

Downtown New Orleans



AN OPPORTUNITY FOR INVESTMENT

Demographic Profile and Daytime Population Count



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DOWNTOWN NEW ORLEANS IS READY TO RESUME ITS PLACE AS ONE OF THE PREMIER SHOPPING AND ENTERTAINMENT DISTRICTS IN THE ENTIRE UNITED STATES.



Canal Street, notable for its historic architecture, is the commercial heart of Downtown New Orleans

New Orleans' emergence as an entrepreneurial hub was recently featured in an *Entrepreneur Magazine* cover story



Prepared For:

Prepared By:



GCR & Associates, Inc.

INTRODUCTION: NEW ORLEANS TODAY

New Orleans, one of America's most iconic cities, is also one of America's great comeback stories. Billions of dollars in investment are transforming New Orleans into a far more robust city, both physically and economically. As the nucleus of the entire region, Downtown New Orleans represents one of the best retail and commercial opportunities in the entire United States.

The economy of New Orleans has proven to be resilient. The New Orleans region has the 3rd lowest unemployment rate in the country¹ among large metropolitan areas, and the city's economy is becoming more diversified as New Orleans is asserting itself in a range of emerging industries, from the biomedical sector, to film and television production, to a burgeoning entrepreneurial community.

Demographically, the city's rebirth is indisputable. New Orleans is now larger than a number of other major cities, such as Pittsburgh, Cincinnati, and St. Louis, and the city continues to grow at a rapid pace. Furthermore, New Orleans is growing wealthier, having experienced the most precipitous decline in poverty of any major city in the country between 2000 and 2008.

Downtown New Orleans is at the center of this newfound energy and activity. It has long been the economic, cultural, and entertainment center for the region and a "must visit" destination for millions of tourists. As a residential, mixed use, and retail center, Downtown is poised to explode. Consider the following:

- **Downtown is the logical retail and commercial center for a market of almost 400,000 residents and nearly 50,000 households that earn at least \$60,000 per year**
- **Downtown welcomes approximately 120,000 people on a given week-day—enough to make it the fourth largest city in Louisiana**
- **Downtown is home to almost 17,000 hotel rooms and welcomes over 7.5 million visitors annually**
- **Downtown is the largest employment center in the region with over 62,000 jobs**
- **Downtown is at the center of twelve neighborhoods that are home to almost 40,000 residents with a strong income and education profile**
- **Downtown's population has doubled over the past 10 years, and planned residential development could further double the population in the coming years**

When these characteristics are coupled with over \$2 billion in forthcoming investment, Downtown's trajectory is clear: Downtown New Orleans is ready to resume its place as one of the premier shopping and entertainment districts in the entire United States.

¹Note: Sources for all data are provided in an accompanying appendix document.

Downtown New Orleans: An Opportunity for Investment

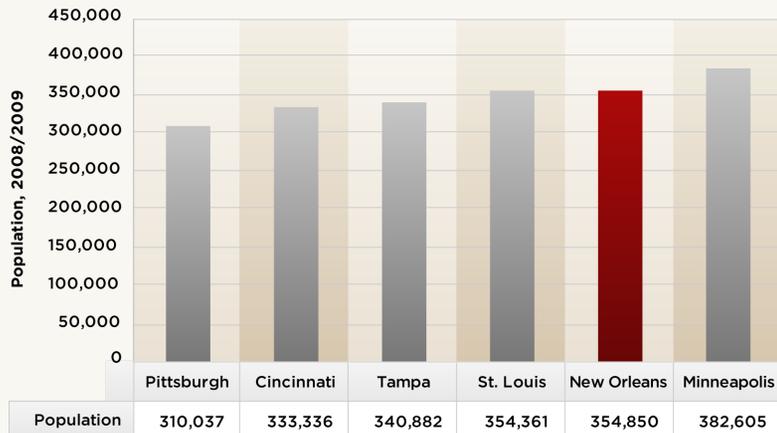


NEW ORLEANS, AND DOWNTOWN IN PARTICULAR, HAVE RECOVERED QUICKLY

New Orleans has recovered nearly 80% of its pre-Hurricane Katrina population and is currently home to 355,000 residents. The city's growth over the past four years has also outpaced earlier estimates by a significant margin. The New Orleans metropolitan area, meanwhile, has a population of approximately 1.2 million, or 91% of its pre-Katrina population of 1.3 million.

Most importantly, the city continues to grow at a strong pace. New Orleans is one of the fastest growing cities in the United States, and with over \$3 billion in housing investment still in the pipeline, New Orleans could add another 52,000 residents in the next 10 years.

Population growth has been particularly strong in New Orleans' "core" and "Downtown-oriented" neighborhoods (defined on the following page) that were largely unflooded². The population of the core neighborhoods is now 20% greater than their pre-Katrina population while the population of Downtown-oriented neighborhoods is 5% greater than their pre-storm levels.



While still somewhat below its pre-storm population of 455,188, New Orleans has already rejoined the cohort of major American cities. Source: Census Bureau

DOWNTOWN IS HOME TO SIGNIFICANT ASSETS

Much of Downtown's market potential results from its longstanding role as a business, tourism, cultural, and entertainment center for the entire region. A true mixed-use hub, Downtown New Orleans is home to:

- An estimated daytime population of approximately 120,000 persons
- Over 62,000 jobs, making it the largest job center in the entire New Orleans region
- Nearly 17,000 hotel rooms, welcoming over 7.5 million visitors to the region annually
- One of the top ten convention centers in the United States (in number of conventions and tradeshows)
- Major federal, state, and local government institutions
- Three institutions of higher education focusing on the health sciences
- Sporting and cultural events that attract 2.5 million people in a given year
- World class restaurants, nightlife, and music venues
- A wealth of historic architecture, emblematic of a city with nearly 300 years of history
- Seven major museums and cultural attractions, including the Aquarium of the Americas, Audubon Insectarium, National World War II Museum, and Ogden Museum of Southern Art

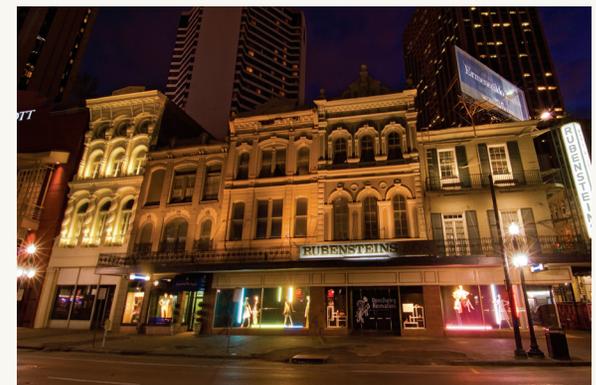
In the coming years Downtown will witness new investment in the biosciences, a potential doubling of its residential population, the renovation of historic theaters, and further growth in creative, knowledge-based industries. With so many existing and forthcoming economic generators, Downtown is primed for an influx of retail and commercial investment.

²The term "Downtown-oriented neighborhoods" was used in a 2006 Brookings Institution report on the demographic profile of Downtown Detroit. Because of the unique geography of New Orleans, this term best describes the neighborhoods that constitute the natural, close-in market area for Downtown New Orleans.

Due to minimal flood damage and new residential development, the surrounding "core" neighborhoods now have 20% more residents than they had before Katrina.



Downtown has long served as the business, tourism, entertainment, and cultural heart of the entire New Orleans region.



Downtown New Orleans: An Opportunity for Investment



DOWNTOWN SERVES A FERTILE MARKET

WHEN THE RESIDENTIAL POPULATION IS COMBINED WITH THE 115,000 WORKERS, VISITORS, TOURISTS, AND OTHERS WHO ARE DOWNTOWN ON A GIVEN DAY, DOWNTOWN'S TREMENDOUS POTENTIAL AS A RETAIL AND COMMERCIAL CENTER BECOMES CLEAR.

The Downtown New Orleans market has been analyzed at three geographical levels: the “core” neighborhoods closest to and including Downtown, “Downtown-oriented” neighborhoods that also comprise other centrally located neighborhoods, and a larger market area that includes the entire City of New Orleans and adjacent St. Bernard Parish³. All three areas have demographic characteristics that are favorable to new retail and commercial investment. These characteristics are quantified on the following page and in further detail in the accompanying full report.

The core neighborhoods are home to over 14,000 residents. These neighborhoods are characterized by middle to high income households, low poverty, and a high concentration of residents with college and graduate degrees.

The Downtown-oriented neighborhoods have a population of nearly 40,000 residents. Consisting of both established, middle income neighborhoods as well as neighborhoods transformed by recent reinvestment, they have an extremely well educated population, a sizable middle class, and relatively low poverty.

The regional market area (New Orleans and St. Bernard Parish) is an enormous and underserved market of over 395,000 residents, 153,000 households, and nearly 50,000 households making \$60,000 or more per year. Relative to other major cities in the southeastern United States, the median income, poverty level, and educational attainment of these two parishes compare very favorably.

When this residential population is combined with the 115,000 workers, visitors, tourists, and others who are Downtown on a given day, Downtown's tremendous potential as a retail and commercial center becomes clear.

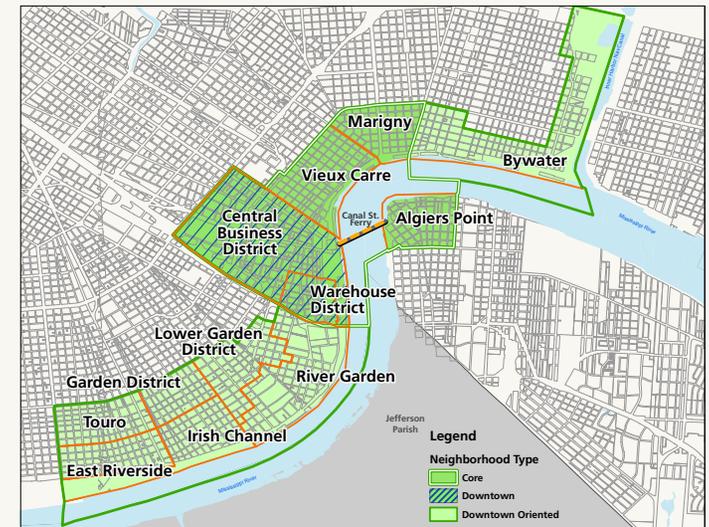
³“Core Neighborhoods” are defined as Marigny, Vieux Carre, Algiers Point, Central Business District, and Warehouse District (official City Planning Commission names and boundaries)
“Downtown Oriented Neighborhoods” include all of the “Core Neighborhoods” as well as Bywater, River Garden, Lower Garden District, Irish Channel, Garden District, East Riverside, and Touro

Key findings from the demographic analysis that was conducted for this report include:

- The population of New Orleans has recovered, restoring New Orleans to the status of a “major” city
- New Orleans is one of the fastest growing cities in the United States
- New Orleans is growing wealthier with rapidly rising incomes and plummeting poverty
- The core and Downtown-oriented neighborhoods have a substantial population base, strong median incomes, relatively low poverty, and a high concentration of well educated residents
- The population of Downtown has grown significantly, nearly doubling from 2000 to 2010
- Significant residential investment is in the pipeline, such that Downtown's population could double again over the next several years
- Downtown New Orleans remains the commercial and tourism heart of the metro area with nearly 17,000 hotel rooms, over 7.5 million annual visitors, and over 62,000 jobs
- Downtown New Orleans is at the center of an underserved market of nearly 400,000 residents and nearly 50,000 households making \$60,000 or more
- The overall demographic profile of the core neighborhoods, Downtown-oriented neighborhoods, and the larger market area compare very favorably with other southern cities (documented on the following pages and in the full report)



New Orleans' Downtown-oriented neighborhoods are comprised of established middle income and wealthy areas as well as neighborhoods that have experienced a surge of recent reinvestment.



Map illustrating boundaries of Downtown New Orleans, the “core,” and “Downtown-oriented” neighborhoods.

Downtown New Orleans: An Opportunity for Investment



SUMMARY DATA

The table below presents summary demographic data for New Orleans' core neighborhoods, its Downtown-oriented neighborhoods, the entire City of New Orleans, and St. Bernard Parish. The same information has also been provided for other comparable cities within the southeastern United States.

Relative to other cities within the region, New Orleans compares very favorably. Its population of 355,000—nearly 400,000 when St. Bernard Parish is included—is substantial. It boasts a higher median income than any of the other major cities in the region, with the exception of Atlanta. Its poverty rate is the lowest of the major cities in the Southeast.

New Orleans also has a relatively high percentage of residents with a bachelor's degree or graduate degree—a greater percentage than that of numerous fast-growing cities outside of the Southeast as well, such as Phoenix (22.9% with bachelors or greater), Miami (24.6%), and Las Vegas (21.4%).

The data also reveal the demographic competitiveness of Downtown New Orleans and its adjacent neighborhoods. They are largely middle income neighborhoods with a relatively low poverty rate, a sizable middle class, and an extremely well educated population.

Both the existing demographic profile and the expected influx of new investment strongly suggest that Downtown New Orleans indeed represents a robust market and a compelling opportunity for retail and commercial investment.

NEW ORLEANS BOASTS A HIGHER MEDIAN FAMILY INCOME THAN MOST OF THE OTHER MAJOR CITIES IN THE SOUTHEAST, INCLUDING BIRMINGHAM, MEMPHIS, HOUSTON, AND DALLAS.

NEW ORLEANS HAS THE LOWEST POVERTY RATE OF ANY OF THE MAJOR CITIES IN THE SOUTHEAST.

New Orleans compares very favorably with other major cities in the Southeast Region. Some of the most salient statistics within this table have been highlighted.

	Birmingham	Mobile	Baton Rouge	Memphis	Atlanta	Houston	Dallas	Core Neighborhoods	Downtown Oriented	New Orleans	St. Bernard Parish	Combined Orleans and St. Bernard
Population	228,798	191,022	223,689	669,651	537,958	2,242,193	1,279,910	14,370	39,897	354,850	40,655	395,505
Median Age	37.1	36.0	30.2	34.3	35.7	32.9	31.9	42.2	38.4	38.5	25.5	n/a
Households	89,419	78,703	91,734	244,929	175,210	756,224	453,692	8,746	20,218	137,826	15,192	153,019
Median Family Income	\$37,488	\$47,274	\$48,639	\$45,540	\$60,954	\$48,887	\$43,973	\$62,961	\$49,689	\$51,146	\$44,024	n/a
<i>as percentage of metro area median income</i>	61.7%	93.9%	80.8%	79.8%	86.1%	74.6%	65.4%	104.7%	81.8%	84.2%	72.3%	n/a
Households Making Over \$60,000	19,831	23,001	27,694	70,690	76,040	274,256	149,411	3,342	6,814	44,339	4,406	48,745
<i>as percentage of all households</i>	22.2%	29.2%	30.2%	28.9%	43.4%	36.3%	32.9%	38.2%	33.7%	32.2%	29.0%	31.9%
% of Families Below Poverty	18.7%	16.9%	18.1%	18.0%	16.2%	16.3%	19.5%	11.10%	17.3%	14.9%	11.8%	14.5%
Percentage of Population with Bachelor's Degree or Greater	20.6%	25.0%	31.7%	22.9%	44.1%	28.4%	27.1%	40.1%	40.3%	25.4%	8.5%	24.0%

Source: Census Bureau and GCR & Associates, Inc.



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New Orleans: An Overview



NEW ORLEANS IS A COMEBACK CITY

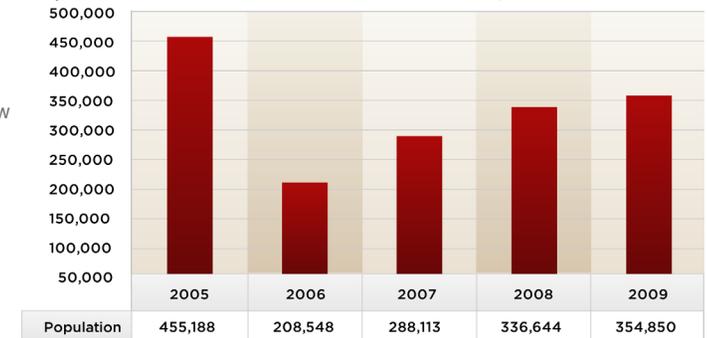
The most fundamental measure of a city's recovery from a major disaster is its population. On the eve of Hurricane Katrina, New Orleans had a population of 455,188. Immediately after the storm, the city was almost completely depopulated. The overwhelming majority of residents had evacuated, and many neighborhoods sustained extensive damage. Since that time, former residents have returned to both flooded and unflooded neighborhoods, and new arrivals have migrated to the city in great numbers. New Orleans' population currently stands at 354,850 or 78% of the pre-Katrina population. The New Orleans metropolitan area currently has 91% of its pre-storm population with approximately 1.2 million residents.

Having experienced the largest disaster that any American city had faced in almost a century, New Orleans residents have returned at a rate that has far exceeded initial estimates. Indeed, the pace of the return of New Orleans' population made it the fastest growing city in the United States from 2007 to 2008. With an additional 18,206 residents, it was the 4th fastest growing city from 2008 to 2009 as well.

Although New Orleans remains below its pre-hurricane population, it has unequivocally rejoined the cohort of "major" American cities, with a population that is greater than that of Tampa, Pittsburgh, Cincinnati, and other major cities.

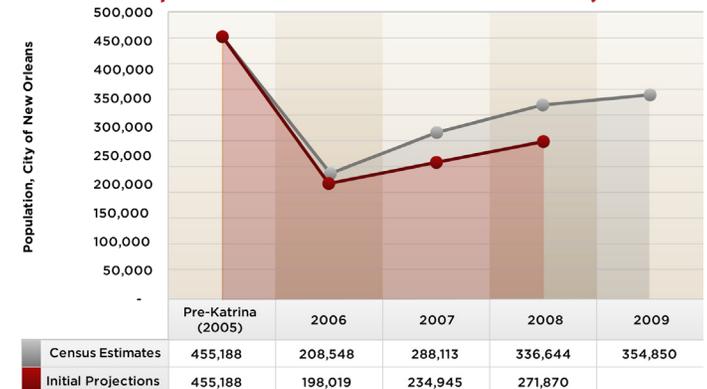
New Orleans has recovered 78% of its pre-hurricane population, and the city continues to show strong growth. Source: Census Bureau

Population: New Orleans 2005 - 2009



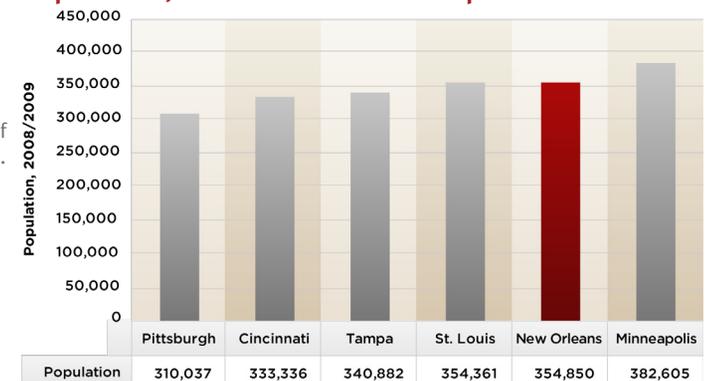
New Orleans' rate of population growth has dramatically exceeded initial, post-Katrina estimates. Source: Census Bureau & 2006 RAND Corporation Population Estimates

Official Population Estimates vs. Initial Projections



While somewhat below its pre-storm population and while still growing at a steady rate, New Orleans has already re-joined the cohort of major American cities. Source: Census Bureau

Population, New Orleans and Comparable Cities



NEW ORLEANS' GROWTH CONTINUES AT A STEADY PACE

Steady population growth has continued in recent years with New Orleans adding over 18,000 residents between 2008 and 2009 alone. While data for other cities are not available yet, this growth will likely make New Orleans one of the fastest growing cities in the United States over the period.

Population projections, based largely on the production of new and restored housing and the market's ability to absorb new units, conservatively anticipate approximately 13,000 new residents over the next ten years. More ambitious estimates suggest that the city could add over 50,000 residents over this period.

There are many sources of new residential development in the city. They include:

- The large scale redevelopment of New Orleans' traditional public housing developments into mixed income communities
- The addition of another 8,000 units of mixed income housing
- Large scale, multifamily market rate projects
- Small scale rehabilitation and new construction, as property owners continue to receive rebuilding assistance

Due to this varied investment, there will likely be continued growth in housing units and in population in the coming years.

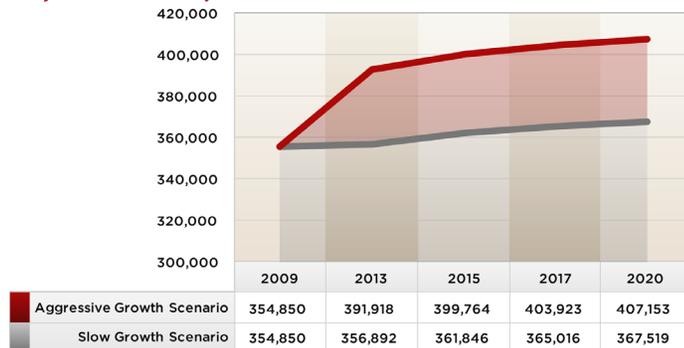
New residential development in New Orleans takes many forms, including small scale rehabilitation, adaptive reuse, new multifamily infill development, and the redevelopment of public housing into mixed income neighborhoods.



Population Projections: New Orleans in 2020

Population projections—based on varying rates of job growth, housing rehabilitation, new construction, and market demand—predict an increase of approximately 13,000 to 50,000 residents over the next ten years.

Source: Plan for the 21st Century: New Orleans 2030 Master Plan



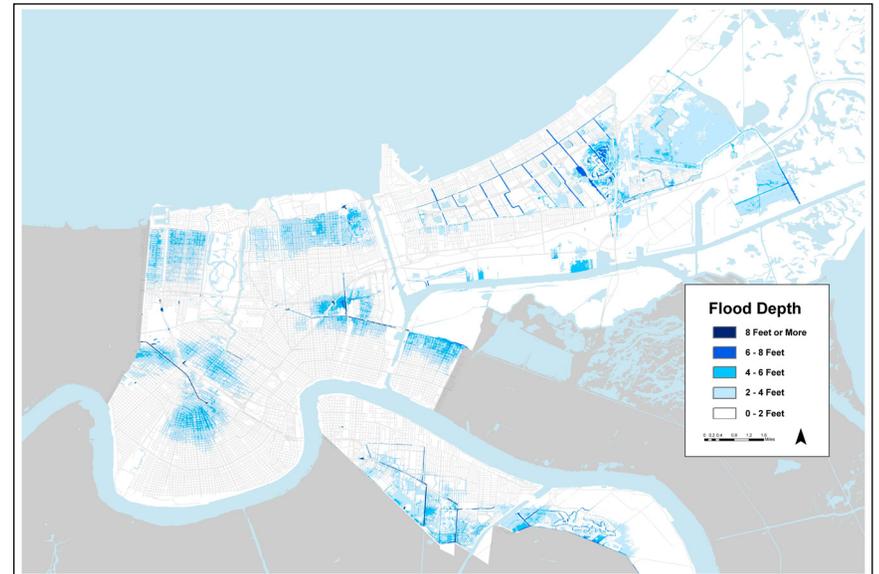
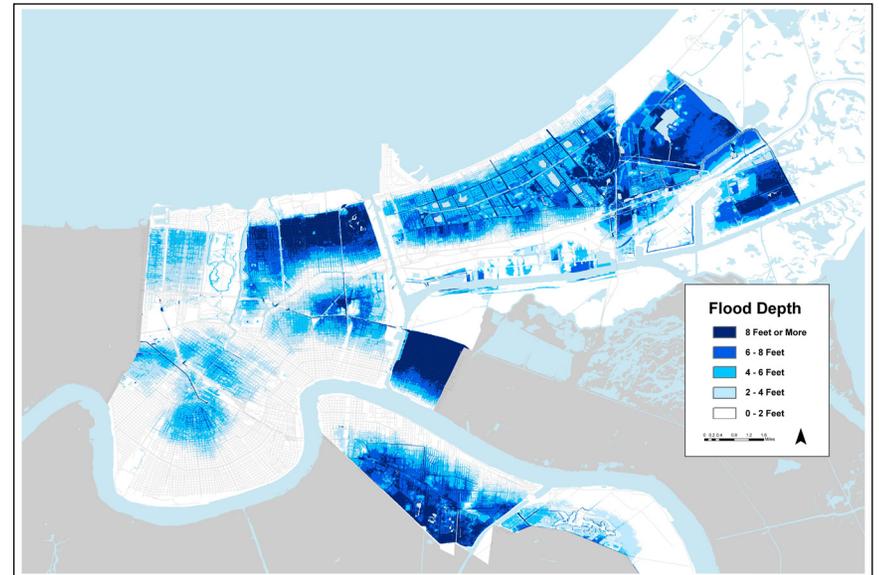
NEW ORLEANS IS BECOMING MORE RESILIENT

Over \$15 billion worth of improvements to the flood protection system for the New Orleans region are planned, are underway, or have been completed. Collectively, these investments are addressing previous weaknesses, strengthening levees and floodwalls, and building a system that conforms to much more exacting design and engineering standards. When this unprecedented investment is completed in 2011, the New Orleans region will enjoy a vastly improved level of flood protection and the most robust levee system in the city's history.

The U.S. Army Corps of Engineers has analyzed New Orleans' vulnerability to flooding under multiple scenarios. These include: in 2005 with the pre-Katrina level of flood protection in place and in 2011 with upgraded levees, floodwalls, and flood gates. The difference between the two scenarios could not be more stark. While the previous system left much of the city at risk of flooding, the improved system will ensure a much greater level of protection from storms even stronger than Hurricane Katrina and total protection from storms that have a 1-in-100-year chance of occurring.



Over \$15 billion in improvements to New Orleans' flood protection system have been completed or are underway. These include new flood gates, floodwalls, strengthened levees, and "safe houses" to monitor the flood protection system during a severe storm.



The top map depicts flooding that New Orleans would experience from a 1-in-100-year storm with the flood protection upgrades that had been completed by 2007. The map below illustrates the minimal flooding the city would experience from a 1-in-100-year storm with the flood protection in place from 2011 onward. Source: U.S. Army Corps of Engineers IPET Report

NEW ORLEANS IS BENEFITTING FROM UNPRECEDENTED INVESTMENT

Like most older cities in the United States, New Orleans has long grappled with aging roads, sewers, public buildings, and other infrastructure. These longstanding infrastructure needs were compounded by Hurricane Katrina, but the damage caused by the Hurricane provided an opportunity, and the resources, to re-program and reinvest in the city's public infrastructure.

Consider the following:

- New Orleans Public Schools have begun a ten year, \$1.8 billion capital campaign to effectively replace every single one of the city's public schools by 2020. This initiative will deliver to the city the finest public school facilities in the country.
- New Orleans' streets and underground water and sewer systems are undergoing hundreds of millions of dollars in repairs through a combination of local, state, and federal dollars.
- Four of New Orleans' major public housing developments—previously communities of concentrated poverty—are being reborn as mixed income communities
- Approximately 6,000 new units of mixed income housing—over 4% of the city's housing stock—have been placed into service. These new developments are de-concentrating poverty and are providing higher quality housing options across a range of incomes
- A new streetcar line has been funded by the federal government to improve transit connectivity Downtown, while two additional proposed streetcar lines serving Downtown await federal funding.

New Orleans is in the midst of comprehensively overhauling and upgrading many components of its public infrastructure. Its schools, streets, streetcar system, affordable housing stock, and other elements of its infrastructure are collectively undergoing billions of dollars in improvements.



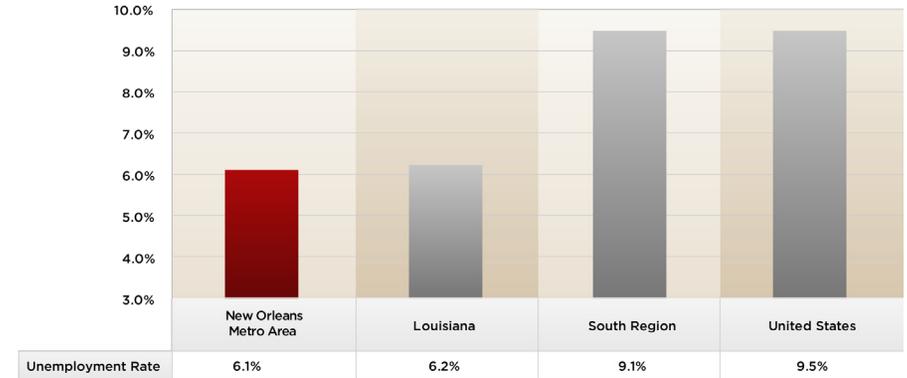
NEW ORLEANS IS ECONOMICALLY RESILIENT

New Orleans has not completely escaped the economic downturn that most of the rest of the United States is experiencing, but its economy has proven to be much more resilient than most. New Orleans’ economy has, in the short term, been aided by the billions of dollars in recovery and rebuilding spending that continue to pour into the region. Also, unlike many other metropolitan regions, New Orleans has not experienced a rapid appreciation and subsequent, precipitous decline in housing values.

As a result, unemployment in the New Orleans region is substantially below that of the country as a whole. In fact, the New Orleans region has the 3rd lowest unemployment rate among large metropolitan areas in the country³.

Housing values in metropolitan New Orleans have also remained relatively strong. New Orleans did experience a 4% decline in average home values from 2008-2009, but this is a fraction of the 10.4% decline that the nation as a whole experienced over the past year.

Unemployment Rate, April 2010 (not seasonally adjusted)



Unemployment in the New Orleans area is substantially below the statewide, regional, and national unemployment rates. The New Orleans area recorded the 3rd lowest unemployment rate among all major metropolitan areas in the United States in April, 2010.



New Orleans’ economy has resisted the downturn in the national economy, in part due to the billions that are being spent to upgrade housing, flood protection, and community infrastructure.



Home values have remained strong in New Orleans, in part because an inflated housing bubble never formed in the New Orleans housing market.

³Unemployment data are from April, 2010 – the most recently available data when this report was completed.

NEW ORLEANS IS REINVENTING ITS ECONOMY

The billions of dollars that have flowed to New Orleans to assist in the rebuilding effort have provided a significant, though temporary, stimulus to the city's economy. New Orleans is not relying upon this short term infusion for its long term economic security. Traditional strongholds of the city's economy—oil and gas, government and institutional employment, international trade, and tourism—are rebounding, while New Orleans is aggressively pursuing new avenues to greater prosperity.

Substantial investment is underway in the health care and biomedical field. The Louisiana Cancer Research Center, a \$90 million cancer research facility, is under construction as is the BioInnovation Center, a \$60 million center for biotechnology start up companies. Most significantly, a new LSU hospital and an accompanying VA hospital—together representing a \$2 billion investment—are scheduled to break ground by the end of 2010. These hospitals are expected to create 6,000 permanent, high paying jobs in the coming years.

New Orleans has also become the center of a burgeoning film and television production industry. The State of Louisiana is now the third largest film and television production market in the country after Los Angeles and New York, and New Orleans is one of the principal production centers in the state. Its growing importance as a production hub is exemplified by the recent completion of Second Line Stages, a \$32 million independent film studio and production facility in the Lower Garden District adjacent to Downtown New Orleans.

Traditional mainstays of the New Orleans economy are also making major investments to enhance their competitiveness and market share. The Port of New Orleans has embarked upon a \$477 million expansion to create additional container capacity. These upgrades will help the Port to capture the anticipated explosion in container traffic after the expansion of the Panama Canal is completed in 2014.

Finally, in addition to being home to a number of growing industries, New Orleans is also asserting its place as a center for entrepreneurial activity. In recognition of the growing community of entrepreneurs, primarily in knowledge-based fields, *Entrepreneur Magazine* recently featured New Orleans in a cover story article about the surge in entrepreneurial activity in the city.

Second Line Stages, a \$32 million state of the art production facility that was completed in March, 2010 is the most tangible evidence yet of New Orleans' burgeoning role as a center for film and television production.



Over \$2 billion dollars of investment in the biosciences in New Orleans is underway. Major investments include a joint LSU/VA medical complex, the Louisiana Cancer Research Center, and the New Orleans BioInnovation Center.



Downtown New Orleans: An Overview



DOWNTOWN NEW ORLEANS: A NUCLEUS FOR NEW INVESTMENT

New investment and burgeoning industries are located within and around Downtown New Orleans. The health care and biomedical industry, an industry that promises to add thousands of high paying jobs to the city's economy, is largely centered in downtown New Orleans. The Tulane School of Medicine, the Delgado Charity School of Nursing, the Tulane School of Public Health, and the BioInnovation Center (an incubator for biotech start ups) are all located Downtown. Additionally, the LSU School of Medicine, the new \$2 billion LSU/VA hospital complex, and the Louisiana Cancer Research Center are all located immediately adjacent to Downtown.

Downtown New Orleans is also home to many of the city's most promising entrepreneurial ventures, as exemplified by the IP, a renovated Downtown loft space that is home to over a dozen fast growing technology companies.

Downtown has long been a regional hub for museums and other cultural amenities. Its role in this regard continues to grow. In 2008, the acclaimed Audubon Institute opened the Audubon Insectarium, a museum focused entirely on the study of insects, while a \$300 million expansion to the popular National World War II Museum is underway. The Saenger Theater, the signature historic theater in New Orleans, will re-open in 2011 after a \$38 million renovation, and major renovations have also been proposed for Downtown's other historic theaters.



New cultural amenities Downtown include the Audubon Insectarium, the recently expanded National World War II Museum, and the soon to be renovated Saenger Theater.



Downtown is home to a number of pillars of the city's biosciences industry, including the Tulane School of Medicine, Tulane School of Public Health, Delgado Charity School of Nursing, and the soon to be completed BioInnovation Center



The "IP" Building in the Warehouse District is home to a number of New Orleans' thriving start-up companies

DOWNTOWN & SURROUNDING NEIGHBORHOODS: KATRINA RECOVERY COMPLETE

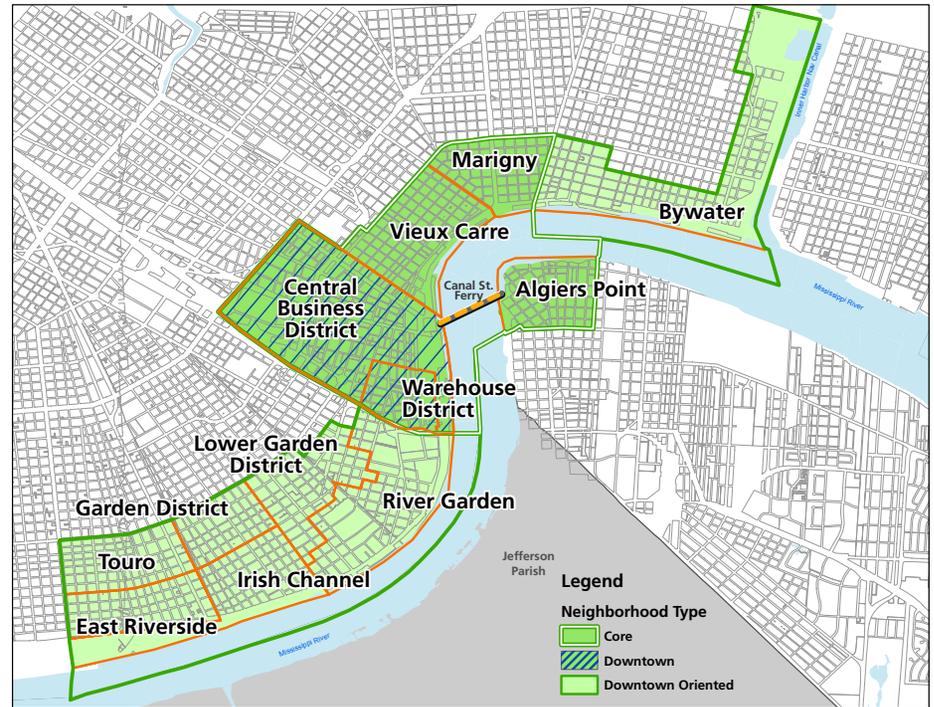
The pace of recovery and population growth in New Orleans over the past four years has been impressive given the level of damage that the city sustained. In Downtown and its adjacent neighborhoods, the recovery has not just been impressive; it has been complete.

Located on some of the highest ground in the city, these neighborhoods are blessed with a second line of defense against hurricanes and flooding: topography. As a result, they experienced very little flooding, and residents, businesses, and property owners were able to quickly return. Additionally, new construction has added a significant number of residents such that the current population of these neighborhoods exceeds their pre-storm population.

This report has analyzed demographic characteristics at multiple geographical levels. At all three geographies—Downtown itself, “core” neighborhoods, and “Downtown oriented” neighborhoods, the current population exceeds the pre-storm population by a considerable margin.



Partially due to their location on high ground and the relatively minimal damage that they sustained, Downtown, the core, and New Orleans’ Downtown-oriented neighborhoods have staged a full recovery from Hurricane Katrina.



Map illustrating the location of Downtown, the core neighborhoods, and Downtown-oriented neighborhoods.

	Downtown	Core Neighborhoods	Downtown Oriented Neighborhoods	City of New Orleans	St. Bernard Parish	Regional Market (combined Orleans & St. Bernard)
<i>Population, 2005</i>	2,623	11,942	37,941	455,188	64,951	520,139
<i>Population, 2009</i>	5,096	14,370	39,897	354,850	40,655	395,505
<i>2009 as % of 2005</i>	194%	120%	105%	78%	63%	76%

Source: Census Bureau and GCR & Associates

DOWNTOWN NEW ORLEANS IS SEEING AN INFUX OF NEW RESIDENTIAL INVESTMENT

A number of recent studies have highlighted the growing national trend of central cities' capturing a greater percentage of metropolitan population growth. This phenomenon is particularly notable in downtown areas, as underutilized buildings are being converted to residential use and as new residential high rises fill out city skylines.

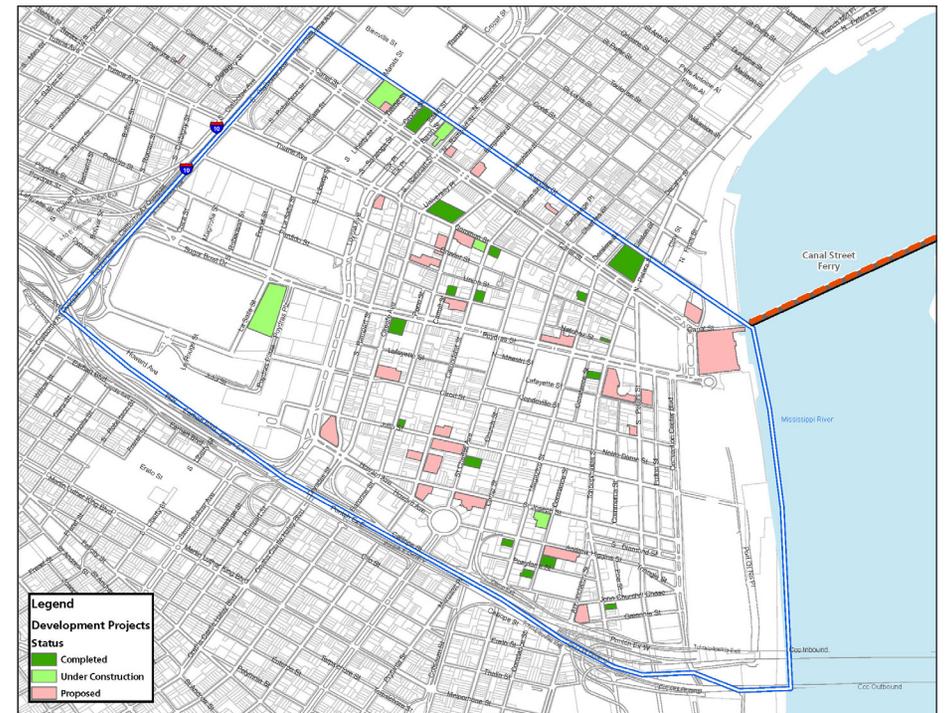
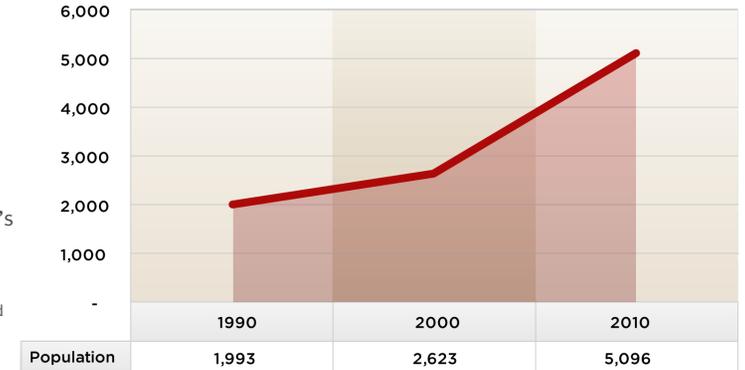
This trend is absolutely occurring in Downtown New Orleans as well. Between 1990 and 2000, Downtown's residential population increased by 32%. Between 2000 and 2010, the rate of population growth in Downtown actually increased substantially. In 2000, its population was 2,623, while it now stands at an estimated 5,096—nearly a 100% increase.

Downtown's popularity as a residential destination shows no signs of abating. Developers report extremely strong sales and high rental occupancy at a wide range of price points. The downturn in the national economy and the scarcity of credit have slowed the construction of a number of proposed projects, but developers remain optimistic that construction will proceed as the national economy rebounds.

The inventory of proposed projects in Downtown is truly considerable. Collectively, these projects could add another 3,700 units to Downtown's existing inventory of 3,913 units, thereby further doubling Downtown's residential population to nearly 10,000 residents in the coming years.

The rate of population growth in Downtown New Orleans has increased significantly over the past ten years. Based on proposed residential projects in the development pipeline, Downtown's population could double yet again in the coming years.
 Source: Census Bureau and GCR & Associates

Population: Downtown New Orleans 1990-2010



Adaptive reuse projects such as 1201 Canal have added thousands of new residential units to Downtown in recent years.



Displayed on the above map are commercial and residential projects Downtown that are recently completed, under construction, or in the planning stages. Planned residential projects could add another 3,700 units and approximately 4,800 residents to Downtown in the coming years.
 Source: GCR & Associates

DOWNTOWN NEW ORLEANS: A TRUE MIXED USE NEIGHBORHOOD

Unlike many other downtowns across the country, Downtown New Orleans never experienced a significant decline in the post-war period. Its status as a residential neighborhood is relatively new, but for decades Downtown has maintained its role as the business and tourism center for the entire region.

Downtown is home to approximately 62,000 jobs, a diversity of job types, and a diversity of employers. It is the headquarters of stalwarts of the local economy, such as Entergy, Inc. (a Fortune 500 company), as well as many of the region's most promising start ups. It is also home to a large number of institutional employers, ranging from City government, to the U.S. 5th Circuit Court of Appeals, to Tulane University.

In addition to being the largest employment center in the metropolitan area, Downtown is also the nerve center for the tourism industry. It is home to the Morial Convention Center, one of the ten busiest convention centers in the United States; the greatest concentration of hotels in the New Orleans area, with nearly 17,000 rooms; and a number of major tourist attractions, such as the Aquarium of the Americas, the recently expanded National World War II Museum, and the newly opened Audubon Insectarium. Downtown provides the tourism infrastructure that allows New Orleans to attract over 7.5 million visitors per year.

Downtown is also a center of learning, particularly in the health care field. The Tulane University School of Medicine, Tulane School of Public Health, and Delgado Charity School of Nursing are all located downtown. Taken together, these institutions have an enrollment of approximately 2,800 students.

One of the most recognizable buildings in Downtown New Orleans is the Louisiana Superdome. Sporting events and other special events at the Superdome and the adjacent New Orleans Arena bring approximately 2.5 million people to Downtown on an annual basis.

Collectively, this vibrant mix of uses—residential, business, tourism-oriented, educational, special event—results in an enormous daytime population. On a typical week-day, it is estimated that approximately 120,000 people are in Downtown New Orleans during a single 24-hour period. If this population were its own city, it would be the fourth largest city in Louisiana.

DOWNTOWN BY THE NUMBERS

- 120,000 people Downtown on a typical week-day
- 62,000 jobs
- 17,000 hotel rooms
- 7.5 million visitors per year
- 200 restaurants
- 2.5 million visitors to sporting events and special events per year
- 5,000 residents
- 3 institutions of higher education enrolling 2,800 students
- 7 major museums and cultural venues

Categories are mutually exclusive and have been adjusted to avoid double counting

GCR & Associates, a New Orleans-based planning and demographics firm, has estimated the typical population that is within Downtown New Orleans over a 24-hour period. GCR's estimate is for a typical week-day. Downtown's population can grow substantially larger during special events (Mardi Gras, Essence Fest, French Quarter Fest, etc.) Of the approximately 120,000 people who are Downtown on a typical week-day:

- 48,500 are employed Downtown
- 39,000 are daily visitors who are shopping, dining, tending to personal business (e.g. doctor's appointment, doing business at City Hall), or attending an entertainment function (music, theater, movie, etc.)
- 15,500 are staying at Downtown hotels
- 5,100 are Downtown residents
- 5,000 are attending special events
- 3,500 are tourists who are not staying Downtown
- 2,000 are students, mostly in higher education
- 500 are receiving medical care
- 500 are Downtown for transportation reasons (train station, cruise terminal)

Categories are mutually exclusive and have been adjusted to avoid double counting

Demographic Profile

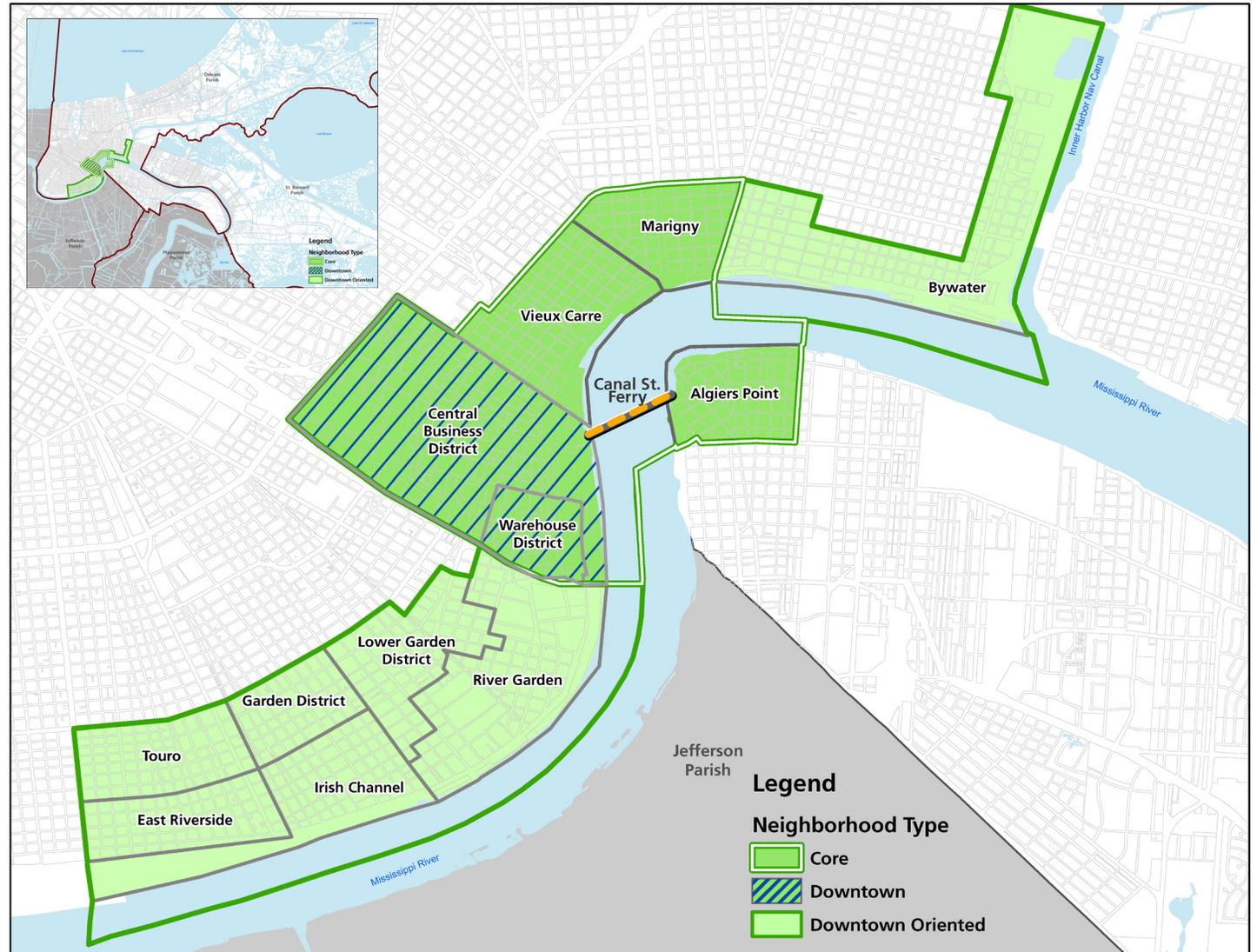


DOWNTOWN AND ITS SURROUNDING NEIGHBORHOODS ARE A FERTILE MARKET

Presented on the following pages are summaries of key demographic characteristics of New Orleans' residential population at three geographical levels: the core Downtown neighborhoods, Downtown-oriented neighborhoods, and the larger regional market.

The data unequivocally show that there is a substantial (and fertile) market to support new retail and commercial development in Downtown New Orleans. These neighborhoods are characterized by a sizable middle class, a well educated population, relatively low poverty, and incomes that are substantially higher than in other cities in the Southeast. By itself, this residential base constitutes a strong potential market.

WHEN DOWNTOWN'S SIGNIFICANT EMPLOYMENT AND TOURISM BASE ARE TAKEN INTO CONSIDERATION, DOWNTOWN NEW ORLEANS' POTENTIAL AS A RETAIL AND ENTERTAINMENT HUB IS EVEN MORE COMPELLING.

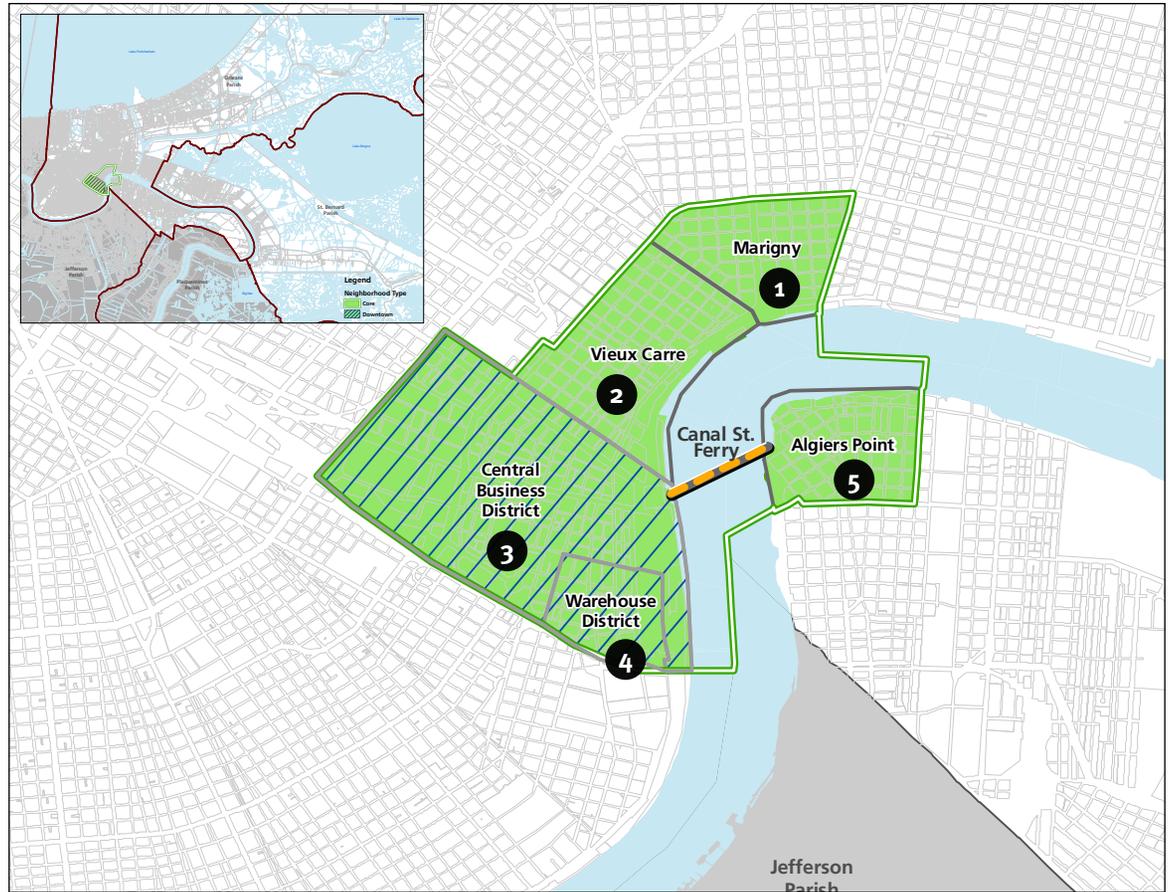


CORE NEIGHBORHOODS: AN OVERVIEW

The core neighborhoods are those that are most closely oriented to Downtown New Orleans. They include Downtown itself, the Vieux Carre (also known as the French Quarter), the Faubourg Marigny, and the Algiers Point neighborhood, which is linked directly to Downtown by the Canal Street Ferry. These are some of the oldest neighborhoods in the city, and they are located on some of the highest ground in the city. They are known for their historic architecture, for their mixed-use character, and for being some of the best walking neighborhoods in New Orleans. Collectively, they are the mixed use core of the city.

NEIGHBORHOODS WITHIN THE CORE:

- Central Business District
- Warehouse District
- Vieux Carre
- Marigny
- Algiers Point



1. Marigny



2. Vieux Carre



3. Central Business District



4. Warehouse District



5. Algiers Point



CORE NEIGHBORHOODS: AN OVERVIEW



A boutique hotel in the Central Business District, located within one of many buildings that have been adaptively reused in recent years.



A mixture of new infill residential development and renovated historic buildings within the thriving Warehouse District neighborhood.



A typical restored "shotgun" house in the historic Algiers Point neighborhood, connected to Downtown New Orleans by the Canal Street Ferry.

CORE NEIGHBORHOODS: A GROWING, MIDDLE CLASS, WELL EDUCATED COMMUNITY

In order to meaningfully evaluate the demographic profile of New Orleans’ core neighborhoods, this report compared their characteristics to those of New Orleans as a whole. For as favorably as New Orleans compares to other cities within the southeastern United States, the demographic profile of New Orleans’ core neighborhoods is even stronger.

These neighborhoods are overwhelmingly middle class and boast a strong median family income, a low poverty rate relative to other central cities, and an extremely high percentage of households earning \$60,000 per year or more. Perhaps the most impressive statistic is the percentage of residents in the core with a bachelor’s or graduate degree. This percentage compares very favorably to a number of cities recognized as national leaders in creative, knowledge-based industries.

	Core Neighborhoods	New Orleans
Population	14,370	354,850
Median Age	42.2	38.5
Households	8,746	137,826
Median Family Income	\$62,961	\$51,146
<i>as percentage of metropolitan area median family income</i>	104.7%	84.2%
Households Making Over \$60,000	3,342	44,339
<i>as percentage of all households</i>	38.2%	32.2%
% of Families Below Poverty	11.1%	14.9%
Percentage of Population with Bachelor’s Degree or Greater	40.1%	25.4%

A broader comparison with other geographical areas can be found at the end of this report.
Source: Census Bureau Population Estimates, American Community Survey, GCR & Associates

KEY CHARACTERISTICS OF NEW ORLEANS’ CORE NEIGHBORHOODS INCLUDE THE FOLLOWING:

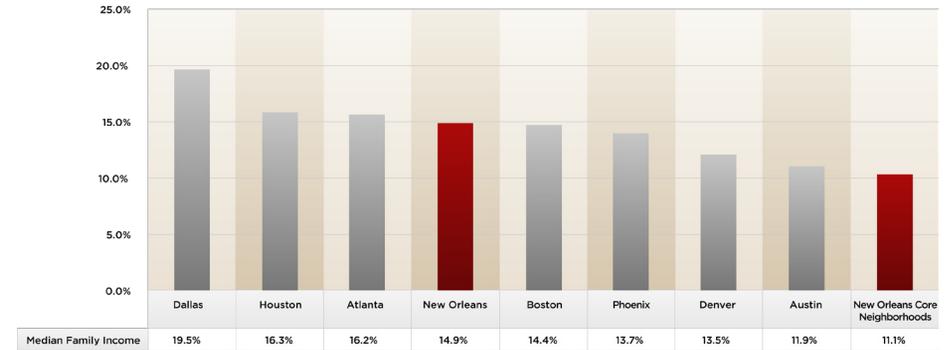
- The median family income is over \$60,000—over \$10,000 greater than that of New Orleans as a whole and greater than that of Atlanta, the leading economy in the Southeast region
- An estimated 38% of all households earn \$60,000 or more annually. This is a substantially higher percentage than in New Orleans as a whole and in other major cities in the region
- The family poverty rate is just above 11%. This is significantly below that of other cities in the region, and it is a low percentage even by national standards—lower than the poverty rate of Austin, Minneapolis, Denver, and Boston
- The percentage of the population with a bachelor’s or graduate degree (40.1%) is on par with a number of cities recognized as leaders in the creative economy
- The core is home to over 14,000 residents and nearly 9,000 households
- Due largely to growth within Downtown, the core’s population has grown by 20% since 2000
- The residential population alone does not provide the fullest measure of the core’s market potential. With nearly 17,000 hotel rooms, 62,000 jobs, 7.5 million annual visitors, and a daytime population of 120,000, the market for Downtown retail and commercial activity greatly exceeds the residential population.

CORE NEIGHBORHOODS: SIGNIFICANTLY WEALTHIER THAN COMPARABLE CITIES

Along a number of quantitative measures, New Orleans' core neighborhoods have a strong income profile:

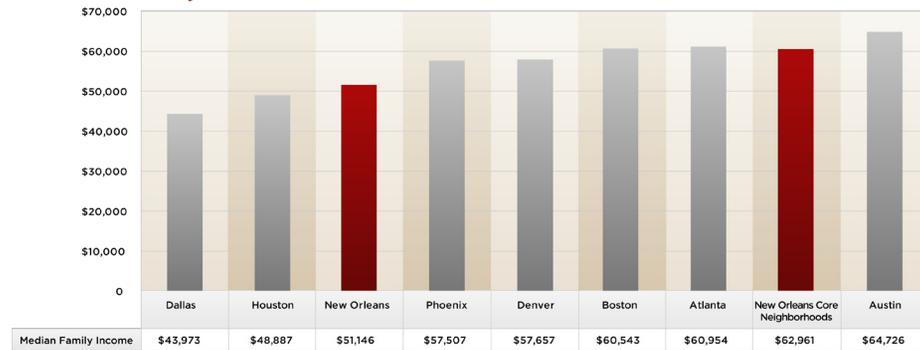
- The core's median family income is substantially higher than that of the entire City of New Orleans and comparable cities in the Region.
- The core's median family income is on par with the median income of some of the most prosperous cities in the United States.
- Conversely, the poverty rate in the core is substantially below that of New Orleans as a whole and comparable cities in the Southeast.
- Its poverty rate is also below that of prosperous cities across the country.
- The percentage of residents in the core earning \$60,000 or more is considerably higher than in New Orleans overall and in other cities in the Southeast.

Family Poverty Rate: New Orleans' Core and Other Cities



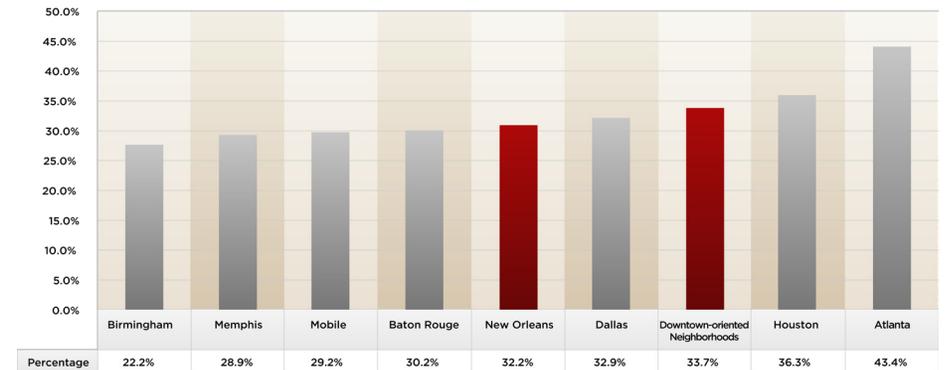
Source: Census Bureau (2008 American Community Survey) and GCR & Associates

Median Family Income: New Orleans' Core and Other Cities



Source: Census Bureau (2008 American Community Survey) and GCR & Associates

Percentage of Households Earning \$60K or More: New Orleans' Core and Other Cities



Source: Census Bureau (2008 American Community Survey) and GCR & Associates

CORE NEIGHBORHOODS: A WELL EDUCATED POPULATION

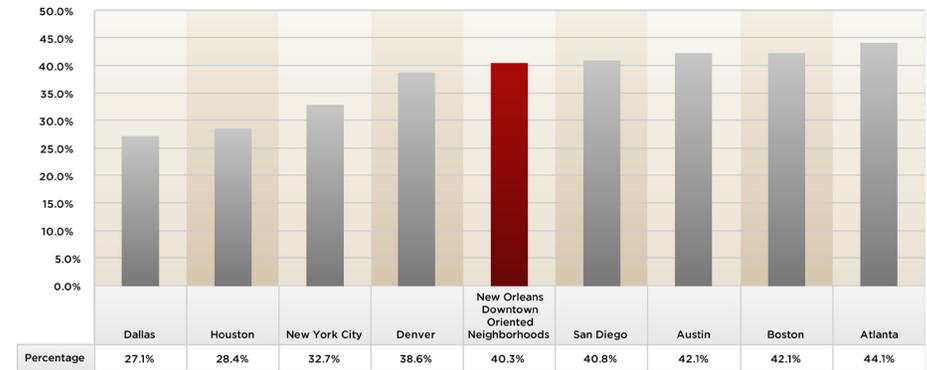
The primary economic generators in the United States are knowledge based industries that require a skilled, well educated workforce. Within New Orleans, the core neighborhoods constitute a hub of creative, intellectual energy. The educational attainment of core residents is impressive not only in comparison to other cities in the region but also relative to many of the acknowledged leaders in the creative economy, such as Boston, San Diego, Portland, and Austin.

Key findings:

- The percentage of residents with a bachelor's degree⁵ or graduate degree is substantially higher than the percentage in New Orleans overall and the percentage in all other major cities in the region, with the exception of Atlanta.
- The percentage of college and graduate school educated residents in New Orleans' core is roughly equivalent to the percentage in many of the "capitals" of creative industries in the United States.

THE EDUCATION LEVEL OF RESIDENTS OF NEW ORLEANS' CORE IS COMPARABLE TO THAT OF "CAPITALS" OF THE CREATIVE ECONOMY, SUCH AS AUSTIN, SAN DIEGO, AND BOSTON.

Percentage of Residents with a College or Graduate Degree: New Orleans' Core and Other Cities



Source: Census Bureau (2008 American Community Survey) and GCR & Associates

⁵The Census Bureau calculates this percentage as the percentage of all residents 25 and older. The same definition is used throughout this report.

DOWNTOWN-ORIENTED NEIGHBORHOODS: AN OVERVIEW

New Orleans' Downtown-oriented neighborhoods⁶ include Downtown itself, the core neighborhoods, and a number of additional adjoining neighborhoods. As with the core, the boundaries of the Downtown-oriented neighborhoods correspond to the official neighborhood boundaries established by the New Orleans City Planning Commission. These are neighborhoods that are geographically proximate to Downtown, but they are also physically and psychologically connected to downtown by walkable streets, strong transit connections (e.g. St. Charles Streetcar, St. Claude bus route), and a relative absence of physical impediments. Other neighborhoods that are somewhat geographically proximate to Downtown were excluded from this category because of physical barriers or other characteristics that affect their connectivity⁷.

In addition to the core, this area includes Bywater, River Garden, the Lower Garden District, the Garden District, the Irish Channel, Touro, and East Riverside. Like the core, these neighborhoods are also some of the most historic areas of the city, with a built environment that almost entirely pre-dates 1900. The Downtown-oriented neighborhoods are notable for their architectural and socio-economic diversity. They include some of the wealthiest neighborhoods in the city as well as areas that have seen an explosion of new investment and renovation activity in recent years. Given their proximity to Downtown, the Downtown-oriented neighborhoods constitute the natural “close in” market area for Downtown goods and services.

DOWNTOWN ORIENTED NEIGHBORHOODS:

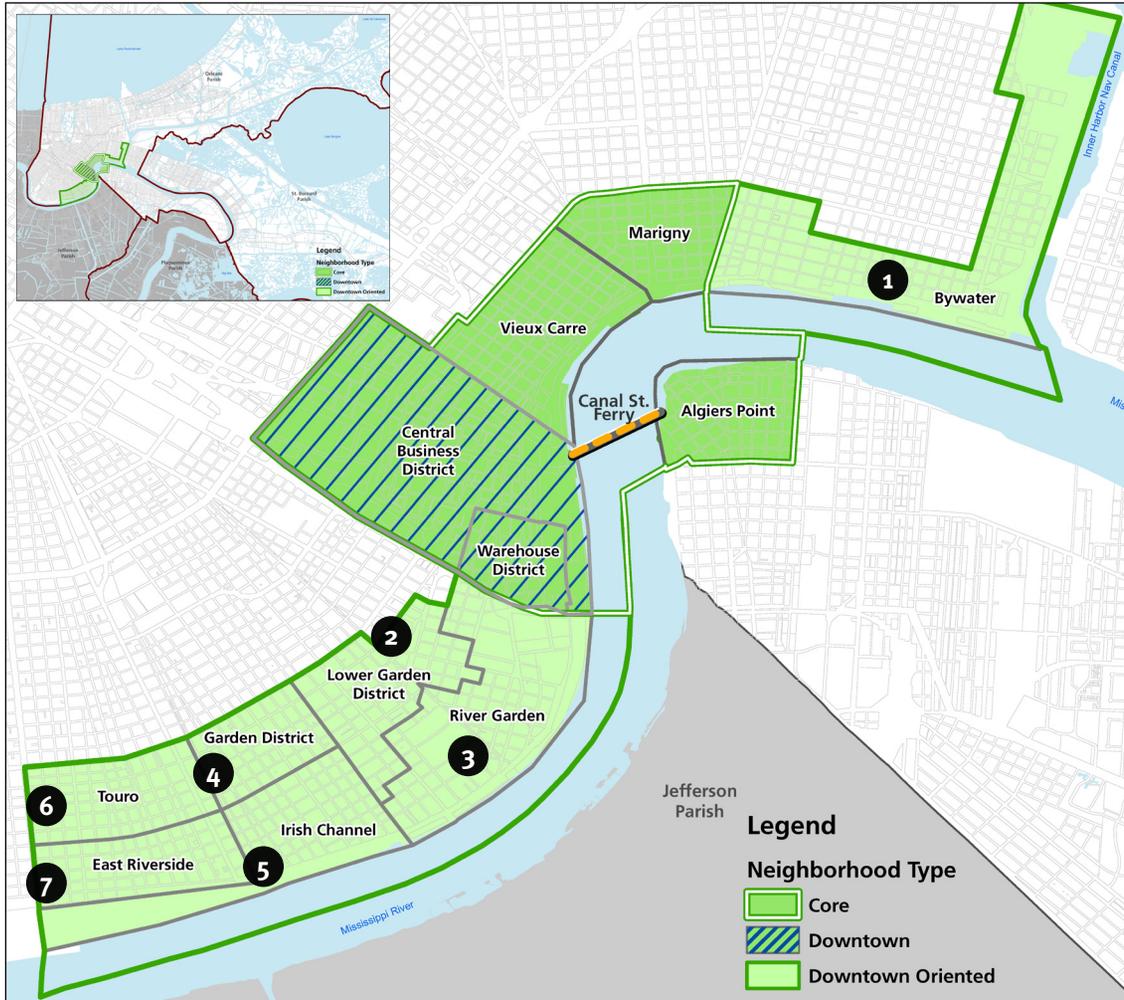
- Bywater
- River Garden
- Lower Garden District
- Garden District
- Irish Channel
- Touro
- East Riverside
- Central Business District
- Warehouse District
- Vieux Carre
- Marigny
- Algiers Point

Note: Neighborhoods in italics denote neighborhoods that are also in the core.

⁶As was stated earlier in this report, the term “Downtown-oriented neighborhoods” was used in a 2006 Brookings Institution report on the demographic profile of Downtown Detroit. Because of the unique geography of New Orleans, this term best describes the neighborhoods that constitute the natural, close-in market area for Downtown New Orleans.

⁷For example, the Tulane-Gravier neighborhood was excluded from the roster of Downtown-oriented neighborhoods as much of Tulane-Gravier is in the process of being re-made into the LSU-VA Medical Complex. For more information on how neighborhoods were selected, please refer to the appendix of this report.

DOWNTOWN-ORIENTED NEIGHBORHOODS: AN OVERVIEW



1. Bywater



2. Lower Garden District



3. River Garden



4. Garden District



5. Irish Channel



6. Touro



7. East Riverside



DOWNTOWN-ORIENTED NEIGHBORHOODS: AN OVERVIEW



Antebellum mansion with wrought iron balconies, typical of the Garden District.



Restored shotgun houses in the Irish Channel, a neighborhood that has witnessed a dramatic influx of new investment in recent years.



Raised center hall cottage, an iconic New Orleans building type, within the East Riverside neighborhood.



Ornate residential building located on a tree lined street in the Touro neighborhood.

DOWNTOWN-ORIENTED NEIGHBORHOODS: A DIVERSE COMMUNITY OF MIDDLE INCOME, WELL EDUCATED RESIDENTS

The Downtown-oriented neighborhoods were compared to New Orleans as a whole in order to meaningfully assess their demographic characteristics. Overall, many aspects of the Downtown-oriented neighborhoods closely parallel the current profile of the entire city—a city that is substantially wealthier than other cities in the Southeast. The data confirm that these neighborhoods are home to a rich diversity of residents and that they are strong mixed- and middle-income communities.

What the demographic data do not fully capture, however, is the tremendous amount of reinvestment that has occurred over the past ten years in these neighborhoods. Only with the release of detailed, small area Census data in 2011 and 2012 will there be confirmation of the tremendous renovation activity that has been observed in recent years. Thus, the demographic estimates for the Downtown-oriented neighborhoods presented within this report are fundamentally conservative. It is likely that these neighborhoods are even wealthier, with a larger middle class population and lower poverty rate.

Relative to other cities in the region, the Downtown-oriented neighborhoods have a strong median family income, a typical poverty rate relative to other central cities, and a sizable percentage of households earning \$60,000 per year or more. Downtown-oriented neighborhoods also boast an extremely well educated population.

	Downtown-Oriented	New Orleans
Population	39,897	354,850
Median Age	38.4	38.5
Households	20,218	137,826
Median Family Income	\$49,689	\$51,146
<i>as percentage of metropolitan area median family income</i>	81.8%	84.2%
Households Making Over \$60,000	6,814	44,339
<i>as percentage of all households</i>	33.7%	32.2%
% of Families Below Poverty	17.3%	14.9%
Percentage of Population with Bachelor's Degree or Greater	40.3%	25.4%

A broader comparison with other geographical areas can be found at the end of this report. Source: Census Bureau Population Estimates, American Community Survey, GCR & Associates

KEY CHARACTERISTICS OF NEW ORLEANS' DOWNTOWN-ORIENTED NEIGHBORHOODS INCLUDE THE FOLLOWING:

- An estimated 34% of all households in these neighborhoods earn at least \$60,000 per year. This is a slightly higher percentage than in New Orleans as a whole, which itself is higher than most other cities in the region.
- The percentage of the population with a bachelor's or graduate degree (40.3%) is extremely high and is on par with cities that are national leaders in creative industries.
- They are home to over 15% of the city's households (20,000 households) and nearly 40,000 residents. Their population is growing. Since 2000, the population of the Downtown-oriented neighborhoods has increased by 5.2%.
- The median family income is approximately \$50,000—slightly below the city as a whole but much higher than in other cities in the Southeast.
- The family poverty rate is 17%. This is moderately higher than the city's poverty rate, but it is comparable to those of other cities in the region. As these estimates are fundamentally conservative, this figure may, in fact, be somewhat lower in light of recent reinvestment.

DOWNTOWN-ORIENTED NEIGHBORHOODS: A SIZABLE—AND GROWING—MIDDLE INCOME COMMUNITY

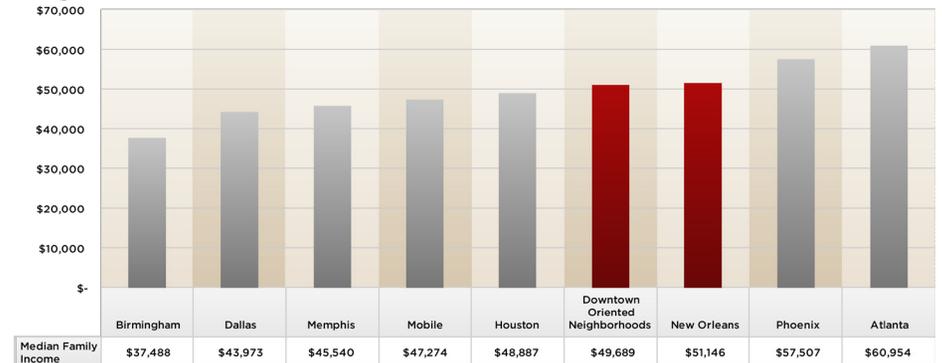
While New Orleans' Downtown-oriented neighborhoods are not as wealthy as the core (taken alone)*, they do have a sizable—and growing—middle income population. Given that they comprise 15% of all households in the city, they do include a broader cross section of incomes than the core. Nevertheless, their income profile is strong when compared to the city as a whole, other cities in the Southeast region, and even fast growing cities in the Sunbelt. Consider the following:

- The median family income of the Downtown-oriented neighborhoods is higher than that of comparable cities in the Southeast region.
- The percentage of residents in the Downtown-oriented neighborhoods earning \$60,000 or more is slightly higher than in New Orleans overall and is moderately higher than in other cities in the Southeast region.
- The income estimates for the Downtown-oriented neighborhoods are fundamentally conservative in that they do not fully capture the substantial new investment and renovation activity that have occurred over the past ten years.
- When small area Census data are released in 2011 and 2012, the income profile of these neighborhoods should be even more impressive.



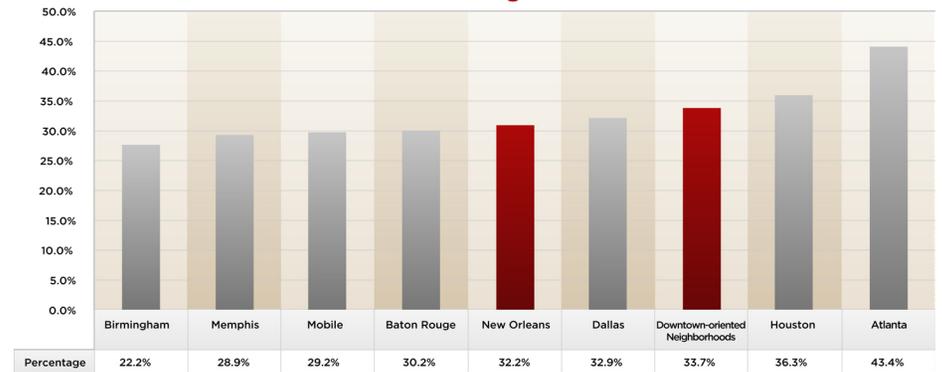
Income and poverty estimates for the Downtown-oriented neighborhoods do not fully capture the level of renovation activity that has occurred over the past ten years. When updated small area data are released by the Census Bureau, the income profile of these neighborhoods should be even more impressive.

Median Family Income: New Orleans' Downtown-Oriented Neighborhoods and Other Cities



Source: Census Bureau (2008 American Community Survey) and GCR & Associates

Percentage of Households Earning \$60,000 or More: New Orleans' Downtown-Oriented Neighborhoods and Other Cities



Source: Census Bureau (2008 American Community Survey) and GCR & Associates

*Recall that the core neighborhoods are included with the Downtown-oriented neighborhoods as well.

DOWNTOWN-ORIENTED NEIGHBORHOODS: A WELL EDUCATED POPULATION

Similar to New Orleans' core neighborhoods, the Downtown-oriented neighborhoods also have an extremely high concentration of college and graduate school educated residents. In fact, the percentage of residents with a college or graduate degree in these neighborhoods is even higher than in the core neighborhoods alone. Therefore, like New Orleans' core, the Downtown-oriented neighborhoods have approximately the same concentration of well educated residents as many of the nation's leading creative economy cities.

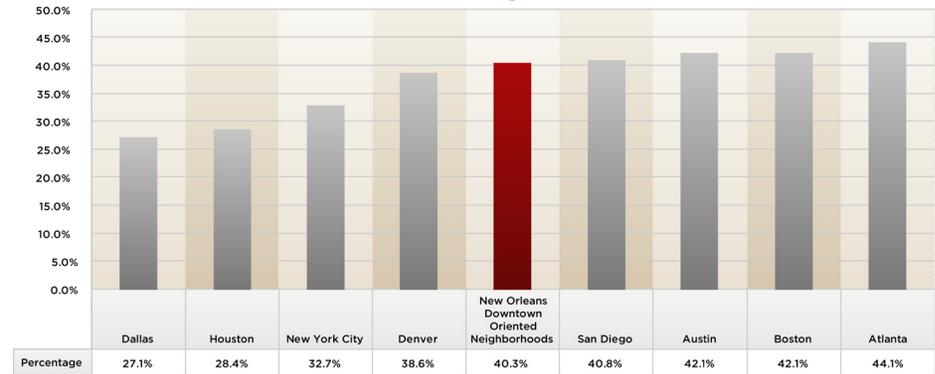
What is particularly impressive about these data is the fact that the Downtown-oriented neighborhoods do not represent a small slice of New Orleans. Rather, they constitute fully 15% of the city's households over a nearly 5 mile long swath of the city. This large, diverse community is home to a truly substantial college educated population.

Key findings:

- The percentage of residents with a bachelor's degree or graduate degree is substantially higher than the percentage in New Orleans overall and higher than that of all other major cities in the region, with the exception of Atlanta.
- The percentage of college and graduate school educated residents in New Orleans' Downtown-oriented neighborhoods is roughly equivalent to the percentage in cities like Boston, San Diego, and Austin—cities known as hubs for higher education and knowledge based industries.

THE PERCENTAGE OF RESIDENTS WITH A COLLEGE OR GRADUATE DEGREE IN THE DOWNTOWN-ORIENTED NEIGHBORHOODS IS EVEN HIGHER THAN IN NEW ORLEANS' CORE NEIGHBORHOODS

Percentage of Residents with a College or Graduate Degree: New Orleans' Downtown-Oriented Neighborhoods and Other Cities



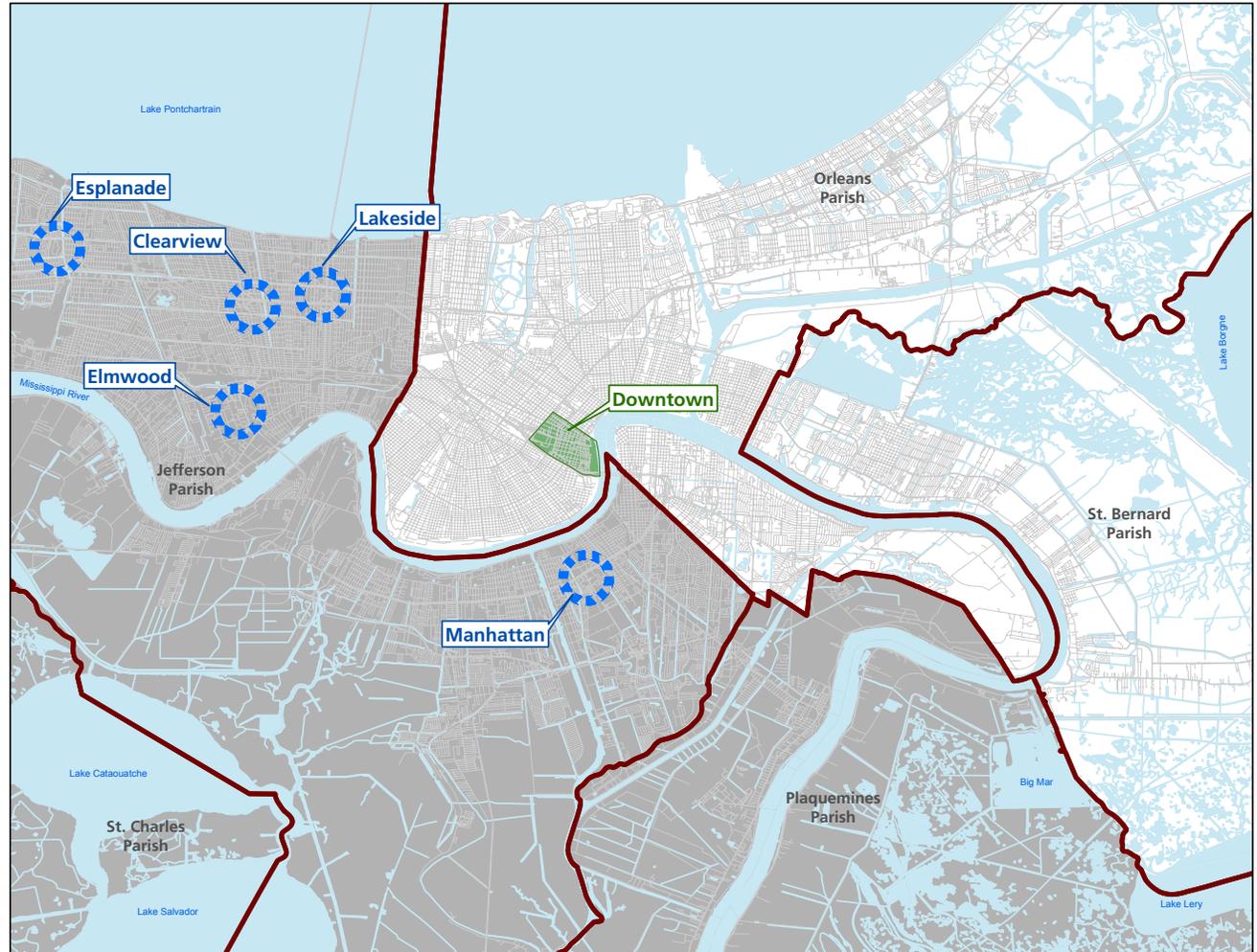
Source: Census Bureau (2008 American Community Survey) and GCR & Associates

THE NEW ORLEANS/ST. BERNARD MARKET AREA: AN OVERVIEW

The market for goods and services in Downtown New Orleans is not limited to the Downtown-oriented neighborhoods. There is a significant population within the New Orleans metropolitan area that does not have convenient access to quality national retailers. This report suggests that this underserved population—and therefore the primary market for Downtown retail—consists of the entirety of the city of New Orleans (Orleans Parish) as well as St. Bernard Parish to the east of the city.

The adjacent map illustrates the “nodes” where quality national retailers are present within the metropolitan communities south of Lake Pontchartrain. Clearly, there is a concentration of national retailers in Jefferson Parish to the west of New Orleans. However, with the exception of a select number of national retailers present in the French Quarter and Downtown, there is no major cluster of national retailers to conveniently serve the nearly 400,000 residents who reside to the east of Jefferson Parish in New Orleans and St. Bernard Parish.

Orleans and St. Bernard parishes are home not only to a large population but also a large middle income population. A major retail cluster in Downtown would likely capture consumers from all seven parishes in the New Orleans area, but it would unequivocally be the primary retail destination for the middle class population in Orleans and St. Bernard.



Orleans and St. Bernard parishes, despite being home to nearly 400,000 residents, have virtually no clusters of major national retailers (designated in blue). Downtown New Orleans would be the logical location for serving this market.

THE NEW ORLEANS/ST. BERNARD MARKET AREA: A LARGE, MIDDLE INCOME COMMUNITY

To place New Orleans and St. Bernard Parish in a larger context, their demographic profile was compared to that of other central cities in the Southeast region (displayed on page 25). Because of significant regional differences in the demographic profile, labor market, and wage rates of cities in the United States, an intraregional comparison was deemed most relevant and meaningful.

Compared to other cities in the region, three aspects of the Orleans/St. Bernard market emerge: the sheer size of the market, the size of its middle class, and its relatively low poverty rate.

	New Orleans	St. Bernard Parish	Combined Orleans and St. Bernard
Population	354,850	40,655	395,505
Median Age	38.5	25.5	N/A
Households	137,826	15,192	153,019
Median Family Income	\$51,146	\$44,024	N/A
<i>as percentage of metropolitan area median family income</i>	84.2%	72.3%	N/A
Households Making Over \$60,000	44,339	4,406	48,745
<i>as percentage of all households</i>	32.2%	29.0%	31.9%
% of Families Below Poverty	14.9%	11.8%	14.5%
Percentage of Population with Bachelor's Degree or Greater	25.4%	8.5%	24.0%

A full comparison with other geographical areas can be found at the end of this report.
Source: Census Bureau, American Community Survey, GCR & Associates

KEY CHARACTERISTICS OF THE COMBINED ORLEANS AND ST. BERNARD POPULATION INCLUDE THE FOLLOWING:

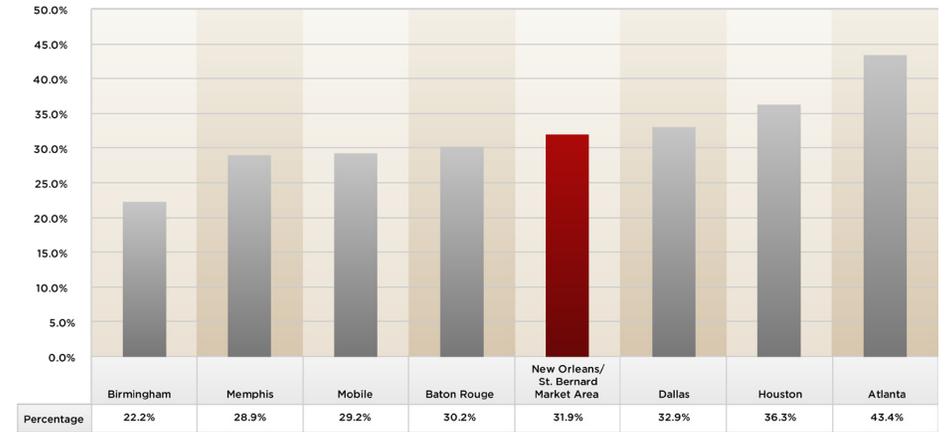
- The area is home to nearly 400,000 residents and over 153,000 households, comprising a third of the population of the New Orleans metropolitan area.
- The combined population is significantly larger (approximately 75% larger) than two of the other major markets in the Southeast—Baton Rouge and Birmingham.
- It is home to nearly 50,000 households that earn at least \$60,000 per year. With nearly a third of its households earning \$60,000 or more, the Orleans/St. Bernard market has a higher percentage above this threshold than all other cities in the region, with the exception of Atlanta.
- The area is growing wealthier. New Orleans has seen its median income rise from 65% of the national median in 2000 to 81% of the national median in 2008.
- The family poverty rate of the Orleans/St. Bernard market is 14.5%. This is a considerably lower poverty rate than that of any other major city within the region, including Atlanta.
- New Orleans has a relatively high percentage of residents with a bachelor's degree or greater (25.4%). This percentage is higher than many of the other major cities in the region and compares favorably to that of fast growing cities in the Sunbelt, such as Phoenix (22.9%), Miami (24.6%), and Las Vegas (21.4%).
- When St. Bernard—an historically low poverty, blue collar community—is included, the educational attainment of residents falls slightly, but the combined area still registers a relatively high percentage of residents with a bachelor's or graduate degree: (24.0%).

THE NEW ORLEANS/ST. BERNARD MARKET AREA: A MIDDLE INCOME, LOW POVERTY COMMUNITY

Along a number measures, the New Orleans/St. Bernard area has a strong income profile and compares very favorably to other cities in the Southeast region:

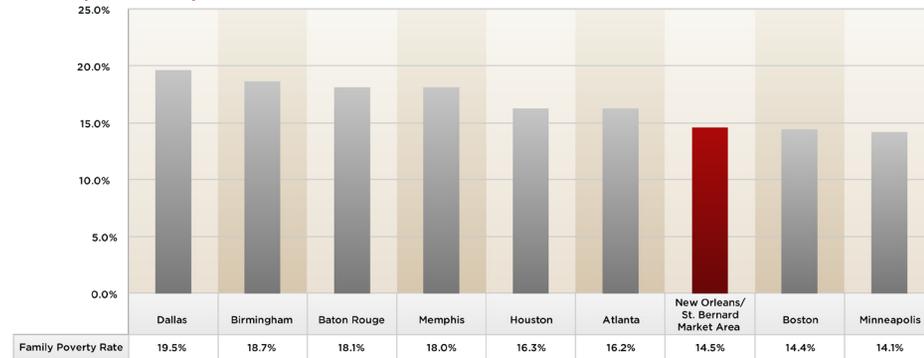
- By a considerable margin, the poverty rate of the market area is the lowest among all of the major cities in the Southeast region.
- The poverty rate of the New Orleans area compares favorably to major cities throughout the United States.
- From 2000 to 2008, the median family income of New Orleans rose rapidly – from 65% of the national median to 81% of the national median.
- According to a recent Brookings Institution study, New Orleans experienced the largest decline in poverty among the 95 largest cities in the United States between 2000 and 2008.
- The percentage of households in Orleans/St. Bernard earning \$60,000 or more is higher than many other cities in the Southeast region.
- The median family income of New Orleans, where most of the residents in Orleans/St. Bernard reside, is higher than that of any other city in the region with the exception of Atlanta.

Percentage of Households Earning \$60,000 or More: New Orleans, St. Bernard Parish and Other Cities



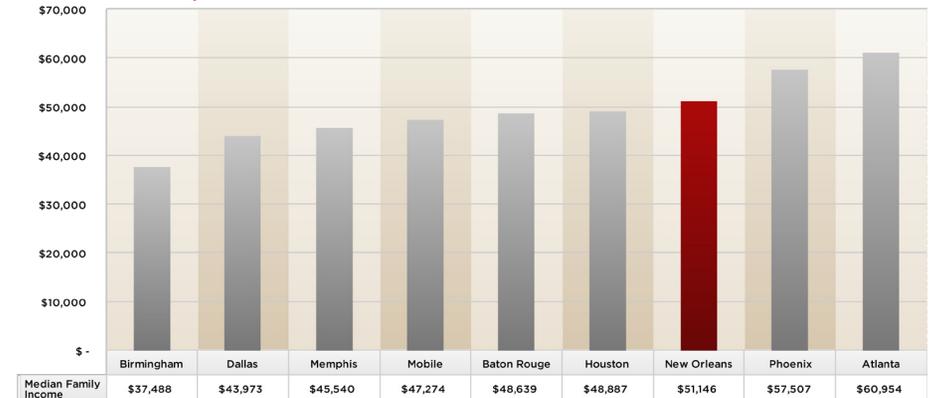
Source: Census Bureau (2008 American Community Survey)

Family Poverty Rate: New Orleans, St. Bernard Parish and Other Cities



Source: Census Bureau (2008 American Community Survey)

Median Family Income: New Orleans and Other Cities



Source: Census Bureau (2008 American Community Survey)

DOWNTOWN IS THE NATURAL LOCATION FOR NEW RETAIL INVESTMENT

Downtown is the logical, inevitable location for new retail and commercial investment to serve the nearly 400,000 residents in the New Orleans/St. Bernard market area. Consider the following:

- Downtown is arguably the most accessible location in the entire metropolitan area as it is well served by interstates, major highways, and public transportation.
- Downtown has an ample supply of public parking with over 27,500 public spaces serving a peak demand of fewer than 15,000 vehicles. Existing retailers have capitalized on this parking capacity by providing unique parking management strategies, such as curbside valet service.
- Downtown has potential synergies that other locations lack. It is the largest employment center in the region with 62,000 jobs; it is home to nearly 17,000 hotel rooms and approximately 15,500 hotel guests on a given day; it is the cultural, entertainment, and tourism heart of the region; and it welcomes nearly 120,000 people on a given week-day.
- Downtown boasts a “close in” market area that is overwhelmingly middle income and extremely well educated by national standards.
- A Downtown location offers unparalleled visual and architectural prominence. It presents an opportunity for “signature” retail locations set amidst historic architecture, grand boulevards, and some of the most iconic, recognizable neighborhoods in the United States.

The demographic data presented within this report offer a tangible, quantifiable confirmation of Downtown New Orleans’ tremendous potential. Downtown serves a substantial, largely middle class, well educated residential market area; it is the undisputed economic and tourism engine for the entire region; it is experiencing a surge of new residential investment; and it is home to the city’s emerging economic drivers.

Bestowed with all of these assets, Downtown New Orleans is poised to reassert itself as the premier shopping, dining, and entertainment destination in the Southern United States.

DOWNTOWN NEW ORLEANS IS POISED TO REASSERT ITSELF AS THE PREMIER SHOPPING, DINING, AND ENTERTAINMENT DESTINATION IN THE SOUTHERN UNITED STATES.



SUMMARY DATA

	Birmingham	Mobile	Baton Rouge	Memphis	Atlanta	Houston	Dallas	Core Neighborhoods	Downtown Oriented	New Orleans	St. Bernard Parish	Combined Orleans and St. Bernard
Population	228,798	191,022	223,689	669,651	537,958	2,242,193	1,279,910	14,370	39,897	354,850	40,655	395,505
Median Age	37.1	36.0	30.2	34.3	35.7	32.9	31.9	42.2	38.4	38.5	25.5	n/a
Households	89,419	78,703	91,734	244,929	175,210	756,224	453,692	8,746	20,218	137,826	15,192	153,019
Median Family Income	\$37,488	\$47,274	\$48,639	\$45,540	\$60,954	\$48,887	\$43,973	\$62,961	\$49,689	\$51,146	\$44,024	n/a
<i>as percentage of metro area median income</i>	61.7%	93.9%	80.8%	79.8%	86.1%	74.6%	65.4%	104.7%	81.8%	84.2%	72.3%	n/a
Households Making Over \$60,000	19,831	23,001	27,694	70,690	76,040	274,256	149,411	3,342	6,814	44,339	4,406	48,745
<i>as percentage of all households</i>	22.2%	29.2%	30.2%	28.9%	43.4%	36.3%	32.9%	38.2%	33.7%	32.2%	29.0%	31.9%
% of Families Below Poverty	18.7%	16.9%	18.1%	18.0%	16.2%	16.3%	19.5%	11.10%	17.3%	14.9%	11.8%	14.5%
Percentage of Population with Bachelor's Degree or Greater	20.6%	25.0%	31.7%	22.9%	44.1%	28.4%	27.1%	40.1%	40.3%	25.4%	8.5%	24.0%

For full explanation of data and sources, please see appendix document.
 Source: Census Bureau & GCR & Associates



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APPENDIX

Note: Where data appear multiple times within the report, their sources are only cited at their first mention within the report.

Summary Report - Page1.

Unemployment data are from the Bureau of Labor Statistics, Local Area Unemployment Statistics dataset for April of 2010, the most recent date for which metropolitan area data were available at the writing of this report.

Comparative population data are from the Census Bureau's 2009 county population estimates (available for Orleans Parish/City of New Orleans) and 2008 estimates of the population of cities (the most recent date for which these estimates were available at the writing of this report).

Decline in poverty in New Orleans is from a January, 2010 by the Brookings Institution's Metropolitan Policy Program: "The Suburbanization of Poverty: Trends in Metropolitan America, 2000 to 2008."

Data on the size and purchasing power of the regional market of approximately 400,000 residents are from the Census Bureau's 2009 county population estimates and 2008 American Community Survey.

Daytime population estimate of 120,000 was estimated by GCR & Associates based on residential population, worker population, transportation data, hotel/convention data, and other data sources. For a complete explanation of methodology, contact GCR & Associates (GCR) at 504-304-2500.

Hotel count is from survey conducted by GCR & Associates in 2010. Annual visitor estimate is from New Orleans Convention and Visitors Bureau for 2009. According to NOCVB, 7.6 million visitors traveled to New Orleans in 2008.

Downtown job estimate is from Dun and Bradstreet business data, as compiled, mapped, and analyzed by GCR.

Neighborhood residential population and demographic analysis derived from Census 2000 and metrics of population growth monitored by GCR, such as utility activity and active postal addresses.

Downtown population estimates derived from field survey of Downtown residential properties conducted by GCR in December of 2009 and January of 2010. Projections of a further doubling of Downtown population are derived from an inventory of proposed residential projects that have not been completed.

Summary Report - Page2.

Current population estimates for the City of New Orleans and New Orleans Metropolitan Area are from Census Bureau's 2009 population estimate. As the city has steadily gained population since 2005, these estimates are fundamentally conservative.

New Orleans' population growth relative to other cities is derived from Census population estimates from 2007 – 2009.

Estimated housing investment was compiled by GCR from various sources including public housing redevelopment, Road Home residential rehabilitation program, Low Income Housing Tax Credit financed projects, and other sources.

Population projections were prepared by GCR in 2009 for the Plan for the 21st Century: New Orleans Master Plan, the City of New Orleans' draft Master Plan.

Growth of the core and Downtown-oriented neighborhoods was derived from Census 2000 and metrics of population growth monitored by GCR, such as utility activity and active postal addresses.

Convention center activity is from the Morial Convention Center.

Sporting and cultural event attendance compiled by GCR from attendance data at the Louisiana Superdome and New Orleans Arena. This figure does not include attendance at large, free outdoor events such as French Quarter Festival and Mardi Gras.

Summary Report - Page4.

Demographic data are from Census Bureau 2008 and 2009 population estimates, 2008 American Community Survey. All demographic estimates for small areas (core neighborhoods and Downtown-oriented neighborhoods) were compiled by GCR based on the 2000 Census, residential resettlement data, field surveys of population change in Downtown New Orleans, estimates based on the redevelopment of public housing, and coefficients developed by GCR to account for inflationary effects since the 2000 Census. For a complete explanation of methodology, contact GCR & Associates (GCR) at 504-304-2500.

Full Report – Page1.

Initial population estimates refer to population projections prepared by the RAND Corporation in 2006 and 2007. These results are summarized in a 2007 RAND Gulf States Policy Institute study entitled "The Repopulation of New Orleans After Hurricane Katrina."

Full Report – Page3.

Flood maps are from U.S. Army Corps of Engineers' Interagency Performance Evaluation Taskforce (IPET) report. The flood scenarios

displayed are fundamentally conservative in that they assume some failure of the city's pumping capacity. In the event that the pumps are fully, or even partially, operation, New Orleans would experience less flooding than what is shown on the maps.

Full Report – Page 4.

School rebuilding plans are outlined in the New Orleans School Facilities Master Plan, which was completed in 2008.

Public housing rebuilding information provided in New Orleans CityBusiness' 2010 report, "Top Construction Projects," published in February, 2010.

Mixed income housing inventory compiled by GCR from Louisiana Housing Finance Agency (LHFA).

Full Report – Page 5.

Housing price data are from New Orleans Metropolitan Association of Realtors as reported in the New Orleans Times Picayune on February 20, 2010, "Home Prices in New Orleans Area Down 4 Percent: 'Terrific'" by National Standards"

Full Report – Page 6.

Job estimates associated with the proposed LSU/VA hospitals were furnished by Louisiana (Department of) Economic Development.

Louisiana's place in the film and television market has been widely noted. Louisiana as the third largest film/television production market was recently reported by The Hollywood Reporter in a May 27, 2010 article, "Made in Louisiana"

The expansion plans for the Port of New Orleans are outlined in their master plan: "Charting the Future of the Port of New Orleans: 2020 Master Plan."

Full Report – Page 9.

Population data for Downtown New Orleans are from the 1990 Census, 2000 Census, and 2010 residential survey conducted by GCR in December, 2009 and January, 2010. The recent residential survey applies historical occupancy and household size data (specific to Downtown New Orleans) to the housing unit count to arrive at a population estimate for 2010.

Full Report – Page 10.

Restaurant data were compiled from Dun and Bradstreet business data NAICS code listings.

Student enrollment data were compiled through direct communication with educational institutions in Downtown, such as the Tulane School of Public Health and Delgado Charity School of Nursing.

Full Report – Page 16.

Traditional approaches to establishing a "close in" market area are less applicable to New Orleans because of the presence of the Mississippi River, the presence of non-residential neighborhoods, physical and psychological barriers, and post-Katrina redevelopment plans. Areas that are geographically proximate to Downtown New Orleans yet were excluded from this roster of neighborhoods include the area slated for the LSU-VA hospital, redevelopment sites of former public housing developments that are currently vacant, and neighborhoods that are separated from the heart of Downtown by major physical barriers. These include large parking lots, cemeteries, and buildings such as the Superdome.

The roster of Downtown-oriented neighborhoods includes a range of incomes. Collectively, these neighborhoods are those that have the strongest physical, psychological, and transportation connections to Downtown New Orleans. The boundaries of the individual neighborhoods were not selected arbitrarily; rather, they conform to the official boundaries designated by the New Orleans City Planning Commission.

Full Report – Page 21.

The list of major shopping nodes illustrated on the map was compiled by GCR on the basis of their familiarity with major concentrations of national retailers within the region.

Full Report – Page 24.

Parking data are from the "New Orleans Mobility and Parking Study: Final Report," prepared for the New Orleans Downtown Development District in January, 2009. The principal authors of the study are Nelson/Nygaard Consulting Associates and Walker Parking Consultants.

Estimated number of daily hotel guests was calculated by GCR from the total inventory of hotel rooms, the annual hotel occupancy rate in 2009, and an average number of persons per room based on an average of persons-per-room data used in a number of recently published tourism studies. The 2009 occupancy rate was reported in a New Orleans CityBusiness article from January 25, 2010, "N.O. Area Hotels' Occupancy Falls 8.2 Percent in 2009"



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