



—Photo by The Times-Picayune.

AMONG THOSE appearing before the City Council's hearing Tuesday on a proposal to swap some riverfront land and air rights for a 500-acre site in east New Orleans are Toddy Lee Wynne (left), a Dallas millionaire, and James J. Coleman, attorney for New Orleans East.

Proposed Property Swap Being Studied by Council

\$250 Million Project Is
Planned on Riverfront

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By JAMES H. GILLIS

The City Council following a public hearing Tuesday took under advisement a proposed property exchange which would permit a contemplated \$250 million development involving air rights on the river front in the vicinity of the International Trade Mart.

Council President Maurice E. Landrien announced that on Thursday or soon thereafter a resolution of intent will be introduced placing the Council on record in favor of a negotiated exchange of city property on the riverfront with the New Orleans International Hotel Corp., of which Toddy Lee Wynne, Dallas, Tex., millionaire is president, and the Louisville and Nashville railroad, which together propose the 20-acre development to include an 800-room

convention hotel and other buildings. Appropriate surveys and property appraisals to fix values will follow if the resolution is approved, he said.

The resolution of intent could be adopted a week after its introduction or, by suspension of Council rules, on the date of introduction. However, an ordinance to implement a property exchange would have to remain laid over for at least 21 days before it could be voted on at a regular Council meeting.

Wynne, R. E. Bisha of Louisville, vice-president of the L&N's executive department; James J. Coleman, New Orleans, vice-president of the hotel corporation; Joseph O. Lamber, Dallas landscaper associated with the proposed development; and Harry McCall Jr., L&N attorney, all addressed the Council in favor of the project and answered questions regarding it.

SCHIRO ENTHUSIASTIC

Mayor Victor H. Schiro was so enthusiastic in advocating Council approval of a property exchange that he expressed the belief that if the bidder offered the city nothing in return for the city property involved "I'd

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still say it was for the good of the community." Some councilmen had reservations on this point.

Wynne's firm and the railroad on Jan. 28 submitted the only bid on the city's advertisement for sale of 5.8 acres of river front property on which the successful bidder would agree to construct a hotel and undertake other development on an elevated platform to be constructed at least 20 feet above surface railroad tracks.

The bid actually offered to acquire 9.1 acres of city property plus "any right, title and interest that the city of New Orleans may have to the riparian lands known as the batture rights fronting on the described property, from the property line to the water's edge, subject to the unrestricted rights of use by the Board of Commissioners of the Port of New Orleans and the servitude and restrictions of use of the batture imposed by law."

PARK SITE OFFERED

As compensation, the bid offered the city a 500-acre park site on the banks of Lake Villere in the New Orleans East section of the city.

Since the bid of Wynne's firm and the L&N offered to acquire 9.1 acres rather than 5.8 acres and the riverfront riparian rights, City Attorney Alvin J. Liska ruled that it was non-responsive in that it went beyond the city's specifications. However, he also ruled that the city had a right to negotiate a property exchange with the bidder since no cash was involved in the proposal.

At Tuesday's Council hearing Schiro and Chief Administrative Officer Bernard B. Levy urged that the city enter into negotiations with the Wynne firm and the L&N for a property exchange to facilitate the project.

The Council also heard and questioned Thomas J. Heier, former CAO; Stuart H. Brehm Jr., director-secretary of the City Planning Commission; and Capt. J. W. Clark, who had composed a committee, with Heier as chairman, which evaluated the proposal and recommended a negotiated exchange of property between the

Wynne-L&N group and the city. FUNDS EXPENDED

Recalling that over five years ago he had headed a group, which did not include the L&N, which had offered to acquire property on the riverfront for such a development, Wynne told the Council that the present offer would not remain open indefinitely. He said that the city in the intervening period had expended more than \$100,000 on air rights studies and that his group had spent "far in excess of that amount."

"We thought it was a fair

proposal," said Wynne. "We still think it is a fair proposal. I'm not being belligerent about it, but, gentlemen, this is our last kiss at the pig."

"We do want to participate in this development. We think it is one of the greatest developments in the United States, including Peachtree st. in Atlanta, but time is of the essence."

Wynne asserted that the interest rates were on the rise and that delay would increase the cost of financing the development. Therefore, he said, "I think that the council should say to us 'yes' or 'no.'"

"We just want to be sure which end of the pig we are kissing," remarked Councilman John J. Petre.

Councilman Philip C. Ciaccio told Wynne "I enthusiastically support your proposal" and said he would introduce a resolution or motion at the earliest possible date in support of the project.

DOCK BOARD POSITION

Richard R. Barkerding, president of the Dock Board, told the council that the board was favorable to the development, provided that the Dock Board's rights were protected. Donald D. Childress, assistant to the general manager of the Public Belt Railroad Commission, read a statement by Claiborne Perilliat, president pro tem of the commission, expressing no objection provided that its rights along the river were preserved.

Ferdie Hebert, director of the Central Area Council of the Chamber of Commerce of the New Orleans Area, said that the council "heartily endorses the development of air rights on the river."

Mrs. John Ormond, president

of the Crescent Council of Civic Organizations expressed no objection on the part of her group as long as public "riparian rights are not alienated."

Mrs. Virginia Harris, 737 First, representing the Watchdog Committee, called the project "political" in character and asserted that the park site being offered was inundated during Hurricane Betsy.

"If we gave this land to them we'd be ahead," Schiro told the Council in lauding the proposed development by Wynne and the railroad, adding that if the project had been undertaken five years ago the city would have \$150 million in new industry on the riverfront.

"It's in your hands to get this thing off the ground," he continued. "In addition to the new industry, this group is also giving the city a new park site — one that is vitally needed and one that will benefit everyone."

DUPUY OBJECTS

Objecting to Schiro's call for hasty action, Council Vice-President Clarence O. Dupuy Jr. told the mayor that: "This Council called this meeting for the purpose of informing itself on the proposal. I think we should have all proposals and alternates before we make any kind of decision. We want to know the overall benefit to this city."

Schiro retorted: "Mr. Dupuy, if you don't know this by now, then we're in trouble."

In response to questions by Dupuy, Wynne and McCall had informed the Council that the proposed developers did not consider a lease on the

property desired, but wish to acquire it.

Landrieu asked Wynne if he would consider a land swap in some area other than that in which the bidder proposed to offer the city 500 acres. Wynne replied that such a swap would not be considered unless appraisals disclosed that the 500-acre site offered was of less value than the riverfront property.

Wynne related that five and a half years ago when he and his associates approached the city administration regarding a development on the riverfront, at which time his firm owned two blocks of riverfront property, city authorities asked that studies be made. Such studies indicated that an overall

development of the area should be undertaken, he said.

"But the situation remained in embryo and no action was taken until the L&N and ourselves came forward with the suggestion that the property be advertised," Wynne said.

USE OF LAKE VILLERE

Councilman Eddie L. Sapir wanted to know why under the swap of the 500 acres to the city, the city would not obtain the use of Lake Villere abutting it.

Coleman replied that the Sewerage and Water Board has a drainage servitude in the lake, but that "it is the full intention that this lake be a part of that park and be used for the enjoyment of the people of New Orleans."

"I want some assurances that you are not going to develop a portion of the land and then let some of it stay idle for years," Petre told Wynne.

To this Wynne replied that there was no definite detailed plan for the development, but that the construction of the hotel probably would be undertaken first.

'TIME FOR ACTION'

"The time has come for action," Coleman told the council. "Everyone is talking about leadership. Now we can develop a giant complex or we can continue to talk about it for years."

Coleman asserted that Atlanta's Peachtree Center has brought the city \$1 million in additional annual revenue and that "our development could also bring millions."

In response to a question by Councilman James A. Moreau, Wynne told the Council that: "We have made clear to the Dock Board that we do not intend to interfere in any way with the wharves."

On this point, Barkerding advised the Council that the board would be prepared to negotiate abandonment of the Poydras st. wharf, but would have to be provided with a new wharf to replace it. Such a wharf would be "more competitive" with the facilities of other ports than the present one, he said.

With regard to the proposal of Wynne and the L&N, Barkerding told the Council that "in essence, as far as the Dock Board is concerned, they are willing to draw a line over which they will not cross." With regard to the proposed developers, Barkerding advised the Council that "the Dock Board has been very much impressed with this group."

'CITY WITHIN CITY'

Wynne called the proposed

development "a city within a city" explaining that "we propose to build a spectacular development "which will represent an investment "of at least \$250 million."

He said that the group had employed the services of John Portman, the Atlanta architect who designed the Peachtree Center in Atlanta and a center in San Francisco."

The reason that he and his group had bid on more than the 5.8 acres of riverfront property included in the city's specifications was that they knew that the land offered by the city "did not include a sufficient amount to be covered in an overall development," he explained.

"Because of its strong commitment to progress for the city of New Orleans, the Louisville and Nashville Railroad is happy at the prospect of participating in the exciting proposal for the Mississippi River waterfront area development that has been outlined by Mr.

Wynne on behalf of the New Orleans International Hotel Corp.," William H. Kendall, L & N president, said in a statement read at the hearing by Bisha.

ADJACENT LAND

"L & N's ownership of land adjacent to the city's property along the riverfront lends additional expectation to plans for an overall development of the area. Our interest extends to all future developments in the vicinity designed to meet the growth needs of the city's economy by participation in construction of varied facilities in the manner contemplated.

"We already have been happy to cooperate with Mr. Wynne and his associates in the New Orleans East area and in the developments that have taken place to date. We are confident that if the proposal being made to the city is accepted, developments of a highly impressive magnitude and scope will take place on the area involved and the L & N looks forward eagerly to its role in bringing this about."

Heier told the Council that the members of his committee had rendered what they considered to be a "complete and concise" report recommending negotiations with the Wynne and L & N group.

"The report speaks for itself," Heier said.

Capt. Clark told the Council that although only one bid was received by the city, the committee felt it had to consider as an alternate proposal an offer by Lester E. Kabacoff and associates to bid to lease the land under the Poydras st. wharf. The Kabacoff group proposed, if it could obtain such a lease, to negotiate to purchase the wharf from the Dock Board, demolish it and undertake construction of a hotel and other important buildings.

The Kabacoff group later withdrew its offer.

Capt. Clark estimated that such a development might have taken four or five years and that in the meantime the air rights proposal "would have been made much less attractive" and possibly been eliminated.

LEVY'S PROPOSAL

Levy read to the Council his proposal that the offer submitted by the International Hotel



—Photo by The Times-Picayune.
CITY'S CHIEF Administrative Officer Ben Levy speaks before the City Council hearing Tuesday in which a plan to exchange riverfront land and air rights for a site in eastern New Orleans was discussed.

Corp. be approved in principle at the conclusion of Tuesday's hearing, subject to the following:

1. No other offer more advantageous to the city was submitted prior to the hearing.
2. Independent appraisers be designated to furnish appraisals on property being exchanged.
3. Value of the land offered by the corporation is at least equivalent of the rights and property to be provided by the city.
4. All city-owned land offered in the negotiation be subject to the rights of the railroads, including the Public Belt, and those of the Dock Board, the Orleans Levee Board and the

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United States Corps of Engineers.

5. Construction be commenced within 18 months after the date of the act of exchange and be completed within 30 months after its start, permitting a total allowable completion time maximum of 48 months.

6. A cash bond in the form of a combination bid-performance bond be required in the amount of \$100,000 by the suc-

cessful bidder made payable to the city with no requirement that the city pay interest on the deposit.