Smiley Heights deal to be signed in 2012

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The East Baton Rouge Redevelopment Authority expects to complete a deal next month to purchase the land for Smiley Heights, a 200-acre development just north of Florida Boulevard anchored by the East Baton Rouge Parish School Board's new charter school and Baton Rouge Community College's east campus.

Project manager Susan Ludwig told the RDA's board Thursday that a $1.96 million purchase agreement with the land's 11 owners — mainly nonprofits — should be signed by Jan. 31. The property for the long-planned project is between Ardenwood and Lobdell, just south of Greenwell Springs Road.

The Louisiana Technical College System plans to build a $26 million, 75,000-square-foot automotive training center run by BRCC in the development's 8-acre first phase, with $10 million in automobiles donated from the local industry.

RDA board Chairman John Noland praised the training center, noting it gets to the heart of a state study several years ago that found that Louisiana couldn’t fill 100,000 jobs because it lacked trained, qualified workers, with “auto mechanic” among the jobs at the top of the list. He pointed out that people who completed the course could find work in a business that pays well enough to support a family.

The School Board's $18 million charter school, which is on about 10 acres, will open with enrollment of about 400 students and quickly make its way to 1,000.

It will focus on workforce development in digital media and culinary arts, among other subjects.

These two anchors are expected to spur development of homes and
apartments, as well as retail and other commercial development throughout Smiley Heights, lifting the fortunes of that area just north of Midcity.

In other business:

- The RDA approved an amended budget for 2011, with no notable deviations, and a budget for 2012. The RDA will have $1.5 million in total revenue and $1.3 million in operational expenditures, including salaries, legal and professional fees, rent and utilities, with an ending balance of $1.6 million.

RDA Vice President Mark Goodson said the ending balance will come almost entirely from fees the RDA collects from allocating new market tax credits to projects that have included the YMCA at Howell Place and the Hampton Inn and Suites downtown.

Its programs, which are accounted for separately by state law, include $236,000 for the neighborhood stabilization program; $1.7 million for gap financing, façade improvement and landbanking efforts; and $3.3 million to finish out community development block grants the RDA got from the federal government after hurricanes Gustav and Ike.

Goodson pointed out that 2012 will mark the end of the grants that have funded these programs and that the RDA will likely have to look into possible sources of permanent, ongoing funding. Even the fees from the new market tax credits depend on annual allocations that will not necessarily always be there, he said, noting many of the country’s largest and most successful redevelopment authorities have permanent funding.

- James Anderman discussed the RDA’s efforts to take tax-delinquent properties off the hands of the city-parish and put them back into commerce. He said the Metro Council last month gave the RDA control over 11 new properties, eight around the Lincoln Theater – the redevelopment of which is an ongoing project the RDA is involved in – and three in Scotlandville, an RDA target area.

The RDA to date has sold eight properties for the cost of clearing title, seven of them to Habitat for Humanity.

Anderman said there are 121 properties, in addition to the 11 transferred last month, that the RDA hopes to have clear title on by the end of next year.

Anderman told the board that, at this point, it takes an average of $5,000 per property to clear title, most of which comes from legal fees. Once they are in the possession of the RDA, it costs $740 a year per parcel to keep properties up before they are put back into commerce.

President Walter Monsour told the board the RDA recently turned down inquiries from property owners who wanted to hold onto land because it was next to their homes.

He said the purpose is to put properties back into commerce and, unless they go to a church, on the tax rolls. The properties are not for individuals “to speculate on or hold as their own,” he said.

Anderman said that one of the eight properties that didn’t go to Habitat
did go to an individual, though that individual had committed to putting improvements on the property, increasing its value on the tax rolls.