TULANE AVENUE RENAISSANCE

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

MID-CITY

New Orleans Criminal Court

VA and LSU medical hospital site

The Preserve

The Terraces on Tulane

The Meridian

The Crescent Club

The Marquis

Faithful Apartments

Apartment buildings sprouting on corridor

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
Developers shrug off hospital snag

TULANE, from A-1

buildings with a combined 1,600 units have been launched or near Tulane Avenue since the storm, making it one of the hottest 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 never 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 staked the high schools as the signal venue for their investors.

As many of the apartments prepare to open, bringing incipient change to Tulane Avenue, at least one of the two hospitals was encountered lengthy delays. While the VA is preparing to move ahead with its portion, LSU is months — perhaps years — away from receiving the million dollars it needs for its half of the project. Developers 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 for their apartments, but they believe they can succeed even if the LSU hospital does not materialize as soon as planned.

The apartments are within a bike ride of downtown, with its two medical schools and numerous law firms, restaurants and music venues.

“The clearly (the hospital) is a huge positive for the area in terms of potential employees, people who would like to live closer to where they work,” said David Miller, one of the developers who own the Falstaff apartments on Gravier Street.

It is frustrating that it has taken as long as it has, but we remain optimistic.”

THE FINANCING

Headline: Low-Income Housing Tax Credit

The Crescent Club

Homes: 131

Price: $190,000-

The Falstaff

Homes: 120

Price: $185,000

The Marquis

Homes: 120

Price: $175,000

The Meridian

Homes: 120

Price: $165,000

The Terraces on Tulane

Homes: 120

Price: $150,000

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 73.

Matt Schwartz and Chris Pa- panicholas, the former fraternity brothers behind the Domain Companies, talk about transforming Tulane Avenue from a seedy speed-through for motorists into a vital neighborhood dense with apartments, stores and pedestrians. In that view, 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, hospital 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 aimed at 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 before, including the American Can and the River Garden apartments, the concentration of tax credits, block grants and other incentives that flowed into the city after Katrina helped spark their proliferation.

Mark Maddiera, a principal in the Metairie firm Maddiera & Casabon 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 cash to spur private investment after the storm, Maddiera does not expect the launch of many similar projects in the coming year.

‘Renter by choice’ targeted

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

THE MIRACLE MILE

TULANE AVE.

New Orleans officials, including Mayor Mitch Landrieu, center with scissors, cut the tape that started the ‘Miracle Mile’ in 1961.

As the opening of the newly widened, eight-lane Tulane Avenue called for a parade and dedication speeches, ‘Tulane Avenue is the gateway of Louisi- ana into New Orleans,’ said Wallace C. Walker of the Greater Tulane Avenue Association. He is in the photo to the right of Morris.

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

“These products are a very innovative design for this market,” Maddiera 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 that Domain Companies hope to attract with its apartment complexes: what Schwartz has called the “renter by choice.” While this group would include medical students and residents just launching their careers, Pap- panicholas said the success of his company’s new developments is not likely to the fate of the hou-

Debuts near

The Preserve and the Meridian will be open to residents in a few weeks, and the Crescent Club should open any day. Miller, the developer behind the Falstaff apartments, said he has completed the first phase of 147 units, about 132 of which are already leased. He hopes to have the building filled by February.

President Rosky Advisors of Dallas is overseeing the Falstaff apartments beside the Falstaff, where a Pappas development sits, said in a June interview that the apart- ments should be complete in 2009.

Also rising at 3616 Tulane Avenue is the Terraces on Tulane, the apartment building under construction by Renaissance Neighborhood Development Corp., a subsidiary of Volunteers of America. The company’s executive di- rector, said the building would replace Forest Towers East, a senior community in eastern New Orleans damaged during Katrina.

All apartments in the building are capped by a 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 VOAs decision 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 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.

“These were all of those community development initiatives we wanted to be a part of and actu- ally enhance.”