

The CAPITOL Building: Designing a Catalytic Hub for Fat City



A Technical Assistance Panel Report
May 9-10, 2019





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Urban Land Institute Louisiana

Urban Land Institute Louisiana

The Urban Land Institute (ULI) is a nonprofit research and education organization established in 1936 with more than 43,000 members worldwide. The ULI Louisiana chapter has 265 members statewide. ULI's mission, at a national and state level, is to provide leadership in the responsible use of land and to create and sustain thriving communities worldwide. ULI shares best practices through professional development education programs, research, and publications. The organization sets the standard for high-quality information sharing on urban planning, real estate development, and land use.

Jefferson Parish, District 5 Office of Councilwoman Jennifer Van Vrancken

Jefferson Parish has more than 450,000 residents and is the 2nd most populous parish in the State of Louisiana. The Parish's diverse, vibrant business base make it an economic driver for the Greater New Orleans region.

Metairie, LA, while not officially incorporated as a city, is a significant community in its own right. Metairie is the largest community in Jefferson Parish, the 4th largest in the State of Louisiana, and the 5th largest census-designated place (CDP) in the entire United States of America. Originally founded as part of the City of New Orleans, Metairie has since grown to be a distinct community, independent and attractive to residents, businesses, and visitors alike.

Fat City is located within Metairie's central business district and is the Greater New Orleans region's most diverse neighborhood. Fat City's central location, recent rezoning, pedestrian overlay, master bike plan, infrastructure upgrades, streetscape improvements, mural installations, planned pocket park, and mixed-use Sheriff's substation are all catalysts to return this colorful community into meaningful commerce. With the proper future-forward vision, Fat City is primed to be the city center for Metairie.

Councilwoman Jennifer Van Vrancken is a licensed attorney and former television journalist. Prior to her election to the Council, Jennifer served as the Chief Operating Officer for Jefferson Parish overseeing approximately 3,000 employees and a budget of over half a billion dollars. She currently represents one of Jefferson Parish's five council districts: District 5, including the majority of Metairie and 100,000 people who proudly call it home.

Technical Assistance Panel Program

ULI Louisiana's Technical Assistance Panel (TAP) process is designed to enhance community leadership, clarify community needs and assets, and advance land use policies that expand economic opportunity, maximize market potential, and conserve natural environments. TAPs are typically intensive, two-day working sessions, where expert volunteers address a land use challenge proposed by the sponsoring organization about a specific development issue or policy barrier within a defined geographic area.

ULI Louisiana's criteria for selecting communities to work with include the following: strong local leadership capacity; a clearly defined scope of work, and three to four well-articulated questions to be addressed during the TAP; a defined geographic boundary (neighborhood, district, corridor, etc.); and transferability to other communities in the region.

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Part 1: Executive Summary

Developing Fat City as Metairie's City Center

While most of Jefferson Parish is suburban sprawl, Fat City is a dense, walkable area positioned in the middle of Metairie's Central Business District. Fat City is the Greater New Orleans region's most diverse neighborhood. It is bounded by West Esplanade Avenue on the north, Severn Avenue on the east, Veterans Boulevard on the south and Division Street to the west and is the study area referred to in this report. Its location, positive attributes, recent rezoning, infrastructure upgrades and planned projects make it the prime neighborhood to serve as a city center for Metairie.

In 2017, the Metairie Business Development District (MBDD), a state-enabled business improvement district incorporating Fat City, acquired land and demolished property at the corner of 18th Street and Hessmer Avenue with a plan to establish a pocket park - green space, and an area where the community could gather and hold events. The park space would be linked to the state-of-the-art Jefferson Parish Sheriff's Office substation, and a proposed technologically-innovative library. This area is the project site for purposes of this report.

To assess and expand on the role of the park, library and community space in the revitalization of Fat City, ULI Louisiana agreed to conduct a Technical Assistance Panel (TAP) for Jefferson Parish, represented by District 5 Councilwoman Jennifer Van Vrancken. A group of 7 expert panelists held wide-ranging discussions on May 9-10, 2019, at Drago's Seafood Restaurant in Metairie. The panelists included real estate developers, architects, lawyers, financiers, landscape architects and land use specialists. Together, they evaluated all of the available qualitative and quantitative information related to the vision and statement of need. The panel was provided with an extensive briefing book containing market research reports, zoning ordinance maps and language, demographics and employment statistics, and detailed existing conditions analysis.

The two-day session began with a presentation by Councilwoman Jennifer Van Vrancken on the big picture goals of the project, and a walking tour of the project site and neighborhood.



Clockwise from top left: Councilwoman Jennifer Van Vrancken shows the TAP Panelists the lot under consideration; Panelists mingle with community stakeholders at the TAP reception on Thursday, May 9 at Drago’s in Fat City; TAP Panelists consider a map of the project area; proposed pocket park

The questions posed to the Fat City panelists and stakeholders by Councilwoman Van Vrancken were:

1. Focusing on the concepts included in the acronym CAPITOL (Center for Advancement, Prosperity, Innovation, Technology, Opportunity and Learning), what uses should be contained onsite? Best opportunities to spur economic activity? Mix of public and private services?
2. What is the best development model for the CAPITOL campus? What is the best operating model? Please identify potential best practices in both ownership and management.
3. What financing or incentives are possible to encourage private development to participate in this specific project and/or complimentary projects throughout the neighborhood and opportunity zone? Please identify best practices for consideration.
4. What public policy recommendations should be incorporated to encourage and support the development and economic growth of Fat City? Other considerations to positively impact the community from cultural, sustainable and livable standpoints?

PROCESS

The panel interviewed nearly 80 stakeholders – local business owners, community members, residents, and experts, broken into 30-minute breakout sessions with about 5 stakeholders in each group. The conversations began with the questions posed by Councilmember Van Vrancken and grew from there.

Uses for CAPITOL building and opportunities to spur economic activity

Stakeholders were in agreement that people live and spend money in areas because of walkability, access, entertainment, and job opportunities.

Suggestions for using the CAPITOL building to spur economic activity:

- Establish co-working space, meeting rooms, incubator/maker space to appeal to businesses and students alike, and attract funding
- Consider Fat City as a desirable area for the Greater New Orleans region's growing tech industry because of proximity to nearby cities
- Hold events – like farmer's markets, festivals and running events – to help attract people, and as a catalyst to activate the area
- Create one park-able area to run multiple errands
- Examine public transportation and bike friendliness: how would I get from Fat City to downtown and other places?

Best development model for CAPITOL campus

Stakeholders pointed to successful revitalization efforts both in New Orleans and cities across the country as strong development models for the CAPITOL campus. New Orleans' Freret Street corridor is successful because it contains some of the top dining and housing options in the city, in addition to an annual festival and a Saturday market. Local food halls, like Auction House, Pythian Market and St. Roch Market all house eateries and demonstrate success where the whole is greater than the sum of its parts.

- Ponce City Market in Atlanta, Georgia
- Chelsea Market in New York (quality food, retail, views with rooftop space)
- The Avalon in Alpharetta, Georgia (trees, built environment, sidewalk tables, center lane ice cream shops)
- New Orleans Bywater neighborhood
- South Market development downtown
- Downtown Baton Rouge redevelopment plan

Financing incentives

Given the proposed design for the project site, which is focused on community features and benefits, the public sector will need to drive the process and invest in the project. There is a prime opportunity for a public private partnership if the right developer/owner is selected.

The area is designated as an IRS Opportunity Zone, allowing preferential tax treatment. There are also several other financing incentives in-place or that could be capitalized upon to attract business:

- Property tax abatements
- Enterprise Zone job credits and sales tax abatements
- Tax Increment Financing Districts – existing and new
- Cultural Product District designation
- New Market Tax Credits

Public Policy Recommendations

The biggest opportunity for Fat City is the area's population of young families; as New Orleans prices continue to rise, they're looking for affordable communities to live, work, eat and play. At the same time, Metairie's aging population of Baby Boomers are looking to retire and perhaps downsize from their single-family homes into affordable condominiums.

- New mixed-use housing developments (like The Beacon, The Standard and other Uptown developments)
- Family friendly spaces (parks, playgrounds, greenspace)
- Ordinances for facades, streetscapes, set-backs
- Zoning for the types of businesses we want to attract, with fast track permitting to ease the red tape burden

Part 2: Overview

The relationship between Fat City and Metairie

Many people think of Metairie as a suburb of New Orleans – but in reality, it’s an urban community that’s adjacent to another urban community. Housed by District 5 in Jefferson Parish, Metairie is the 5th largest unincorporated place in the United States, according to Jefferson Parish representatives. It boasts a stable job economy, a strong real estate market and a growing population. What it lacks is a city center.

While most of Jefferson Parish is suburban sprawl, Fat City is a dense, walkable area positioned in the middle of Metairie’s Central Business District. It has been studied 11 times in the past decade – clearly identified as an area of potential growth and development but stuck in a state of inertia.

Fat City had a certain reputation in the 1970s. Located in Metairie’s Central Business District, the area was once thought of as a suburban alternative for New Orleans’ Bourbon Street – with more space for parking. In its early days it was a dining and entertainment district for young professionals with disposable income. Eventually attracting a younger crowd – a reporter in 1979 called it a “teeny-bopper haven” – Fat City began a downward slide.

That same reporter – some 40 years ago – said about Fat City’s future that, “a continued ‘sense of community’ is a key to whatever success is ahead.” He went on to say, “In the end, if Fat City keeps its end of the deal – continues to move forward with a ‘sense of community’ and make sure the word that spreads is good... that the people are real, the attractions are valid – and parking is free,” more people will decide to live there.

Today’s young professionals want that authentic sense of community – and they’re finding it outside of Metairie. People who grew up in Jefferson Parish are leaving for New Orleans. In 2000, 24% of the District 5 population was 55 years and over; in 2016, that age group was 31% of the population; meanwhile, the 25-44 age group went from 31% in 2000 to 29% in 2016. Metairie is built as a suburban community, with largely single-family residential neighborhoods – but 36% of households in District 5 live alone, and 42% of households are non-family households.

Fat City is the Greater New Orleans region’s most diverse neighborhood, right in the commercial heart of Jefferson Parish. Its location, positive attributes, recent rezoning, infrastructure upgrades and planned projects make Fat City the prime neighborhood to serve as a city center for Metairie. There is a consensus among developers, community planners, business owners and residents that Fat City can and should be more than it currently is; it’s Metairie’s shot at transformation that will drive people to invest in properties and stay in Jefferson Parish. It just needs a spark.

The centerpiece of the revitalization is the proposed Fat City CAPITOL Building – a Center for Advancement, Prosperity, Innovation, Technology, Opportunity, and Learning. Panelists were tasked with determining what this CAPITOL concept means, best uses for the building and project site, operating and financing mechanisms, and how the site interacts with the surrounding community and vice versa.

The two-day TAP kicked off with Councilwoman Jennifer Van Vrancken and the panelists taking a walking tour of the area. This began the discussions on the strengths, weaknesses, and opportunities for Fat City and Jefferson Parish. Panelists analyzed the existing infrastructure and open space, commercial buildings and uses, and community resources to understand the current fabric of Fat City. Stakeholder interviews provided insight into the daily needs of residents and workers, challenges developers are facing, and individual recommendations for the project site and neighborhood. Based on all of the information, the panelists came up with several recommendations for each of the TAP questions.



Councilwoman Jennifer Van Vrancken gives the TAP Panelists a tour of the proposed development site.

Part 3: Fat City Impressions

On the walking tour, panelists were able to get some initial impressions of the TAP study area. First being that it lacks an identity, and a sense of place. “No one really knows what Fat City *is*. They know what it *was*, but no one can explain what it is now or what it’s going to be,” said one TAP panelist. “There’s a broken narrative between Fat City’s past, present and future.”

The area itself is visually drab; there aren’t many “softscapes”, like plants, trees, or flowers, to compliment the landscape. It lacks green space, and spots to meet and sit that aren’t inside of businesses. The area is instead abundant in retail, curb cuts, parking lots and old housing units. There’s a lot of vehicular traffic in the expanded area, and it feels unsafe for pedestrians to walk from Lakeside Mall.

But hidden beneath the gray surface is a vibrant retail scene with a lot of storefronts. Real estate listings note limited vacancies and spaces for sale, which shows a healthy submarket. “The cultural diversity – including multiple ethnic cuisines - is one of the areas strengths,” said a TAP panelist. “Nowhere in New Orleans can you find this kind of diversity in one block.” The diversity is represented by the small businesses, and they seem to be thriving – but how might revitalization help recognize their full potential?



Strengths and weaknesses: cultural diversity is a hallmark of Fat City – featuring restaurants like Los Jefes and Pupuseria Mary; but TAP Panelists say aging apartment stock and a lack of green space make the area less appealing for visitors.

Parking and Transportation

Panelists and stakeholders agree the location of Fat City is a positive attribute in that Causeway Boulevard and Veterans Memorial Boulevard make the area easy to access – but once off those major thoroughfares, traffic and parking become a problem. Streets are difficult to navigate and need improvements; there’s a lack of east/west access, with 18th Street being the only east/west street in Fat City.

The biggest problem that the panelists heard from stakeholders is that there isn’t sufficient parking, and particularly the lack of on-street parking makes it hard for visitors to patronize multiple businesses. One stakeholder said, “My family owns our building, our parking lot in the front and our parking lot in the back, and there’s a strip mall right next to us. Even our customers that want to go do business with somebody 4 feet down, four businesses down - if somebody parks there and goes to our restaurant, they get towed. It’s an issue – we all run out of parking.”

Because parking is so limited, businesses have claimed the spaces in front of their shops; patrons can’t park at one business and walk to another, they have to move their car. Another stakeholder added, “If we’re talking about trying to have more people spend time in the area walking around – where is their car going to be if they’re off walking around?” Insufficient parking can deter businesses from investing in an area, and limit redevelopment opportunities.

Stakeholders said public transportation, walkability and bike-friendliness need to be reexamined in order to attract users that don’t drive. Safe, sufficient sidewalks would enable patrons who park at Lakeside Mall to walk to other businesses in and around Fat City.



A shortage of parking in Fat City has led to the privatization of parking lots, prohibiting patrons from walking between businesses.

Housing and Business Aesthetics

District 5 in Jefferson Parish enjoys a robust housing economy, with the average sales price steadily going up between 2014 and 2018 and a median housing value of \$272,082 in District 5 compared to \$195,800 in the rest of Jefferson Parish. Property is selling quickly, too, with homes in East Jefferson spending on average less than 60 days on the market.

But Fat City and the surrounding area suffers from an excess of old housing stock, with 84% of the housing in District 5 built between 1940 and 1989. Panelists and stakeholders agree that the current apartment stock of two-story apartments, fourplexes and condominiums needs to be refurbished. Given property cash flows and low vacancies, many stakeholders said there is no incentive for building owners to spend money on even basic aesthetic upgrades and that property owners should be held accountable for upkeep.

To encourage local businesses to beautify their property, JEDCO and Jefferson Parish implemented the first ever parish-wide Façade Improvement Program in late 2017. The program incentivizes property owners in high-growth areas to improve the physical appearance of their buildings and storefronts. As of February 2019, the program has approved 11 projects, awarding loans of up to \$50,000 to each individual project for a variety of pre-determined exterior improvements. The loans will be forgiven after a three-year compliance period.



Above: Fat City suffers from an excess of old housing stock, with 84% of the housing in District 5 built between 1940 and 1989.

Identity Crisis

Fat City has a public relations problem. One of the panelists said he heard Fat City described as, “Drago’s, next to Lakeside, where all of the bridal shops are.” There’s a lack of awareness – even among shoppers at nearby Lakeside mall – about what Fat City has to offer. The previously cited quote from a stakeholder is a good example of this lack clear identity of Fat City. There are only a small number of bridal shops within the boundaries of Fat City, and the selection of “bridal shop” as a defining business in Fat City, shows that people do not really know much about the area, its boundaries, or the assortment of businesses located there.

Stakeholders felt that Fat City needs to be advertised to a younger generation – Millennials being the target audience, but also including the Baby Boom generation and retirees.

While some people said there is nothing positive about the name, “Fat City,” that those who were there relate the name to the negative history of bars, drugs and strip clubs. Others had a strong opinion that the 45-year old name should stay. “When you hear ‘Fat City’ it’s a place from a marketing and visitor perspective that creates curiosity and interest,” said one stakeholder. The reputation of Fat City works across generations – the older generation understands what it was, while for younger generations the history of Fat City holds some mystique.

Zoning

The zoning in Fat City was revised in 2010, making three zoning districts, FC-1, FC-2, and FC-3, and pushing out the bars and strip clubs that populated the area. While amendments were made in 2013, there are still inconsistencies in the policy and implementation of boundaries. Businesses on one side of a street have to abide by one set of ordinances while businesses on the other side of the street have different standards.

Stakeholders said in regard to zoning, plans have been put in place that have good and bad ideas, but that other than getting rid of bars and strip clubs, zoning plans haven’t encouraged any new business. Tax-abatement for restoration projects are happening along the interstate, and depending on the zone that they’re in, some businesses do not see these benefits.

Further, stakeholders said, there are difficulties with the three different developmental zones within close proximity to one another; existing businesses have to follow new codes. Overall, stakeholders think there need to be better zoning restrictions, addressing the hard boundaries of each zone and aimed at targeting a mix of medium density residential and the right level of compatible commercial uses. The determination of the appropriate level of each use will be based on the new future land uses and new vision for the area.

Building on Successes

Stakeholders see lots of opportunity to build on the success of businesses in and around Fat City. One participant said that Fleurdy Girl's Severn Avenue location generates more profit than any of its other locations, the problem is that people come to the area to shop but they can't get out of their cars and walk. Stakeholders said there needs to be synergy between Lakeside Shopping Center and Fat City; they said there's currently a "wall" at Severn Avenue, and Lakeside Shopping Center should be a partner in breaking this perceived barrier.

Further, it was noted that one anchor business can create clusters that establish an identity for the area. Drago's is a successful business and strong anchor; current restaurants can be included but it must be transformed into a destination place that incentivizes people to come past the mall and Drago's.

Stakeholders and panelists agree that the successful Fat City Mural Project should be highlighted as part of the unique identity of the neighborhood and expanded well beyond the 10 existing murals.



From Left to Right: a mural decorates David Art Center on N. Arnoult Rd; Fat City Diner mural on Edenborn Avenue



From top to bottom: Akira Sushi mural, David Art Center mural, Breux Mart mural, Louisiana Motor Vehicle Commission mural, Southern Aesthetics mural.
Photos courtesy Arts Council New Orleans

Part 4: Panel Recommendations

The panelists decided that, although the original request was specific to the development site at 18th Street and Hessmer Ave, after getting all of the data input, it made sense to take a broader view of Fat City. “We know you came in to look at the CAPTIOL building, but because you used the word ‘catalytic hub’, we had to look at the entire district,” said one panelist. This broader view is apparent in the recommendations.

KEY INITIATIVES

- 1) Develop the narrative and branding of Fat City as the international neighborhood of the New Orleans region
- 2) Establish a main retail corridor on 18th Street, North Arnoult Road, Severn Avenue
- 3) Increase programming along 18th Street
- 4) Promote and expand mural program
- 5) Address lack of parking

The panelists feel that Fat City has something to offer that cannot be found in New Orleans: a variety of authentic, international restaurants in a small space, including – but not limited to - Korean BBQ, Mexican, and sushi. Fat City should be marketed as the Greater New Orleans area’s international destination, creating a clear brand for the neighborhood. The international theme could be highlighted through programming and events, attraction of local businesses, markets, and artists that bring an international flair, and other initiatives that would help define “why” Fat City.

The main retail corridor on 18th Street between North Arnoult and Severn should be maximized for walkability and enhanced with landscaping.

As 18th Street is the only east/west artery in Fat City and should be transitioned to a walkable main retail corridor, it should also be the main location for programming in the neighborhood. Festivals or events, like slow roll bike rides or Champagne Stroll on Magazine Street, can be held along 18th and link into the project site and programming held there.

The Mural Program should be expanded through partnerships with local art collaboratives and promoted on social media with a Fat City specific hashtag. Geographically, the Mural Program should extend beyond Fat City to include buildings in the Lakeside Shopping Center to help connect the two areas.

Panelists point to the Eastern Market District of Detroit and Wynwood in Miami as examples of how a mural program can work (the Eastern Market District was the site of a ULI Advisory Services Panel in 2004 that led to the highly successful revitalization of the area). Both areas have become known for their street art, followed by high end retail and residential development; before that it was an arts community. Figure out what they did well, embrace the local arts community and allow them to be invested in the program and feel free to express themselves.

The lack of long-term parking needs to be addressed. Visitors need to be able to park and walk to multiple locations in the neighborhood for the future vision of Fat City to become realistic. A parking garage should be located in the middle of the district, not as part of the project site which is off to one side. A well-placed garage will service retail operators better and encourage walkability through reducing the number of blocks to various locations. The Metairie Business Development District should consider sites in Fat City, targeting currently available locations as well as tracking desirable locations that could potentially be purchased in the future.



Above: a design proposal for the CAPITOL Building

SUGGESTED USES FOR CAPITOL BUILDING AND ADJACENT PARK SPACE

- 1) E-library, coworking, and satellite office for lawmakers: JEDCO, Jefferson Community Foundation, other partners
- 2) Test Kitchen or Commissary Kitchen
- 3) Community and event space for meetings and other things
- 4) Creation of a park, place for community to meet

The proposed CAPITOL Building is a three-story facility. One panelist said, “A building of this scale meets neighborhood needs. It’s a showpiece without being overpowering.” Recommended at 65-ft high, private developers will likely push the limits - but panelists agree a six-story building would be out of place right now.

Proposed Uses for the CAPITOL Building

As the panelists considered the possible uses for the building, they all agreed that it can’t be generic space. It needs to include community focused spaces as well as commercial uses. For all of the following recommendations on use of the space, further research is necessary to determine feasibility.

E-Library and Community Space

Panelists suggest the side closest to the park should be an e-library and community space. The community space would open into the park and allow for joint programming between the library and park. This first floor would provide the neighborhood a “third space” – somewhere they can come to hang out, do research, and meet in small groups. Programming such as GED training, language studies, or computer skills classes could be held here.

Second floor office space would give entrepreneurs using the test kitchen a space to do invoicing and run their small business, in addition to providing local office space for community leaders. Potential tenants include Councilwoman Van Vrancken, JEDCO satellite office, MBDD, and/or Jefferson Community Foundation. The third floor would consist of sub dividable meeting and event space, to allow multiple events of different sizes occurring at the same time. It features an outdoor terrace overlooking the park/rooftop experience.

As there is no public community meeting space in Fat City, the proposed design of this portion of the building maximizes space usable by the neighborhood to not only meet their current needs but provide room for additional programming and benefits.

Test Kitchen or Commissary Kitchen

There are several co-working locations throughout the New Orleans region and the space is extremely competitive. In order to attract users to 18th Street and Hessmer Avenue, there would need to be a targeted focus. The panelists suggest that the space at the CAPITOL building be specialized as a commissary or commercial test kitchen, and that the operators pursue FDA and USDA Certification in order to sell meat products, fruits and vegetables as well as baked goods. USDA Certification would provide something that this region does not currently have, creating a draw for entrepreneurs and local businesses.

The test kitchen concept attracts two types of clients:

- Entrepreneurs looking for an incubation space to grow their business, hopefully move into a retail or industrial space nearby; small/new businesses still prototyping and figuring out packaging models
- People who are not ready to take on space on their own; they have limited runs they need to do so can easily fit into a daily/weekly facility use schedule; sustaining business model for them, long-term tenant of the space.

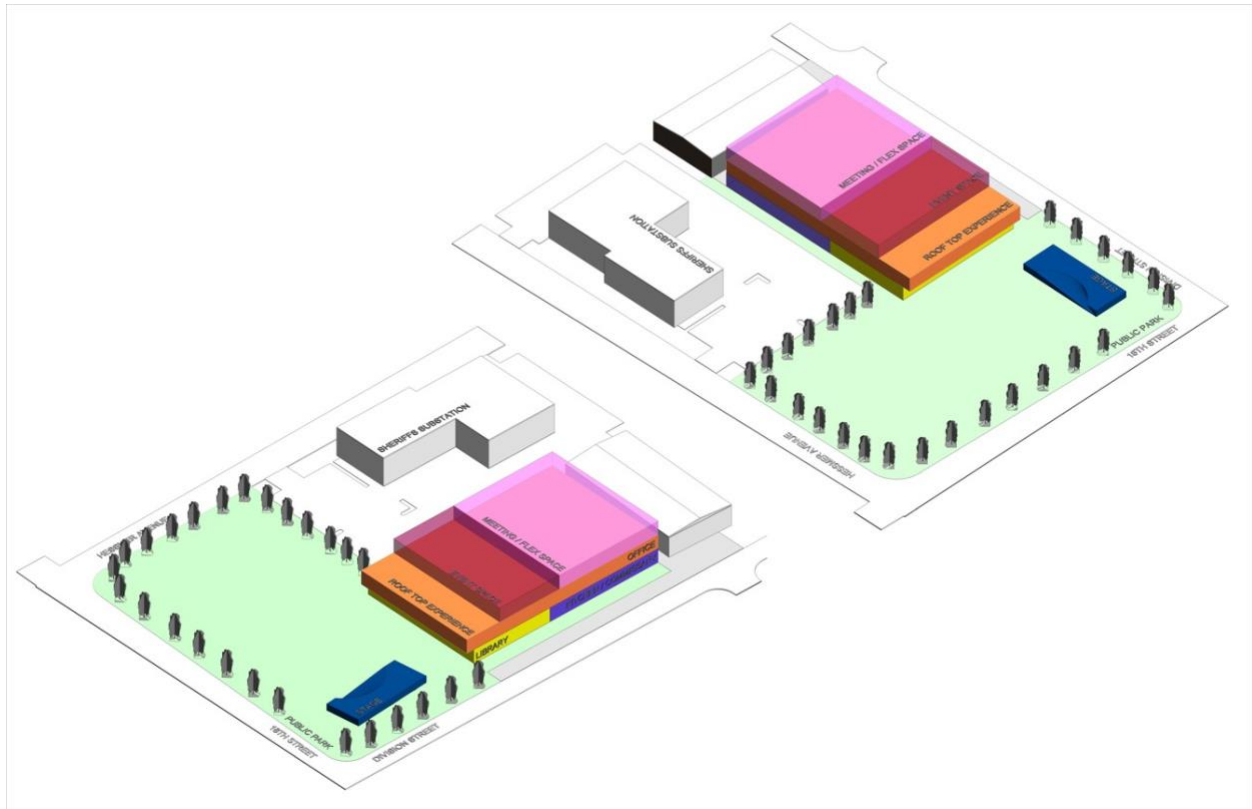
The commissary kitchen concept could provide commercial kitchen space to growing culinary businesses in the Fat City/Metairie area, including but not limited to food trucks, pop-up restaurants, or small catering businesses trying to get off the ground. The commissary kitchen could also serve the community through reduced rental rates or free use of the space. Some schools in the Jefferson Parish School District have cooking programs; students coming out of high school could transition to this space. Additionally, the kitchen could be used to educate the community and highlight different international cuisines during festivals/events on the project site. Operating the site as only a commissary kitchen will help promote existing local businesses, and ties into the idea of Fat City as a hub for international cuisine.

A successful local example of the Test Kitchen/incubator concept is Edible Enterprises, a partnership between the New Orleans Food and Farm Network and St. Charles Parish, located in Norco, LA. Further research into partnerships with organizations like Edible Enterprises or the New Orleans Food and Farm Network will be beneficial for creating a successful model and identifying potential operators and best practices for running a successful test kitchen.

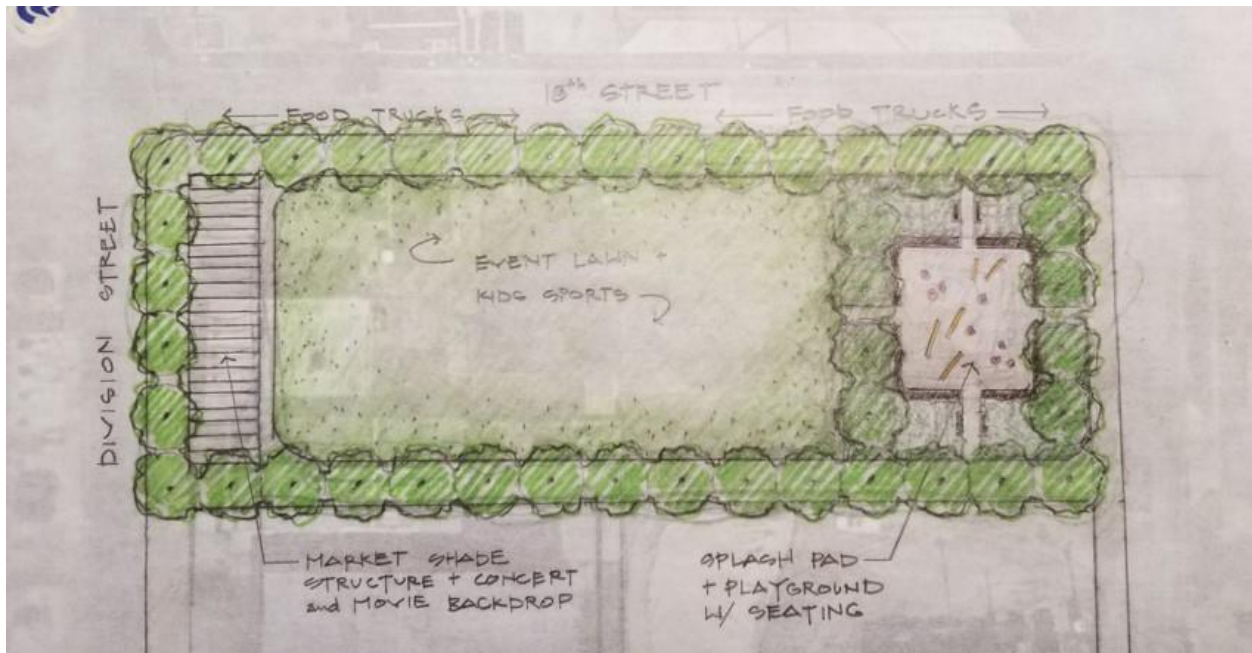
Facilities engaged in manufacturing, processing, packing, or holding food for consumption need to follow federal regulations. The FDA regulates all foods offered for sale in interstate commerce, with the exception of meat, poultry, and certain processed egg products. The test kitchen would need to apply for FDA certification, submit to regular inspections, renew the registration every other year, and monitor prevention controls. In order to work with meat, poultry, and egg products or to ship products across state/country lines, the test kitchen would need to be USDA certified. Because of the increase of illness related to these products, the certification is more expensive and complicated. There are more inspections, which have higher level of scrutiny, and more regulations, standard operating procedures, and hazard reviews that must be followed.

Overall, the test kitchen will be subject to federal, state, and local regulations based on the products cooked and packaged in the facility. Panelists recommend continued research into pursuing FDA and USDA certifications, working with federal district offices along with state and local regulatory agencies to determine the exact requirements for the test kitchen, and deciding if the certifications are needed in the market and financially feasible for the project.

Food production and entrepreneurial space is a great way to compliment and create synergy with the community without competing with existing businesses. A regional food production facility would make the space a standalone amongst all other competitors in that the coworking space is the test-kitchen space.



Above: a 3-D representation of the proposed CAPITOL Building and surrounding area



Pictured: a proposal for the outdoor park and event space on the CAPITOL Building campus

Park Space

The park should serve as an extension of the CAPITOL Building. Panelists recommend the selected developer think about utilizing it as a market space that ties into the commissary and businesses using the test kitchen. Performance space should be outside and can be programmed in conjunction with the e-library and kitchen space. The park should feature programming around Fat City Park – Fat City Fridays, live music in the park, weekly movie nights, and international cultural/holiday festivals.

In addition to performance space and a suggested Farmer's Market, the park should have full-time activity space like a splash pad or playground and open green that neighbors can use as they want.

Financing Models

There are three basic financing structures for a development project: full public financing, full private financing, and a public private partnership. Given the proposed design for the project and the inclusion of numerous community features and benefits, the public sector will need to be involved in the development and financing process and full private financing is highly unlikely.

The panelists calculated rough estimates of the development that can be used as a starting point for further conversations. These costs will need to be re-evaluated by a contractor as concepts are adjusted, plans finalized, and partnerships formed.

- Project Building and Adjacent Park - \$15 million
 - Project Site Building - \$12 million
 - Development costs assume test kitchen built with FDA/USDA standards kitchen equipment (est. \$100-\$350k)
 - Park - \$3 million
- Off-site parking garage (including land acquisition) - \$12 million
(This is a consideration for the long-term development of the area and does not need to occur concurrently with the development of the Building and Park)

Full Public Financing

Full public financing would be the most straight-forward option. Public funds and grants would fund the acquisition and development costs. Operational costs would be funded through continued public funding (for library and park space) and operational income (for test kitchen, co-working, and event and office spaces). A third-party operator would be brought in to manage the test kitchen and co-working spaces. Operators could be a for-profit manager, non-profit organization, or a Community Development Corporation.

Funding sources could include:

- Library millage
- Parks & Recreation millage
- Cultural & Parks millage
- Jefferson Parish CDBG
- Funds through Louisiana Community Development Authority
- District Improvement Funds
- Economic Development Millage
- Regional Improvement funds (from At-Large Council Office, if available)

Public Private Partnership

Forming a long-term, collaborative agreement with one or more private sector companies for the financing, development and/or operations would allow for sharing of resources, risks, and rewards; therefore, a public private partnership (P3) could be a feasible option for this development as it would allow the public agency to retain ownership of the project while revenues would be shared between partners. As the private sector takes the majority of the risk during development and covers upfront costs, there is reduced financing burden on the public agency.

As P3s have had mixed success, it is key to select private sector partners that are the correct fit for the project. Finding partners that are focused on triple bottom line profits, can benefit through fees or other development rights (ie: higher density on a separate project), and/or want to build a long-term relationship with the local public agencies is important. Partners should be involved early with the project, so the vision can be jointly created, helping to ensure on-time and on-budget delivery and successful operations. There are an increasing number of projects in the New Orleans and Baton Rouge metros that are utilizing P3s, so local development partners should be aware of this structure if noted in an RFQ/RFP.

If this option is pursued, it is also recommended -- given the challenges of a P3 -- to bring in a third-party expert that has knowledge of organizing a P3 and a proven track record of project delivery. Conflicts will arise between the partners, there will be differences in public and private goals (whether actual or perceived), and partners will blame each other for delays. Creating a P3 leadership team has been helpful in addressing these types of issues, keeping all parties focused on the bigger picture, and building positive team dynamics.

Other Beneficial Partnerships

Along with partnering with developers and operators for the project, other partnerships can be formed to increase capacity building, provide technical assistance and funding opportunities, and assist with operations and programming.

Potential partnerships include:

- Urban Land Institute
- Urban Conservancy
- LSU Agriculture Center
- Acadiana Eats
- UJAMMA EDC
- Project for Public Spaces
- Ochsner Health System
- Delgado Community College
- Lakeside Shopping Center
- Levitt Pavilion
- Jefferson Parish Workforce Development Board
- Arts Council New Orleans

- Local schools – both primary and higher education
- Grant providing organizations such as Entergy or Southwest Airlines
- New Orleans Food and Farms Network

It is also recommended that MBDD should reach out to other development/business organizations such as New Orleans Business Alliance, Downtown Development District of New Orleans, and Jefferson Parish Economic Development Commission. Creating partnerships with these other organizations will help with capacity building as it is imperative that MBDD understand their role and capabilities as a Business Development District and implement initiatives that move the district forward.

Financing Incentives

There are numerous methods and suggestions that can be implemented to assist with financing for either a full public or a public private partnership development, attract additional businesses, and highlight existing opportunities in the area.

- Property tax abatements or PILOTs: Can be offered to P3 partners for development of project site and/or off-site parking garage. Can also be used to attract specific businesses that complement the international cultural/food identity of the neighborhood.
- Federal and State Tax Credits: There are no historic tax credits available in the area, but New Market Tax Credits could be available for applicable projects. NMTC are very common throughout the State with both local and large investors interested in the credits. While it does add complexity to a development, it also helps to fill financing gaps.
- Take advantage of Enterprise Zone benefits to attract and incentivize businesses: The commercial areas of Fat City are predominantly located in an Enterprise Zone (EZ). Work Opportunity Tax Credits can be claimed by businesses that hire individuals from certain targeted groups. Different types of sales tax abatements/exemptions can be offered to businesses in an EZ.
- Highlight Opportunity Zone status: Fat City is designated as one of Louisiana's 150 Opportunity Zones. As such, there are preferential capital gains tax incentives for investors in Opportunity Funds that re-invest in developments in this neighborhood.
- Cultural Product District Designation: Pursue a CPD designation, especially as the neighborhood is rebranded as a center of international culture and cuisine and through the mural program. A CPD allows for sales tax exemption on sales of original works of art. There are currently 3 CPDs in Jefferson Parish – Grand Isle & Cheniere Caminada Cultural District, City of Gretna Cultural District, and Rivertown Arts & Cultural District in Kenner.
- Create new Tax Increment Financing (TIF) Districts: The Metairie CBD Economic Development District was created to help promote redevelopment efforts in Fat City. Sales tax within this district can help finance infrastructure, as well as small scale capital improvements. As the current district only includes the sales tax from Macy's within Lakeside Shopping Center, it is recommended that new TIF districts are created by MBDD to capture additional tax revenue. Potential districts could include recently vacant commercial properties along Veterans Blvd.

In terms of project operations, long-term leases from the library, office tenants, and test kitchen and co-working operator would provide additional comfort to private sector partners.

As part of a larger master plan for the area and to reduce future costs, MBDD should create a strategic acquisition plan for Fat City. This plan would identify future development projects and examine potential locations throughout the neighborhood for placement, especially along the recommended main retail corridor. The goal would be to identify several key locations for each project so MBDD can work with landowners and brokers to purchase sites off-market and for lower cost, taking a proactive approach to future acquisitions and development projects.

Additional Suggestions

- Zoning on Severn and Division need to equally apply to both sides of the street; consider making Fat City a “pink zone”; cut the red tape, build to code, and streamline the permitting process
- Reach out to arts council for planning a “mural route.” They’ll help connect locals to create those murals; look to the mural collaborative in New Orleans as a resource for this. Partnering with Grace King High School, developing youth could be a really great element as well.
- Continue conversations with Feil Organization and Lakeside Shopping Center to create pedestrian links between the mall and Fat City. Don’t want Lakeside to become the default parking center.

Keys to Success

- Identify an operator who has experience in both food space and coworking space; this will be the linchpin to keeping this collaboration programmed and operating successfully
- Engage a marketing and branding firm to work with the building and the district – they have to be synonymous
- Create a name for the project site that is reflective of the community and uses. While CAPITOL Building started the conversation, allow the marketing company and residents to determine what the project is called.
- Establish partnerships with LSU Department of Agriculture, Delgado, non-profits, foundations, and other people to provide technical assistance
- Remember the importance of the in-place community. Branding Fat City as an international district or creating murals needs to be authentic to flourish. This will only happen with engagement of all residents, allowing grassroots efforts, and providing preventative measures for in-place gentrification to occur.

Part 5: Indulge in Fat City

The history of Fat City is unique – a checkered, shady past consisting of discos and strip clubs, a lack of identity, and a broken narrative. Moving forward, it’s important to remember this history and incorporate it into the narrative of the future. Panelists believe the name Fat City, and all of the associations with its story, should be embraced.

In order to create the future narrative, it’s imperative to capitalize on the existing assets and grow them. Build on successful businesses in the neighborhood; on 18th Street, that’s locally owned, small businesses serving culturally unique food. Expand efforts and incentivize local businesses that add to this concept. Become the go-to location in the Greater New Orleans area for all international experiences – eating, shopping, art, festivals. Connect the project site and both the food production facility and community spaces into this narrative.

Remember, Jefferson Parish is not just planning for the business owners or people coming into the neighborhood to explore, but the residents. The residents are the people that will be using the community spaces and give the neighborhood the local flavor. They need to be included in planning, allowed to take ownership, and drive decision making. Division Street may be the dividing line of Fat City, but consider including surrounding neighborhoods where those vibrant communities come from, find a way to include them in the planning and outreach. The local community is key and efforts to reduce displacement must be undertaken to maintain the flavor and authenticity of Fat City.

Overall, indulge in Fat City. Embrace its history and include the community; everybody will tell their stories, adding rich appeal to the international district of Greater New Orleans.





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