FRENCH QUARTER SALES TAX RENEWAL, DECEMBER 5, 2020

IN BRIEF

On December 5, voters in the French Quarter will decide whether to renew a 0.2495% sales tax to pay for enhanced and supplemental public safety services. The proposition would extend the tax – set to expire at the end of 2020 – for five years through 2025. The tax would generate an estimated $1.8 million within the French Quarter in 2021, although this will depend on the pandemic’s impact on sales activity.

Since the tax took effect in 2016, all of the revenue has gone to supplemental Louisiana State Police patrols, but this agreement terminates in a few weeks, at the end of 2020. The City of New Orleans (City) did not seek to extend the agreement. Instead, if voters renew the tax, the City administration has proposed using most of the revenue for supplemental New Orleans Police Department (NOPD) patrols and patrols by City-employed security officers.

However, at the time BGR published this report – just a few days before the election – the City Council had not accepted the administration’s proposal, including an accountability plan, through a binding agreement or a City ordinance. As a result, key terms controlling how the City will spend and account for the tax revenue remain in flux.

The City spent several months attempting to negotiate an agreement with the City Council and the French Quarter Management District, a State-created body that administers separate supplemental patrols by off-duty NOPD officers. Those negotiations appeared to break down the week before the election because of disputes over control of the tax proceeds and the portions allocated to police patrols and security patrols.

REPORT HIGHLIGHTS

To analyze the proposition, BGR considered four questions that address the efficient and effective use of public resources: (1) Are there valid reasons to continue funding supplemental public safety services in the French Quarter? (2) Is the proposed tax an acceptable way to fund this purpose? (3) Is the tax appropriately sized? (4) Will the tax revenue be well spent? Based on this analysis, BGR found the following:

- Ensuring adequate public safety is essential to the French Quarter’s continued economic, residential and cultural vitality. In 2019, the tax revenue plus contributions from tourism entities provided $6.7 million for special patrols to supplement the NOPD’s 8th District officers. This year, tourism...
entities ended their funding due to the economic impact of the pandemic, and the Management District’s reserves to operate its patrols will last only through February 2021. Thus, if voters reject the sales tax renewal, the French Quarter will lose its remaining source of dedicated funding for supplemental patrols starting January 1, 2021. The loss of tourism entities’ funding and the ongoing security needs of the French Quarter provide valid reasons to continue some level of funding for supplemental patrols.

- The sales tax has other positive attributes. Because it is paid primarily by tourists, who far outnumber residents, it fairly distributes the tax burden among the beneficiaries of the security services. In addition, the amount of revenue the tax generates is linked to the level of economic activity in the French Quarter. This helps to keep the tax receipts aligned with public safety needs, enabling services to expand as tourism and tax revenues recover from the pandemic.

- The City’s proposal would consolidate fragmented public safety services in the French Quarter. It also would restore local control by replacing State Police patrols with NOPD patrols. Because policing is a core municipal function, the City and NOPD are ultimately responsible for public safety in the French Quarter.

- Despite these potential benefits, the uncertainty regarding the future spending plan and accountability measures for the tax revenue raises concerns as to whether the revenue will be spent effectively under the City’s proposed plan.

- There is a lack of data-driven analysis to support the City’s preferred division of tax revenue between police patrols ($710,000) and security officers addressing quality-of-life and code enforcement issues ($620,000), or a competing proposal from the Management District to direct a greater proportion of revenue to police patrols.

- Without approved accountability measures in place, voters cannot be sure how the City will overcome past problems with oversight of the tax revenue. The City had no way to assess the effectiveness of the tax-funded State Police patrols, and it did not try to modify the agreement for the patrols to address the shortcomings. The City’s new proposal includes several layers of accountability, including weekly and monthly reporting, performance measures and an oversight committee of French Quarter stakeholders. While these would be significant improvements, the absence of an agreement or ordinance means voters do not know whether these accountability measures will, in fact, come to fruition.

**BGR POSITION**

**AGAINST.** While there are valid reasons for supplemental public safety services in the French Quarter, and the expiring sales tax is an appropriate funding mechanism, the City’s failure to finalize spending and accountability plans for the tax revenue renders the proposition premature. BGR recognizes that the City’s proposal has some merit. It would consolidate fragmented public safety services and provide more local control of policing, a core municipal responsibility. In addition, the French Quarter, as an economic engine, historic landmark and mixed-use neighborhood, has unique and substantial public safety needs. However, the City’s incomplete spending and accountability plans cannot assure voters that it will effectively utilize the tax revenues to address those needs. With this in mind, the City should work to develop a consensus with French Quarter stakeholders on how to best enhance public safety. This should include a data-driven analysis to determine revenue allocations to police and security patrols. The City’s involvement in developing a solution is essential as it is ultimately responsible for public safety in the French Quarter. If this process results in another tax proposition, it is imperative that the parties involved establish clear spending and accountability plans before calling the election.
INTRODUCTION

On December 5, voters in the French Quarter will decide whether to renew a 0.2495% sales tax to pay for enhanced and supplemental public safety services. The proposition would extend the tax – set to expire at the end of 2020 – for five years through 2025. The tax would generate an estimated $1.8 million in 2021, although this will depend on the pandemic’s impact on sales activity in the French Quarter.¹

The New Orleans City Council levies the tax as the governing authority of the French Quarter Economic Development District (Tax District). Only residents of the Tax District vote on the tax, which applies only within the district’s boundaries. As shown in the map below, the district is bounded by the Mississippi River, the centerline of Canal Street, properties fronting on the lake side of North Rampart Street and properties fronting on the downriver side of Esplanade Avenue. It includes the entirety of Louis Armstrong Park.

The proposed sales tax would keep the general sales tax rate in the French Quarter at 9.7% and the total sales tax rate for restaurants and bars in the French Quarter at 10.45%.² The tax amounts to 25 cents for every $100 purchase made in the district. It does not apply to the rental of hotel rooms.

The ballot proposition mirrors the 2015 proposition for the original tax in stating that the Tax District must use the proceeds for enhanced and supplemental public safety services to facilitate economic development within the district. Since the tax took effect in 2016, all of the tax

BOUNDARIES OF THE TAX DISTRICT

Map provided by the City of New Orleans.
revenue has gone to supplemental Louisiana State Police patrols, but this agreement terminates in a few weeks, at the end of 2020. The Tax District and City of New Orleans (City) did not seek to extend the agreement. Instead, if voters renew the tax, the City administration has proposed using the majority of the revenue for supplemental New Orleans Police Department (NOPD) patrols and patrols by City-employed security officers.

However, at the time BGR published this report – just a few days before the election – the City Council had not accepted the administration’s proposal, including an accountability plan, through a binding agreement with the Tax District or a City ordinance. As a result, key terms controlling how the City will spend and account for the tax revenue remain in flux.

For several months, the administration attempted to negotiate a cooperative endeavor agreement with the Tax District and the French Quarter Management District (Management District), a State-created body that administers separate supplemental patrols by off-duty NOPD officers called the French Quarter Task Force (Task Force). The district’s record of accountability and transparency in running the Task Force appeals to many French Quarter stakeholders concerned about the City’s lapses in overseeing the State Police patrols, as discussed later in the report. The Management District sought 70% of the tax revenue to continue the Task Force after losing funding from the local tourism industry due to the pandemic. But the City proposed retaining control of all funds with the Management District providing oversight. Negotiations appeared to break down the week before the election. On November 27, the Management District’s board rejected the City’s latest proposal, arguing that it placed too much emphasis on security patrols as opposed to police patrols. The board urged voters to reject the tax renewal. See the sidebar for more information on the Management District.

City administrators previously indicated that if they could not reach an agreement with the Management District, they would seek an ordinance authorizing the City to operate the supplemental patrols itself subject to new accountability measures, including oversight by an advisory committee of French Quarter stakeholders. However, the City Council has not introduced such an ordinance, and it does not appear to have sufficient time to approve one before the election. Moreover, as the governing authority of the Tax District, the council approved a resolution in August stating its intent to reach an agreement with the Management District, which it described as well positioned to operate the supplemental police patrols. In addition, the councilmember representing the French Quarter worked closely with the Management District during its negotiations with the Louisiana State Legislature created the French Quarter Management District in 2007 to preserve the vitality of the French Quarter for residents and visitors after Hurricane Katrina.* The district seeks improvements to public safety, sanitation, public infrastructure, code enforcement and other areas that impact the French Quarter’s quality of life and economic viability. A 13-member board governs the district, with appointments by business and tourism organizations (seven members), civic groups (two), the mayor (two), the City Council member representing the French Quarter (one) and the Vieux Carré Commission (one).

The district received a total of $133,000 in State appropriations during its first three years, primarily for strategic planning. It then reported no revenues for four years until it began receiving funding to operate the Task Force in 2015. Virtually all the district’s $1.4 million in 2019 revenue came from New Orleans & Company, a private nonprofit organization that promotes tourism and conventions, to fund the Task Force and cover the district’s overhead costs. The Management District has not received revenue from the sales tax. With the loss of the tourism industry’s contributions, district officials said they are seeking appropriations from the Legislature to help fund the district’s operations going forward.

the City administration. All of this raises the possibility that the council, which has been largely silent on the proposed tax renewal, could seek to modify the administration’s proposal before agreeing to fund it through tax allocations.

The lack of an agreement or ordinance establishing spending and accountability plans means that the uncertainty voters have faced since early voting began on November 20 will persist until the December 5 election, barring a last-minute development. In addition, much of the information the City has provided the public about the tax renewal assumed an agreement with the Management District. For example, the City’s online presentations on November 11 and November 17 discussed the Management District’s anticipated role if the tax were renewed but did not say what the City would do if it could not reach an agreement with the district.

For this report, BGR obtained information from the City administration about its contingency proposal for using the tax revenue absent an agreement with the Management District. The report also draws on the Management District’s counter-proposal. The purpose of the report is to help voters make an informed decision on the proposition. It provides background information and an analysis grounded in BGR’s mission of promoting the effective use of public resources. The report ends with BGR’s position on the proposition.

**BACKGROUND AND CONTEXT**

**Recent Funding for French Quarter Public Safety**

From 2010 to 2014, the French Quarter had a 27% increase in crimes against persons and a 63% increase in crimes against property. The uptick in crime included a high-profile Bourbon Street shooting in 2014 that killed one person and injured nine others. During the same timeframe, the number of officers assigned to the NOPD’s 8th District, which includes the French Quarter, had dropped 35%.4

The rising crime rates prompted local tourism industry leaders to use hotel tax revenues to fund supplemental police patrols in the French Quarter. To assist these efforts, the City Council created the Tax District and, in 2015, voters approved the current sales tax, which took effect January 1, 2016. BGR supported the tax proposition.5

Total funding for supplemental police patrols in the French Quarter was $6.7 million in 2019. The tax provided $3 million, while the remaining $3.7 million came from the New Orleans Ernest N. Morial Convention Center (Convention Center) and New Orleans & Company, a private nonprofit organization that promotes tourism and conventions. As Table 1 indicates, all $3 million from the sales tax went to the Louisiana State Police to provide at least 15 full-time troopers to patrol the district under an agreement that expires December 31, 2020. This agreement supplemented an existing agreement under which New Orleans & Company and the Convention Center provided $2.5 million to the State Police for troopers to patrol the French Quarter.

New Orleans & Company also provided $1.2 million to the Management District to fund the Task Force, which hires off-duty NOPD officers on paid details to patrol in Smart cars and respond to citizen complaints via an app. Before the coronavirus pandemic, the Task Force patrols averaged 50 hours per day. They currently average 32 hours per day. The State Police and Task Force patrols supplement regular NOPD patrols by 8th District officers.
The continuing economic fallout from the public health crisis has substantially reduced funding for enhanced public safety in the French Quarter. In response to plummeting hotel tax receipts, New Orleans & Company and the Convention Center ended their funding for the Task Force and State Police patrols. With the loss of funding, the Management District has enough reserves to operate the Task Force at a reduced level through February 2021, when the patrols would end if the district does not find an alternate funding source. Tourism officials said they have no plans to resume funding for public safety in the French Quarter as they focus on the tourism industry’s recovery from the pandemic. Thus, if voters reject the sales tax renewal, the French Quarter will lose its remaining source of dedicated funding for supplemental patrols starting January 1, 2021. The Tax District could return to voters with a proposition for a new tax after six months.

A New Approach

The City administration’s proposal for a renewed tax would replace the State Police patrols with a new structure of local patrols managed by the New Orleans Office of Homeland Security and Emergency Preparedness (Homeland Security). The City’s proposed approach would use the revenue as follows:

- $710,000 for an average of at least 48 hours per day of supplemental patrols by NOPD officers. This is the equivalent of two officers per day and two per night, although NOPD would have flexibility to adjust the number of officers on patrol. These would be on-duty officers working overtime, as opposed to off-duty officers working paid details as under the Task Force. The officers would focus on law enforcement and would predominantly be from the 8th District. A full-time 8th District sergeant would oversee the patrols in daily consultation with Homeland Security. This expenditure estimate covers salaries and benefits but not “hard costs,” such as vehicles and fuel. These costs totaled about $80,000 for the Task Force in 2019.

- $620,000 for an average of at least 60 hours per day of patrols by Homeland Security’s Grounds Patrol, which provides security at various City facilities and parks, including Armstrong Park. This is the equivalent of 2.5 officers per day and 2.5 per night, although Homeland Security would have flexibility to adjust the number of officers on patrol. The funding also would pay for a lieutenant and half the salary of a commander to oversee the patrols. The Grounds Patrol officers would focus on non-emergency complaints, code enforcement and quality-of-life issues. The Grounds Patrol officers do not carry guns, nor do they have arrest powers. However, City administrators have proposed an ordinance, along with a special commission from the NOPD superintendent, that would authorize them to issue municipal citations. They will also receive training in a range of policing topics, including use of force, de-escalation techniques, bias-free policing and interacting with mentally ill and intoxicated individuals.

- $150,000 for a 24-hour dispatcher for both patrols.

- $320,000 for other public safety services and initiatives. City officials said these could include additional patrols, homeless assistance programs and expanding the Law Enforcement Assisted Diversion program, an alternative to arrest and incarceration that provides a wide range of support services, including drug treatment and mental health care.

Chart A illustrates how the enhanced public safety services in the French Quarter would change. City officials cite several reasons for allowing the State Police agreement to expire and replacing their patrols with local officers. They said State Police ranks are stretched thin, making it difficult to fully staff the French Quarter patrols and driving up overtime costs. The officials also see advantages in using NOPD officers who are specifically trained in urban policing and are subject to court-ordered reforms to ensure constitutional policing. These reforms do not apply to the State Police.
**ANALYSIS**

In this section, BGR analyzes the tax proposition based on four questions related to the efficient and effective use of public resources. This framework derives from BGR’s research on government finance and taxation, as well as consultation with government finance experts:

- Are there valid reasons to continue funding supplemental public safety services in the French Quarter?
- Is the proposed tax an acceptable way to fund this purpose?
- Is the tax appropriately sized?
- Will the Tax District spend the revenue effectively?

**Are There Valid Reasons to Continue Funding Supplemental Public Safety Services in the French Quarter?**

With more than 10 million visitors a year, the French Quarter is the heart of the city’s tourism industry. It generates substantial tax revenues for local and state government entities. It is also a historic landmark and home to about 3,200 residents. Ensuring adequate public safety is essential to the French Quarter’s continued economic, residential and cultural vitality.

Since the first full year of supplemental patrols in 2015, French Quarter crimes against persons have dropped 33%. Most of this was due to a sharp decline in simple and armed robberies, which fell more than 50%. However, the most serious crimes – homicide and rape –

### Chart A: Pre-Pandemic and Proposed French Quarter Public Safety Services

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<thead>
<tr>
<th>Funding Source</th>
<th>Public Safety Services</th>
<th>Pre-Pandemic (2019 Figures)</th>
<th>Proposed (City’s 2021 Plan)</th>
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<td>Tourism Industry</td>
<td>NOPD Patrols*</td>
<td>$3.7 million</td>
<td>NOPD Patrols**</td>
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<td>Sales Tax</td>
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* Off-duty NOPD officers working details for the French Quarter Task Force.
** On-duty NOPD officers working overtime.
have remained relatively steady. During the same time period, crimes against property increased 5%, due primarily to a near doubling of shoplifting cases. See Appendix A for a detailed breakdown of the crime statistics. BGR notes that other factors besides the supplemental patrols may have contributed to the overall improvement in the numbers. For example, the number of NOPD officers in the 8th District has increased 20% from 83 to 100 since the sales tax took effect.\(^\text{12}\)

While the surge in crime that prompted the supplemental police patrols has eased, a Management District security consultant’s report this summer found that residents, business owners and tourists generally do not sense an improvement in security and safety in the French Quarter.\(^\text{13}\) NOPD has, for example, reported 49 business burglaries so far in 2020, an increase of 14 compared to the same period last year. The NOPD’s superintendent said the increase in the 8th District’s ranks has not obviated the need for supplemental patrols. Indeed, the superintendent indicated that some form of special patrols tailored to the French Quarter’s unique characteristics as a major tourist attraction and residential neighborhood will likely always be necessary to provide adequate public safety. Thus, the ongoing need for enhanced public safety in the French Quarter, combined with the loss of funding from tourism entities, are valid reasons to continue public funding for supplemental patrols.

Is the Proposed Tax an Acceptable Way to Fund This Purpose?

Using a dedicated sales tax to fund supplemental public safety services in a neighborhood is a novel approach in New Orleans. Local security districts typically pay for patrols through parcel fees or property taxes approved by voters residing in the neighborhood. This is appropriate in most cases because the property owners are usually the primary beneficiaries of the enhanced safety.

But the French Quarter is not an ordinary New Orleans neighborhood. Its residents are far outnumbered by visitors, who would not pay a parcel fee or property tax. The sales tax ensures that visitors pay the bulk of the cost of the enhanced security. This satisfies a key principle of good taxation that those who benefit from public goods and services should pay the tax.

The fact that the vast majority of the tax revenue would come from visitors, as opposed to French Quarter residents, distinguishes this situation from traditional security districts. It also appears to align with the City’s position that residents should not control the use of the revenue as they would in a security district funded by parcel fees.

Is the Tax Appropriately Sized?

In 2019, the sales tax generated $3 million. Because of the tourism slowdown resulting from the pandemic, the City has lowered its estimate for 2021 to $1.8 million, if voters renew the tax. The cessation of funding for supplemental patrols from tourism entities would leave the tax as the only revenue source dedicated to enhanced public safety in the French Quarter next year. If this were the case, it would represent a 73% drop in funding for enhanced public safety from the $6.7 million spent in 2019.

While this indicates the tax is not excessive, it raises the question of whether the tax is sufficient to have a meaningful effect on public safety. City officials said their proposal seeks to deliver public safety services more efficiently by deploying the reduced tax dollars to a mix of traditional policing and code enforcement. They said the patrols by security officers cost less and address quality-of-life issues that may contribute to crime, adding to the potential efficiency gains. However, as discussed later, opponents of the City’s proposal contend that the security patrols would consume resources that would be better spent on policing.

To the extent that the tax revenue is not sufficient to provide the necessary public safety services in the French Quarter, the City could seek additional revenue
from its General Fund as it recovers from the pandemic’s impacts. In addition, as the local tourism industry recovers and hotel tax receipts increase, the City could ask tourism leaders to resume providing some funding for supplemental patrols.

The amount of revenue the tax generates is linked to the level of economic activity in the French Quarter. This helps to keep the tax receipts aligned with public safety needs. During the current downturn in tourism, tax receipts have declined as has the need for supplemental patrols. As tourism rebounds, so will the tax receipts, providing revenue to expand public safety services. If tax receipts return to their pre-pandemic levels, and the City achieves its goal of greater efficiencies, it is more likely that the tax will provide sufficient revenue to meet the French Quarter’s public safety needs. Thus, BGR finds that the size of the tax is appropriate to preserve a basic level of supplemental public safety services and expand it as tourism and tax revenues recover.

**Will the Tax District Spend the Revenue Effectively?**

Demonstrating the likelihood that the tax revenue will be spent effectively requires:

- A clear plan for directing the proceeds to high-priority needs
- Appropriate financial stewardship and accountability for taxpayer dollars
- Evidence demonstrating the likelihood of effective outcomes

**Planning for High-Priority Needs.** As previously discussed, key provisions controlling how the City will use the tax revenue remain in flux. The broad strokes of the City’s proposal would direct the vast majority of the tax revenue, about $1.5 million, to supplemental patrols, a clear high-priority need. However, critics of the City’s approach contend it directs too much revenue to patrols by security officers, a lower priority than police patrols. The City’s proposal would allocate about 40% of the tax revenue to NOPD patrols. BGR notes that funding for supplemental police patrols would plummet from a pre-pandemic level of $6.7 million to just $710,000 under the City’s proposal. If voters renew the tax, the City administration should provide a data-driven analysis that supports its revenue allocations to police and security patrols before the City Council funds the proposal.

The remaining $320,000 in tax revenue would fund other public safety initiatives that the City would identify in consultation with a new advisory committee as discussed in the next section. The City also would use the security study that the district commissioned to prioritize these expenditures.

**Financial Stewardship and Accountability.** Some public officials and French Quarter residents have expressed concerns about the City’s level of accountability for tax dollars it spent on the State Police patrols. The agreement for the patrols has required the City to provide all net tax proceeds to the State Police. The State Police, in turn, must provide as many full-time troopers as the tax revenue would support but no fewer than 15. These overly broad terms sometimes made it difficult to get a clear picture of where the money was going. In addition, the minimum of 15 troopers was based on estimates that the tax would yield $2 million in the first year, 2016. Actual tax receipts were $2.5 million that year, and they rose to $3 million in 2018, yet there was no corresponding increase in the minimum number of troopers the State Police had to provide. BGR sought to determine whether the number of troopers increased as revenues increased, but the City said data on State Police patrols prior to 2019 is currently unavailable due to the December 2019 cyberattack.

In another accountability issue, the agreement did not require the State Police to provide any data on their patrols, such as the number of arrests or citations issued. Nor did the agreement for the State Police patrols that the Convention Center and New Orleans & Company funded. As a result, the City has had no way to assess the effectiveness of the tax-funded patrols. Despite these significant shortcomings in accountability and financial stewardship, the City did not modify or end the agreement for the patrols.
City officials said their proposal to renew the tax includes several layers of accountability. They said the City will provide weekly reporting of all supplemental patrols by the NOPD and Grounds Patrol as well as regular NOPD patrols. The officials said this will enable the public to verify that the patrols funded by the tax do not supplant regular patrols. The French Quarter patrol activities would be incorporated into the 8th District’s MAX meetings, which are open to the public and report on crime, management, community policing and risk management. The City will also maintain a dashboard with updates on sales tax receipts, expenditures, daily patrol hours and patrol statistics, such as the number of calls responded to, arrests and citations. The City Council and the Management District will receive a monthly report of all patrols and spending.

City officials said they also will hire a full-time analyst under the Chief Administrative Officer to monitor a special fund for the tax revenues to track and verify expenditures daily. The analyst will review data on performance measures to evaluate the effectiveness of the various public safety programs and recommend changes as needed. For example, City administrators said the measures for the Grounds Patrol could include daily miles patrolled, average call response time, frequency of code enforcement and quality-of-life complaints to 311 to track the impact of the patrol’s citation powers.

As a final layer of accountability, the City says it would seek to establish a 12-member advisory committee of French Quarter stakeholders to oversee and make recommendations on the use of tax revenues. However, this would have to be done by an ordinance, and the City Council had not introduced one at the time of this report’s publication. As a result, voters do not know whether these accountability measures will, in fact, come to fruition.

Potential for Effective Outcomes. City officials said their proposed uses for the tax revenue are likely to be effective, in part, because they align with key recommendations by the Management District’s security consultant. For example, the consultant emphasized the importance of going beyond traditional law enforcement efforts to address quality-of-life issues and social problems that contribute to crime in the French Quarter. City officials said they will accomplish this by expanding the Grounds Patrol to address these issues, allowing the NOPD patrols to focus on law-enforcement. They said this approach will also save money because the Grounds Patrol costs less.

As a final note, the relatively short five-year duration of the tax allows for greater accountability because citizens and policymakers could reevaluate the tax in 2025. However, this is not a substitute for ongoing accountability measures throughout the duration of the tax. It should not have taken the tax’s pending expiration for the City to address fundamental flaws in handling its oversight responsibilities.

Overall, the City has proposed an improved accountability plan to address these shortcomings, but the plan lacks the certainty of a binding agreement or ordinance and thus presents voters with the risk of a different and less effective result.
ter was unsuccessful. In 2015, the City launched NOLA Patrol in which trained civilians walked the French Quarter to enforce traffic restrictions and deal with quality-of-life issues. Many French Quarter residents and business owners deemed the patrols ineffective, and the City did not continue the program after a one-year trial. City administrators said the Grounds Patrol security officers will have extensive training and powers to issue citations that go beyond what past civilian patrols have had.

Still, opponents of the City’s proposal contend that the security patrols would not address the French Quarter’s overriding public safety need to prevent and solve crimes. They say that, rather than freeing up police to focus on law enforcement, the security patrols would consume limited public resources that would otherwise go to police. As previously discussed, the administration should address this issue by clearly justifying the level of expenditures on police and security patrols.

Another key finding from the security consultant’s report concerns the fragmentation of public safety services in the French Quarter. At least eight different public entities are involved with policing and security in areas of the French Quarter. This risks duplication of services and other inefficiencies. The report found that French Quarter public safety as a whole is well funded and staffed, but it suffers from a lack of coordination among the different entities.

City officials said their proposal would reduce fragmentation and improve coordination by bringing all the supplemental patrols under Homeland Security’s umbrella. They said this would provide a centralized command structure to deploy resources more efficiently and effectively. In addition, the NOPD’s 8th District would have closer control over the assignment of on-duty officers than it does with NOPD officers working paid details for the Management District, although those officers maintain communication with the 8th District during their shifts.

From this perspective, the City administration’s proposal would restore local control by replacing the State Police patrols with NOPD patrols and also consolidating the management of those patrols within its existing law enforcement role. Because policing is a core municipal function, the City and NOPD are ultimately responsible for public safety in the French Quarter. Thus, funding for police services should generally flow to the City to help it meet this obligation. Directing a portion of local public safety funding to a State entity, such as the State Police or Management District, could perpetuate fragmentation and inefficiencies in policing the French Quarter.

In urging voters to reject the tax renewal, Management District officials said they plan to seek a dedicated tax or other funding source from the State Legislature in the 2021 session to continue the Task Force patrols. The public discussion of such a policy proposal should address these fragmentation and local control issues.

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**ANALYZING THE PROPOSED FRENCH QUARTER SALES TAX RENEWAL**

**PROS**

- Consolidates fragmented public safety services in the French Quarter.
- Restores local control by replacing State Police patrols with NOPD patrols.
- Maintains baseline funding for supplemental patrols, which can increase as tourism recovers and public safety needs grow.

**CONS**

- Spending plan is not finalized and remains in flux as voting is underway.
- Accountability plan to address poor oversight of existing tax revenues also remains unimplemented.
- The appropriate division of tax revenue between police officers and security officers remains unclear in the absence of a data-driven analysis.
The City’s proposal would consolidate public safety services in other ways that do not utilize the tax revenue. For example, the Grounds Patrol would take over security operations for the French Market Corporation, which would pay for the services with its existing $1.5 million security budget. This would eliminate the corporation’s in-house security services.

City administrators propose using some of the tax revenue, approximately $300,000 in the first year, for public safety initiatives that go beyond traditional law enforcement. This could include homeless assistance programs, drug-abuse treatment and mental health care. Such initiatives can effectively complement policing to address some of the root causes of crime. As is the case with the police and security patrols, these initiatives should be guided by an analysis demonstrating the likelihood of successful outcomes.

Finally, unlike the current agreement for the State Police patrols, the City said it will monitor performance measures for the various programs the tax funds. They said the data will inform adjustments to increase the likelihood of effective outcomes.

CONCLUSION

The French Quarter sales tax renewal would continue a baseline level of supplemental public safety services, and these services could expand as tourism activity rebounds and tax revenue increases. Under the plan proposed by the City administration, it also would preserve local control of public safety with the City, which has primary responsibility for law enforcement. The City would consolidate management of the supplemental patrols under a centralized command that closely coordinates with NOPD’s 8th District. This promises to reduce fragmentation of security services in the French Quarter, a key recommendation of the recent security study. The City’s proposed framework for public reporting on performance and the tax’s five-year term would bolster accountability to French Quarter residents. However, as the dispute between the City and French Quarter groups illustrates, voters lack a clear demonstration that the City’s proposed division of funds between the Grounds Patrol and NOPD patrols will lead to effective public safety outcomes. Furthermore, voters have no binding document establishing future accountability for the tax revenue. This is a significant concern because of problems with the City’s oversight during the past five years.

BGR POSITION

AGAINST. While there are valid reasons for supplemental public safety services in the French Quarter, and the expiring sales tax is an appropriate funding mechanism, the City’s failure to finalize spending and accountability plans for the tax revenue renders the proposition premature. BGR recognizes that the City’s proposal has some merit. It would consolidate fragmented public safety services and provide more local control of policing, a core municipal responsibility. In addition, the French Quarter, as an economic engine, historic landmark and mixed-use neighborhood, has unique and substantial public safety needs. However, the City’s incomplete spending and accountability plans cannot assure voters that it will effectively utilize the tax revenues to address those needs. With this in mind, the City should work to develop a consensus with French Quarter stakeholders on how to best enhance public safety. This should include a data-driven analysis to determine revenue allocations to police and security patrols. The City’s involvement in developing a solution is essential as it is ultimately responsible for public safety in the French Quarter. If this process results in another tax proposition, it is imperative that the parties involved establish clear spending and accountability plans before calling the election.

“... The City’s involvement in developing a solution is essential as it is ultimately responsible for public safety in the French Quarter. If this process results in another tax proposition, it is imperative that the parties involved establish clear spending and accountability plans before calling the election. ..."
## APPENDIX A: FRENCH QUARTER CRIME STATISTICS, 2013 TO 2019

<table>
<thead>
<tr>
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<td><strong>PERSONS</strong></td>
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<td>Armed Robbery</td>
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<tr>
<td><strong>Total</strong></td>
<td>220</td>
<td>288</td>
<td>245</td>
<td>247</td>
<td>195</td>
<td>192</td>
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<td>Vehicle Burglary</td>
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<td>Residence Burglary</td>
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<tr>
<td>Theft</td>
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<td>1,149</td>
<td>1,202</td>
<td>1,227</td>
<td>1,150</td>
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<td>Auto Theft</td>
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<td>70</td>
<td>78</td>
<td>72</td>
<td>56</td>
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<td>83</td>
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<tr>
<td>Shoplifting</td>
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<td>115</td>
<td>129</td>
<td>158</td>
<td>179</td>
<td>186</td>
<td>208</td>
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<tr>
<td><strong>Total</strong></td>
<td>1,166</td>
<td>1,561</td>
<td>1,390</td>
<td>1,482</td>
<td>1,558</td>
<td>1,641</td>
<td>1,646</td>
</tr>
</tbody>
</table>

Source: New Orleans Police Department
The ballot proposition estimates the tax will generate $2 million based on a projection earlier this summer. The City subsequently revised the estimate to $1.8 million, which it told BGR may still be optimistic.

Food and beverages purchased at restaurants, bars and other food service establishments in New Orleans are generally subject to an additional 0.75% sales tax dedicated to the New Orleans Ernest N. Morial Convention Center.


Ibid.

La. Const. Art. 6, Sec. 30(B).

The amount includes limited NOPD administrative costs because the 8th District command structure is in place.

The 8th District covers approximately 7.5 square miles, from the Mississippi River to South Claiborne Avenue, and Calhoun Street to Franklin Avenue. New Orleans Police Department, Eighth District Community Outreach and Public Information Plan, December 2016, p. 4.

The French Market Corporation would pay the other half of the commander’s salary through a separate agreement for the Grounds Patrol to provide security at its properties.

New Orleans City Council, Ord. Cal. No. 33,155. The City Council had not considered the ordinance at the time BGR published this report.

Population figure provided by the French Quarter Management District.

This is part of an overall increase in the police force from 841 officers in 2016 to 1,164 in 2020. Figures exclude recruits. Information provided by NOPD.


This figure covers salaries and benefits but not “hard costs,” such as vehicles and fuel. Including these costs would increase the figure to about 44% if the hard costs were the same as those for the Task Force in 2019.

In response to a request from BGR, the City provided only limited statistics from 2019 and 2020 that it obtained through its own inquiry to the State Police.

MAX stands for Management Analytics for eXcellence. https://nopdnews.com/transparency/dashboards/.

The committee may include the following: One person nominated by the Vieux Carré Property Owners, Residents, and Associates, Inc. and appointed by the mayor; one person nominated by New Orleans & Company and appointed by the mayor; one person nominated by the French Quarter Business Association and appointed by the mayor; one person nominated by the French Quarter Business League and appointed by the mayor; two persons nominated by the French Quarter Citizens, Inc. and appointed by the mayor; one person nominated by the North Rampart Main Street, Inc. and appointed by the mayor; one person nominated by the Ernest N. Morial New Orleans Exhibition Hall Authority and appointed by the mayor; one person who is domiciled within the Tax District boundaries, appointed by the mayor; one person who is domiciled, employed full-time or owns or operates a business within the Tax District, appointed by the New Orleans City Council member representing City Council District C; one person who is employed full-time within the restaurant industry or as part of the cultural economy within the boundaries of the Tax District and not a board member or commissioner of any of the other appointing groups, appointed by the mayor; and the Superintendent of the New Orleans Police Department or his designee.

Bullington, Jonathan, “French Quarter civilian ‘NOLA Patrol’ is no more,” NOLA.com | The Times-Picayune, April 29, 2016.

This includes the NOPD, State Police, Management District, French Market Corporation, the Downtown Development District, the New Orleans Department of Homeland Security Grounds Patrol, the Orleans Parish Sheriff’s Office and the Harbor Police Department.


French Market Corporation properties include the French Market, the Jackson Square promenade and parking lots on Elysian Fields Avenue. It also patrols Crescent Park and the first three blocks of Frenchmen Street.
ON THE BALLOT: FRENCH QUARTER SALES TAX RENEWAL, DECEMBER 5, 2020

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