

**BGR**

We report to you.

# Questions for Council Candidates At Large Div. 2

NEW ORLEANS

Candidates' Views  
on Important Issues  
Facing City Hall

CANDIDATE

Q&A

BGR

ELECTION SERIES

PART 3 OF 7  
OCTOBER 14, 2017 ELECTION

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## 2017 CANDIDATE Q&A

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This fall, voters will select the leadership of the City of New Orleans (City) government for the next four years. They will choose a new mayor and seven City Council members in the October 14 primary election followed by the November 18 runoff.

As voters weigh their decisions, they should ask how the candidates will confront the challenges the City faces today. Some of the most important ones include: addressing manpower and other needs of the New Orleans Police Department; retooling City employee pensions to manage risk and attract a high-quality work force; and fixing and maintaining street and drainage infrastructure. In particular, the drainage system failures during the August 5 rainfall provided a harsh reminder for residents and business owners of the City's persistent infrastructure problems.

Voters should further ask how the candidates will operate City Hall efficiently and effectively. Relative to the City Council, this includes, among other things, how candidates will address land use planning and economic development subsidies. Voters should require the candidates to propose specific ideas for how they would make City Hall work better for the citizens it serves.

Finally, voters must ask how the candidates will work within – or try to change – two major constraints on the City's finances: Only 25% of local tax dollars are undedicated and available for broad municipal purposes, and approximately 60% of New Orleans real property is tax exempt.

To assist voters in this endeavor, the Bureau of Governmental Research (BGR) prepared its Candidate Q&A series to frame a dialogue for the 2017 City elections. BGR developed the questions from its body of research. It distributed a set of 18 questions to all mayoral candidates, and a similar set of 15 questions to all City Council candidates. The questionnaires included a summary of each topic based on BGR's research. BGR asked the candidates to submit their answers in writing.

Voters should note that BGR sent its questionnaires in late July, prior to the August 5 flooding. Therefore, BGR's questions do not specifically address that event or its aftermath. Many of the candidates, however, do address the flooding

because they submitted their responses after August 5.

**BGR is publishing the responses in a seven-part series that began with the mayoral candidates. Subsequent reports provide the council candidates' responses. All reports will be available on BGR's website, [www.bgr.org](http://www.bgr.org).**

Each report organizes the Candidate Q&A by topic, providing topic summaries, the questions each candidate received, and candidate responses. For each question, BGR presents the candidates' answers in the order in which the candidates will appear on the October 14 ballot. BGR publishes the answers as they were submitted, with two exceptions. First, BGR corrected non-substantive, typographical errors where necessary for readability. Second, BGR excerpted responses that significantly exceeded the 200-word limit stated in our questionnaire. In choosing what to excerpt, BGR used its best efforts to preserve the substance of the candidate's answer to the question. Any deletion is marked by an ellipsis ("..."); if no ellipsis appears, then the answer is the candidate's entire response. Candidates were aware of the 200-word limit and the consequence of exceeding it.

BGR did not reject any candidate's submission. The following summarizes the City Council candidate responses:

- **At Large, Division 1:** Joseph "Joe" Bouie, Kenneth Cutno and Helena Moreno.
- **At Large, Division 2:** David Baird, David Gregory Nowak and Jason Williams. *No response:* Aaron "Ace" Christopher and Jason Coleman.
- **District A:** Aylin Acikalin Maklansky, Joseph "Joe" Giarrusso, III, Tilman Hardy, Daniel "Dan" Ring, "Drew" Ward, and Toyia Washington-Kendrick.
- **District B:** Jay H. Banks, Eugene Ben-Oluwole, Seth Bloom, Catherine Love and Andre "Action Andre" Strumer. *No response:* Timothy David Ray.
- **District C:** Kristin Gisleson Palmer and Nadine Ramsey.
- **District D:** *No candidate from District D responded.*
- **District E:** James A. Gray, II, Dawn Hebert and Cyn-di Nguyen. *No response:* Alicia Plummer Clivens and Cederick Favaro.

BGR is a private, non-profit, independent research organization dedicated to informed public policy making and the effective use of public resources for the improvement of government in the New Orleans metropolitan area. BGR is non-partisan and does not endorse candidates for public office.



# 1.

## Would you seek an increase in funding for NOPD? Why or why not?

**David Baird**

The Mayor's Budget Request to Council includes a prioritized list of funding and authorizations, many of which are directly impacted by law, and would require a vote of the citizens to change the apportioned funding currently being proposed to council. The funding level to NOPD is based on many assumptions and components that represent the senior leadership strategy of the NOPD. The number of officers, the manner of policing, overtime policies, use of officers for special events, and crime fighting techniques in my opinion, are not in sync with what the budget realities are.

Do we need strategies that specifically target higher crime neighborhoods, or do we need strategies that make tourism areas appear safer and more secure?

And do we need 100, 200, 300, 400 or even 1000 more police officers to patrol a City of just under 400,000 residents?

I think a more focused use of resources should be the first priority. Then the City needs to examine all city services and determine what services are essential, what services and personnel costs need to change to support those changes, and to implement those change in a transparent manner.

**David Gregory Nowak**

Maybe.

First and foremost I would increase funding specifically earmarked for swift and immediate testing of rape kits. Many more rapes go unreported than reported and for women brave enough to suffer the process the least the NOPD can do for them is swiftly test their kit and enter it into a criminal database. Secondly, instead of boosting pay at the top end I would attract and keep talented officers by covering tuition up to and including doctoral studies at any public university within Orleans Parish limits. NOPD Scholars would agree to stay with the force for at least four years after they complete their studies to qualify. Both of these initiatives will cost money, but could those costs be offset by criminal justice reform? Marijuana arrests are still the largest pool of arrestees after our decriminalization efforts. How many taxpayer dollars could be saved while also increasing response time if we just ended marijuana prohibition?

**Jason Williams**

More money is not the answer.

NOPD is adequately funded and needs to be more strategic and innovative to find ways to retain senior officers and attract new recruits.

The resources allocated to NOPD are more than adequate, the safety issues proliferating in our communities are not problems of an underfunded police force. I will continue to invest responsibly in our NOPD so they have all the tools they need to protect and serve, but repeatedly increasing budgets for identical outcomes has to stop.

Restructuring

Recent changes to civil service job tracks for officers are helpful, but considering the breadth of possibilities for improvement, those are relatively small changes. We need to re-envision the way our public safety officers interact with our community so they are protecting and serving all of us.

## 2.

### What funding strategies would you support to pay for the future needs of NOPD?

**David Baird**

[Candidate responded in his previous answer.]

---

**David Gregory Nowak**

New Orleans has the highest incarceration rate in the world. Sadly we are not arresting ourselves out of this problem. Even worse, too many nonviolent offenders are being arrested while violent criminals are terrorizing our streets. A singular focus towards criminal justice reform and nonviolent decriminalization and legalization initiatives will financially strengthen NOPD while increasing public confidences. I further believe that if marijuana prohibition is ended and taxed heavily we will have an enormous new revenue stream that will allow us to take a firm stance against further property and sales tax increases. If that is not enough my policy platform has a number of initiatives that will reverse the trend of shrinking population and shore up our tax base so that we may not just lurch from financial crisis to financial crisis.

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**Jason Williams**

After restructuring and changing the way NOPD does business, I will re-evaluate their budgetary needs at that time.

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### 3. How would you hold the NOPD accountable for achieving its departmental goals?

**David Baird**

The NOPD is accountable to the citizens it serves. Right now it is operating under a federal consent decree, so that its past failures are in front of the whole nation. There are no national awards, no agency Kudos, and no outside organizations copying and implementing the NOPD policing style. I believe you must closely monitor both the crime-stat reports, and the consent monitor reports to analyze how NOPD is performing in relation to: Operating outside of a consent decree, and reducing violent crime within the higher crime neighborhoods.

**David Gregory Nowak**

Simple. We should be seeing a dramatic decrease in violent crimes committed, and a dramatic increase in violent criminals being arrested and convicted. Anything else is just window dressing.

That does not preclude the City Council and Mayor from being blameworthy. Most crime begins with the failures of policy makers. I will strive daily as a Councilmember to craft legislation that will remediate the causes of crime long before we need to send our first responders. It is far easier to hold the NOPD accountable when you hold yourself accountable first to provide economic opportunity and criminal justice reform throughout the city at large.

**Jason Williams**

Departmental goals aren't just some numbers that high-ranking officials get to show to Council once a year during budget season. The performance we expect is only as sophisticated as the metrics against which we measure - a simple, meaningless goal is not a measure of accountability. The way NOPD does business needs to be held accountable and pushed to evolve and innovate, and setting appropriate goals is one way to monitor and encourage that progress. Goals should affect and detect meaningful change, not set an imaginary finish line to cross by a certain date.

#### Appropriate Goals

First and foremost, we need to make sure we are setting the right goals. Holding NOPD accountable to performance goals doesn't mean hitting an arbitrary numerical target. If we are setting the wrong finish lines, we won't end up where we need to be.

#### Entire Organization

Accountability extends to all corners of the NOPD, and departmental goals must reflect the performance of NOPD as a whole, from the bottom to the top, from new recruits to senior officials, officers, civilians, and administrative personnel.

#### Transparency & Repercussions

If appropriate departmental goals aren't being met, we must know why. Cultivating transparency within the NOPD means better troubleshooting and identifying obstacles. ...





## 4.

Please give three examples of how the City should improve its use of existing public resources to achieve more effective City government.

**David Baird**

I believe that the City should examine the way Public works and the Sewerage and Water board operate together to maintain the City's infrastructure. Catch basins that are under Public Works require assistance from Sewerage and Water to repair and private sanitation contractors to clean. Road surfaces seem to require repair after drainage, water, or sewer line repairs. Traffic accident investigations that are without injury should be handled by certified third party investigators, and paid for by the individuals involved in the accident. The City should also encourage more use of online payments and collections. I have never seen advertised, heard about, or have been able to use the City's Fire Museum on Washington Ave. I question the continued use of this resource, especially given the fact that the Fire Fighters are involved in litigation with the City.

**David Gregory Nowak**

My top policy plank in regards to improving city government and delivering more effective services to citizens is to greatly expand the funding stream to the New Orleans Office of Inspector General. Our OIG is currently only allotted 0.55% of the City's General Fund and to fulfill their mission statement, which I strongly support, I believe we need to sextuple that number to closer to 3%. With billions of dollars of emergency repairs needed to remediate decades of neglect, as well as many citizens questioning what all their tax increases are being spent on, we need to strongly invest in the accountability, transparency, and oversight of every aspect of city government.

Secondly, I would like to do a thorough review of Audits and Enforcement to make sure that existing public resources are what they should be. With such a staggering sales tax in New Orleans we the people need to be certain that all of our sales tax dollars being paid are actually making it to the city coffers.

Broadly, I would like to see our tax dollars being spent on proactive measures instead of reactionary solutions to the most recent preventable disaster.

**Jason Williams**

Reduce Overlap and Duplication

We have done a lot to streamline the way the City functions, but there is still room for improvement. There are synergies between departments with shared goals that aren't being fostered, and overlapping needs that have resulted in duplicative expenses. ...

Accessible, user-centric government

One question that isn't asked enough is: Effective for whom? We need to think about government from the perspective of the community, not just fellow government officials or politicians or policy wonks – to the average New Orleanian.

How are people in our community interacting with the City on a daily basis? Is it fair? Is it accessible and equitable and treats everyone with the same respect they deserve? ...

When our kids are educated, safe, and employed, then government can focus on the most effective ways to fill potholes.

Effective government happens when we can stop reacting to our community in crisis, when folks have good jobs and educations and paths toward a clear future – not a pipeline to prison. We are still failing over half of the residents in our city, and until we stop the violence and discrimination we are always going to be less effective as a [governmental] body because we are too busy being in crisis.





## 6. How would you advise the City to rethink the total compensation package (salary and benefits) offered to new and existing employees?

**David Baird**

The Armed Forces are offering a phased in revamped compensation and retirement system. The City should consider such an approach.

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**David Gregory Nowak**

I don't think anyone should work for the city and not be firmly in the middle class. I want every New Orleans public servant to make a living wage and take pride in the community they are a part of and working every day to strengthen. I also feel that those at the top of the city government are making generous sums of money for work that has frankly left the citizenry dissatisfied. I would begin the debate over readjusting our pay structure with a focus more on recruiting the next generation of talent who will build the New Orleans of the 21st Century.

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**Jason Williams**

In general, the City needs to re-evaluate the way it attracts and retains critical institutional knowledge and dedicated employees that make sure the city continues to operate regardless of who is on the 2<sup>nd</sup> floor.

### Higher Wages and Job Tracks for Career Advancement

We would need millions of dollars to pay city employees what they are worth. We also need better job tracks with more mid-level positions so there's opportunities for people to grow and develop professionally, and advance to positions with increased compensation.

### Quality of Life

In recognition that we simply cannot compete with private sector wages, I am interested in exploring other ways to show our employees that they are valued, recognized, and appreciated, and that we care for them *today* and not just in 20 years when they retire.

I would like to invest in ways to improve the quality of life of our employees and their families. ... For example, flexible hours that allow people to come in a little earlier or later ...

### New generations

If we want to attract and retain a new generation that will serve our City, we have to rethink what we are offering compared to what the labor force is commanding. Younger generations have different expectations from employers, and different perspectives on what benefits could or should be. ...

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8.

How do you intend to achieve this level of funding?

**David Baird**

I would propose a study to determine the correct fee to impose on the brake tag fee for this class of vehicles.

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**David Gregory Nowak**

I intend to remove all street cameras currently in use, and not install any more. However, until that is fully implemented all funds from this current program will go directly into street maintenance. Many if not all of the 9 other sources identified by BGR as having a strong connection to streets amounting \$50 million dollars should be considered as funding streams. I would support a Transportation Utility Fee if it was applied to commercial and industrial vehicles only. I would strongly support a local fuel tax.

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**Jason Williams**

There's two types of funding here – the initial repairs which invest in salvaging our crumbling infrastructure, and long-term recurring revenue for maintenance and improvements. For repairs, we are already taking advantage of billions of dollars in federal grants. I am willing to explore additional funding if job creation is part and parcel.

Recurring revenue

This is a little trickier, because we all use streets no matter how much money we make. The status quo options are generally very unfair, and disproportionately impact people living on the margin and lower-income communities. Funding roads through a gas tax is regressive – the increased cost of a tank of gas is barely noticeable for some, but prohibitive for others. Tying to property value is antithetical to the point of a public good, and will only make struggling neighborhoods worse off, and affluent neighborhoods even better.

There are other options out there as well, such as creation of street maintenance districts. ...

We are starting to use the streets differently, and I want to ensure our revenue isn't tied to an outdated technology, source of energy, or urban design. ...

I am open to exploring ideas that raise revenue for repairs while encouraging folks to walk or bike or get out of their cars, but they would have to be structured fairly. ...

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**9.** **Should the City and S&WB continue to develop a proposal for a stormwater fee? If yes, how should they structure the fee? If no, how do you propose they address the drainage system's financial needs?**

**David Baird**

Maybe the S&WB should not be in charge of the storm-water system in New Orleans. I suggest that the alternatives include self regulating bio-systems as well as non developed reservoir space to achieve flood control needs. Pumping storm water into the lake or river has undesirable consequences. Given the recent mismanagement issues plaguing S&WB, I believe everything is on the table, including asking for a legislative change to abolish the S&WB.

**David Gregory Nowak**

A stormwater fee as proposed by the BGR deserves some consideration but I am not completely convinced that this additional fee should be shouldered by an already overtaxed populace. We need much more transparency and oversight immediately to fully understand the total scope of our problems. Does the S&WB truly need more money to mismanage right now? I believe our citizens demand accountability before they will consider any new taxes and fees. I also believe as Councilmember At Large that I will have to lobby state and federal legislators heavily to secure funding for our much needed infrastructure overhauls, as I do not believe stormwater fees are enough to meet the challenges facing us in water management.

**Jason Williams**

... Before we significantly reallocate funding, I believe there are a number of smaller measures that could be implemented to make our response to heavy weather events more sophisticated, not more expensive. ...

Structure of fees

I am supportive of a stormwater management fee, because every square foot of pavement is contributing to this problem that affects all of us. I am committed to exploring how to develop an equitable fee structure that helps property owners rethink pavement and drainage while building a fund for the City to repair and maintain our current systems.

Property-based solutions like on-site retention and reduction of surface paving are more sustainable ways to improve function of S&WB drainage systems, and cannot be waived like property taxes ensuring long-term benefit for the entire community. Additionally, tying these fees to the property itself (instead of a water bill) makes sense since runoff is an issue with the property itself, not a tenants use or behavior.

There are weaknesses to this approach as well, and potential for inequitable outcomes. For example, existing homes with large paved areas would face a high stormwater fee due to runoff or enormous cost to remove the pavement. ...

I am also careful not to place a burden on families and small businesses when there are sprawling big box parking lot concrete wastelands. Everyone needs to pull their weight on this, because we are all in this together.

### BACKGROUND

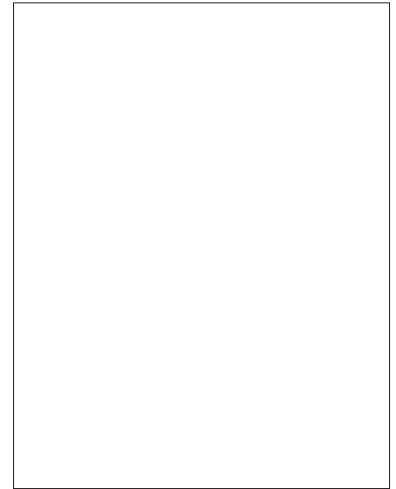
A 2015 BGR report found that only one-fourth of local tax revenue is available to City government for broad municipal purposes.\* The remainder is dedicated to specific municipal purposes or to other entities. These dedications limit the City government's ability to provide basic services and infrastructure and meet pressing obligations.

The tax dedications were approved in piecemeal fashion, often at the state level, over the course of many years with little planning and accountability. The allocation of resources that evolved from this ad hoc process has not been re-evaluated in the context of changing conditions and current needs.

BGR's report called for a review of current taxes in New Orleans to identify those that are ripe for rededication to basic municipal needs. BGR specifically called on the mayor to take the lead in pursuing all appropriate changes to local tax dedications. The City should conduct a comprehensive re-evaluation of tax dedications and develop a broad plan to address community priori-

ties. All taxes, except those for the most basic infrastructure and services, should be placed on the table for possible rededication. The City should evaluate all such taxes, not in terms of each taxing body's ambitions, but in the larger context of the community's priorities. Ultimately, the mayor should present a program for funding and executing the plan. But there is a role for the City Council here too, working collaboratively with the mayor.

\* BGR, *The \$1 Billion Question: Do the Tax Dedications in New Orleans Make Sense?*, November 2015, available at <http://www.bgr.org/reports/rethinking-tax-dedications-in-new-orleans/>.



### ON LOCAL TAX DEDICATIONS, BGR ASKED THE CANDIDATES:

**10. What changes to local tax dedications, if any, would you advise the City to pursue? Please be specific.**

# 10. What changes to local tax dedications, if any, would you advise the City to pursue? Please be specific.

**David Baird**

Right now, we have a “rugby scrum” with the council as referee. I think you must identify a list of services: Crime prevention, fire, medical response, courts-civil and criminal, youth, aged, homeless and impoverished, and tourism fighting for tax dollars. The convention center dedication which was set through a legislative change at the state level to support the bonds for the convention center is being eyed by the city. There has been some give and take with support for security services.

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**David Gregory Nowak**

With all the daunting intersectional challenges facing New Orleans I believe it is time to put many of our taxes on the table for reallocation. I certainly don’t think we need to have dedicated taxes for tourism marketing. I believe that a larger share of funding for RTA should come from hotel taxes, as many capital improvements in our public transit have been designed for tourists over residents.

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**Jason Williams**

... Cleaning up dedicated tax revenue to align with the City’s modern needs and priorities clearly needs to be done, and I will continue to work with the next Mayor to push for a broad re-evaluation of all local tax revenues and dedications.

Do our tax dedications reflect our values?

When we look at the numbers, there is a stark reality staring back at us. We spend as much on tourism and sports as we do on transit, parks, and streets *combined* – all of which are in shambles. ...

We also spend the same amount on education and public safety. This is both a symptom and a cause for the unacceptable prison pipeline – investing more heavily in education is a better investment in our children and our city’s future.

Protecting Programs

Rededication efforts can also pose a threat to critical programs and services for families, children, and the most vulnerable. Should the next Mayor pursue such an overhaul, I will be a staunch protector of such funding streams to ensure we continue to provide (or even bolster) safety net programs and development funds.

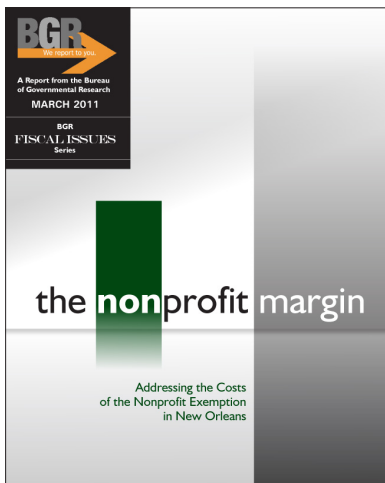
Nexus of revenue and use

The perverse incentive posed by dedicating taxes and fees from completely unrelated sources are problematic for the City to properly balance our budget. ...

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BACKGROUND

BGR has published numerous reports exploring the costs of ad valorem property tax exemptions. In 2011, BGR estimated that 60% of property value is off the tax roll.\* Of the exempt property, slightly more than half is owned by governments and one-third is owned by nonprofit organizations. The balance is mostly homestead-exempt property, with a small amount of tax-exempt industrial property.



Exemptions deprive local government of revenue and drive up the taxes on non-exempt residences and businesses. In 2011, BGR prepared illustrative scenarios of those impacts. One scenario indicated that, as a result of the nonprofit exemption, tax-recipient bodies in Orleans Parish had to forego more than \$125 million in annual revenue. In a revenue-neutral scenario, the mill-

age rate could be cut by 44 mills, or nearly one-third of the total rate levied at that time.

Louisiana’s constitution exempts an unusually wide range of nonprofit-owned properties. In its 2011 report and again in March 2016, BGR pointed out that Louisiana is significantly out of step with national norms.\*\* Its exemption provisions are overly broad, not necessarily tied to public benefits, and do not require that nonprofit property actually be used for an exempt purpose. In March 2017, BGR prepared a template for constitutional revisions to address these concerns and provided it to state legislators.\*\*\*

\* BGR, *The Nonprofit Margin: Addressing the Costs of the Nonprofit Exemption in New Orleans*, March 2011, available at <http://www.bgr.org/reports/addressing-the-high-cost-of-nonprofit-exemptions/>.

\*\* BGR, *It’s Time for Common Sense on Nonprofit Exemptions*, March 1, 2016, available at <http://www.bgr.org/reports/fixing-louisianas-costly-and-unusual-nonprofit-exemptions/>.

\*\*\* Letter from BGR to the Louisiana State Legislature, March 7, 2017, available at <http://www.bgr.org/reports/aligning-louisianas-nonprofit-property-tax-exemption-with-national-norms/>.

ON TAX EXEMPTIONS AND THE TAX BASE, BGR ASKED THE CANDIDATES:

**11. Do you support the BGR template for reform of the nonprofit exemption in the state constitution? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**12. What measures would you propose to protect and expand the tax base?**

# 11. Do you support the BGR template for reform of the nonprofit exemption in the state constitution? If there are points with which you disagree, please state what they are and explain the approach you would take.

**David Baird**

I believe that one must be able to justify a place of worship with active use as a place of worship and that other non-profits must maintain an active status, be accredited, must be fully approved by the IRS each year, and must be non-discriminatory and provide a benefit to the public at large.

**David Gregory Nowak**

I generally support the BGR template in regards to nonprofit exemptions in the state constitution. I believe that there is no issue with taxation, but endless problems with how it is collected. Policywise I am generally against tax exemptions of any kind. It's my view that tax policy is bad policy if there must be line item carve outs for multiple interest groups. This is a matter for our state legislators, though, and it seems they have work to do because this doesn't just affect New Orleans. I will certainly do my part as a city official to lobby for a reduction of exemptions statewide.

**Jason Williams**

Broadly, I support reviewing existing tax exemptions to make sure everyone is paying their fair share. ... [W]e are all using municipally funded infrastructure such as roads, police and fire protection – leaving non-exempt property owners to foot the bill.

I wholeheartedly support universities, colleges, and churches (including the Archdioceses) returning to the tax base. ... [T]hey all rely on city services, and many realize it is time they pay their fair share (in taxes or a lump sum).

#### Room to Improve - Carefully

I agree that the solution is a combination of reviewing nonprofit exemption requirements at the State level, and restricting exemptions only to those properties that are used for public benefit. There are certainly areas where the list can be tightened up, however crafting that criteria can be a powerful policy tool and must happen with the greatest of care, transparency, and oversight.

#### Value Judgments

I also do not want nonprofits to be subjected to value judgments or scrutiny about whether or not the work they do is worthy of an exemption, which we faced while reforming the City's fee waiver structure. ...

#### Scope of problem

I acknowledge there are some properties owned by nonprofits that aren't being used directly to further the mission of the nonprofit, however I am not convinced there are enough of these to warrant this sort of overhaul. ...

#### Limited Funding

Nonprofits face a meager funding climate, and imposing taxation on these properties creates unnecessary obstacles to developing those properties to serve their purpose for public benefit. ...

# 12. What measures would you propose to protect and expand the tax base?

**David Baird**

I believe that the Assessor should be required to review the tax base for inconsistencies with properties listed for sale on MLS, Zillow listings, and what official tax rolls are showing. Computerized rolls should compute price per sq ft. and what properties are being carried within the district. I would be interested in how many properties are improperly being carried on the rolls as investment properties by nonprofits.

**David Gregory Nowak**

I believe in a complex world with myriads of intersectional issues. My policy platform has many planks that are big ideas to ameliorate problems across multiple spectrum of citizen's concerns. The best way to protect and expand the tax base is through good governance and targeted policies that help the average resident. By reversing our decades long trend of shrinking population we can protect and grow the tax base by growing the number of permanent residents, who all add to the economic complexity and dynamism of our local economy. We cannot rely on tourist dollars alone! Raising the minimum wage to \$15/hr, a Residential Dividend, a 4 year freeze on property tax increases, removing traffic cameras, a more robust OIG, tuition free community college, and marijuana legalization among other policy planks will do much to reverse the trend of a shrinking population. Together the residents of New Orleans will meet these current challenges, and our combined strength will carry us to a bright future.

**Jason Williams**

### More Housing

The bottom line is we need more people to live here and own their homes. Any effort to attract or support development contributes to growing the tax base – increasing the supply of units available at all price points, and expanding homeownership opportunities.

Expanding homeownership also means increasing affordability, and finding new pathways to ownership, such as the homeownership programs recently launched by FANO.

### Expanding Homeownership/Affordability

Over the past four years I have worked on several policies and initiatives to spur development such as increasing density limits for housing along transit corridors, inclusionary zoning, and constantly considering potential impacts on housing affordability for everything that comes before the Council.

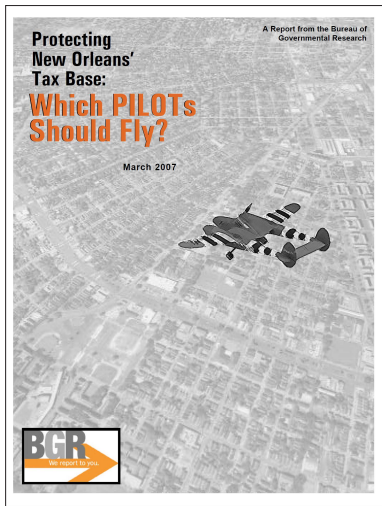
### Blight – we also need to put more properties into commerce.

There are tens of thousands of abandoned properties that are just racking up debt and weighing down the surrounding neighborhoods. ...

We need to start thinking strategically on the local and State level about legislation that can un-stick these properties so they can be put back into commerce and contribute to the tax base instead of draining resources for code enforcement, abatement, adjudication, tax sales, etc. These changes are difficult ones, but they are long overdue. We can't keep doing the same things and expecting different results.

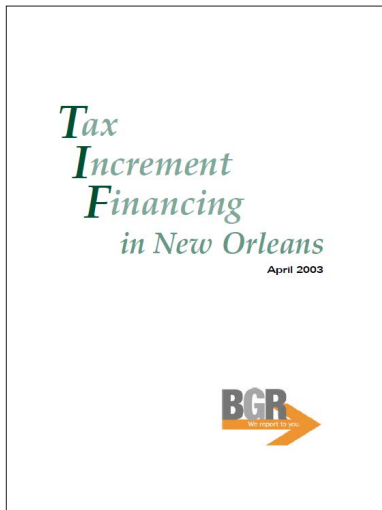
**BACKGROUND**

In analyzing economic development tax subsidies, BGR adopts the premise that property taxes are a cost of doing business and property ownership. They should be levied in a fair manner. Having said that, BGR recognizes that there may be instances in which tax subsidies are both necessary and beneficial.



- The project receiving the subsidy advances the priorities set forth in New Orleans' economic development strategic plan.
- Independent market studies and financial analysis demonstrate that the market will not produce a desirable outcome for the site, therefore making a public subsidy necessary.
- Efficient subsidies provide only the minimum needed for the project to proceed. In addition, they should not compensate for basic financial weaknesses in a developer or a transaction (e.g., inadequate equity investment) or a lack of demand for a service or product.
- Effective subsidies produce a significant positive ratio of benefits to costs, as supported by a rigorous cost-benefit analysis.
- Subsidies should not create unfair impacts on local competitors or the surrounding neighborhood.

BGR has called for the City and other economic development entities to take a rigorous approach to reviewing subsidy requests. It is not enough for a project to show it will enhance tax revenues or create jobs. The City should consider a tax subsidy only if it can demonstrate that the subsidy is strategic, necessary, efficient, effective and fair. As more fully discussed in BGR reports on payments in lieu of taxes (PILOT)\* and tax increment financing (TIF),\*\* this means:



\* BGR, *Protecting New Orleans' Tax Base: Which PILOTS Should Fly?* March 2007, available at <http://www.bgr.org/reports/protecting-new-orleans-tax-base/>.

\*\* BGR, *Tax Increment Financing in New Orleans*, April 2003, available at <http://www.bgr.org/reports/tax-increment-financing-in-new-orleans/>.

**ON ECONOMIC DEVELOPMENT TAX SUBSIDIES, BGR ASKED THE CANDIDATES:**

**13. Do you agree with the basic principles for economic development tax subsidies identified by BGR? If there are points with which you disagree, please state what they are and explain the approach you would take.**

**14. As a council member, how would you prevent unnecessary subsidies?**



# 13. Do you agree with the basic principles for economic development tax subsidies identified by BGR? If there are points with which you disagree, please state what they are and explain the approach you would take.

**David Baird**

The River Gardens Tax Increment Financing project was developed by allowing Wal-Mart to collect a portion of the tax and pass it on to River Gardens who was managed by HRI Associates. This project was immensely successful for the Lower Garden District as it was the economic engine that spurred some 2 Billion dollars in improved real estate valuation throughout the District (20,000 X \$100,000) that includes some of uptown and Central City. So the value lost on the TIF was more than made up by the value added by the project. The quality of life has improved, as evidenced by the number of homicides, the median level of income, the amount of subsidy, the homeowner surveys, and general census of the area.

**David Gregory Nowak**

I certainly agree that property taxes are a cost of doing business and property ownership. They absolutely should be levied in a fair manner. I would like to stress that New Orleans has the monopoly on Orleans Parish. If the market will not produce a desirable outcome for the site, I would much rather that property be earmarked for potential public works development. If a subsidy is to be provided I will be seeking strict oversight, especially in regards to unfair impacts on local competitors and the surrounding neighborhood.

**Jason Williams**

For the most part I agree with the basic principles of economic development tax subsidies. However there is substantial variability in how those principles are implemented (policy details, rules, regulations, etc), and the devil is in the details ...

#### A bad deal is not better than nothing

For a very long time the City has been desperate to attract industry and development, and PILOT subsidies and TIFs have been two of the most over-utilized tools in the economic development toolkit. As one of the fastest growing cities in the nation, we no longer have to beg and plead for investment, which means significantly scaling back on how and when PILOTs and TIFs are utilized.

#### Accountability

We can start by reviewing current PILOT subsidy payments to ensure payment was adjusted to appropriate level based on the original agreement. Next, we need to clearly outline justification for IDB involvement, PILOT project selection criteria, and clearly define bond and subsidy terms.

#### Risks

Both PILOTs and TIFs are risky for the City – if projections used in calculations are off or don't pan out, the City forfeits the benefits promised from these subsidies, such as infrastructure improvements, or increased revenue over the long run. Ultimately, the City and other taxpayers are the ones holding the bag.

# 14. **As a council member, how would you prevent unnecessary subsidies?**

**David Baird**

I'd say that the subsidies must pass a rigorous test that encompasses a payback of values that are economic as well as socially measured.

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**David Gregory Nowak**

Broadly, I am highly skeptical of the need for many economic development tax subsidies. Any support from me would come after much serious public debate and consensus building.

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**Jason Williams**

I am monitoring a current subsidy study initiated by Economic Development to assess the efficacy and trade-offs from all existing subsidies. As part of my commitment to evidence-based policy, the insight gleaned from this study will drive my positions on the best path forward to subsidy reform. Additionally, IDB appointments by each Councilmember is a critical opportunity to reshape the Board.

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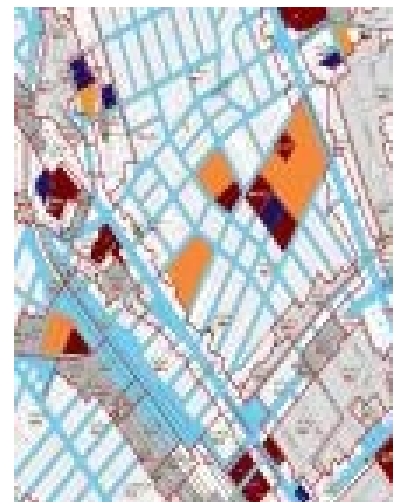
### BACKGROUND

In 2008, voters approved a City charter amendment that, among other things, set forth the general contents of the City’s Master Plan and gave it the force of law.\* The “force of law” basically means that certain laws and land use decisions must conform to the plan. However, it is not all-encompassing.

As BGR observed in a 2015 report, only actions that have a direct impact on the physical development of the city must be consistent with the Master Plan.\*\* These include the City’s capital improvement plan, its capital budget, public projects, zoning laws, and land use actions, such as zoning map amendments, subdivisions or conditional uses. And land use actions must be consistent with only one element of the Master Plan: the land use element, which the Master Plan calls the Land Use Plan. Other elements of the Master Plan provide only a non-binding guide for City decision-makers on land use actions.

The Land Use Plan, by contrast, is not merely a guide. The City’s charter requires every land use action to “further, or at least not interfere with, the goals, poli-

cies and guidelines” in the Land Use Plan and to be “compatible with the proposed future land uses, densities and intensities” in the plan. This means that land use actions in general must be consistent with the Land Use Plan, or at the very least be neutral with regard to it.



Correctly interpreting and applying the Land Use Plan is critical to ensure clarity and predictability for public officials, developers and residents.

\* For an analysis of the proposed charter amendment, see BGR, *On the Ballot: November 2008*, available at <http://www.bgr.org/reports/on-the-ballot-november-2008/>.

\*\* BGR, *It's the Law: Land Use Decision Making and the Master Plan*, October 28, 2015, available at <http://www.bgr.org/reports/its-the-law-land-use-decision-making-and-the-master-plan/>.

### ON LAND USE PLANNING, BGR ASKED THE CANDIDATES:

**15. As a council member, what would you do to ensure that you are complying with the force of law in the context of the Land Use Plan?**

# 15. As a council member, what would you do to ensure that you are complying with the force of law in the context of the Land Use Plan?

**David Baird**

You can't govern by exception. I am not accepting campaign contributions. "NIMBY" and not one size fits all are two competing concepts that will require delicate deliberation. But remember, I am the only candidate that owns the second oldest landmark structure in the city at 1539 Religious Street that was built before 1762 and it is on a truck route to the Port of New Orleans.

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**David Gregory Nowak**

My vision for a 21st Century New Orleans includes a proactive focus on our city's ecology as a resource infrastructure to be nurtured and developed. I am no legal scholar, and have many questions just like my constituents. With the full intent to follow every law as a public servant, I intend to hire a legal scholar. Not only to advise me, but also report to the public on the city's compliance with all city code and charter. Public forums and civic engagement will ensure all stakeholders feel confident in the bona fides of any new proposal.

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**Jason Williams**

The charter is very clear about how the force of law applies to the master plan (although there was confusion). The Land Use Plan is the connection between the aspirations and vision for the city, and the CZO which is the technical/implementation.

The Master Plan (including LUP) is a living document, and will continue to evolve, continuously refined. The current ongoing amendment process is the first thorough review of changes since 2012, and demonstrates that a lot can change in a city in 5 years.

#### Amendments

Content included in the Land Use Plan must be carefully weighed – it must strike a balance between flexibility to accommodate some of the more unusual properties and situations, but rigid enough to be predictable, and prevent influential developers from steamrolling the voice of the people.

There are certain things we want for our city, but are aspirational (not prescriptive) and belong in the Master Plan but not the LUP. Likewise there are some parts that belong in the CZO but not the LUP. We are currently in the process of amending the Master Plan, and have given careful consideration to all proposed changes, and compatibility with the Land Use Plan.

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