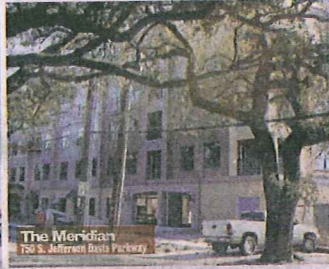


Six apartment developments, all with some mix of affordable units, have opened near Tulane Avenue or are scheduled to open this year.



By Kate Moran
Business writer

Just up the road from the criminal courthouse, that formidable, neoclassical facade that seems to define Tulane Avenue, developers are erecting another landmark building that seems poised to transform the look and feel of one of the main commercial corridors of New Orleans.

This building, the Crescent Club, is part of a new generation of apartments germinating in Mid-City with the help of tax credits and other incentives pumped into New Orleans after Hurricane Katrina. Six apartment

See **TULANE**, A-4

CONTINUED

Developers shrug off hospital snag

TULANE, from A-1

buildings with a combined 1,080 units have been launched on or near Tulane Avenue since the storm, making it one of the busiest hubs for new construction in the city.

The burst of activity could also be among the last the city will see for some time, as the collapse of the national credit markets has all but stifled the prospects for new development in the coming months. The companies behind all six of the apartment projects secured their financing before Wall Street slumped into a recession.

Tulane Avenue and its offshoot streets are in some ways an unlikely incubator for such ambitious developments. The avenue is dominated today by rundown motels, the criminal courthouse and the bail-bonds shops and carryout restaurants that subside off the crowd at the court. The jail is right around the corner, in that nook between Broad Street and Interstate 10.

All the same, the avenue appeared to have a trump card in the massive academic medical center that Louisiana State University and the U.S. Department of Veterans Affairs are planning to build in that section of Mid-City. Several developers who invested in the area cited the twin hospitals as the signal reason for their interest.

As many of the apartments prepare to open, bringing incident change to Tulane Avenue, at least one of the two hospitals has encountered lengthy delays. While the VA is preparing to move ahead with its portion, LSU is months — perhaps years — away from securing the billion dollars it needs for its half of the project. Activists have meanwhile opposed the medical center's location, saying it will displace a historic neighborhood.

The developers leading the transformation of Tulane Avenue say the hospitals would provide a natural base of tenants or their apartments, but they believe they can succeed even if the LSU hospital does not materialize as soon as planned. The apartments are all within a short bike ride of downtown, with its two medical schools and numerous law firms, restaurants and music venues.

"Clearly we view (the hospitals) as a huge positive for the whole area in terms of not just employees who would like to live close to their place of employment, but as a whole redevelopment engine for Mid-City," said David Miller, one of the developers behind the Falstaff apartments on Gravier Street. It is frustrating that it has taken as long as it has, but we remain optimistic."



THE TIMES-PICAYUNE ARCHIVE

New Orleans officials, including Mayor Chep Morrison, center with scissors, cut the tape that started the 'Miracle Mile' in 1951. The opening of the newly widened, eight-lane Tulane Avenue called for a parade and dedication speeches. Tulane Avenue is the gateway of Louisiana into New Orleans, said Wallace C. Walker of the Greater Tulane Avenue Association. He is in the photo to the right of Morrison.

THE FINANCING

LHIC: Low-Income Housing Tax Credit
CDBG: Community Development Block Grant

The Crescent Club
LHIC: \$1,934,044
CDBG: \$19,600,000

The Falstaff
LHIC: \$1,210,755
CDBG: \$0

The Marquis
LHIC: \$2,062,352
CDBG: \$27,000,000

The Meridian
LHIC: \$1,619,782
CDBG: \$0

The Preserve
LHIC: \$1,560,899
CDBG: \$15,950,000

The Terraces on Tulane
LHIC: \$3,413,506
CDBG: \$0

Source: Louisiana Housing Finance Agency

Spearheading the drive

With or without the hospitals, Tulane Avenue is on the cusp of a revival largely engineered by a real-estate firm called the Domain Companies, founded by a pair of young Tulane University graduates. In addition to the Crescent Club, with 228 apartments, the firm is preparing to open the Preserve apartments on Tulane Avenue, with 183, and the Meridian nearby on South

Jefferson Davis Parkway, with 72.

Matt Schwartz and Chris Papamichael, the former fraternity brothers behind the Domain Companies, talk about transforming Tulane Avenue from a derelict speed-through for motorists into a vital neighborhood dense with apartments, stores and pedestrians. In that vein, they have also announced plans to build 20,000 square feet of retail space across from the Crescent Club.

All six of the new apartment buildings flying up near Tulane Avenue contain at least some affordable units designed for teachers, police officers, hospitality workers and other members of the workforce. All the units in the Meridian are considered affordable, as are the 200 apartments in the Terraces on Tulane, a Volunteers of America development for seniors earning less than 50 percent of the area's median income.

All of the other new apartment buildings in the area — the Crescent Club, the Preserve, the Falstaff and the Marquis — contain a mix of affordable and market-rate units. While New Orleans has seen such mixed-income developments be-

fore, including the American Can and the River Garden apartments, the concoction of tax credits, block grants and other incentives that flowed into the city after Katrina helped spark their proliferation.

Mark Madderra, a principal in the Metairie firm Madderra & Cazalot and a commissioner with the Louisiana Housing Finance Agency, said three of the Mid-City developments were bolstered by the release of block grants after Katrina, which developers could use to subsidize the market-rate portion of their projects. Because that money was a one-time carrot to spur private investment after the storm, Madderra does not expect the launch of many similar projects in the coming year.

'Renter by choice' targeted

Madderra said the apartments going up near Tulane Avenue represent some of the nicest affordable housing in the region, and he expected them to

siphon tenants from some of the older apartment communities around the area. He expected the amenities in these new buildings, including the pool at the Crescent Club and the Preserve, to draw renters from across the income spectrum.

"These products are a very innovative design for this marketplace," Madderra said. "They have open floor plans, a lot of glass, an urban location. They have a lot of amenities that would appeal to someone who would be a condo or home owner that they would not get out of a traditional garden apartment."

That is exactly the sort of renter the Domain Companies hopes to attract with its apartments: what Schwartz has called the "renter by choice." While this group would include medical students and residents just launching their careers, Papamichael said the success of his company's new developments is not yoked to the fate of the hos-

pitals.

"It helps when there are that many jobs nearby, but our deals are not contingent on the hospitals," Papamichael said. "There is enough demand out there."

Debuts near

The Preserve and the Meridian will be open to residents in a few weeks, and the Crescent Club should launch in May. Miller, the developer behind the Falstaff apartments, said he has completed the first phase of 147 units, about 112 of which are already leased. He hopes to have the building filled by February.

Provident Realty Advisors of Dallas is erecting the Marquis apartments behind the Falstaff, where Poydras dead-ends into Broad Street. The company did not return a call for comment, but one of its partners said in a June interview that the apartments should be complete in 2009.

Also rising at 3615 Tulane Ave. is the Terraces on Tulane, the apartment building under construction by Renaissance Neighborhood Development Corp., a subsidiary of Volunteers of America. Victor Smeltz, the corporation's executive director, said the building would replace Forest Towers East, a senior community in eastern New Orleans damaged during Katrina.

All apartments in the building are covered by a project-based Section 8 contract, and residents will not have to pay more than 30 percent of their income toward rent, Smeltz said. The Terraces on Tulane also will include a health clinic and a community center. It should be open by the end of the year.

Location, location, location

Smeltz said the VOA decided to build on Tulane because of the ferment of new development there, including the various Domain Companies initiatives. He also noted that the city has designated Tulane and Jefferson Davis as one of its 17 target recovery zones.

"We wanted to have proximity to the services that are important to seniors. We wanted to have access to transportation and basic commercial services. The LSU-VA center was very attractive, as was the bus service on Tulane," Smeltz said. "There were all of these community development initiatives we wanted to be a part of and actually enhance."

Kate Moran can be reached at kmoran@timespicayune.com or 504.826.3491.