

BGR

We report to you.

Questions for Council Candidates District B

NEW ORLEANS

Candidates' Views
on Important Issues
Facing City Hall

CANDIDATE



Q&A

BGR

ELECTION SERIES

PART 5 OF 7
OCTOBER 14, 2017 ELECTION

2017 CANDIDATE Q&A

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The Bureau of Governmental Research 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.

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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.

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?

Jay H. Banks

Yes. We must pay our officers much more to be competitive with regional departments. Beyond that, we need our good experienced officers to stay.

Eugene Ben-Oluwole

No. There needs to be a thorough review of the financial records of NOPD. Reports have raised questions that pay raises are not being granted equitably, rather that the senior staff is receiving immediate raises while recruits to mid-level ranking officers are having to go through several steps in order to receive the increased rate of pay. Additionally, it seems that each time there is an increase in funding, we are using these taxpayer dollars to buy new vehicles, yet see these vehicles being used to house traffic cameras. In the past three years, NOPD has acquired at least 500 new vehicles, while gaining a small fraction of new officers.

Seth Bloom

The current city budget dedication to public safety is 63% of the overall budget. I would work within the budget allocated to the New Orleans Police Department to help minimize waste, and reallocate resources to make needed improvements. As Orleans Parish School Board President, I oversaw budget issues and contributed to resource management. I pledge to wisely utilize existing funding for public safety in a way that will best protect our citizens.

We also must look to other creative ways to assist the police in investigating crime. Existing technologies such as traffic cameras, crime cameras, and even non-governmental resources like ProjectNola cameras and social media can be utilized as resources to investigate crime. Further, as discussed below, other agencies on the state and federal level play a role in criminal justice in New Orleans, and we should take full advantage of those non-monetary resources at our disposal.

Catherine Love

From the outside looking in, it's easy to assume that NOPD's problems – and the city's crime problem – could be solved with more funding. That may not be the case. While the shortage of personnel is widely known and surely plays a role in the crime rate, new funding sources may not be necessary if the city properly allocates its resources. If it's clear that more funding is necessary, we should leave no stone unturned in finding appropriate sources.

Andre "Action Andre" Strumer

Yes, I would seek an increase in funding for NOPD. The level of current officers serving is drastically lower than the Pre-Katrina level of officers. These numbers should increase annually at the suggested rate of 90 officers per year, which would set a more adequate number of police on "Patrol Duty." 1,600 officers is the goal for the final number of officers on NOPD.

Any year that the 90 new officer recruitment is not met would suggest a 10 million dollar figure that could then be spent on other city projects. Thus, it would encourage NOPD to fulfill its recruitment goals.

The added number of officers would cut down the response time to seven (7) minutes for violent calls and down to 14 minutes for non violent calls.

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

Jay H. Banks

We should prioritize our city budget around public safety - especially making sure we have sufficient manpower on the streets from NOPD, but also ensuring that there are services to help young people avoid trouble in the first place. In my experience at the Dryades YMCA, when we provide enrichment and opportunity for kids, they avoid some of the worst pitfalls in our communities and stay on the right track.

Eugene Ben-Oluwole

Once again, funding strategies are dependent on a full review of the taxpayer funds being currently used. Increased property taxes is not a proper route, the people are already feeling the burden of this strategy. Most likely these funds would have to be shifted from programs other than family and child services.

Seth Bloom

We first need to establish trust in this community that current resources are being efficiently allocated. I will work to build that confidence by eliminating budget waste. If additional financial resources become necessary, I will work to create a specific plan for the use of the additional revenue and demonstrate that the further spending is necessary to effectively reduce crime and increase community safety.

Catherine Love

Determining funding strategies for NOPD is difficult. New Orleanians are already heavily taxed, and additional tax burdens have the potential to create another round of out-migration, as occurred in the '80s and '90s. Sending our taxpayers to Jefferson, St. Charles and St. Tammany Parishes accomplishes nothing except exacerbating traffic problems. By the same token, relying on fines and fees for police revenue sends a bad message to the public and incentivizes frivolous ticket-writing. I honestly believe our city has adequate revenue to provide for essential services, even hidden in relatively small line items in other budgets that are unnecessary. Harvested and reallocated, the money is there.

Andre "Action Andre" Strumer

I support the recommendations to increase the property taxes on houses worth \$350,000 by \$262.50 each year and for each additional \$100,000 of value the tax would be an additional \$75. As stated in the report, commercial property owners would pay \$105 per \$100,000 of property value.

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

Jay H. Banks

We need public and transparent data available for all to see. We need leaders at NOPD and at the City Council to work together across the criminal justice system to make sure we are truly coordinated in our fight against violent crime. Focusing on our communities and restoring police-community relationships will help build trust and also hold NOPD accountable on a grassroots level.

Eugene Ben-Oluwole

The quickest method would be to tie the pay rate of senior level personnel to statistics, with smoothing factors used to prevent undue burden. A Chief of Police should not receive a 10% raise when crime has increased over the past two years, especially when the duty officers and patrols are still making sub-par wages in comparisons to other precincts. Monthly performance reports should be delivered with recommendations by executive NOPD personnel on how to target and effectively police trouble zones.

Seth Bloom

Our city's public safety concerns are the responsibility of the entire criminal justice system, from police, to courts, to the district attorney's office. Our hardworking police officers cannot shoulder the entire weight of combatting violent crime by themselves. Accountability for all facets of the system is important, and I pledge to thoroughly review processes and evaluate the systems we currently have to eliminate financial waste and to make recommendations for better utilization of human resources. Those affected by drug addiction should be offered opportunities for treatment so that our system can focus on reducing violent crime and repeat offenses.

While oversight of police lies with the executive branch under the mayor, the council has the ability to enact budget changes to incentivize the achievement of goals. I will work to closely monitor how well the entire criminal system is utilizing its allocated funds to achieve goals that keep citizens safe.

Catherine Love

NOPD accountability is crucial, but so is resource-allocation. We cannot expect NOPD or any public agency to simply do more with less, year after year. For NOPD, the problem is personnel shortage more than funding, as I've articulated. As the Council did when crime surged in the 1990s, I believe the Council could place a hiring freeze on all other city agencies and require weekly reports from the Police Superintendent in a public meeting.

Andre "Action Andre" Strumer

The City Council would hold NOPD accountable for achieving their goals by revisiting the proposed 12 year tax increase, which would allow the voters to change the proposed budget increases, if the hiring goals were not met, the response times did not go down, and the number of arrests for violent crimes did not go up.

5.

To what extent would you support changes to the City’s pension plan to better manage its risks and costs? Please be specific.

Jay H. Banks

I don’t support cutting benefits city workers were promised and earned throughout their service, especially when we see managers and others making significant windfalls upon retirement. It’s incumbent upon the council to work towards ensuring the long term stability of our pension funds in order to make sure those who earned benefits truly receive them.

Eugene Ben-Oluwole

There are two specific changes that should be made to the pension plan.

The first is that certain executive positions accrue benefits at 3.5%/annum rather than the standard 2.5%.

The second has to do with the vesting periods. Certain executive positions can be fully vested after 5 years if over 60 and 10 years if just a few years younger (many of these positions accrue at 3.5%/yr. as well). Change all vesting periods to be a minimum of 12 - 15 years, with a lower payout percentage depending on time the position was held in which these benefits accrue.

Seth Bloom

The city pension plan as it currently stands deprives citizens of much-needed revenue that could be applied to vital city services. In order to be competitive and in step with national evolving standards, our city must modernize its retirement packages moving forward. An employee-matching contribution plan will ensure that employees take on a personal stake in their financial future, while at the same time easing the strain on taxpayers, and shifting the monies collected in tax and other city revenue to services that citizens rely on for day-to-day life.

Catherine Love

The City’s retirement program deserves a full audit. Recent investigations have shown rampant mismanagement in many such plans, costing taxpayers literally billions of dollars. Once that is complete, through an independent, outside actuarial service or the state Legislative Auditor, additional details will emerge to maximize efficiencies.

Andre “Action Andre” Strumer

At my current level of understanding, I would support changes to the City’s pension plan. There is a higher than nationally averaged pension responsibility of the City to its public workers.

The way the pension system is set up now, the City can find itself paying up to 118% of what the employees are required to match. This current rate is untenable. Although the current situation was secured by smart and educated people searching for an acceptable compromise between the City and the public employees decades ago, in its current incarnation, it is simply wrong. A balance must be found that would encourage good people to work for the City, while not putting an undo tax burden on the people who live here.

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

Jay H. Banks

Moving forward, I do believe we need to match our compensation packages with market conditions. We have to be competitive with the market in order to keep good employees and make sure we can recruit well qualified new employees.

Eugene Ben-Oluwole

If the changes recommended in question 5 are made, the pension plan should fall back within the proper industry standard funding levels and then little change needs to be made to the current compensation plan. Our pension is one of the strongest recruitment tools for civil service, a career path that many find unattractive these days.

Seth Bloom

While existing employment benefits and retirement packages may not be subject to change, all new hires should be offered a modern package that emphasizes fairness to all parties, including the taxpayers. New employees should be offered a retirement package with contribution-matching, modeled from the leading national best practices in the private sector. To attract new and talented hires, the focus should be on health benefits during employment. Wage increases during the course of employment can also be offered as enticements.

Catherine Love

Municipal employees are undercompensated, period. To attract quality employees, that must change.

Andre “Action Andre” Strumer

Strategies I would explore are:

1. Putting a cap on the pension level at 100%, in order to prevent excessive payments to the highest paid workers.
 2. Suggesting a more balanced responsibility platform between the City and the public workers.
 3. Eliminating the option of lump sum payments.
 4. Raising the age of retirement to national levels.
 5. Instead of paying Cost of Living Adjustments (COLA) future plans should allow employees a choice of how they wish to structure their benefits over time.
-

7.

What level of funding will you pursue for street maintenance?

Jay H. Banks

I would double or triple the less than \$10M we spend on street maintenance. Our streets in uptown are in terrible shape - especially those on the interior of neighborhoods. It's long past time we spend the requisite amount of money to create a full plan for interior street renovation in concert with SWB and other utilities to avoid the need to dig our streets up again.

Eugene Ben-Oluwole

The first priority would be to utilize the full amount dedicated funding available for the streets. At this point, the City is only spending approximately \$3.8 million per year despite a total funding of about \$8.5 million available annually. In addition, the general fund includes more than \$400 million in undedicated revenues that the City should begin to invest into its crumbling infrastructure.

In addition to that there is a stream of revenue from street-related fees, fines and taxes. This revenue will generate a net total of \$52.5 million in 2017, with no spending being dedicated towards infrastructure of streets.

Seth Bloom

The city of New Orleans has access to federal funding for street maintenance as part of a large FEMA settlement package, and this money needs to be wisely utilized to maximize the benefit in the long-term for our citizens.

As this Bureau has noted, the city does not currently spend the money allocated for street maintenance, despite the obvious need for street repairs in many parts of the city, including in District B. As a council member, I will strive to hold the city accountable for actually using the financial resources we have and link those resources to real-life improvement projects so that citizens can drive their streets safely and without causing damage to people and property.

Catherine Love

Preventive maintenance on New Orleans' streets is so overdue that \$35 million is inadequate! In fact, it's laughable. Again, misplaced funding priorities have resulted in our current state of affairs, and we are now reaping what we have sown in that regard.

Andre "Action Andre" Strumer

As a City Council member, I would pursue the high end of the funds recommended for preventative street maintenance at 35 million dollars, which is nearly 10 times the amount currently allocated for this preventive maintenance, 3.8 million dollars.

8.

How do you intend to achieve this level of funding?

Jay H. Banks

I believe in dedicating street revenue to street construction - that means all parking tickets, moving violations, etc. should be returned to the streets or even matched to bonds to drastically increase the maintenance budget.

Eugene Ben-Oluwole

It's not certain that this level of funding already exists. According to the November 2015 BGR Report entitled *The \$1 Billion Question*, it was determined that there are sizable disparities among the tax-recipient entities. Further analysis should be done on this issue before additional taxes are levied or proposed.

Seth Bloom

The use of federal dollars is a short-term solution, and when the funds are depleted, they will not be renewed. Therefore, it is also vital that the city take a twofold approach to the coming shortfalls: find sustainable solutions to reduce future need for street repairs, and find creative funding sources that do not increase the tax burden on the populace.

I will work to make sure that funds from parking enforcement be used toward road repair, since there is a nexus between parking tickets and street usage. I also propose that currently nonprofit exempt properties which create a strain on streets, produce traffic congestion, and contribute to burden on the city streets be taxed so that the revenue generated can be utilized.

Catherine Love

There is wasteful spending in every City Hall department budget. We MUST find it, reallocate it, and solve the most pressing problems our people face.

Andre "Action Andre" Strumer

While they are still in use, the traffic cameras are generating 50 million dollars per annum for the City. This money can be directed toward funding the public works project to repair and maintain our streets.

The suggested amount to completely repair the streets of New Orleans is five (5) billion dollars. We are expecting 1.5 billion dollars from FEMA after the Hurricane Katrina disaster. Additional funding can come from a Transportation Utility Fees and aggressively reducing the exemptions now allowed for commercial enterprises that benefit the most from our roads. Since they generate the most income from our streets, they should pay an amount equal to that reward.

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?

Jay H. Banks Absolutely not. The SWB deserves no more money until we understand exactly how our money is being spent and what the plan is to keep our city safe from flooding. I do not support any further money until this accounting is made public and we get a full report that details the deficiencies and the necessary changes to structure and leadership we need at SWB to ensure our safety.

Eugene Ben-Oluwole Yes, the City should develop this proposal; however, this should be done independently of S&WB data and projections. The data compilation and projections should be done by a neutral third party, perhaps the one that is slated to come in and oversee the restructuring of S&WB.

The structure of the fee should be determined through a detailed study of applicability to New Orleans, the ERU, Intensity of Development, and a blend of the two methods. Exemptions should be applied, but only for adjustments to runoff prevention. Then the best method determined should be presented to the voters with adequate and detailed educational events and information dispersed.

Seth Bloom While stormwater fees are being assessed in other municipalities around the country, it is important that our stormwater drainage and pumping system is working correctly and that the public has confidence in these systems before any additional burden is placed on residents for water diversion systems. Our officials must provide open and clear communication to citizens regarding the pumps’ capacity to function.

Drainage fees should be assessed only after open forums with citizens and a clear plan for gradual implementation of a fee. Additionally, the funding to repair pumps that is earmarked by SELA should be carefully monitored to ensure that we do not have economic waste before straining citizens with additional costs.

Catherine Love Yes, the City and S&WB should continue to pursue a frugal and responsible plan to address these federal and state matching fund needs. The fee should either be minimal – \$1 per user per month, e.g. – or should be on a sliding scale based on water usage.

Andre “Action Andre” Strumer 1.) Yes.

2.) As per the research submitted by the BGR, the stormwater fee should be implemented with the provision that new construction must address the drainage runoff concern within the architectural plans submitted before the build part of the structure begins.

Additionally, the properties normally exempt from bearing the cost for these stormwater fees as a result of the current way *ad valorem* property taxes excluded collection from non-profit and government owned buildings.

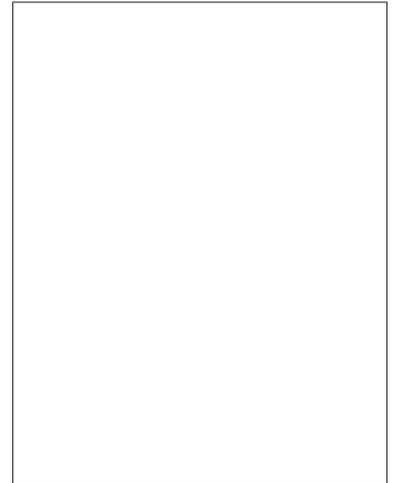
BACKGROUND

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.

Jay H. Banks

I completely agree that current taxes must be reviewed. We must make sure our tax dollars flow as our budget does - by prioritizing issues like violent crime and economic development, including maintaining and expanding affordable housing. Dedications are useful in some cases but should not work towards the detriment of the city's current priorities.

Eugene Ben-Oluwole

The report by the BGR makes it abundantly clear that a thorough review of all tax dedications is required, but the most apparent is the tax dollars that are going to the Ernest N. Morial NO Exhibition Hall authority. These funds have been stockpiled over the past several years so that the amount now exceeds \$200 million while there are vital City services that are being underfunded. More tax dollars should be going to programs that enhance public services and serve the public interest. Education and family services should see a sizable increase to their funding first and foremost.

Seth Bloom

Citizens' taxes should be put to good use toward improvements that affect daily quality of life. It is important to assess what the needs of the community are, and to acknowledge that priorities sometimes change. As a councilman, I will look to my constituents for guidance and welcome input from community leaders, neighborhood associations, and other groups. In council chambers, I will make it a priority to listen to the will of the people and invite the community to weigh in on budgetary concerns.

Catherine Love

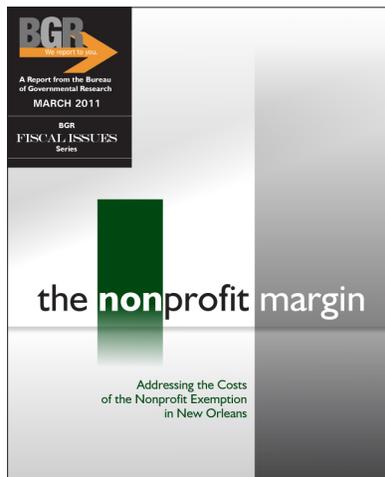
While BGR's 2015 report was certainly thorough, the next Council and Administration should undertake a new review of tax dedications. The political reality is that without dedicated propositions, the voters are unlikely to approve or renew any new taxes – largely a function of rampant distrust of government at all levels. To address needed changes, we need to re-prioritize ALL spending and evaluate the budget with extreme thoroughness. Clearly, the most pressing needs are not recreation and litter abatement (as arbitrary examples), but crime and public safety, flood protection, and infrastructure improvements. If a new vote of the people is needed to reallocate dedicated taxes, we should undertake that with ferocity and a complex education plan.

Andre "Action Andre" Strumer

There should be a comprehensive review of the current tax situation for New Orleans. Since 25% of the tax budget is available and fluid for use by the City, these funds can be used independently and in conjunction, with the 75% of the monies, previously allocated, for known budgetary issues are implemented, they can be assigned to the unknown or unexpected issues, which will be presented through the course of a City's fiscal year.

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.



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.

Jay H. Banks

I believe we are not doing enough to collect EXISTING revenue owed to the city. Before delving into this complicated and multi-step process (involving the state legislature, etc.), we must ensure we are collecting what is owed to the city.

Eugene Ben-Oluwole

Yes, I agree with the BGR template for reform. The vague language of the constitution and the attention paid to the nonprofit status of the entity rather than the use of the property is quite troubling. The main problem is that there are nonprofits devoted to promoting trade, travel, and commerce that receive the benefits of no taxation, when no other state has exemptions for these entities.

Seth Bloom

Because of the myriad tax exemptions for nonprofit organizations, our state and city lose valuable and much-needed revenue yearly. I agree with the Bureau's proposal that exemptions should, at the very least, be based on whether the property in question is being used for a purpose related to the mission of the nonprofit owner. All other states that address this have at least that restriction. As we continue to experience budget shortfalls for necessary services in our city and our state, holding organizations accountable is one way to increase funding for vital services.

I will bring the budgetary concerns of the city of New Orleans to state legislative sessions to address nonprofit exemptions. I will also advocate for the legislature to consider amendments to existing law that would allow local parishes and city governments to opt out of exemptions, especially exemptions for private homes and other properties not directly related to a charitable or otherwise exempt purpose.

Catherine Love

Simply, yes. BGR's proposal for a legislative adjustment to nonprofit tax exemptions is entirely on-point. If elected, I will work to interface with legislators and advance this proposition.

Andre "Action Andre" Strumer

1. Yes. I support the BGR template for reform of the nonprofit exemption in the state constitution.
2. There are no points, with which I disagree. I was shocked to learn the amount of tax revenue that remains outside our tax base.

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

Jay H. Banks

I believe in helping return underutilized public land into commerce to increase our tax base and building stronger incentives to help equalize our tax base across neighborhoods - making sure those who can pay, do pay; and ensuring our revenues aren't predicated only on what hard-working families and seniors pay to the city.

Eugene Ben-Oluwole

The use of services charges, like the storm water fee proposal, is a much more economically sound and equitable way to expanding the tax base. It also is able to alleviate some of the burden that has been placed on homeownership in Orleans Parish.

Seth Bloom

I will work to increase economic opportunity in District B, and lend my support for opportunities throughout the city. We are uniquely positioned, both geographically and culturally, to be true innovators in ecological and environmental innovation, technology, entertainment, and education, just to name a few. We already have several fantastic incubators such as the Propeller, BioInnovation Center, and the Idea Village for entrepreneurs and small businesses to grow, and I will seek to continue to foster this spirit of entrepreneurial innovation. I will work with Greater New Orleans Foundation and Louisiana Economic Development to encourage growth for new businesses and cutting-edge ideas.

New Orleans is also home to many world-class universities. We should be seeking to retain the brilliant minds that graduate from our schools every year, and the city needs play a role in encouraging graduates to keep their talents here.

However, we cannot expect our city to thrive until we address the threat of violent crime, improve our infrastructure, and increase quality of life for our citizens. Our brilliant recent graduates will not stay, new businesses will not thrive, and established industries will not come, if New Orleans is not a safe and comfortable place to live.

Catherine Love

Expanding the tax base means stimulating business development and focusing on business retention, not on adding taxes or (with limited exceptions, such as the nonprofit exemptions outlined in the BGR report) adding to the roll of taxpayers. The most fundamental way we can retain and expand business is by improving public safety, including flood protection and infrastructure. It is axiomatic that if consumers do not feel safe, they will not patronize a business. Additionally, we should expand and enhance programs to support small business development, including women- and minority-owned businesses, which are the backbone of the local economy.

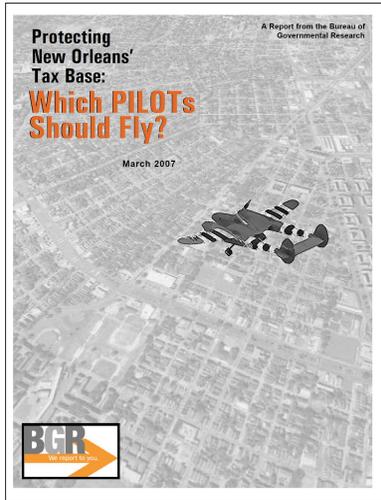
Andre "Action Andre" Strumer

There needs to be an amendment to the State constitution addressing these concerns, followed by an implementation of these new provisions, which will then eliminate a substantial tax burden from the people of the City struggling the most under the current tax system.

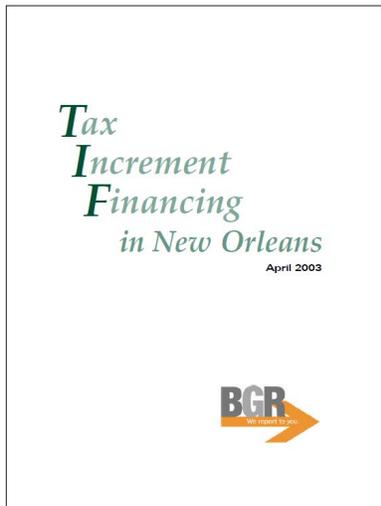
A strict adherence to the nonprofit guidelines must be enforced with immediate suspension of the benefits associated with nonprofit status, if discovered. The reinstatement of the tax benefits should return only after a six (6) months period of compliance with the guidelines can be determined on a case by case basis.

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.



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:



- 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, *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.

Jay H. Banks

I'm extremely concerned about the efficiency of subsidies and whether or not they truly benefit our community. I agree that these types of incentives must be carefully studied and deployed only with guarantees that local communities will see real benefits - especially jobs and commerce with existing businesses.

Eugene Ben-Oluwole

Yes I agree with the basic principles for economic development tax subsidies. The city should and must establish ground based rules and minimum standards for considering TIF districts. There should also be requirements for significant equity investments by owners and developers, with high ratios of private to public investment, and implementations projecting net benefits to the city exceeding projected costs by significant margins.

Additionally proposed TIF district analysis must include a comparison between cost increment financing versus alternative financing methods, not limited to but including the issuance of general obligation bonds.

Seth Bloom

Subsidies are an excellent way to entice businesses to invest in our city and provide much-needed jobs for our citizens, but they must be given out only when the businesses actually deliver on their promises. Payments in lieu of taxes (PILOTS) should have clear regulations detailing penalties if projected gains and increases in revenue do not actually come to pass. If the city continues to award PILOTS, these measures will ensure that new economic development leads to local growth and creates revenue for the city, as well as job growth for citizens. Before awarding subsidies, the city should be seeking certifiable data that can be independently verified to measure the success of a new endeavor, and have clear deadlines on when those goals need to be met. Failure to meet goals should result in the city revoking the PILOTS or potentially even ordering that prior PILOT monies awarded be returned.

Catherine Love

Yes, I agree with BGR's recommendations regarding economic development tax subsidies.

Andre "Action Andre" Strumer

Yes. The theory of a tax subsidy can be useful to projects, which can demonstrate an actual strong and long term benefit to the City. I agree with the BGR suggestion that these subsidies should not be used to prop up projects, which are mismanaged. And these subsidies should be evaluated for the minimum tax subsidy needed for project. These tax subsidies should be temporary and subject to revaluation at predetermined temporal markers such as: every six (6) months or 12 months. These time periods will be determined by the best ideas for their implementation.

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

Jay H. Banks

I support holding public hearings on individual subsidy arrangements - and requiring that any business or entity that receives such subsidies return to the city council on a regular basis to explain their progress and relate their relative success regarding the subsidies stipulations. We must ensure that we see real job creation from any incentive. If not, the community is not truly benefiting.

Eugene Ben-Oluwole

Unnecessary subsidies can be prevented by closing the gap between revenues and expenditures in the local budget. The removal of such subsidies will have a two-pronged effect in that they will create money in the budget available to be spent in other priority areas helping close the gap between revenues and expenditures. Some of the areas that these monies could be channeled to would include education and public health and housing.

Seth Bloom

There is no perfect formula to predict the future success of a project, but the city needs to conduct extensive due diligence when it comes to the requirements to seek a PILOT or other subsidy. The data presented when applying for a subsidy should be verifiable so that informed decisions can be made, and, whenever possible, projections should be based on verifiable past successes. Once the data is submitted, the city must seriously negotiate terms and agree on quantifiable benchmarks for success with prospective business developers, then make the best decisions we can with the understanding between the city and developers that subsidies can be revoked if projected gains are not met.

Catherine Love

If elected, I will scrutinize all subsidy policies currently in place, and work with colleagues to advance reform of such processes, whether by ordinance or resolution.

Andre “Action Andre” Strumer

As a council member, I would establish and maintain a system of transparency and full accountability for each project’s subsidies, within the parameters of an established master plan. There should be no guess work as to the legitimacy of each project’s claims for a subsidy. Furthermore, if the ratio of costs to community benefits is not favorable to the City at large, then I would vote or craft legislation to see that the subsidies are immediately discontinued.

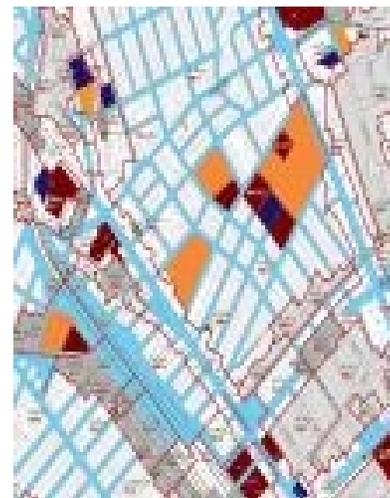
BACKGROUND

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?

Jay H. Banks

The citizens of New Orleans worked hard on this plan and I intend to honor their wishes for the sake of our neighborhoods.

Eugene Ben-Oluwole

By amending the master plan no more frequently than once a year. Having the commission hold public meetings including one for neighborhoods affected by the proposed amendment. This will require approval by the city Council with the Council referring proposed modifications and amendments to the commission.

Seth Bloom

I pledge to encourage and promote sustainable development while maintaining the character and culture of our neighborhoods and historic districts. I welcome input from neighborhood orgs and preservation groups. We want our city to grow and thrive, but without losing the culture that makes our city a wonderful place to live. The Land Use Plan mandates that these character considerations and future use determinations be taken into account when contemplating any zoning change or variance, and is designed to make sure our city's valuable culture remains intact and that citizens have an overall high quality of life. I will work with legislative aides on my staff to evaluate any proposed land use or zoning variance to ensure that it complies with the force of law.

Catherine Love

Quite simply, I will not just read but will study the Land Use Plan to attain maximum familiarity. (As a Ph.D.-holder, I am accustomed to intense research and information retention.) I will also familiarize myself with the workings of all City departments, including Planning and Permits, to ensure they have needed resources and we have adequate information to make informed decisions.

Andre "Action Andre" Strumer

As a council member, I would use the suggestions put forth by the BGR's extensive research on this subject. Members of the City Planning Commission and Board of Zoning Adjustments would undergo basic training in this subject and then advanced training as new issues surfaced.

To insure understanding of the proposed Land Use Plans, as they affect local neighbourhoods, I would inform the public and encourage community participation in the decision making process.

Finally, I would adopt a comprehensible explanation of the master plan for the general public. This master plan would have the full force of law behind it.



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