

HUGE RIVERFRONT PLAN APPARENTLY IS KILLED

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Council Votes Resolution on Proposed Swap

By JAMES H. GILLIS

The proposed multi-million-dollar riverfront development involving air rights in the vicinity of the International Trade Mart met apparent death Thursday night at the hands of the City Council.

The coupe de grace apparently was administered by 4-to-3 Council passage of a resolution which James J. Coleman, vice-president of the New Orleans International Hotel Corp., advised was not acceptable to the company and its associate, the Louisville and Nashville Railroad.

The resolution, authored by Council Vice-President Clarence O. Dupuy and Councilman James A. Moreau, was a substitute for one which would have approved "in principle" a property exchange under which the city would have received a 500-acre park site in New Orleans East for 9.1 acres of city riverfront land and abutting riparian rights, subject to the outcome of surveys and appraisals.

ELIMINATES PROVISION

The substitute resolution, which eliminated the approval "in principle" provision, received the favorable votes of Dupuy, Moreau and Councilmen John J. Petre and Henry B. Curtis.

Voting against the substitute resolution were Council President Maurice E. Landrieu and Councilmen Philip C. Ciaccio and Eddie L. Sapir.

Petre, who had been in Washington, D. C., on city business, returned to City Hall early in the night in time to cast the deciding vote for the substitute resolution.

"I don't think the city did much to move forward the development tonight," was Landrieu's comment following the Council's vote.

Coleman told the Council that the substitute resolution offered by Dupuy and Moreau "gives us

no comfort." He added that if the Dupuy and Moreau resolution was adopted the city should put the property up again for public bidding. He declined to elaborate on his position after the vote.

'GOOD FAITH' NEEDED

His corporation, which is headed by Toddie Lee Wynne, Dallas, Tex., millionaire, did not regard the resolution as acceptable because in any negotiations which might transpire "both parties must be in good faith," Coleman said.

The hotel corporation submitted the sole bid on Jan. 28 on the city's advertisement for bids on air rights, under which the successful bidder would offer to undertake a development to include a riverfront hotel. Although the city attorney ruled that the bid was nonresponsive since it included more property than was contained in the specifications, he also ruled that the city should negotiate with the bidder.

The Landrieu-Ciaccio resolution proposed: "That the proposal of the New Orleans International Hotel Corp. be approved in principle" subject to the city's receiving an equitable exchange of property to be determined by competent, independent appraisals" and also subject to "existing riverfront servitudes and easements."

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pendent appraisals" and also subject to "existing riverfront servitudes and easements."

"What we are asking for is really an expression of intent," Gibbons Burke, L. & N. attorney, told the Council before it voted. "We are not asking for a moral or a legal obligation."

Should Have Offered

It for Lease—Coleman

"Unless this transaction can be handled on the basis of an exchange of properties, it cannot be handled by the L. & N. and the other people involved."

Coleman asserted that Moreau apparently was unwilling to approve any arrangement other

than a lease of the city-owned property. If the city had no intention of selling or exchanging its property, in its specifications it should have advertised it only for lease, Coleman contended.

"You should have told us this before you put it out for bids," Coleman observed.

It was nearly the end of a wearying day in which the Council was in session from 9:30 a.m. until 8 p.m. with only a couple of brief recesses when Landrieu asked for passage of his and Ciaccio's resolution.

'NO EFFORT TO BIND'

The Council president asserted that there was "nothing sacred" about the language of the resolution and no effort to bind the city government to any commitment. He reminded the Council that the city had advertised for bids locally and nationally and had received only the bid of the Wynne-L. & N. group.

"We have not been able to sell, lease or dispose of the city's air rights any other way," Landrieu said.

"It was possible that after negotiations "we may find that we can't do business" but an effort should be made, he said.

"Let's go forward with the same progressive procedure to develop those air rights," Landrieu urged.

He then moved that the resolution be adopted and Ciaccio seconded the motion.

'GOES TOO FAR'

In offering the substitute resolution, Dupuy asserted that he favored an "orderly development" of the city's 9.1 acres.

"We must insure that we will receive the best and most favorable agreement that it is possible to obtain," Dupuy said.

Discussing the Landrieu-Ciaccio resolution, Dupuy said that "this resolution goes too far and is premature. Instead the Council should "approve a procedure" in the hope of an ultimate agreement with the New Orleans International Hotel Corp.

The Council vice-president

contended that the city's need for money was greater than the need for land.

Moreau related that several years ago Petre and Judge Walter F. Marcus Jr., of Civil District Court, then a member of the Council, had visited several northern cities to investigate the handling of air rights projects. They had returned with the advice that public land involved in such projects be leased and not sold or swapped, he said.

PROVISION SUGGESTED

"I am going to vote for the substitute resolution because I think that it protects the city's interests better than the original resolution," Curtis told the Council.

Landrieu expressed a willingness to amend his and Ciaccio's resolution to include a provision in the substitute resolution which stated that "nothing herein shall be interpreted as a binding agreement on the city government or any prospective developer of said properties."

Coleman told the Council that his group had no objection to the addition of such a provision to the Landrieu-Ciaccio resolution.

Property Producing Nothing . . . Ciaccio

Ciaccio reminded the Council that the prospective purchasers were willing only to enter into a swap arrangement. The present riverfront property is producing "nothing" as far as the city is concerned, he said.

"I can't see how this Council can take the risk of losing the only one big enough to put this thing together," said Ciaccio. "They made it clear two weeks ago that this is the only way they will do it. They can't come up with cash and they won't lease."

Chief Administrative Officer Bernard B. Levy estimated that a \$20 million hotel to be built on land worth at least \$2 million would be assessed at about \$6 million. This assessment would bring the city about \$250,000 in new annual revenue, he said.

Petre observed that some years ago the Council had voted a \$1 million appropriation for a riverfront tunnel. Since then that vote has been interpreted

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by some persons as approval of an elevated Riverfront Expressway, he said. In this instance the city's position should have some reservations attached to it, he contended.

REQUESTS APPRAISALS

Petre asserted that Mayor Victor H. Schiro had said with respect to the city property involved in the proposed exchange that "we ought to bow down and give it away."

"That was a facetious statement replied," Levy in defense of Schiro, who was in Washington. "The mayor doesn't intend to give any city property away."

The substitute resolution which was adopted requested the mayor to obtain appraisals by at least two qualified appraisers of the properties involved, with one to be paid by the city and the other by the hotel corporation.

The resolution further provided that "in the interim prior to the receipt of said appraisals, the mayor be requested to have the appropriate city agencies clearly define the obligations of both prospective developers and the city of New Orleans for the sale, lease or exchange of the property owned by the city, particularly with regard to the city's riparian rights, street areas and the servitudes of all public agencies; and to cause to be made all necessary surveys of the property, air rights and riparian rights of the city of New Orleans in the area

bounded by Poydras st., Girod st., Water st. and the Poydras st. wharf."

ANALYSIS OF VALUES

The resolution also requested the mayor "to submit to the City Council an analysis of the values of the properties proposed for exchange, including all possible funds that could be obtained by the city for the acquisition of park sites such as the 500 acres of Lake Villere."

It further requested the City Planning Commission "to completely evaluate the proposal of the New Orleans International Hotel Corp., including ownership and fee simple air rights and riparian rights and to make recommendations to the mayor and the City Council on the proposed exchange, and whether all of the land owned by the city of New Orleans previously described herein, but not included in the old specifications approved by the City Council on July 25, 1968, should be offered for sale exchange and/or lease through public bidding."