

FOR IMMEDIATE RELEASE

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CITY REACHES TIPPING POINT IN THIRD YEAR OF RECOVERY

Mayor States Public Safety, Recovery and Livable Communities, Opportunities for Youth and High Performance Government as 2008 Priorities

NEW ORLEANS (November 1, 2007) - Mayor C. Ray Nagin presented his 2008 fiscal year budget address to the New Orleans City Council, today. In it, Mayor Nagin proposed bold initiatives that will continue to accelerate the recovery of New Orleans with focus on four main priorities, Public Safety, Recovery and Livable Communities, Opportunities for Youth, and High Performing Government.

The budget offers a blueprint for the city's full recovery and rebuilding and highlights the reconstruction of city facilities, the creation of community assets such as walking trails and improved streetscapes, as well as major roadway improvements.



"The city is now poised for a full recovery," said Mayor C. Ray Nagin. "The dollars have begun to flow to the city so that we can continue to accelerate the rebuilding of critical infrastructure, enhancing the quality of life for our citizens. 2008 will be the turning point in our recovery."

New Orleans was the first city to have its recovery plan, which initially focuses on 17 target recovery zones, approved by the Louisiana Recovery Authority, granting the city access to \$117 million in rebuilding funds from the LRA. The city also will be able to take advantage of a \$300 million state revolving loan fund, a \$260 million bond issues - approved by voters before Hurricane Katrina, \$514 million in GO (Gulf Opportunity) Zone Bonds for local projects, \$54 million from the Federal Highway Administration and \$77 million in federal fund matching for roadway projects. In total, the city plans \$363 million in roadway projects.

Because of the large volume of work to be undertaken, Mayor Nagin has created a new approach to addressing the rebuilding effort. Contracted project management firms will work with internal project delivery teams to expedite the architectural, design and construction processes.


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Mayor Nagin also has reorganized critical portions of city government to create stronger interaction and efficiencies. The Office of Planning and Development, which formerly constituted the housing and economic development functions, has been combined with the Office of Recovery Management. The new department will be called the Office of Recovery Development and Administration.

"New Orleans is embarking upon an unprecedented recovery effort and to accomplish this, we must change the way that city government operates," said Mayor Nagin. "These changes will allow us to move more quickly and to get projects started and completed."

Mayor Nagin and City Administration also took a new approach to budgeting for 2008, continuing the Mayor's track record of transparency, accountability and good stewardship of tax dollars. The 2008 budget adopts the Government Finance Officers Association model for municipal budgeting and focuses on "what the public receives for its investments and how those outcomes can be measured and tracked," connecting rebuilding/recovery priorities with a financial model called "Budgeting for Outcomes." This is the first time the model has been used in New Orleans. 

During the 2007 budget year, the City focused its dollars on restoring and upgrading critical city services, improving the quality of life, ensuring greater public, creating cleaner neighborhoods and reducing blight. The city now sits at a "tipping point" as stated by Mayor Nagin, with increased population and stabilization of business development and city finances.

2007 Budget Projection Successes

Restoring Critical city services

- * Restored utilities city-wide
- * Removed 35 tons of debris from city drains
- * Removed 18 million cubic yards of storm related debris
- * Filled more than 60,000 potholes with the help of three Pothole Killers
- * Replaced over 12,000 street lights
- * Replaced over 13,000 street signs - currently in third and final phase of systematic replacement program
- * Cleaned over 7,000 storm drains and 1.3 million feet of drain line


Creating Cleaner Neighborhoods and Reducing Blight

- * Reinstated twice a week solid waste collection and launched CBD/French Quarter "Disney-like" services
- * Increased funding for Parks and Parkways replacing more than 1,000 trees citywide
- * Demolished 8,000 storm - damaged properties
- * Accuracy rate of at least 99.99 percent/on track to meet year end goal
- * 1,800 eligible properties remain
- * Gut and boarded up 5,000 homes for seniors and low to moderate families
- * Introduced and implemented Fast Track Loan Program to ease the slow pace of citizen rebuilding
- * Transitioning from program managed by U.S. Army Corp of Engineers to city run program
- * Established Office of Recovery Management in January 07

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Stabilizing City Finances and Economy

- * 179,000 building permits issued at a job value of \$4.6 billion
-  * Sales tax collections at 87 percent of pre-Katrina levels
- * Moody's boost of city's investment grade from "junk" to "stable"
- * 2004 Bond Issue re-established and projects in progress
- * Port of New Orleans Cargo Division operating at 100%; cruise line industry at 75%
- * Louis Armstrong New Orleans International Airport operating at 77.8% of the pre-Katrina flights and 71.1% of the pre-Katrina seats

As a part of the Mayor's 2008 budget, the city continues to focus on goals set to enhance public safety; the New Orleans Police Department (NOPD) projects almost 1,500 officers by year end and continued reduction of officer attrition for the first time since Katrina. The city also increased officer pay, with advancement opportunities and further educational incentives.

Additionally, the city increased starting salaries within the Orleans Parish District Attorney's Office for Assistant District Attorneys from \$35K to \$45K, with additional funding from the state, and an across the board 10% raise given to all city employees. One hundred crime cameras were also deployed to the city's targeted areas or hotspots with the projection of meeting the 200 camera year-end goal on track.


Public Safety

- * Lease of new fire trucks
- * Replace vests for police officers
- * Provide NOPD officers with state-of-the-art crime fighting equipment
- o \$7million from State of Louisiana

Recovery and Livable Communities

- * Proposing \$20 million for homeowners and small business assistance programs
- * \$10 million for Neighborhood Loan Loss Reserve fund
- * \$2.9 million for a code enforcement management information system
- * \$1.5 million for Temporary Trash Collection Services - Tactical Trash Force (TTF)


Opportunities for Youth

- * Enhancements of \$2.1 million
- * Proposing additional athletics programs
- * Re-opening more NORD Centers
- * Developing Juvenile Court Youth Resource Center 
- * Developing partnership with Recovery School District

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High Performing Government

- * Streamline Contracting Process
 - * Convert to an automated contracting routing system that promotes transparency, tracks the entire routing process, identifies bottlenecks, and reduces redundancy
- * 3-1-1 Enhancements
 - * Technology upgrade to link 311 system to other city departments. Provides ability to view and track the status of cases, thus, maximizing accuracy and efficiency. 
- * Specialized reporting capabilities by council district

Mayor Nagin urged the City Council to continue "Believing in One New Orleans, to commit to safer streets for our citizens, and to be proactive in directing our funding to speed up our recovery and bring our citizens home."

The City Council will hold department budget hearings starting Thursday, November 8, 2007 through Tuesday, November 27, 2007, and are mandated by the Home Rule Charter to approve the budget by December 1, 2007.

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