-Principal  
The Domain Companies  
August 3, 2010

UNOTI:  James R. Amdal, Director

Mr. Papamichael, along with co-principal Matt Schwartz (both Tulane University alumni), have focused their company’s resources and expertise on the post-Katrina redevelopment opportunities along Tulane Avenue and the Mid-City neighborhood. Since 2006, the company has invested $135M in 3 mixed income rental residential projects, totaling 483 units. They have also developed 3,000 gsf of ground floor retail in the Crescent Club and are in the final stages of completing an additional 15,000 gsf of neighborhood retail in the Shops at Crescent Club, anchored by a Capital One branch bank. This new project is located directly across Tulane Avenue from one of their apartment complexes. Currently they have over 90% occupancy in their projects. According to Mr. Papamichael, the keys to their success include competitive pricing, free garage parking, and a full complement of on-site amenities. The primary catalyst for their investments has been the emerging Medical District in Mid-City and the existing medical facilities within and adjacent to the CBD.

The company specifically chose Tulane Avenue and Mid City for their development activities given the availability of large parcels, reasonable acquisition costs, and the potential to use a variety of “advantaged financing” resources post-Katrina. Proximity to the CBD via Tulane Avenue, the prospect of the Medical District as a generator of “residents” and existing RTA lines serving the projects were also seen as unique advantages.

Since committing to the redevelopment of the Mid City neighborhood post-Katrina, the company has become an active partner with various neighborhood groups on community issues above and beyond their real estate ventures. They have sponsored the Wise Words Community Garden immediately adjacent to their residential project, the Preserve. They helped fund the renovation of the St. Patrick neighborhood park. The company is scheduled to begin construction in early 2011 of an artist loft / studio complex in the former Gold Seal Creamery building, mostly closed since Katrina, on S. Alexander. They also actively support the continued development of neighborhood retail within Mid City by other entrepreneurs.

Recently the company has started pre-development work on a mixed use project on Loyola Avenue. The site, one square block, is bounded by Julia, Girod, S. Rampart and Loyola. They anticipate the total hard costs will be $100M for this market-rate residential project. It will also have a significant amount of retail oriented to the local market. No hotel is currently planned.

Regarding overall development dynamics and the role of public transit in their investment strategy, Mr. Papamichael noted the following:

- The transit hub at the NOUPT for both RTA and JET has a “huge impact for access to work”.
- The streetcar extension along Howard Avenue will benefit the entire upper CBD.
- Enhanced transit services (greater frequency, more capacity) along Tulane will be necessitated by the Medical District.
- Relative to the Loyola Streetcar project, “a reserved ROW makes sense”.

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• The rebranding / reimagining of Tulane Avenue, currently under development by the RPC, is critically important.

• With the redevelopment of the Hyatt Hotel (a new orientation outward to the CBD, three new restaurants as well as the main entrance on Loyola) the nature of Loyola will radically change. “Our project will reinforce the importance of this location for new CBD investment. The streetcar is also an important new addition to this emerging investment corridor.”

• A “transit connection, preferably a streetcar” is needed between the Convention Center and the upper CBD / Loyola Avenue. “Howard / Andrew Higgins Boulevard seems like a good corridor.”

• “Value Capture as a financing tool for properties along Loyola Avenue will be a tough sell, if not impossible.” Pilot fees may be necessary.

Mr. Papamichael noted that when the Domain Companies were first investigated investment opportunities post-Katrina in New Orleans they did not consider either the Warehouse District or other CBD locations. However, he presently lives in the Paragon, a Warehouse District condominium located on S. Peters Street, so he views the CBD neighborhoods as both a real estate developer and a resident property owner. He sees the continued development of all these neighborhoods as a vital step in the overall strength of the CBD.
Appendix 8: References


Reigel, S. (2009). What’s so hard about mass transit?


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