

LAND EXCHANGE PLANS OPPOSED

Appeal Is Made by East Orleans Civic Council

LA., WEDNESDAY MORNING, APRIL 23, 1969

The East Orleans Civic Council Tuesday urged that the City Council on Thursday disapprove or delay action on a resolution to approve in principle and permit negotiations, surveys and appraisals pertaining to a proposed property exchange between the city and the New Orleans International Hotel Corp.

The corporation of which Toddie Lee Wynne, Dallas, Tex., millionaire is president, and the Louisville and Nashville Railroad have offered the city a 500-acre park site in the New Orleans East section in return for 9.1 acres of city riverfront property in the vicinity of the International Trade Mart together with abutting riparian rights. The bidder proposes to undertake a development which will include an 800-room convention hotel.

"We respectfully submit that the adoption of your resolution at this time would not serve the best interests of the people of New Orleans," the civic council said in a letter from its president, Mrs. Wilma S. Gallinghouse, to Council President Maurice E. Landrieu and Councilman Philip C. Ciaccio.

"While we favor the early and orderly development of our riverfront for proper public purposes, we do not believe that the pending proposal of New Orleans International Hotel Corp. contains adequate safeguards to protect the city's substantial interests."

Mrs. Gallinghouse wrote that some "grave questions" were raised as a result of the civic council's preliminary study of the proposal.

"First, we question the wis-

dom of the city's acquisition of the 500-acre site that would be dedicated for park and recreational purposes," she wrote.

"There is no apparent present or future need for additional public playground facilities in this undrained, undeveloped, uninhabited and inaccessible area.

"It occurs to us that the city would be required to spend millions of public funds for drainage, roads, utilities and other public improvements to convert this marshy land into a usable and enjoyable public recreational center.

"This swampy land, we understand, already well below sea (or lake) level could be expected to settle several feet when properly drained. Development of this site would necessitate tremendous quantities of fill material at considerable cost. From the public's viewpoint, this tract of land would be a serious liability rather than a valuable asset.

"Second, we do not believe that the city, which both of you have acknowledged in many public statements to be in desperate financial condition, can justify swapping the riverfront properties, one of the city's greatest assets, for a tract of wasteland, which the New Orleans International Hotel Corp.'s spokesmen say is worth \$5,000,000. The city does not need land. The city needs money. Therefore, the advantages of a long-term lease arrangement that would provide

substantial recurring annual revenues to the city from the proposed riverfront development should be clear.

"Third, we do not believe the City Council could ever justify the expenditures of millions of public funds to enhance the values of properties owned by private corporations. It requires no prophetic vision to foresee that the city, under the pending proposal, would assume extensive obligations to spend taxpayers' money for the exclusive benefit of absentee landlords who should be forced to provide adequate playground and recreational space under the city's subdivision regulations.

"Fourth, the proposal does not contain enforceable guarantees that would insure early and orderly development of the riverfront properties. Our most recent check of the public records reveals very little about New Orleans International Hotel Corp. These questions must be asked and answered:

"(1) What is the financial condition of this corporation that was just chartered on July 7, 1967?

"(2) Who are the officers, directors and stockholders of this corporation?

"(3) Does this corporation own the 500 acres of land that it has offered to swap to the city for the city's riverfront properties?

"(4) What is the relationship between this corporation and the corporation named New Orleans East Inc. that owns some 32,000 acres of land in east New Orleans? and

"(5) Who is going to guarantee the obligations to be assumed by the corporation named New Orleans International Hotel Corp.

"Fifth, we urge the members of the City Council to consider the dedication of the millions of dollars that should be received from the sale or lease of its riverfront properties to help finance construction of new port facilities, or, in the alternative, to increased pay for our police, firemen and other deserving city employees. We doubt that the city will ever be able to derive any benefit from the 500 acres of land that have been offered to the city."

Air-Rights Proposal: A Close Look-See

A \$250 million business-center development along the river-front beside the International Trade Mart would, it seems clear, be a valuable addition to New Orleans. Such a project—at completion to include a 750-room hotel, offices, apartments, stores, restaurants, and other facilities, all based on a platform 23 feet above ground level—could create substance and momentum toward even greater substance for the city by adding to tax revenues, payrolls, money circulation, and construction, and by giving an impetus to further needed development of the central city.

For these reasons, we believe that the project, in principle, is excellent. But one cannot go much beyond principle at this point, since some surveys, and the study and negotiation of the details of the one proposal before the City Council remain to be carried out.

It is our opinion, however, that two conditions can be stated in advance, as necessary:

1. That any final agreement must define the obligations of the developer to respect the servitudes and easements of the Dock Board, and guard against challenge to the board in its needs for handling the commerce of the port. Rights and servitudes of other public agencies must be likewise respected.

2. The outcome of the negotiations must reflect what in the opinion of the city government and the Council is the *best deal* that the city can expect to obtain — this considering that there is only one bidder and the arrangement must be negotiated.

The first proposal of the Toddie

Lee Wynne group and the L. & N. Railroad was rejected by the city on the grounds that it was not responsive to the city advertisement for bids or proposals. Then it was decided to open negotiations with the bidding group on the basis of a revised proposal from it.

A resolution of the City Council, approving the proposal in principle and providing for the necessary surveys, independent appraisals of the properties to be exchanged, a statement of the rights and obligations of the parties involved, and the negotiation of details, is set for a Council vote tomorrow. The completed document would be submitted to the Council for approval before an exchange of properties could be effected.

Thus, in effect, about all the resolution does is indicate the Council is in a receptive mood provided what it considers a good deal for the city, with necessary protective clauses for port operations, is worked out.

The property exchange would involve the proffered 500 acres around Blind Lagoon (renamed Lake Villere) in New Orleans East for a potential park in return for 9.1 acres of city land and the air rights over the railroad tracks near and above the International Trade Mart.

Only through proceeding with the appraisals, negotiations, and by getting the results on paper can the Council conclude whether the development would be an all around plus for the city and port.