

Uptown Triangle Neighborhood Association

Sheldon Hersh, MD, Editor
Zoning for Dollars is Wrong
www.zoningfordollarsiswrong.org

March 3, 2004

Dr. Marshall Truehill, Jr., Chairman
New Orleans City Planning Commission
1300 Perdido Street, Suite 9W
New Orleans, LA 70112

Re: Zoning Docket 8-04, Letter of opposition to a zoning change to
Build a 14-story high-rise building on Short Street at Leake Avenue

Dear Dr. Truehill:

At the City Planning Commission meeting on January 27, 2004, the Uptown Triangle Neighborhood Association submitted a large amount of information in opposition to the requested zoning change to build a 14-story high-rise building on Short Street at Leake Avenue in historic Uptown New Orleans, just one block from the Riverbend. Our neighborhood organization is now submitting the following additional documentation in opposition to this requested zoning change for your consideration prior to our March 9, 2004 meeting. Please see the attached documents.

1. A letter from the Presidents of four surrounding neighborhood associations respectfully requesting that you deny this zoning request. This letter begins, "Our four neighborhood associations are united against Mr. MacPhaille's revised proposal and request for a zoning change to build a high-rise on Short Street at Leake Avenue." This enclosed letter lists several of the technical and legal arguments against this project.

2. A letter from Stephen Villavaso, Land Use and Zoning Expert, reviewing five legal arguments against this proposed project and zoning change.

3. A panoramic view of the Riverbend from the levee at Leake Avenue, titled "*No building pierces the canopy of the trees.*" This five foot long panorama confirms Mr. Villavaso's March 3, 2004 letter stating that "A zoning classification . . . is not justified under the 'change or mistake' rule."

4. The amount of economic benefit to the City of New Orleans in property taxes has been overestimated. Destroying the Riverbend for only \$141,000 per year is a poor bargain. See our Property Tax Impact document.

5. Building the proposed building would violate the Americans with Disabilities Act. The construction of this building would harm the health, safety and welfare of our neighbors.

6. Additional petition signatures against the proposed zoning change. We are adding more petition signatures from the Citizens of New Orleans who object to changing the current zoning laws to benefit only one developer. The number of petition signatures against this proposed spot zoning change is now 1,509. You have also received additional petitions from the Urban Conservancy web site and our own web site.

7. As a direct result of the passion our neighborhood feels for this spot zoning issue we have formed a neighborhood organization, “Zoning for Dollars is Wrong,” and created our own web site at www.zoningfordollarsiswrong.org. I am enclosing a Press Release dated February 20, 2004 announcing this milestone, along with relevant material, which appears on our web site. “By communicating with City Hall and informing our neighbors through the internet we will be a voice for Uptown New Orleans.”

8. Allowing this spot zone for Leake Avenue will encourage other developers to attempt to build more high-rise buildings along the Leake Avenue corridor. This would lead to the walling off of Leake Avenue and the levee from our neighborhood. Our neighborhoods are committed to stopping this intrusion into our peaceful midst. We will continue this struggle each and every time a zoning change is proposed to build a high-rise building in our 100-year-old neighborhood. This will become a strain on our neighborhoods, on the developers, on the City Planning Commission, and on the City Council.

Thank you.

Sincerely yours,

Sheldon Hersh, MD
Board of Directors, UTNA

Enclosures.

- A. Letter from four Presidents
- B. Letter from Stephen Villavaso
- C. Panoramic view of the Riverbend
- D. Property Tax Impact document
- E. Americans with Disabilities Act violation
- F. Additional petition signatures
- G. Press Release and web site, www.zoningfordollarsiswrong.org

No Building Pierces the Canopy of the Trees

A panoramic view of the Riverbend From the levee at Leake Avenue.

This five foot long panorama stretches from Dublin Street on the left to the Corps of Engineers on the right. It confirms Stephen Villavaso's statement that "A zoning classification . . . is not justified under the 'change or mistake' rule."

The standard for any part of this request [for a zoning change] is the "change or mistake" rule. Briefly, the rule states that one must find a significant change in the circumstances of the neighborhood or a mistake or flaw in the original zoning to legally justify a modification. . . . No change in the neighborhood has occurred in almost 100 years and clearly there was no mistake in the original RD2 zoning

This panorama demonstrates that no structure in the Riverbend pierces the canopy of the trees. Building a 14-story building, a 9-story building, or a 7-story building in this historic area would be the only structure to tower above the trees. Clearly, building such an enormous structure in our low-rise neighborhood would be *both* a "change [and a] mistake."

Property Tax Impact

Destroying the Riverbend For only \$140,000 per year is a poor bargain.

The new project Mr. MacPhaille showed our neighborhood organization on March 2, 2004 is a 9-story high-rise building. His new proposal is for 36 units on six housing floors with a floor plate of 9,000 sq ft per floor. After deducting a common area factor, each floor will have approximately 8,400 sq ft for sale (confirmed by the architect). Total marketable area will be 50,400 sq. ft. Analyzing comparable sales at 170 Walnut, 625 St. Charles and others would suggest that the penthouse floor at Riverview could fetch \$320 per square foot (psf) in a best case scenario. Each floor down would fetch about 5% less (a common trend in high-rise sales and supported by sales data). The average sale price would be around \$280 per square foot (\$14,112,000 / 50,400 square feet) as shown below.

1. 8,400 x \$320 x 100% = \$ 2,688,000
2. 8,400 x 320 x 95% (\$304 psf) = \$ 2,553,600
3. 8,400 x 320 x 90% (\$288 psf) = \$ 2,419,200
4. 8,400 x 320 x 85% (\$272 psf) = \$ 2,284,800
5. 8,400 x 320 x 80% (\$256 psf) = \$ 2,150,400
6. 8,400 x 320 x 75% (\$240 psf) = \$ 2,016,000

50,400 square feet = **\$14,112,000**

- Thus the total taxable value would be about \$14,112,000.
- The total Assessed Value would be \$1,411,200 (14,112,000 x 10% assessment percentage)
- Present property taxes before deducting for homestead exemptions would be \$241,724 – present tax rate is 171.29 mils (\$0.17129 x 1,411,200)
- If half the units (18) are Homestead Exempt the reduction is \$23,124 (18 x 7,500 x .17129)
- Direct property taxes from the project as now proposed are estimated to be **\$218,600**. (\$241,724-\$23,124)
- Deduct from the \$218,600 the present tax levy for the parcels in question – assume to be \$15,000+/-

- **THE DIRECT NET GAIN IN PROPERTY TAX IS THUS AROUND \$200,000**
- To determine TRUE impact to City the following must be done

Deduct from the \$200,000 the forgone added property taxes from delayed or canceled renovations/additions to other nearby properties. The thought being that nearby owners are less likely to reinvest in their properties with the Riverview condos negatively impacting their values. By example look to the lack of renovation to the few properties surrounding 123 Walnut and 170 Walnut condo projects, while \$millions have gone into the homes across Magazine and distanced from the projects. Each \$1 million in canceled renovations costs the City \$17,129 in property taxes. A fair assumption might be that \$2 million in renovation to nearby properties might be eliminated – costing the city **\$34,258**.

THE NET GAIN IN PROPERTY TAXES IS LIKELY

TO BE ONLY \$165,000

If more than half of the units are homestead exempt and/or more than \$2 million in renovation to neighboring properties is put off – The Net gain of \$165,000 in property tax would be further reduced.

What would the economic impact be if Square 52 were to be Developed under the RD2 zoning category?

RD2 zoning is Residential Two-Family zoning with a 40 foot height limitation. If each individual housing unit or town home were to cost \$200,000 (\$400,000 for Single Family Residence) then the net gain in taxes would be **\$24,000** assuming again that the existing parcels now pay \$15,000 +/- and that half of the newly developed housing units would be homestead exempt.

Subtracting this \$24,000 tax gain for individual town homes from the \$165,000 tax gain for a 9-story high-rise shows that building this high-rise would bring **an economic tax benefit to the City of New Orleans of only \$141,000 per year.**

**Destroying the Riverbend
For only \$141,000 per year is a poor bargain.**

Importantly, such an RD2 redevelopment would likely encourage added investment in neighboring properties. This would strengthen our neighborhood along with the Riverbend and all of Uptown New Orleans.

Building the proposed building Would violate the Americans with Disabilities Act

According to the Americans with Disabilities Act, “disability” means a physical or mental impairment that substantially limits one or more of the major life activities of the individual.

One of our neighbors, who has been living on Short Street directly across from the proposed project for over 20 years, is permanently physically disabled. When our Councilman, Jay Batt, visited our neighborhood she stated, “If they build that building I won’t be able to go out of my house for two years.”

Four streets surround this proposed project. Short Street is the widest street at 33 feet. Pearl Street measures 23 feet in width. Huso Street and Leake Avenue only measure 21 feet wide.

In order to build this enormous structure in our century-old neighborhood several streets will have to be closed because of the heavy machinery and equipment, which must be used to build the structure. Because Short Street is the largest street surrounding the building site, it will probably be closed off for part of the two year period it would take to build this structure.

Our neighbor will be unable to use her cane to safely walk across her broken street and across her broken sidewalk. Also, she will be unable to park her car in her present location next to her home on Short Street. Therefore, our disabled neighbor will be severely impacted for the two year period it would take to build this structure. The construction of this building would harm the health, safety and welfare of our neighbor.

This would severely limit her Instrumental Activities of Daily Living and would violate the American with Disabilities Act.

Uptown Triangle Neighborhood Association

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New Orleans City Planning Commission
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New Orleans, LA 70112

Re: Our four neighborhood associations are united against Mr. MacPhaille's revised proposal and request for a zoning change to build a High-rise building on Short Street at Leake Avenue

Dear Dr. Truehill:

I am writing to you on behalf of the Uptown Triangle Neighborhood Association, Upper Audubon Association, Carrollton/Riverbend Resident's Association, and Maple Area Residents, Inc. Our members have seen Mr. MacPhaille's revised proposal for a zoning change to build a 9-story high-rise on Short Street at Leake Avenue in the historic Riverbend area of Uptown New Orleans. We are united in our opposition to this project. Whether the project is 7-stories, 9-stories, or 14-stories we believe this project would irreparably harm our neighborhood because of the following reasons.

- The proposal is a spot zone and is therefore illegal.
- The proposal is contrary to the City of New Orleans Master Plan and the Land Use Plan.
- The proposal is not consistent with the character and integrity of the adjacent neighborhood.
- This proposal would loom over the historic Riverbend area and forever change the ambience of Uptown New Orleans.
- The proposal is too tall, too dense, has too much traffic, and has too many unanswered questions.
- The proposal is detrimental to the health, safety and welfare of the nearby residents and their property.

- Our present infrastructure, including sewerage, drainage, water supply, our narrow streets, etc., cannot support such a massive project.

We respectfully request that you deny this high-rise project.

Thank you.

Sincerely yours,

Sheldon Hersh, MD
Board of Directors, UTNA

CC: Councilman Jay Batt
Councilman-at-Large Oliver Thomas
Councilman-at-Large Eddie Sapir
Mayor Ray Nagin

Larry Pugh, President
Uptown Triangle Neighborhood Association

Bill Freiberg, President
Upper Audubon Association

Gordon Cagnolatti, President
Carrollton/Riverbend Residents' Association

Tommy Milliner, President
Maple Area Residents, Inc.