

Rebirth of upper Canal Street could be sparked by Iberville overhaul

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By **Michelle Krupa, The Times-Picayune**

Long before Woldenberg Park, a world-class aquarium, high-rise hotels and a gleaming casino replaced the industrial waterfront that long defined the foot of Canal Street, visitors to the city's iconic boulevard tended to gravitate away from the river.



Ted Jackson, The Times-PicayuneThe upper end of Canal Street for decades drew throngs from across the region to a shopping and entertainment mecca.

With such famed department stores as D.H. Holmes and Maison Blanche at Dauphine Street and Krauss at Basin Street -- along with four historic theaters stationed at the outer edge of the French Quarter -- the upper end of Canal Street for decades drew throngs from across the region to a shopping and entertainment mecca.

"It used to be, when we were all children, that you were warned to stay away from the lower end of Canal Street by the river," said Cindy Connick, executive director of the quasi-public Canal Street Development Corp., which has a mission to revitalize the city's principal downtown thoroughfare.

Fast-forward to the turn of the 21st century, when economic factors driven by suburban development -- as well as the emergence of the Iberville public housing complex, which extends north from Canal Street into Treme, as one of the city's poorest and most dangerous neighborhoods -- cast upper Canal Street into the shadows.

Despite public and private initiatives to reverse the trend -- key among them revival of the Canal streetcar line and a beautification effort that included classic street lamps and palm trees -- the section of Canal between Rampart Street and South Claiborne Avenue remains nearly moribund, with a few office towers flanked by parking lots and blight.

That could change with the recent announcement of a federal grant designed to jump-start a major overhaul of the Iberville, the city's last traditional public-housing development. The overhaul will begin alongside a series of other public and private investments in the area.

The flurry of redevelopment activity again has rekindled hope in the revival of Canal Street beyond Rampart Street, as well as adjacent swaths of downtown and Mid-City that in recent decades have suffered similar disinvestment.

Under the federal grant, awarded under the U.S. Department of Housing and Urban Development's new Choice Neighborhoods Initiative, money must be spread much further than the 23-acre Iberville site. Developers working with the Housing Authority of New Orleans and City Hall have pledged to transform a 300-square-block area bordered by Tulane and St. Bernard avenues and Broad and Rampart streets.



Though the initial grant is just \$30.5 million, plans call for spending nearly \$600 million in the "Iberville-Treme" area to build nearly 2,500 new apartments, some of them in shuttered school buildings and many above ground-floor stores and cafes.

In their initial application for the federal money, officials painted an ambitious vision of retail renewal, including a grocery store and farmers market inside the Iberville footprint and, in the long term, "a large-scale urbanized destination lifestyle center along Canal Street, combining food, beverage, and other entertainment with retail and amenities tailored to meet the needs of residents and tourists."

The center, they said, would restore Canal Street as a regional shopping destination, provide services and jobs for neighborhood residents, and boost city sales-tax revenue.

Pres Kabacoff, a lead player in the Iberville project who is perhaps best known for spearheading conversion of the former St. Thomas public housing development into a mixed-use community, predicted the Iberville-Treme zone could become home to as many as 70 new shops, about two-thirds the number of tenants at Lakeside Shopping Center in Metairie.

Upper Canal Street, he and others said, is well positioned to become the key commercial investment zone, not only because of its history as a retail bastion, but also because it lies between the French Quarter and the 70-acre footprint where the Charity Hospital successor and a Veterans Affairs medical complex will be planted.

Those projects, worth a combined \$2 billion, extend along Canal Street from South Claiborne Avenue toward Lake Pontchartrain.

"Given the mix of medical services and other associated businesses, you've got a great opportunity to create demand there, both in terms of the staff that work there and the families of the patients who are going to the hospitals," Bill Gilcrest, Mayor Mitch Landrieu's director of place-based planning, said of private investment along Canal Street and adjacent blocks.

Recasting the Iberville development and adding a massive retail component also could broaden the already-thriving French Quarter tourist zone, Kabacoff said.

"Changing this environment unleashes the opportunity to grow the city, and if you're in the tourist business, ... the way to survive is add to the show," he said. "This does that dramatically, so it's a very transformational piece that's much larger than just fixing a public housing project."

Ray Manning, a local architect who is part of the Iberville-Treme design team, wouldn't tip his hand to specific retailers that have expressed interest in investing along upper Canal Street and throughout the development zone, though he said "they're all the things that you now drive to Jefferson Parish for."

"The confidence level, the trust level of retailers goes up because they see a coordinated effort," he said, referring to the Iberville-Treme plan. "The market is now more willing to look at New Orleans as a possible investment opportunity because they see what's occurring here.

"As goes Iberville, so goes Canal Street," Manning said. "It's one of those things that we're in a position where the stars and the moon have aligned."

Landrieu last week stressed that the push to resurrect the area differs from previous grand promises of urban renewal -- among them former Mayor Ray Nagin's post-**Hurricane Katrina** plan for a sprawling public space and jazz museum between the Superdome and Duncan Plaza -- because it hinges on public and private investment across a range of disciplines.

"This is not a silver-bullet project. It's not a one-off. It's part of a holistic redesign of the entire city," the mayor said. "This is not a promise by the city of New Orleans to put 300 parcels together and spend billions of dollars to provide a Taj Mahal project."



Ted Jackson, The Times-Picayune Efforts to renovate the Joy Theater on Canal Street is pending.

Along upper Canal Street, for example, the administration has backed renovation of the historic **Saenger Theatre** and secured financing for streetcar expansion along Loyola Avenue.

At the same time, private developers' plans to convert the former Woolworth building into condominiums are pending, as are efforts to renovate the Joy and State Palace theaters and the former Jung Hotel, and to convert the Chateau Bourbon hotel, owned by the Canal Street Development Corp., into a Hyatt property.

Aimee Quirk, Landrieu's economic development adviser, said last week that while it's too soon to gauge what impact the Iberville grant could have on nearby activity, public investments already have sparked private interest.

"We have to see what happens," she said. "But when we invested in the Saenger project, we now see interest taking place in the other theaters and interest taking place in that area of Canal Street. That's just one example that we have that suggests to us that that type of (public) investment attracts other types of investment."

Despite the optimism, the latest effort to infuse life into upper Canal Street comes on the heels of several failed attempts, perhaps most notably the promise a decade ago by developers of the Ritz-Carlton New Orleans to open luxury retail boutiques on the ground floor of the posh hotel, with windows opening on to Canal and Dauphine streets.

Despite a captive audience of well-heeled hotel guests and excellent foot traffic one block up from Bourbon Street, developers were unable to lease some of the spaces or to generate enough business to keep the haberdashery, antiques store and coffee shop that located there open. The retail spaces ultimately were converted to meeting rooms.

While a major infusion of cash certainly bodes well for the area's revival, observers say the investment must address key problems that have derailed similar projects.

Triggered by the departure of jazz halls along Rampart Street, the collapse of upper Canal Street ultimately was cemented by spikes in unemployment, poverty and violence in the Iberville area, said Burt P. Flickinger III, managing director of the retail research company Strategic Resource Group in New York City.

"It's an area that's challenging for law-enforcement in terms of crime, especially after midnight," he said.

As developers look to reinvent the neighborhood, "part of the challenge is bringing in retailers that can help raise the standard of living of consumers" by offering full-time jobs with opportunity for career advancement, Flickinger said.

Anchor tenants also might include retailers, such as Best Buy, that could draw visitors from the French Quarter, he said. So-called "pop-up stores," such as small-scale Toys R Us and Target outlets that set up shop temporarily, often during the holidays, also could figure prominently, he said.

Practically speaking, the zone also would have to be convenient for drivers from across the region, Flickinger said.

"It's so tight to find parking (downtown) that sometimes people who have the discretionary money to spend but do not have the discretionary time for the traffic or to find parking may take a pass," he said.

According to Kabacoff and Manning, the dismal economic environment may require additional public subsidies beyond infrastructure investment -- tax-increment financing and agreements that specify payments in lieu of taxes for a designated period, perhaps -- though both said they think the extra incentives could prove worthwhile.

Though they're somewhat far afield of the Iberville footprint, the mayor also points to city efforts to renovate Armstrong Park, to create a walking and cycling path connecting Lafitte and Lakeview, and to restore the Treme Community Center, Nora Navra Library, Lemann Playground and Hunter's Field, as inducements to private investment.

"This will absolutely lead to the complete and total transformation of Canal Street," he said.

Also part of the conversation is a potentially controversial plan to tear down the elevated Interstate 10 over South Claiborne Avenue as a means of uniting neighborhoods split by the thoroughfare. Observers say putting the old Charity Hospital building back into commerce also will be key to the future of Canal Street and the broader area.

Connick said she wants "to go back where everyone feels comfortable going from one end of Canal Street to the other end, and there's something to do all along the way."

Turning that vision into reality, Kabacoff said, begins with a full-blown launch of the Iberville-Treme project.

"Then you have to sort of flip your thinking about this neighborhood," he said. "All of a sudden, you improve the streets, do the retail, do all this, you create another Jackson Square -- a place as beautiful and important as -- without having the perception of just a low-income neighborhood.

"Canal Street is our calling card, and we've got to fix it," he said. "It becomes the gateway to the city."

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