Revitalizing the central business district in the face of decline: the case of New Orleans, 1970-1990

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INTRODUCTION

In their quest to become more competitive with other communities, city officials over the past twenty years have shown an increasing interest in local economic development policy and planning. Cities attempt to improve their economic position by competing with other jurisdictions for investment and affluent residents (Goodman, 1979). In doing so, cities have adopted widely different development policies: some relentlessly pursue growth; others remain indifferent (see for example Elkin, 1985 and 1987; Fainstein and Fainstein, 1983; Peterson, 1981; Stone and Saunders, 1987). For those cities pursuing growth, local office-holders are most likely to ally on development issues with business interests, those who control the city's economic assets and hence make its economic decisions. This coalition between politicians and business interests is a constant feature of urban politics (see Elkin, 1985 and 1987; Mollenkopf, 1983; Peterson, 1981; Stone, 1987).

In creating this coalition, many cities pursue what has come to be known as the "corporate-center approach" (see Hill, 1986; Feagin, 1986; Robinson, 1989), which emphasizes growth and real estate development, particularly in central business districts. The goals of this approach are increased economic growth and tax base expansion, with little concern about the distribution of benefits.

The key elements of the "corporate center approach" (see Robinson, 1989:285-286) include:

- the importance of private sector decisions in determining economic development outcomes;
the public sector's role being limited to the creation of an economic and social environment conducive to increased private investment (e.g. public resources are used to fill "the gap between the level of resources investors are willing to devote to projects and the level required for project implementation") (Robinson, 1989: p.286).

- attracting advanced services establishments and other growing sectors along with the re-shaping of urban space, especially in the central business district.

Hill (1986: p.105) has described Detroit's pursuit of the "corporate center strategy":

...Overall investment priorities are to transform this aging industrial city into the modern corporate image ... [with] an emphasis upon recommercialization rather than reindustrialization, and an orientation toward luxury consumption that is appealing to young corporate managers, educated professionals, convention goers, and the tourist trade.

To pursue such a strategy, planning must be insulated from most neighborhood groups, the poor and minorities. The negotiations that take place between government and business interests are kept from public scrutiny. Unlike Peterson's view that development policy is consensual because growth generates benefits for "the city as a whole," we know that business interests and public preferences may not (and often do not) coincide (see for example Fainstein and Fainstein, 1983). For instance, spending on development activity may reduce spending on other services; development decisions may impose undue burdens on certain geographical areas and groups; profits remain in the hands of private groups rather than with the public, which captures only a percentage of the benefits.

Therefore in most cities the goals (and planning) of such a strategy are established by quasi-public economic development corporations, which usually do not allow for broad-based participation. These corporations are part of what Stoker (1987) has termed "shadow governments." The use of the public or quasi-public authority, a non-elected development decision-making agency frequently endowed with its own revenue sources, removes development policy from the democratic political process.
As Elkin (1987) concludes, city politics is "a political order with a public and private face," with land use negotiations taking place far from public gaze.

The geographic emphasis in most corporate-center strategies favors central business districts and their surrounding areas. In the process of redeveloping the central business district a new city, albeit smaller and more specialized, was created in the downtown areas of many older urban jurisdictions. Older cities became "transaction centers, islands of affluence and activity surrounded by decay, unable to provide enough jobs to sustain their surplus population. Public resources flowed to the renewal of downtown areas at the expense of poorer neighborhoods" (Tabb, 1984: 4; also see Feagin and Smith, 1987; Hill, 1986). These downtowns became areas for advanced services, high-tech activities and tourism, with luxury consumption in terms of shops, leisure activities and housing.

To finance development in these areas local officials have devised ingenious ways to raise capital, often directing tax revenues towards specified ends rather than the general fund. Municipal governments have set up special assessment and tax districts, whereby a portion of property taxes levied on structures within the area are returned to it. Generally, these funds are used for further capital expenditures, as backing for loans, or to pay for supplemental services. Such mechanisms have the effect of turning over various municipal governmental powers to private business. Most of these subsidies are earmarked for thriving downtown areas (Fainstein and Fainstein, 1983: 20).

It is the purpose of this paper to describe and analyze strategies used to encourage growth and development in downtown New Orleans between 1975-1985. Leadership in economic development planning in New Orleans has been characterized as following the corporate-center approach (Whelan, 1987; also see Whelan and
Young, 1989). New Orleans was chosen because it is an old city with a relatively healthy downtown (one that never experienced the major slumps of many other cities) that underwent a major planned revitalization effort. First, we discuss the context of the redevelopment. Second, we describe the three major elements of the revitalization effort: 1) a growth management program to guide future change, 2) a special taxing district charged with implementation, and 3) an incentive zoning ordinance. Third, we analyze some of the changes that have occurred to four major areas of downtown (Canal Street, Poydras Street, the Warehouse Area and the Riverfront) since the revitalization effort was put into effect. Finally we conclude by discussing some of the post-1985 changes downtown and the renewed planning efforts to stem the decline of recent years.

THE CONTEXT FOR NEW ORLEANS REDEVELOPMENT, 1975-1985

Between 1975 and 1985 downtown New Orleans experienced its greatest building boom since the city’s commercial heyday in the 1850s (see DDD, 1987). Office space more than doubled, from 7.7 million square feet in 1975 to over 16 million square feet in 1985, with approximately 90,000 downtown employees. A major impetus to office development was the transformation of Poydras Street from an area of deteriorating warehouses and railyards into a six-lane thoroughfare. Anchoring Poydras Street was the construction of the world’s largest enclosed arena, the Louisiana Superdome, completed in 1975. City officials agreed with the developers of the Superdome that such a mammoth building would announce to the world that New Orleans was "ready for business," no longer the parochial island of the past. Business responded, with more than six million square feet of office space constructed by 1985
on Poydras Street alone. This office space was built to serve as regional headquarters for the petrochemical industry (which experienced a major boom in the early 1980s) and the service industries. Construction of the publicly-financed Superdome was also key to the tourist-based strategy for downtown New Orleans. Hotel rooms increased from 4,750 in 1960 to 10,686 in 1975 to 19,500 rooms in 1985 (New Orleans Tourist Commission, 1990). From 1975 to 1985, retail space more than doubled to two million square feet.

Land use changes in the riverfront area over the last decade have been more dramatic than anywhere else in the downtown area. The 1984 World’s Fair, located downtown on an 82-acre site along the Mississippi River, spurred riverfront development. The Fair took an area of railroad yards and warehouses (only some of which were abandoned) and converted it into a concentration of retail, hotel and cultural facilities. The publicly-financed New Orleans Convention Center, originally the Fair’s Louisiana Pavilion, opened in early 1985 with 350,000 square feet of exhibition space. The Convention Center is undergoing a $114 million expansion on an adjacent site, with an additional 328,000 square feet of exhibition space to be completed by the end of 1991. Taking advantage of the groundwork laid by the Fair, the Rouse Company opened Riverwalk in 1986, a 180,000 square foot specialty marketplace adjacent to the Convention center along the river.

New Orleans has experienced a significant growth in its tourist and convention trade. The number of conventions in New Orleans increased from 764 in 1976, with 481,000 delegates, to 1092 in 1985, with 770,243 delegates. By 1989 New Orleans hosted 1360 conventions with over one million delegates. According to the Louisiana Travel Profile, the number of tourists to the New Orleans area increased from approximately 6.5 million in 1975 to more than 11 million in 1989. By the mid-1980s,
tourism was seen as a $2.5 billion business for the metropolitan area, with much of the industry located in downtown New Orleans.

Yet, a revitalized CBD has benefitted only some New Orleanians. Among large U.S. cities, New Orleans ranked third in poverty: twenty-seven percent of New Orleans' families were considered poor in 1980. New Orleans continued to lose population; the population declined 6.1 percent during the 1970s, going from 594,000 persons in 1970 to 558,000 in 1980. In 1990, the population was 497,000. During the 1970s New Orleans also became a predominantly black city: by 1990, New Orleans had a population that was 62 percent black and 35 percent white (U.S. Census Bureau). Unemployment grew during the ten-year period of revitalization; the city's unemployment rate grew from 7.2% in 1975 to 11.0% in 1985 percent (compared with national figures of 8.5% in 1975 and 7.2% in 1985). The unemployment figure stayed above 10% until 1988. However, subemployment was the major problem facing New Orleans in the 1980s. Approximately 30% of the population was considered subemployed (City of New Orleans, 1978). Many of those who work in the tourist industry struggle with the problems of unemployment and subemployment.

Still city officials are turning increasingly towards tourism as the source of growth for the economy. Traditionally the city relied almost totally on oil and gas products, but the bottom had fallen out of that industry by the mid-1980s. Over 27,000 jobs were lost between 1984 and 1988 in the metropolitan area. While government leaders talk about the need to diversify the economy, promoting tourism has been their major priority. In 1986 the public, at the urging of political, business and civic leaders, voted to use public funds to finance a new aquarium downtown; that same year the public voted against additional millages for police and public schools. The police were left understaffed, the schools poorly financed, and city staff was cut by
20 percent. Most of the major new tourist facilities are being built downtown, close to the convention center. Public resources continue to flow to the CBD area. A recent study of Urban Development Action Grant (UDAG) projects in New Orleans found that the ratio of neighborhood to non-neighborhood projects was 1:4. Of the non-neighborhood projects, 88 percent of the funds were spent in the CBD (i.e., $28.2 million out to $3.5 million). (see Spraul, 1989). In a sagging economy the services sector grew by 20 percent between 1980 and 1989. The next most active sector was finance, insurance and real estate, which grew by eight percent between 1980 and 1989 (on the other hand, construction dropped by 40 percent and manufacturing by 28 percent, see EDC, 1989.

Adopting a corporate center strategy is also seen as a way of stemming competition from the surrounding suburbs. While the city’s population dropped between 1970 to 1985, population in the metropolitan area has been growing: from 1.10 million in 1970 to 1.26 million in 1980 to 1.33 million in 1985. Office buildings and retail shops have followed the population to the suburbs.

Partly in response to the growing threat from suburbanization, business and government leaders in New Orleans over the past 25 years have made several key decisions which created the conditions under which certain kinds of economic growth have predominated. The first was the decision in the 1960s to build, at public expense, the $164 million Superdome, a megastructure that opened on Poydras Street in 1975 as a downtown convention/sports arena. That decision transformed an area of deteriorating warehouses and railyards into a six-lane street lined by more than six million square feet of office space (see Katz, 1983). The second decision was the defeat in 1969 of the proposed Riverfront Expressway, a six-lane elevated highway along the edge of the Mississippi River in the French Quarter meant to provide better
access from the suburbs to the CBD (see Baumbach and Borah, 1981). For the first time in seventy years New Orleanians began focusing on non-maritime uses of the riverfront. The defeat by the preservation community of the expressway meant that the riverfront remained available for redevelopment into tourist facilities, which today are growing rapidly along the riverfront. The defeat also meant that the demands of the preservation community would have to be factored in when planning for the development of downtown New Orleans.

The decisions by the New Orleans public port authority (known locally as the Dock Board) to phase out some of its underutilized and outmoded downtown riverfront wharves and make them available for non-maritime use, as well as the decision by a group of local business leaders to develop a world's fair along the downtown riverfront (using some of the Dock Board's wharves) led to major land use changes along the riverfront, all of them geared to commercialization and appealing to tourists and upscale professionals.

Changing land-uses were becoming apparent by the mid-1960s, when the private sector awakened to the value of downtown land and of the possibilities for redevelopment. Major new developments were planned for the foot of Canal Street, including the International Trade Mart Building and the Rivergate. Because of the heretofore parochial nature of the local business elite, the federal Urban Renewal Program had essentially by-passed the city. The local elite preferred to forego federal funds rather than have to abide by regulations imposed from the outside. Still by the early 1970s many of the same problems that other cities had experienced under Urban Renewal, albeit on a smaller scale, began to be manifested in the city.

Land speculation, inadequate parking and the demolition of many, sometimes architecturally significant, buildings were a few of the problems. Because no controls
then existed on the bulk and height of buildings, high rise developments that were beginning to appear lacked quality design standards. The city's tallest building, the 52-story One Shell Square, was built on Poydras Street in 1972. No consideration was given to pedestrian amenities. Preservationists began to express concern about the changes to the New Orleans skyline, especially as they impacted the neighboring French Quarter. When the 40-story Marriott Hotel was built in 1972 on the French Quarter side of Canal Street, it caused a major uproar among preservationists who felt it had a negative visual impact on the Quarter. These concerns led to a coalition of business interests, preservationists and other civic leaders which began meeting on a regular basis. They decided there was a need for a planning mechanism to coordinate activities and to guide and control future growth and development in the CBD (Brown, 1982). That significant growth was to occur downtown was not debated; by the 1970s CBD growth as a strategy of economic development had been accepted by most civic leaders.

Funding for creation of a program to guide growth and development in the CBD was agreed upon by then Mayor Moon Landrieu (1970 - 1978) and the Chamber of Commerce to be split equally between government and business. The consulting firm of Wallace, McHarg, Roberts and Todd (WMRT) was retained in 1973. After studying New Orleans and the projects already being constructed, the firm concluded that New Orleans' problem was not how to achieve growth (the problem faced by most old cities) -- growth was coming to New Orleans like an avalanche. The problem for New Orleans was how to manage growth, and thus the "Growth Management Program" was initiated in 1975 (Moses, 1982).
MAJOR ELEMENTS OF NEW ORLEANS' REVITALIZATION EFFORT

The Growth Management Program

A key feature of the Growth Management Program (GMP) was to focus development in areas where high-intensity land use already existed, rather than allow it to take place on scattered sites where it could provoke resistance from neighborhood groups, especially preservationists. Downtown's adjacent French Quarter is not only an historic district, but also a neighborhood where many preservationists live. The GMP, then, hoped to accommodate the needs of both the pro-growth coalition and the preservation community. Accordingly, another feature of the GMP was that historic buildings and areas should be preserved. Thus, development should accommodate historic continuity.

Specifically, the GMP established eleven general goals for the New Orleans CBD (see Wallace, McHarg, Roberts and Todd, 1975). These goals included the following (see Map I):

1) Strengthen downtown New Orleans as the administrative, office, retail and entertainment center of the Region. Major new development should be concentrated in multi-purpose centers at Poydras Street, the Riverfront, the Superdome Area. All major commercial development should be located in the heart of the CBD (i.e., uptown of Iberville Street).

2) Promote growth while preserving historic continuity. New developments, in areas with historic buildings, should relate architecturally to the existing buildings to achieve this goal. When possible, historic buildings should be renovated and put to use. All demolition of such buildings must be halted.

3) "Return to the Riverfront:" Maritime functions along the CBD Riverfront should be phased out as soon as possible to allow new development. Pedestrian use should be encouraged along the Riverfront and developments should not block public access and view.

4) Provide a full range of activities downtown which attract residents as well as visitors. Focusing on the uptown side of Poydras, these activities
might include residential development and smaller retail and service
outlets, with an orientation toward the pedestrian.

5) Achieve an integrated transportation system, balancing automobile
facilities with transit and pedestrian uses. Pedestrian amenities and
movement corridors (i.e., malls) should be developed. Large parking
concentrations should be developed; inter-area transit, such as a shuttle
bus, should be promoted between peripheral parking areas and
employment centers.

6) Retain a strong retail core on Canal Street, which should not be
undermined by nearby competition. Canal Street and surrounding streets
should be landscaped to increase pedestrian traffic vital to retail
businesses. Service traffic should be separated from the pedestrian and
the automobile.

7) Strengthen the bond between the CBD and the Vieux Carre. High rise
construction should be located away from the Vieux Carre. Major hotel
development should not occur within the Quarter, but within walking
distance to promote tourist and retail activity.

8) Protect and develop good residential communities within the central area.
Nearby residential neighborhoods, including the Vieux Carre, should be
preserved. Residential opportunities should be provided for a full range
of income levels and new residential construction should be near high
employment centers.

9) Establish a detoxification and rehabilitation center for the treatment of
Skid Row inhabitants and the eventual elimination of Skid Row itself.

10) Encourage design distinction through zoning and other control devices
that insure a high level of urban design, architectural and landscape
quality.

11) Forge a public/private partnership to carry out the GMP and thus
institutionalize the process.

To carry out these goals the GMP recommended several tools for
implementation. The three major tools include the creation of historic districts to
ensure historical continuity and character, major zoning legislation, and the creation of
a special tax district to serve as a financing and planning mechanism for the GMP.
The Downtown Development District

The special taxing district was created by the state legislature in 1974 and approved by the city voters in a 1975 referendum. Known as the Downtown Development District (DDD), the tax district is financed by a special property tax levied on all CBD sites. These funds are used only within the district, for programs ranging from supplemental services to capital improvements. The DDD is administered by a nine-member board of commissioners, five nominated by the Chamber of Commerce and four nominated by the public sector -- all named by the Mayor and approved by the City Council. Thus in its makeup the board represents a public-private partnership, and personifies the working relationship between the City and the downtown business community.

The DDD provides a forum for ideas and plans on the future of the CBD. It encourages property holders to act on shared interests and to consider how their interests relate to the local and regional economies. It promotes the interests of downtown in the city's planning processes. It has acted as service provider, advocate and planner for growth and development downtown. In addition to development planning it is involved in the execution of specific projects. It has had the financial and staff resources to encourage, direct and monitor development in the 1.5 square miles under its jurisdiction. For the last several years the special taxing district has spent approximately $2 million each year on improvements to the CBD. The funds are generated by a special ad valorem tax on real property in the CBD. Revenues collected through this special tax have risen from $975,000 in 1976 to approximately $3.5 million in 1987.
The Board's primary responsibility is the presentation of an annual plan specifying the public improvements, facilities and services proposed for the District. The District's plan is reviewed by the City Planning Commission and then submitted to the City Council, where it is adopted, and the tax level established in accordance with projected expenditures.

The only limitation on the projects undertaken by the DDD is that they be "special and in addition to all services, improvements and facilities" that the City already provides. Tax district funds are not meant to be a substitute for city funds, but an addition to regular city expenditures and investments in the CBD. To avoid duplication of administrative efforts and expense all services are to be provided through existing departments and agencies of the City. As services have been reduced citywide, the comparatively high level of services found within the downtown area, due to the additional DDD services provided, has provided a stark contrast with most of the city's neighborhoods. The city's turn towards a tourism-based economy also means that adequate levels of services downtown are critical.

For the first several years the DDD concerned itself largely with service delivery through supplementing city services, such as subsidizing additional police patrols, running shuttle buses within the CBD, developing cultural events and maintaining additional sanitation pickups. In the early years a priority was the elimination of Skid Row, mainly in the vicinity of Julia and Camp Streets, through detoxification programs and rehabilitation assistance as well as the physical and economic redevelopment of the area. The presence of Skid Row was seen as a deterrent to large-scale private investment in the area. The detoxification programs have not fared very well, but the rehabilitation assistance has been creatively implemented by the Historic Faubourg St. Mary Corporation (HFSM). Basic funding by the DDD has enabled HFSM, a private,
non-profit foundation, to create a revolving loan fund to purchase some key historic buildings that comprised a major part of Skid Row. Ten buildings have been bought and resold by HFSM for a total of $2.2 million invested by the organization for property acquisition. In the process Skid Row has become smaller and smaller, as the residents have been displaced to the neighboring Lower Garden District, which has witnessed the establishment of a number of soup kitchens in recent years. However, within the downtown area more and more homeless are seen in the streets, and the DDD has no program to handle this. In fact, the HFSM is beginning to see a resurgence of establishments catering to the needs of day laborers. The Archdiocesan shelter for the homeless, Ozanam Inn, never left the area and continues to draw large numbers of the homeless for meals and shelter.

In more recent years, capital projects became a prominent feature of the DDD's annual plans. The 1980 Plan was the first time the Board recommended that part of the tax-generated revenue be used to support large-scale capital projects over a long-term span. By 1983, the amount budgeted for capital projects was $3,574,183, while the services budget was $1,613,500. The main aim of the capital projects was to provide public infrastructure in an attempt to lure private investment and to attract consumers downtown.

In keeping with the recommendations of the GMP, the DDD planned and implemented three major capital projects: the Canal Street Sidewalk Improvement Project, the St. Charles Street Improvement Project, and the Lafayette Mall. Canal Street is the main retail area of the New Orleans' CBD and is the most heavily traveled pedestrian corridor. It was the meeting place of the French and American sectors, containing buildings of historical and architectural significance. St. Charles Street has historical significance. It passes both the nineteenth-century Lafayette
Square and Gallier Hall, the original seat of city government. The St. Charles Streetcar, which has been on the street since the late nineteenth century, is the last streetcar line remaining in New Orleans. The Canal Street and St. Charles Street projects provided amenities for pedestrians (including street furniture, street trees, distinctive lighting, informational kiosks) as well as a unified streetscape to highlight the streets' distinctive contribution to downtown. The Lafayette Mall provides a pedestrian movement corridor from the River and the Convention Center to the Louisiana Superdome. Pedestrian amenities such as auto-restricted areas, transit shelters and open spaces have been provided.

In developing capital projects the DDD provides staff support to city departments for grantsmanship, long-range planning and implementation activities. City departments are responsible for executing the capital projects. The DDD staff also assist developers by providing technical assistance on funding programs, tax and other incentives and available project and market information. Through the siting of physical improvements the DDD attempts to focus development in certain areas, but it has no power to force developers into those areas. The ability to regulate growth is within the province of the zoning ordinance, which was amended in 1978.

Incentive Zoning Ordinance

Upon completion of the Growth Management Program in 1975, the City undertook a study of the existing zoning ordinance and noted a number of deficiencies. Chief among these zoning deficiencies was the fact that the floor area ratio (F.A.R.) controls were far too loose to provide any kind of planning guidance. A massively overbuilt CBD could have resulted. The major zoning designation existing at that time,
which covered an immense area, permitted F.A.R.'s as high as 20.0. The City Council also had the power to grant higher F.A.R.'s without limit under conditional use procedures. By way of comparison, even New York City's World Trade Center had a F.A.R. of only 18.

Under the zoning ordinance then in place in New Orleans over 68 million square feet of floor space could have been built on sites considered susceptible to new development in the CBD-1 District alone (see Hanes, Lundberg and Wachler, 1976). The real dangers of these loose bulk controls had already been felt in the City with completion of the 52-story One Shell Square office complex on Poydras at St. Charles Avenue, and the 40-story Marriott Hotel on Canal Street next to the French Quarter in 1972. The example of One Shell Square showed that a very few developers constructing enormous buildings could quickly glut the market for office space and change the face of downtown New Orleans. Construction of the Marriott Hotel on Canal Street adjacent to the French Quarter pointed out the very real possibility of a future high rise wall of buildings cutting off the French Quarter from the remainder of downtown. Such a scenario would ensure that the preservationists would attempt to thwart future high-rise developments downtown.

Before the City could begin to regulate growth, it had to remove some of the enormous power given to developers through the high floor area ratio's in the CBD. The reduction of these F.A.R.'s would not have been politically possible had not the Mayor and key business and community leaders stood squarely behind the recommendations of the Growth Management Plan. These political and community leaders had participated throughout the GMP process and were therefore prepared to support the fairly drastic reduction in power to be given to developers and an increase in regulatory powers to be given to the City Planning Commission (Becker, 1984).
The incentive zoning program conceived for New Orleans in 1975 was second only to the plan developed for New York City in its encouragement of pedestrian amenities (Becker, 1984). While allowances were made for some mixed-use buildings to have FARs up to 18, most non-residential buildings had FARs of no more than 10-13. Mini-parks, gallerias and arcades were strongly encouraged to lessen the density of buildings and open space requirements were strengthened. In the ten years following its inception several notable projects were built downtown incorporating urban amenity elements in return for additional F.A.R.'s. These included the Pan American Life Insurance Building's popular minipark at Poydras and St. Charles, the mid-block arcade of the Intercontinental Hotel, and the Place St. Charles shopping mall and food court.

By 1985, the benefit to the public of zoning compromises allowed with incentive zoning was being questioned. Research at the national level revealed that in many instances these pedestrian amenities were not being used by the public due to poor design or limited accessibility (Whyte, 1989). Without a strong enforcement mechanism for completion of the negotiated amenities, the danger exists that the zoning compromises will not be followed faithfully. In the case of New Orleans, a revised comprehensive zoning ordinance was seen as one means for stronger zoning control (see Greene, 1984). Plans were begun to initiate a more widespread zoning revision.

**Historic Districts Landmarks Commission**

Among the recommendations of the Growth Management Program was that New Orleans should preserve and protect the historic architectural character of the many small scale buildings within the downtown. In June 1976 the City Council created the New Orleans Historic District Landmarks Commission and charged it with the
responsible of regulating the historic character and visual quality of designated local historic districts throughout the city. In response to the strong development pressures within the CBD, a separate entity known as the Central Business District Historic District Landmarks Commission was created in 1978 to specifically address historic preservation issues in three downtown historic districts.

Today eight local historic districts are in place to protect the architectural heritage of the City. Four of these districts are located in the downtown area (see Map III). In November, 1985, a major preservation coup took place with the establishment of the nine-block long Canal Street Historic District. Passed by the City Council over the objection of some property owners, the district along the main shopping street is a rarity among large American cities (National Trust, 1985).

Early application of the historic district status made possible the renovation of numerous buildings in the Lafayette Square and Warehouse Districts. Investment tax credits were widely used to convert warehouses into offices and residential buildings. Along Canal Street, construction of the Meridian Hotel was modified to conform with the historic facades adjacent to it. This was a much more successful treatment than the massive Sheraton Hotel facade on canal street approved prior to enactment of the historic district.

MAJOR CHANGES SINCE THE GMP (1975-1985)

To have some idea of the growth and development of the CBD in the decade following acceptance of the GMP in 1975, we can look at some of the changes that occurred up to 1985 in four of the major downtown areas: Poydras Street, Canal Street, the Warehouse District and the Riverfront area.
Poydras Street

Poydras Street has served the purpose envisioned for it in the GMP (i.e., as a major spine for high-density growth downtown). High-density uses abound along the length of the street, including some significant multi-use developments such as the complex of buildings next to the Superdome known as Poydras Plaza. Along Poydras more than six million square feet of office space were constructed during the decade; today office buildings along Poydras account for over 20 percent of the total downtown office inventory. Poydras became known as the oil industry corridor, with office buildings serving the regional headquarters of Amoco, Shell, Texaco, Exxon, Gulf and Chevron. Three major chain hotels (Hilton, Hyatt and Holiday Inn) were developed along the street, as was the Federal Complex.

Canal Street

During the ten years following publication of the GMP, Canal Street retained its viability as the retail core of New Orleans. However, declining economic conditions and a greater reliance on tourism for the city's economic base caused major shifts in the market and in the pattern of retailing. By 1985 eighty percent of all retail sales within the CBD, including Canal Street, came from the 4.5 million annual tourists, conventioneers and downtown office workers, with only 20 percent from the traditional shoppers. Canal Street was no longer a cohesive retail core serving the needs of the overall metropolitan population. Instead three distinctly different segments of the street emerged - - each with its unique retail characteristics and market.
The most prominent change was on lower Canal Street adjacent to the riverfront. Construction of the third phase of the Canal Place multi-use development, containing an upscale retail mall (with tenants including Brooks Brothers and Saks Fifth Avenue) brought higher income shoppers and tourists to Canal Street.

The segment of the street containing the large traditional department stores suffered during this period with closing of the Sears downtown store and the temporary closing of the Maison Blanche department store during a corporate reorganization. Smaller retailers relying on the draw of the larger stores were also negatively affected and a number of lower end discount jewelry and electronics stores moved into the area.

It was the upper end of Canal adjacent to Claiborne Avenue which experienced the greatest deterioration in the ten-year time span. While Krauss Department Store remained, Texaco moved its headquarters from that end of Canal to Poydras Street. Many land parcels were used for surface parking and rental car lots. Proximity to a public housing development was said to discourage reinvestment in the area.

Four major hotels are found along Canal: the Marriott which is pre-GMP, the Sheraton, Le Meridien, and the Clarion (which is a renovated hotel that predates the GMP). With the exception of the hotels and Canal Place, zoning has managed to push high-rise developments to Poydras and thus retain the low-scale of Canal Street.

Warehouse District

Much in evidence in this historic area are smaller scale developments and adaptive reuse of existing warehouses, spurred in large part by the 1984 World's Fair. By the 1980s the nature of the district was changing, from port and service-related
industries towards commercial and residential uses. New residential units added to the district through conversions of warehouses began to create a new residential neighborhood adjacent to the CBD. The investment tax credits put in place in 1981 made possible this transformation. By 1985, Julia Place Apartments with 101 units was opened and three more large projects (Federal Fibre Mills, 700 South Peters, and Magazine Place) were underway.

Other elements contributing to the growth of this new neighborhood included the new art galleries, cafes, and restaurants. The second floor of the Dixie Art Supply Building was renovated to house the new Louisiana Children’s Museum. Efforts were also underway for the retention of several nightclubs remaining from the 1984 World’s Fair. This emerging neighborhood was geared to serve the market of young professionals (both single and married) working downtown.

Riverfront

First the 1984 World’s Fair and then the Convention Center, which opened in early 1985, brought the riverfront into prominence. In late 1985 the Rouse Riverwalk opened. The Rouse Riverwalk development was constructed above wharves used for the Fair. This Rouse project represented the first time that the Dock Board had given a long-term lease of its air rights over the wharves for non-maritime uses. Similar to other Rouse projects in Baltimore and Boston, Riverwalk incorporated an enclosed multi-level festival market place along with outdoor facilities on the refurbished Spanish Plaza at the foot of Poydras Street and the Mississippi River.

By 1985, plans were underway for a riverfront streetcar to tie together the major development complexes along the river’s edge. Business and civic leaders joined
together in March 1984 to promote a light rail shuttle system in this corridor.

**POST- 1985 CHANGES TO DOWNTOWN**

New Orleans' strategy for revitalizing its downtown seemed to succeed between 1975 and 1985, the first ten years of the growth management program. Changes that occurred downtown since 1985 have shown how short-lived such success can be and helped to put in greater focus the kinds of problems associated with the "corporate center strategy" adopted by New Orleans. The year 1985 was an important one for downtown New Orleans for two major reasons. It of course marked the end of the first decade of the GMP. During that time many of the stated goals of the GMP were met. High-intensity development was directed to specified areas, leaving other more historic areas free for renovation and reuse. Underutilized areas were brought into commercial activity. Public resources, in terms of federal dollars (especially UDAG and CDBG funds) and DDD/city-financed infrastructure improvements, were used to benefit downtown business interests. The physical and social face of New Orleans changed. All of this was achieved with a modicum of expressed controversy or protest from neighborhood groups. However, groups in surrounding neighborhoods, especially in the French Quarter and the Lower Garden District, began organizing to forestall the expected negative impacts from a higher-density downtown on the integrity of their residential areas.

1985 was important for another reason, too. It was the first year that impacts of the failing local economy were acutely felt downtown. The construction boom occasioned by the World's Fair and the opening of the Convention Center came to a halt. No new developments were on line. Retail sales dropped and stores closed.
Oil companies retrenched, laying off employees and leaving behind a glut of office space. On Poydras Street today there is a 25.3 percent vacancy rate in Class A office space. Without the impressive economic growth of the late 1970s and early 1980s, it became obvious that the strategy being pursued would result in major losers, even among downtown actors, let alone neighborhood groups.

Of the four major areas downtown, Poydras and Canal have been the hardest hit, with the Riverfront and the Warehouse still maintaining a degree of vibrancy, but with a fair amount of controversy generated by neighborhood groups. Specifically, between 1985 and 1990 we find the following.

**Poydras Street**

New office buildings continued to be constructed along the Poydras Corridor including the Louisiana Land & Exploration building and the Consolidated Natural Gas Tower. This new construction occurred at a time when the oil industry was undergoing a major consolidation of regional offices. Shell Oil and Amoco transferred over 1,200 employees from their downtown offices. This contributed greatly to a downtown office "glut." For example, CBD Class A vacancy rates rose from nearly 18 percent in the third quarter of 1989 to nearly 25 percent for the same period in 1990. Overall CBD occupancy dropped from 75.6 percent at the end of the third quarter in 1989 to 70.7 percent at the third quarter in 1990. Rents are beginning to stabilize in the Class A market, but the property values for Class C have reached benchmark lows in recent sales to investors (Plume, 1990).¹

The opening of the New Orleans Centre by Edward J. DeBartelo in 1988 increased competition for the high end retail market downtown. New Orleans Centre is
anchored by Macy's and Lord & Taylor. While this development decision brought new national chain stores into the region, it did it at the expense of established retailers on Canal Street. The DeBartelo decision was in direct opposition to the original GMP recommendations which stated that "the Retail Core should remain on Canal Street and not be undermined by competition nearby" (WMRT, 1985:40).

Canal Street

Since 1985, Canal Street has continued to decline. A major indicator of this decline was the loss of D.H. Holmes, the oldest retail establishment on the Street and the anchor for surrounding stores. D.H. Holmes was bought by the Dillard's chain out of Arkansas. A major outcry from the citizens of New Orleans did not keep Dillard's from closing the Canal Street store and opening one in the DeBartelo development, New Orleans Centre. Several other locally-owned retail establishments have closed in recent years, unable during a depressed economy to withstand the competition from the newly-arrived national chains. Most of the chains cluster at the river end of Canal, leaving large stretches of the street either boarded up or selling very cheap goods. The upper end of Canal Street is still anchored by Krauss department store and the Saenger Theatre.

Recent proposals have centered on encouragement of residential use of the vacant upper floors of retail buildings. Plans are underway for the D.H. Holmes building to become a mixed-use development, to include a 243-room hotel and 104 apartments. To do so will require a $5.6 million federal and city loan (Eggler, 1991). The DDD has established a committee to look into ways of encouraging the use of the vacant land along the upper end of Canal Street to serve the needs of the nearby
medical complex anchored by Charity Hospital and the LSU and Tulane Medical Schools. Other efforts are aimed at bringing more pedestrian traffic back to Canal Street. One proposal centers on the establishment of a downtown Theater District. This would build upon the popularity presently being enjoyed by the Saenger Theater, which hosts live musical productions, as well as the Orpheum Theater, which hosts the symphony and is a few blocks off Canal Street. Even if these or other plans for the revitalization of Canal Street are actualized, the street would no longer be what it once was—a retail core that responded to the needs of a cross-section of the New Orleans’ population.

**Warehouse District**

Residential conversions of warehouses continued at a rapid pace. There are currently eight major residential conversions with over 1,200 units bringing mainly young professionals back into the downtown area. A neighborhood association has been created to represent the interests of these new downtown residents. A significant number of art galleries and related activities have opened in the area, so much so that the area is now being termed unofficially "The Arts District." A recent proposal by the Arts Council of New Orleans for the downtown area to become an official Arts and Cultural District has not been adopted by the DDD or the City Council. The Arts Council proposed such a district in order to enhance the image of downtown through a combination of cultural offerings and commercial, tourism, and related opportunities. A district would also provide mechanisms to ensure a variety of uses in the area and enhance their compatibility (Arts Council, 1989). As it is now, commercial uses and residential use (especially among preservationists) are often at odds, and artists(who
have lived in the area for years) are being squeezed out of the district because of escalating rents.

Riverfront

Developments along the riverfront corridor have continued. The $40 million Aquarium of the Americas and Woldenberg Park at the foot of Canal Street opened in September 1990. This project, funded through a $25 million bond issue by the city along with $15 million in private contributions, is operated by a private, non-profit organization that also runs the zoo uptown. The aquarium was planned to be a major family tourist attraction, but so far most of its visitors have been local (Eggler, 1991a). The siting of the Aquarium on the riverfront at the edge of the French Quarter provoked a storm of protest by preservationists who charged that the increased density of activity spilling over from the aquarium would harm the distinctive character of the Quarter, which is the main reason why tourists come to New Orleans. The preservationists' protests were muted by the official response that the aquarium would mean enhanced economic activity for New Orleans.

The aquarium backers, with support from city officials, have continued to offer plans for much of the remainder of the downtown riverfront (see Whelan and Young, 1989). This property is under the jurisdiction of the Port Authority and while most of it is still in maritime use, it is likely to be available for other uses within the next five years. After holding a series of public meetings during the spring of 1990 to gather the views of constituent groups on how the riverfront should be used in coming years and how decisions should be made concerning its use, the Dock Board adopted a policy which stated that riverfront lands would be turned over for other uses only a)
after suitable maritime wharves and facilities have been developed elsewhere and b) after a credible community-based master plan has been developed for the use of the riverfront land (Port of New Orleans, 1990).

The New Orleans Convention Center at 820,000 square feet is now the eight largest in the country and houses major events. A 330,000 square foot expansion of the facility that will double the available exhibition space is expected to be completed early in 1991. But to keep up with demand a new report says the center will have to be expanded again by 1996. Where cargo wharves once walled off the riverfront from the public, today the riverfront is being walled off by the mammoth convention center.

Additional riverfront developments during this period included the luxury condominium development One River Place, which brought residential use to the riverfront for the first time, but had to be scaled back a number of times due to the sagging economy, and the Delta Queen Steamboat Terminal, another major tourist attraction. Tieing these and other riverfront projects together is the Riverfront Streetcar Line which was opened in 1988 in time for the Republican National Convention.

CONCLUSION

In an attempt to better understand the changes that have occurred to the downtown area since 1985, the DDD recently commissioned three studies: The first was the GMP Update, completed in June 1987 (Wallace, Roberts, Todd, 1987). The Update added five new goals to the original 11 in the 1975 study. Two of these had to do with 1) protecting and reinforcing the traditional retail functions of Canal Street and 2) increasing the range of residential opportunities in rehabilitated, renovated and new buildings in the downtown. The Update noted that "office and hotel development
have overwhelmingly dominated growth since 1975 and the downtown could be in danger of becoming a sterile 9 to 5 center if residential objectives are not soon achieved" (p.6). To encourage residential growth, particularly in the Warehouse Area, the authors of the Update recommended the use of development incentives as well as improved zoning regulations. The study also warned that retention of the residential character of the French Quarter and protection of its fragile historic character in the face of continued tourism is also essential.

The second study, completed by the Urban Land Institute in April 1989, evaluated revitalization strategies for Canal Street (ULI, 1989). One of the main recommendations of the panel was to increase the number of new and rehabilitated housing on Canal Street (using the upper floors of a number of buildings on the street) and to add convenience type retail on Canal. The panel also noted that the presence of the Iberville community, 3000 residents who live in public housing right off Canal Street, should be viewed positively as a steady source of consumers for Canal Street. The ULI panel echoed the recommendations of the Iberville Housing Development Task Force (1989) which recommended that the Iberville community be stabilized and not displaced.

Before the release of the Iberville Housing Study, commissioned by the DDD and the City in 1988, some DDD board members and other downtown leaders had called for the removal of the Iberville tenants so that the buildings (built in the 1940s and still in good structural conditions) could be rehabilitated for upscale condominiums. Since the ULI study and the Iberville Housing Study were released, calls for the reuse of Iberville have been muted but not gone completely. The DDD has still not addressed adequately the needs of its low-income residents or consumers. The DDD has pledged to get more involved in residential development in the district. To date,
most of the housing developed in the CBD has been accomplished without DDD support and residents feel they have been short-changed in favor of business interests.

While attention has been focused on downtown development and business retention efforts, decline has continued in adjacent residential neighborhoods. With little public money available to assist in dealing with this neighborhood decline, non-profit groups such as the Preservation Resource Center (PRC) and Trinity Episcopal Church have initiated programs to improve low-income housing in designated target neighborhoods. The Operation Comeback project of the PRC has as its goal the encouragement moderate income home ownership in a twenty-four block area adjacent to the Warehouse District. During its first year of operation, twenty-one properties were renovated and placed in the hands of first time homeowners (Brooks and Miranne, 1989). Trinity Church has begun a companion effort to upgrade public scattered site housing in the area. Together these pilot programs are helping to support the community’s overall effort to upgrade the housing stock while strengthening the residential neighborhoods of downtown New Orleans.

During the time period under discussion here, it is clear that there has been an enduring coalition between political leaders and business interests geared towards promoting growth in downtown New Orleans. In so doing, the urban space has been reshaped: high-rise office and commercial towers now house national hotel and retail chains and regional headquarters for selected industries. While attempts have been made to maintain historic areas, especially the French Quarter and the Warehouse District, the increasing emphasis on tourist development downtown is presenting major challenges to historic integrity. These challenges are especially apparent along the Riverfront, which has become a prime attraction for tourist facilities, including the Convention Center and the Aquarium. The political leaders’ enthusiasm to support the
tourism industry downtown has led to more and more decisions about the economic future of New Orleans being made by private developers. As the urban geography of downtown becomes more settled, the public sector's role has become less interventionist, so much so that the present mayor has said that economic development planning (for the city as well as for downtown) should be done outside City Hall (see Whelan and Young, 1989).

During this period when the face of downtown New Orleans was changing dramatically, the Downtown Development District served well its function of insulating policy and planning decisions for the downtown area from public scrutiny. There has been little debate on what the function and role of the CBD should be in the economic life of the city. Even as resources have become scarcer as the city copes with a major fiscal crisis, little discussion has centered around the fact that the downtown area is getting additional benefits at the expense of surrounding neighborhoods. How tax dollars should be assessed and distributed is not a part of the political debate. The attempts to create a vibrant downtown, relatively successful during the economic boom of the late 1970s and early 1980s and quite tenuous during the economic downturn of the mid- to late 1980s, led to a few winners and many losers. The losers included many locally-owned businesses, residents in neighborhoods adjacent to the CBD, workers in the lower-end of the tourist industries, and tax-payers. Clearly downtown development has not resulted in benefits being distributed to a wide variety of economic groups throughout the community. Yet more and more resources continue to be provided to the the CBD as the city attempts to pursue its center city strategy of encouraging tourists and conventions to come to New Orleans and service sector
must wonder what this private face of politics will do to the social fabric of New Orleans.
New Orleans Growth Management Plan Update.
Philadelphia, PA: WRT.
NOTES

1. Class A space includes the newest, most modern office buildings, while Class C office buildings tend to be the oldest and technologically least advanced.
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