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Field of dreams

RDA seeks permanent funding to revitalize neighborhoods and eliminate blight.

By David Jacobs

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According to the proverbial man on the street, Baton Rouge's three biggest issues are crime, traffic and public education. Directly or indirectly, the East Baton Rouge Redevelopment Authority addresses all three.

The RDA, as it's commonly known, seeks to eliminate blight, which correlates closely with crime. It also wants to revitalize core neighborhoods, and when people live in the city, they don't have to commute as far, relieving congestion and reducing the need for new roads and bridges.

The education connection is more tenuous, but the defining trait of "failing" schools is a high percentage of poor kids, particularly black kids, from tough neighborhoods. It's not a tremendous stretch to suggest that, if certain areas start to turn around, children from those areas eventually might perform better in school.

"Those are three boxes that

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GRASS IS GREENER: President/CEO Walter Monsour leads the RDA in its quest to develop 198 acres northwest of the Bon Carré Business Center.

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we'll check off on almost anything and everything that we do," says RDA President/CEO Walter Monsour. "One key to neighborhood schools is you improve the neighborhoods."

The RDA, a political subdivision of the state, opened shop in 2009. It's still fairly obscure, although it has deployed nearly \$67.4 million for various projects. [See page 39]. But if all goes as planned, the authority could become one of the most high profile—and powerful—agencies in the parish.



Check out this week's special offer! Redevelopment agencies are not a new concept. The Urban Redevelopment Authority of Pittsburgh is credited with helping spur that city's resurgence after the steel industry left town. At the other extreme is California, where local redevelopment agencies are blamed for bankrupting municipalities, siphoning billions from schools and infrastructure, and abusing eminent domain for private developments benefiting cronies of the powerful. The backlash was so severe that the California Legislature disbanded the state's redevelopment agencies altogether.

On Oct. 18, Monsour, following remarks by Mayor Kip Holden and board Chairman John Noland,

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presented a progress report to a packed room on the second floor of the Old State Capitol.

"If we're going to have a healthy Baton Rouge," Noland said, "it's going to have to become a whole lot more socially and economically just than it is right now."

The authority also is developing a mixed-use "urban village" on a 198-acre tract at Smiley Heights, northwest of the Bon Carré Business Center in Mid City. Gov. Bobby Jindal supports a \$13.9 million capital outlay for a Baton Rouge Community College automotive technology center there, and the EBR Parish School System plans to build a Career Academy high school.

It's the first project the RDA will lead, and it's on one of the last large, undeveloped sites in the heart of the city. If the RDA succeeds where others have failed, it would send a message about what the agency can do.

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"We see [Smiley Heights] as a very special opportunity to get the attention of the entire area, just to show what an urban TND could be," says Samuel Sanders, executive director of the Mid City Redevelopment Alliance.

But to succeed, the authority needs money. The East Baton Rouge Mortgage Finance Authority and fees derived from New Markets Tax Credit deals have funded operations thus far. The tax credits, along with federal Community Development Block Grant and Neighborhood Stabilization Program funds, have been invested in projects.

Those project funds are tapped out. And while the RDA has applied for more tax credits and will continue to seek grants, permanent funding is the long-term goal. Part of the solution could be collecting fines through a beefed-up code enforcement effort the authority is undertaking with the city-parish.

The most intriguing, and potentially controversial, possibility Monsour mentions is an urban renewal district in Mid City, from which the authority could collect tax increment financing. That revenue stream, say \$3 million a year, could be used to obtain \$45 million from the bond market, essentially paying for current projects with future tax revenue. Theoretically, the RDA only would be capturing revenue that wouldn't exist without RDA-backed projects.

"I want to go after both sales and property taxes," Monsour says. As the authority begins making money from equity stakes in projects, the TIF could be replaced with self-generated revenue.

Baton Rouge's RDA can expropriate property to address blight with the Metro Council's consent, but not for economic development. That's a power the RDA would like to have, although it's currently illegal under Louisiana law.

"If that were to be reversed, you would see a much easier path," Monsour says. "There will be plenty of checks and balances." In Scotlandville and in the area around the old Lincoln Theater on Myrtle Avenue, a few landowners insisting on above-market prices are holding back potentially catalytic projects, he says. The mere possibility of expropriation can bring people to the table.

"The accountability [for the RDA] is with the board of directors, and the fact that it all has to be done in a public forum," Monsour says. Of the board's five members, three are appointed by the mayorpresident, one by BRAC, and one by BRAF.

"We have a high sense that projects that come before us are going to work, they've been well thought out, and they have been vetted through so many committees that report to the board," says board Vice Chairman Van Mayhall Jr. The federal programs used in many projects have their own superstructure of regulations, he adds.

Assembling the Smiley Heights property, which has been out of commerce for decades and was owned by 11 different organizations, is an example of something only the RDA could do, Mayhall says. Most of the RDA's work has been concentrated in the five majority-minority Metro Council districts, because that's where the greatest needs are.

The priorities of FuturEBR, the parish's new comprehensive master plan, and those of the RDA, are



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nearly one and the same. Monsour says that, so far, he's had unanimous support from the council. But he concedes that, "as the ticket gets a little bit larger," that could change.

"If I do this right, I think the community will demand it," Monsour says. "If I can't make the case for the community to go up [to their representatives] and say 'This is what we want,' then shame on me."

HOW IT ADDS UP The East Baton Rouge Redevelopment Authority has deployed nearly \$67.4 million since its inception in 2009. Where did the money go? \$60 million in New Markets Tax Credits deals [\$12.3 million in equity]

\$17.5 million Honeywell, for green technologies to keep the plant running in north Baton Rouge

\$17 million Hampton Inn & Suites in downtown Baton Rouge

\$11.4 million Americana YMCA in Zachary

\$8.1 million The Emerge Center for Communication, Behavior & Development, a Baton Rouge Speech & Hearing Foundation project, to be built at the LSU Innovation Park

\$6.1 million ExxonMobil YMCA at Howell Place in north Baton Rouge

\$365,000 in business improvement matching grants for nine businesses and shopping centers

\$4.8 million in gap financing toward 760 affordable housing units worth \$116.7 million

\$2.23 million for 218 developable acres in target areas

The RDA also claims: 3,350 jobs created and retained [mostly temporary construction jobs]

\$130,500,000 in wages created

\$8.2 million in net new local taxes

\$9.5 million in net new state taxes

Source: RDA