

NEW ORLEANS PARKS AND RECREATION TAX PROPOSAL, MAY 4, 2019

INBRIEF

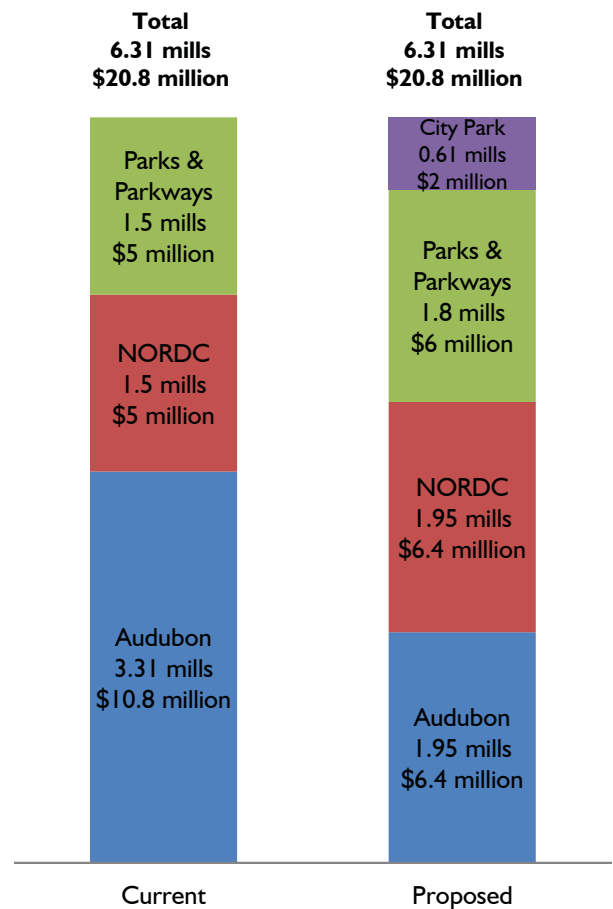
What is the proposition? New Orleans voters will decide whether to replace three existing taxes for parks and recreation totaling 6.31 mills with a single tax at the same 6.31-mill rate. Voter approval would not result in a tax increase. The replacement tax would run for 20 years and fund more park agencies and a broader range of purposes than the existing taxes do.

Currently, the Audubon Commission has two dedicated taxes, one for the Audubon Zoo (0.32 mills) and another for the Audubon Aquarium of the Americas and related facilities (2.99 mills). A third tax of 3 mills is split evenly between the New Orleans Recreation Development Commission (NORDC), and the City of New Orleans Department of Parks and Parkways (Parks and Parkways).

Under the proposed replacement tax, as shown in the chart, Audubon would receive less property tax revenue, while NORDC and Parks and Parkways would receive larger allocations and City Park its first-ever property tax funding. Each recipient could use its millage funding for a broad array of park and recreation purposes, including park safety, storm-water management, conserving natural areas, and constructing, repairing and maintaining facilities.

Why is it on the ballot? The City of New Orleans views the current taxes as funding too narrow a range of parks and recreation needs. The City wants to replace them with the proposed tax, rather than renew them when they expire in 2021 and 2022.

CURRENT AND PROPOSED TAX ALLOCATIONS



BGR's ON THE BALLOT SERIES

This report is the latest in BGR's *On the Ballot* series, which provides voters with objective, nonpartisan analysis of significant ballot propositions in the New Orleans metropolitan area. In producing *On the Ballot* reports, BGR recommends positions consistent with its mission of promoting informed public policy and the effective use of public resources for the improvement of local government. *On the Ballot* reports bring to light the strengths and weaknesses of ballot propositions and assess the potential for government expenditures or actions to efficiently achieve beneficial outcomes for citizens.

REPORT HIGHLIGHTS

- A 2017 study found that New Orleans has inadequate funding to sustain and grow its diverse collection of parks, playgrounds and other facilities. It also found inadequate coordination among New Orleans' numerous park management agencies.
- The study's recommendations led to the proposed tax and the development of a 20-year cooperative endeavor agreement intended to enhance the park agencies' collaboration, planning and public accountability for their tax expenditures. The agreement would take effect on May 4, 2019, but only if voters approve the proposition. If they do not, the agreement would not take effect and the park agencies would continue their informal coordination and communication.
- The agreement calls for greater collaboration on a number of fronts, including maintenance, programming and capital project planning. It also requires the City and the agencies to create a 10-year citywide master plan for parks, open space and recreation. They have agreed to "contribute reasonable funding and use reasonable best efforts to secure philanthropic support" for the plan. The agreement has a low bar for termination, so it will depend heavily on the good faith of the City and park agencies to achieve its aims.
- BGR evaluated whether the tax is necessary for each agency, and whether alternative funding options exist. BGR found that the four prospective tax recipients have clear needs for new revenue or, in the case of Audubon, the continued receipt of a lesser amount of tax revenue. Audubon and City Park have worked toward operational efficiencies within the constraints of their heavily self-funded budgets. While NORDC and Parks and Parkways have benefited from City budget increases in recent years, they remain underfunded relative to the level necessary to provide effective preventive maintenance. The proposed tax rededication appears to be the most promising alternative to improve public financial support without increasing taxes.
- BGR also evaluated whether the agencies' shares of the tax are appropriately sized to their needs. The detailed spending plans presented by the agencies appear aligned to their needs as well as their shares of the proposed millage. However, the funding for the master plan remains undetermined in size and source.
- Finally, BGR analyzed whether the tax revenue would be well spent. The City and the park agencies have developed clear funding priorities to support their allocations of the millage. Those priorities also align with their broader strategic plans and objectives. Additionally, the new cooperative agreement would require an annual accounting of millage expenditures and biannual community engagement. Some opponents of the proposition, as well as some supporters, question the commitment to public accountability and engagement. Ultimately, it will be up to the City and the agencies to ensure these are substantive and effective.

BGR POSITION

FOR. New Orleans' parks and recreation facilities support citizens' quality of life. They also draw many visitors from around the region and beyond. But the existing property taxes fund too narrow a range of entities and purposes. The proposition gives voters a chance to rebalance the tax revenue. It emerged from a process that evaluated and prioritized agency needs. Without increasing taxes, the millage would provide greater funding to the New Orleans Recreation Development Commission and the City's Department of Parks and Parkways, helping them to improve their services and programs. It would provide City Park with its first-ever property tax revenue, helping to stabilize its budget and enhance park amenities. And it would enable the Audubon Commission to retain a smaller but more flexible source of revenue for its Zoo, Aquarium and other facilities. In addition to rebalancing tax revenue, voter approval of the proposition would put into effect an agreement among the park agencies and the City intended to foster greater planning, coordination, and public accountability.

If voters approve the proposition, BGR urges the City administration and City Council to regularly monitor the agencies' spending plans and performance of the commitments and obligations in the cooperative endeavor agreement. One key commitment is the funding and execution of a comprehensive parks and recreation planning process. BGR urges the City and park agencies to develop a model planning process, encourage public input, seek to maximize coordination and cooperative efforts among park management agencies, and provide for annual public reporting and accountability during implementation.