

University of Central Florida

STARS

Harrison "Buzz" Price Papers

Digital Collections

6-1-1982

Feasibility of Phase 2: Dev. of Louis Armstrong Park

Harrison Price Company



Part of the [Tourism and Travel Commons](#)

Find similar works at: <https://stars.library.ucf.edu/buzzprice>

University of Central Florida Libraries <http://library.ucf.edu>

This Report is brought to you for free and open access by the Digital Collections at STARS. It has been accepted for inclusion in Harrison "Buzz" Price Papers by an authorized administrator of STARS. For more information, please contact STARS@ucf.edu.

Recommended Citation

Harrison Price Company, "Feasibility of Phase 2: Dev. of Louis Armstrong Park" (1982). *Harrison "Buzz" Price Papers*. 106.

<https://stars.library.ucf.edu/buzzprice/106>

22 45

FEASIBILITY OF PHASE 2 DEVELOPMENT
OF LOUIS ARMSTRONG PARK

Prepared for:

Osmond Entertainment and
Tommy Walker Spectaculars

June 30, 1981

Prepared by:

Harrison Price Company
876 South Bronson Avenue
Los Angeles, California 90005

(213) 937-3457

Table of Contents

<u>Section</u>		<u>Page</u>
1	INTRODUCTION	1
2	MARKET SUPPORT	9
	Size of the Resident Market	9
	Size of the Tourist Market	9
	Qualitative Characteristics	11
	Seasonality	13
	Hotel Support	13
	Weather Conditions	16
	Summary	16
3	CONCEPT DEVELOPMENT	20
	Opportunities	20
	Constraints	20
	Key Issues in Development	21
	Role of Entertainment	21
	Possibilities for Hotel Development	22
	Choice of Project Type	23
	Critical Mass	26

List of Tables

<u>Number</u>		<u>Page</u>
1	Louis Armstrong Park Revenues and Costs	5
2	Population Trends in the New Orleans Market	10
3	Convention Attendance in New Orleans	12
4	Selected Characteristics of Visitors to Louisiana	14
5	Indicators of Seasonal Variation in the New Orleans Market	15
6	Monthly Occupancy Rates for New Orleans Hotel/Motel Facilities	17
7	Comparative Weather Conditions in Selected Cities	18
8	Market Penetration for Selected Theme Parks	24
9	Market Penetration for Selected Specialty Centers	25
10	A Development Program for the Low Investment Level Model	27
11	A Development Program for the Hybrid Model	28
12	A Development Program for the Enriched Hybrid Model	29
13	A Development Program for the Complete Specialty Entertainment Center	30

Section 1
INTRODUCTION

Armstrong Park was developed by the City of New Orleans to memorialize the contribution of one of its greatest citizens, Louis Armstrong. The City's goal then and now is to create a park which would be a living and dynamic reflection of Armstrong's cultural legacy.

A site was cleared for the project which is adjacent to the French Quarter and central to the Tremé historical quarter of the parish. It is bounded on the north by North Villere Street, on the east by St. Philip Street, on the south by North Rampart Street and on the west by Basin Street. It is a 31.2-acre property, some 14.2 acres of which are presently occupied by parking and by the 8,500-seat Municipal Auditorium and the 2,379-seat Theater of Performing Arts. Approximately 17 acres are allocated to park use, of which 2.25 in Congo Square are dedicated to open space use. Some \$11 million has been spent in a Phase 1 landscaping, site improvements, waterways and bridges and scattered on-site structures such as Perseverance Hall, the Reimann House, the Rabassa House, the Fire House, entry ways and so forth. Nominal use is made of these shell facilities and like any entertainment architecture in which structure precedes function, some sunk cost is reflected.

Presently existing structures--essentially empty, contain the following space:

	<u>Interior Floor Space</u> (sq. ft.)	<u>Outdoor Floor Space</u> (sq. ft.)	<u>Total</u> (sq.ft.)
Perseverance Hall	3,400	2,500	4,900
Reimann House	3,520	1,600	5,120
Rabassa House	2,600	--	2,600
Kitchen Building	520	--	520
Fire House	<u>3,900</u>	<u>1,200</u>	<u>5,100</u>
Total	12,940	5,300	18,240

The City has been seeking a way to encourage a Phase 2 commitment from the private sector, which would bring the program to fruition and create a strong recreation attraction. It has undertaken consulting studies and internal work to encourage that process. Among the City's objectives are the following:

1. Lessen immediate economic drain which has no offsetting revenue.
2. Improve maintenance of the park which is deteriorating greatly.
3. Improve the facility and offer quality entertainment so that it becomes an economically viable tourist and local resident attraction.
4. Enhance operations of the cultural complex through better programming, promotion and facility operation.
5. Complete the Armstrong memorial in a form which is a credit to all concerned.

A site plan of the City's concept for Phase 2 prepared by Robin Riley, project architect, is shown in Figure 1. On completion, it would be a mix of the following activities.

- A specialty shopping center of about 100,000 square feet.
- A cultural complex--the municipal auditorium and the performing arts theater.
- Water recreation around a lagoon of 2 3/4 acres.
- A public park.

A key input to this project is the responsibility for operating the two major public assembly facilities on the site.

Revenues to the City from these operations exclusive of parking was \$573,000 in 1980, \$701,000 in 1979. (The auditorium was closed for three and one half months in 1980 for renovation). These revenues are made up of auditorium rental fees and the percentage paid on the refreshment concession by Ogden which holds this right through 1984.

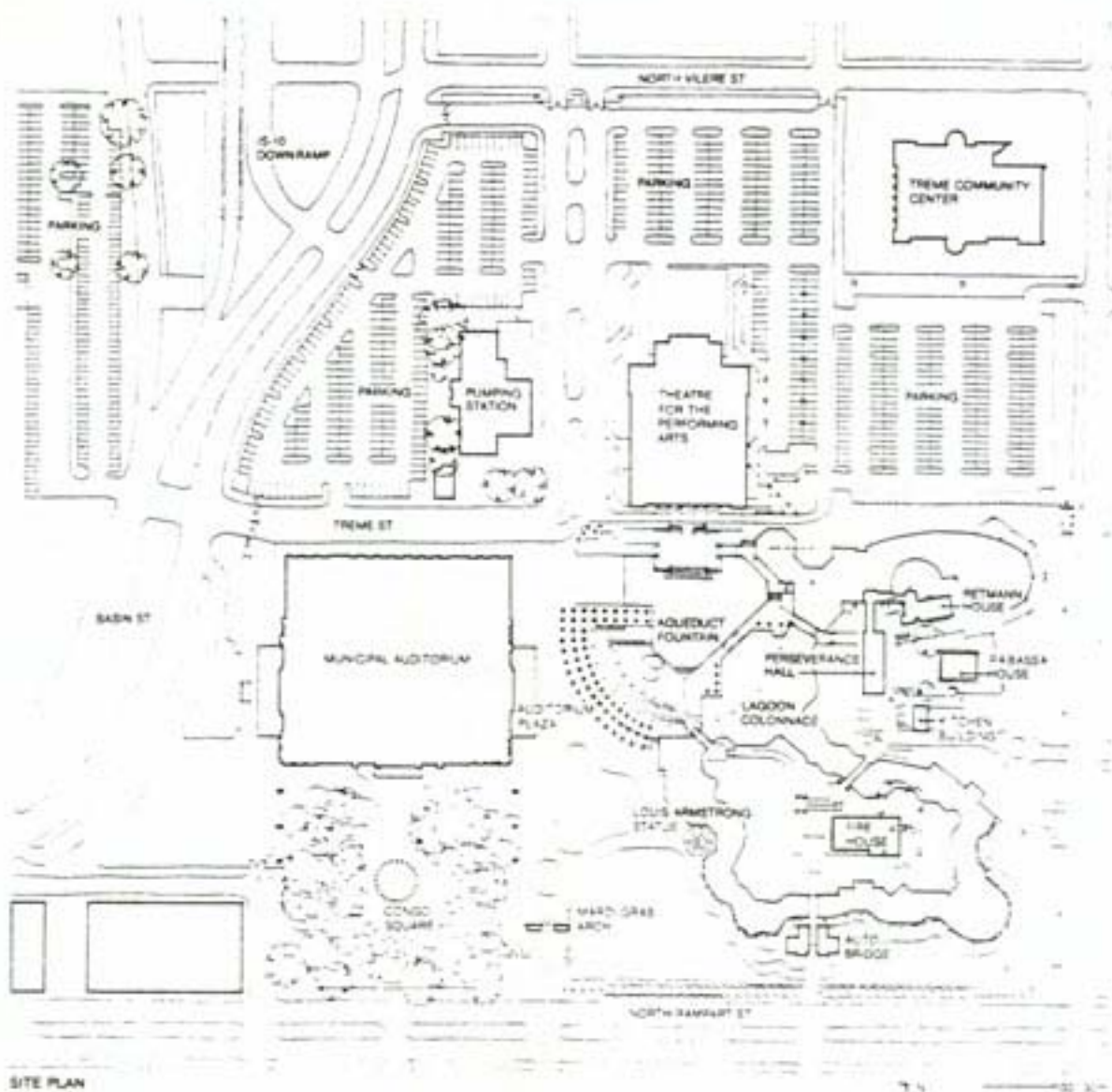


Figure 1

THE CITY'S DEVELOPMENT PLAN FOR
ARMSTRONG PARK

Operations in the Theater of Performing Arts include symphony, recitals by instrumentalists and singers, extensive ballet and dance, opera, community concerts, jazz recitals, musicals, plays, band concerts, road show performances, personal appearances and a variety of community uses like church groups, school events and graduations, and of course, the Mardi Gras. In 1979, it was booked for 193 events, 221 in 1980.

programmed and in 1980, 221.

Operations in the Municipal Auditorium include sports like wrestling, tennis and boxing, ice shows, trade shows, convention, association and corporate events, special events, performances and personal appearances, pop concerts, Mardi Gras events and other balls and celebrations, and school graduation events. It also has meetings of smaller scale in its Scheuring room and annex. In 1979, 309 events were shown in Table 1 (\$41,249 plus \$139,114).

Aggregate cost and revenue figures for 1980 and projected costs in 1981 are shown in Table 1. The operating deficit shown in 1980, \$374,636, is a gross understatement of reality. The two public assembly facilities represent a cubic content of at least six million cubic feet or more. The air conditioning and heating costs shown could be understated by as much as 500 percent. In addition, true maintenance requirements for the overall facility exceed the \$180,000 shown in Table 1 (\$41,249 plus \$139,114).

taken place.

Parking income to the City--on a year to year lease--is a lot based on the present \$2.50 charge, may be on the order of two or three times that minimum at present and could be substantially greater after development of the site has site west of Basin Street. Gross revenues of the parking lots of 1,250 surface stalls, 900 on the site and 350 off-percentage against a minimum of \$250,000. It covers operation of the site--on a year to year lease--is a

Table 1

LOUIS ARMSTRONG PARK
REVENUES AND COSTS 1980/1981

Operating Costs

	<u>1980</u>	<u>1981</u>
Municipal Auditorium	\$ 213,775	\$ 219,260
Theater of the Performing Arts	153,099	129,966
Cultural Center Maintenance	41,249	55,052
Cultural Center Administration	<u>219,575</u>	<u>173,854</u>
Subtotal	\$ 627,698	\$ 578,132
Cultural Center Security (est.)	65,160	65,160
Park Security (Halcyon)	92,680	92,680
Park Maintenance	139,114	107,519
Liability Insurance Premiums (est.)	80,000	80,000
Cultural Center Electricity (Halcyon)	100,000	100,000
Park Electricity (est.)	72,600	72,600
Water (Halcyon)	<u>20,000</u>	<u>20,000</u>
Grand Total	\$1,197,252	\$1,116,091

Revenues

Parking (minimum paid to City)	\$ 250,000
Cultural Center	<u>572,616</u>
Grand Total	\$ 822,616

NOTES:

1. The Auditorium was closed for three and one half months in 1980 for renovations.
2. Fees are charged to the users of the Cultural Center for utilities.
3. Revenues from the parking concession are a minimum against a percentage and may be much larger than indicated in this preliminary record.

Source: City of New Orleans - Property Management
Department

In 1980, the two facilities together went unused only 48 days during the year. It is an active cultural center.

The symphony plans to move to the greater capacity of the Orpheum Theater in 1982, but as yet, funds for renovation are not on hand.

The opportunities for enhanced use of this complex related to the 1984 Louisiana World Exposition are obvious. The summer season, normally the low time of booked events in both facilities, will be a period of constant usage.

As background on this assignment, in late 1979, HPC carried out an organized storyboard conference in charrette format with a panel of recreation experts. The problem discussed was "what kind of park development was appropriate for New Orleans Parish?" The finding of the group was that a specialty entertainment center--a form of the specialty shopping center--was appropriate for New Orleans. That conclusion relates strongly to the Phase 2 program of Armstrong Park as spelled out in its plans.

Selected conclusions and constraints about an appropriate park concept drawn from that effort are summarized as follows:

- Do not attempt to be a Six Flags; New Orleans is ringed by six parks of this genre. Do not make it a ride-dominated park competing with Ponchartraine Park.

- Develop year-round activity in significant portions of the park; make much of the park climate controlled.

- To deal with the touristic domination of the market in New Orleans, the format should contain a strong entertainment and night-time emphasis; without the seedy aspect of the Quarter, it should extend the lore of the Quarter.

- New Orleans is a crossroads place, a melting pot, it has a wild side, with its Cajun lore. New

Orleans passed through dangerous times: pirates, jungles, water moccasins, violence, early exploration, all of it good thematic material.

- If possible, the park should contain two modes of differing approach: a daytime and a night-time ambience--day for families, night for adults, a changing pattern.
- Musical entertainment should be emphasized throughout with live entertainment. Not disco, but a street scene--lots of jazz and Louisiana country music--what Grand Ol' Opry does for country music. Performing arts schools can be involved--LSU, Tulane, Denton, and others--with a scholarship program for the best entertainers.
- There should be a feeling of intimate scale.
- The complex should be anchored by superbly themed restaurants--year-round.
- The park could contain interspersed rides or ride equivalents.
- The market calls for a specialty recreation center--like Ghirardelli or Cannery Row with an entertainment admixture. It should develop a strong adult appeal in the evening and look to family trade in the daytime business.
- It must be a unique place--not a French Quarter copy.
- It concentrates on merchandise/restaurant/entertainment activities with a commercial recreation admixture.
- Jackson, LaFayette, LaFitte, Morgan, and characters like them set a historical tone. Armstrong and the great men of jazz also create appropriate thematic material.

In one particular response to the City's solicitation for development interest, Harrison Price Company was retained by Osmond Entertainment/Tommy Walker Spectaculars to conceptualize the content of an attraction consistent with its market demand and economic opportunity, specifically:

- To recommend a concept of development.

- To determine an appropriate investment level and development cost consistent with market support.
- To analyze the financial implications of the recommended development.
- To assess the interrelationship with the Louisiana World Exposition.

The following pages detail the findings of the above.

Section 2
MARKET SUPPORT

Size of the Resident Market

As shown in Table 2, the 1984 resident population supporting the project (within 150 miles) is 5.01 million. Of this total, 30.9 percent are in the primary 50-mile radius, and 62.9 percent are within a 100-mile radius. Growth of the market is about 1.4 percent per year. Within the total, 59.3 percent are from Louisiana, 29.7 percent are from Mississippi and 11.0 percent are from Alabama.

Comparability of the resident market within a radius (three-hour driving time) is shown as follows in 1978: 1/

<u>City</u>	<u>Population</u> (millions)
New Orleans	4.582
Dallas/Fort Worth	5.239
St. Louis	5.361
Orlando	5.411
Houston	6.242
Atlanta	8.385

Size of the Tourist Market

After reviewing a variety of data on the subject, HPC estimates the 1978 tourist visitation to New Orleans at 6.6 million and projects the level on a rapidly increasing curve to 9 or 10 million by 1990 (non-local overnight visitation). The 1984 fair should produce a one-year surge in total tourism to New Orleans to about nine million.

1/ Sources: Sales Management 1979, Survey of Buying Power

Table 2

POPULATION TRENDS IN THE NEW ORLEANS MARKET
1970-1989
(thousands)

	<u>Historical</u>			<u>Projected</u>		<u>Average Annual Rate of Increase</u>	
	<u>1970</u>	<u>1975</u>	<u>1978</u>	<u>1984</u>	<u>1989</u>	<u>1970-1978</u>	<u>1978-1989</u>
Primary Market Area (0-50 miles)							
Louisiana	1,245	1,309	1,382	1,493	1,593	1.3%	1.3%
Mississippi	45	46	54	54	58	1.0	1.5
Subtotal	1,290	1,355	1,431	1,547	1,651	1.3%	1.3%
Secondary Market Area (50-100 miles)							
Louisiana	681	719	762	836	904	1.4%	1.6%
Mississippi	637	685	712	768	820	1.4	1.3
Subtotal	1,318	1,404	1,474	1,604	1,724	1.4%	1.4%
Tertiary Market Area (100-150 miles)							
Louisiana	513	530	558	642	661	1.1%	1.6%
Mississippi	549	592	617	664	706	1.5	1.2
Alabama	436	464	502	553	600	1.8	1.6
Subtotal	1,498	1,586	1,677	1,859	1,967	1.4%	1.5%
Total Resident Market	4,106	4,345	4,582	5,010	5,342	1.4%	1.4%

Source: U.S. Bureau of the Census, New Orleans Economic Development Council, Sales Management, and Harrison Price Company

This compares to 1978 comparative values of: 1/

New Orleans	6.6 million
Houston	1.9
Dallas/Fort Worth	2.5
Atlanta	6.0
Orlando	11.3

Thus, the total market in New Orleans (residents and tourists) is substantial--1978 comparisons are as follows:

New Orleans	11.2
Dallas/Fort Worth	7.7
Houston	8.1
Atlanta	14.4
Orlando	16.7

The total market with its high tourist input is of sufficient size to support a major entertainment center.

Adding greatly to the quality of tourism in New Orleans is its high convention orientation shown in Table 3 which is rapidly increasing. It is one of the country's top convention cities and growing at a 10 percent compounded rate in this area of activity.

Qualitative Characteristics

The resident population is relatively young. Median age level was 28.3 years in 1978 comparable to the following: 2/

Houston	27.7
Memphis	27.7
Atlanta	28.1
Dallas/Fort Worth	28.7
9 counties in Southern Calif.	29.6
Nashville	29.7
Orlando	30.4

1/ Sources: Visitor/Convention Bureaus of various cities.

2/ Sources: Sales Management, Survey of Buying Power, 1979

Table 3
CONVENTION ATTENDANCE IN NEW ORLEANS
1974-1978

<u>Year</u>	<u>Total Number of Delegates</u>	<u>Increase Over Previous Year</u>		
		<u>Number</u>	<u>Percent</u>	
1974	347,901	--	--	
1975	383,664	35,763	10.3%	For the six years, 10.0% com- pounded per year
1976	423,679	40,015	10.4	
1977	528,426	104,747	24.7	
1978	526,430	(1,996)	0.3	
1979	548,776	22,346	4.2	
1980	620,000	71,224	12.9	

Source: Greater New Orleans Tourist and Convention
Commission and Harrison Price Company

Median family income in New Orleans was \$16,943 in 1978.

Comparisons: 1/

Orlando	\$14,494
Memphis	15,709
Nashville	15,991
St. Louis	18,185
Atlanta	18,270
Dallas/Fort Worth	18,567
Houston	19,802

Although resident family income is lower than that of several other major southern cities, the quality of the market is strongly increased by the median family income of tourists (\$23,300) shown in Table 4. It is this high income, active segment of the market which will provide the major support for a specialty entertainment center in New Orleans.

Seasonality

Indicators of seasonal variation are shown in Table 5. It is unlike the distribution of some other major tourist destination areas (Florida, California, Hawaii) which show greater summer peaking.

The data shows that the seasonality of the market is good and allows for year-round operation of at least some portions of a park complex, such as entertainment, specialty merchandising, and themed dining.

Hotel Support

Hotel room inventory will be 21,973 by the end of 1981 and growing rapidly. The demand for new capacity is high due to the growth of tourism, the new convention center and the world's fair. The New Orleans room inventory exceeds the number of rooms in hotels over 150 rooms in greater Los Angeles, (20,374).

1/ Source: Sales Management, Survey of Buying Power, 1979.

Table 4
SELECTED CHARACTERISTICS OF VISITORS
TO LOUISIANA
SUMMER 1977

Mode of Travel	
Auto	77%
Air	17
Bus, Train, Boat	6
Average Party Size (persons)	3.28
Average Length of Stay in State (days)	5.6
Purpose of Visit	
Visit Friends and Relatives	38%
Business/Convention	8
Vacation, Sightseeing	36
Visit Specific Attractions	7
Other	11
Average Household Income <u>1/</u>	\$23,300

1/ For visitors to New Orleans.

Source: Louisiana Tourist Commission

Table 5

INDICATORS OF SEASONAL VARIATION
IN THE NEW ORLEANS MARKET

<u>Month</u>	<u>Annual Convention Attendance 1977 (%)</u>	<u>Monthly Registrants At The New Orleans Tourist Information Center (%)</u>
January	10.2	8.8
February	8.6	7.9
March	10.7	12.0
April	8.2	10.9
May	8.9	6.6
June	10.1	7.5
July	8.3	9.6
August	4.6	10.1
September	8.7	7.5
October	12.2	8.4
November	7.2	6.8
December	2.3	3.9

Source: Greater New Orleans Tourist and Convention
Commission/Louisiana Tourist Commission and
Harrison Price Company

In particular, period hotels in the style of the French Quarter are in high demand and full at busy periods.

Occupancy rates shown in Table 6 show a steady rise and a healthy absorption of substantial new capacity.

Weather Conditions

Weather conditions in New Orleans shown in Table 7 are more mild than those in all southern park cities but Orlando. New Orleans is wetter year round than all but Orlando, which is wetter in the summer. Design should incorporate weather protection; in particular, extensive air conditioning, air screening and shade:

	Average Summer Maximum Temperature <u>June-August</u>	Average Winter Minimum Temperature <u>Dec.-Feb.</u>	Year Round Rainfall	Summer Rainfall June Through September
New Orleans	90.0°	45.0°	56.8"	22.3"
Atlanta	86.0	34.3	46.3	20.3
Orlando	89.7	51.0	51.2	27.3
St. Louis	86.7	25.3	35.9	13.9
Dallas	94.3	36.3	32.3	10.4
Houston	93.0	43.3	48.2	17.6
Nashville	89.0	30.3	46.0	13.5

Summary

A major entertainment center at Armstrong Park will benefit from the following influences:

- The 1984 regional resident market is estimated at 5.01 million. The tourism market is estimated at 7.9 million in 1984 on a normal trend basis and 9 million during that year because of the world's fair surge. Its high convention orientation and higher income character make it by far the most important part of market support.
- The total market in 1984, 12.9 million on trend--14.0 million estimated actual, is comparable in size to those of many cities with successful

Table 6

MONTHLY OCCUPANCY RATES FOR NEW ORLEANS
HOTEL/MOTEL FACILITIES
1976-1977

<u>Month</u>	<u>Percent Occupancy</u>	
	<u>1976</u>	<u>1977</u>
January	65.6%	65.2%
February	77.8	73.5
March	79.6	81.1
April	74.1	78.5
May	78.5	76.8
June	71.4	69.8
July	65.7	72.4
August	69.6	67.0
September	66.0	63.4
October	78.2	84.8
November	67.2	71.3
December	<u>52.2</u>	<u>52.3</u>
<u>Annual Average</u>	70.5%	71.6%
1978		73.2%
1979		73.6
1980		73.8

Source: Greater New Orleans Hotel/Motel Association and
Laventhol and Horwath

Table 7
COMPARATIVE WEATHER CONDITIONS IN SELECTED CITIES¹

	January	February	March	April	May	June	July	August	September	October	November	December	Annual
Average Maximum Temperature (°F)													
NEW ORLEANS	62	65	70	78	85	90	90	91	87	80	70	64	78
San Antonio	62	66	73	80	87	92	86	96	90	82	71	65	80
Knoxville	49	52	60	72	80	86	88	87	82	72	59	50	70
Seattle	45	50	53	59	66	70	76	75	69	62	51	47	60
Orlando	71	72	76	82	87	89	90	90	88	83	76	72	81
Houston	63	66	72	79	86	91	94	94	90	84	73	66	80
Atlanta	51	55	61	74	79	85	87	86	81	73	62	53	70
Average Minimum Temperature (°F)													
NEW ORLEANS	44	46	51	59	65	71	73	73	70	60	50	45	59
San Antonio	40	43	49	59	66	72	74	73	69	59	48	42	58
Knoxville	32	34	39	49	57	65	68	67	61	50	39	33	50
Seattle	35	37	38	42	47	52	56	55	52	47	40	37	45
Orlando	50	51	56	61	66	71	73	73	72	66	59	52	62
Houston	42	45	50	59	66	71	73	72	68	58	49	47	58
Atlanta	33	36	41	51	59	67	69	69	63	52	41	34	51
Average Precipitation (inches)													
NEW ORLEANS	4.5	4.8	5.5	4.2	4.2	4.7	6.7	5.3	5.6	2.3	3.9	5.1	56.8
San Antonio	1.7	2.1	1.5	2.5	3.1	2.8	1.7	2.4	3.7	2.8	1.8	1.5	27.6
Knoxville	4.7	4.7	4.9	3.6	3.3	3.6	4.7	3.2	2.8	2.7	3.5	4.5	46.2
Seattle	5.2	3.9	3.2	2.4	1.7	1.6	0.9	0.9	1.8	3.4	5.3	5.4	35.7
Orlando	2.3	2.9	3.5	2.7	2.9	7.1	8.3	6.7	7.2	4.1	1.6	1.9	51.2
Houston	3.6	3.5	2.7	3.5	5.1	4.5	4.1	4.4	4.7	4.1	4.0	4.0	48.2
Atlanta	4.3	4.4	5.9	4.6	3.7	3.7	4.9	3.5	3.2	2.5	3.4	4.2	48.3

¹ Based on normals over the 1941-1970 period.

Source: National Oceanic and Atmospheric Administration

specialty centers and/or theme parks--Boston, San Francisco, Nashville, Atlanta, Houston, Dallas, Denver and St. Louis to name a few. This market is adequate in size to support a specialty entertainment center.

- The tourist market is distributed relatively evenly throughout the year--an important determinant of the feasibility of a year-round operation.
- The hotel base in New Orleans--22,000 in 1981--is growing rapidly to keep pace with rising demand. A major hotel adjacent to the French Quarter should find strong market support, particularly if built in period style. Such a development would help the Armstrong Park project.
- Development at Armstrong Park needs to be weather protected against summer heat and rain.
- Armstrong Park is well located to tie in with the special market support provided by the 1984 Louisiana World Exposition with its expected 11-12 million visitors.
- Armstrong Park can be developed to tie in with the touristic and entertainment base of the French Quarter. The project could help the Quarter synergistically adding needed capacity and a thrust toward better quality facilities.

Section 3
CONCEPT DEVELOPMENT

A consideration of what to do with Armstrong Park begins with an assessment of pros and cons inherent in the project--in the language of feasibility analysis its opportunities and constraints.

Opportunities

- Armstrong Park contains about 32 acres. Its undeveloped entertainment area, slightly over 14 acres including the lagoon, represents a major piece of property centered in the parish in an authentic historical area next to the French Quarter.

- The total market is large, 12.7 million in 1981, 7.4 million tourists and 5.3 residents.
- The recreation and entertainment base of New Orleans needs expansion--the French Quarter is jammed and run-down.

- The land is available on a favorable basis for a qualified developer who will take on the risks implied by the program.

- The world's fair and the continuing touristic and convention expansion in New Orleans creates demand for recreation and entertainment enterprise.

- Louis Armstrong was a great and colorful man and the memorialization of his life creates a strong theme.

- The public assembly facilities now in operation at the site bring on the order of a million people to the site--usually in the evening for specific performances.

Constraints

- The image of the present uncompleted park is that of a run-down place. Major impact will be required to turn that assessment around.

- Of the \$11 million spent on improvements, to the park, some portion represents sunk cost--which a developer will redo.

- The public facility operation now operating at an understated loss could represent a drain on the developer's program.
- The area of the site is run-down and is a challenge for a turn around effort.
- Public/private projects are sometimes difficult mixes--it will require political statesmanship and creative entrepreneurship to make the combination work. Many powerful egos were involved in what has taken place to date at the Park, all of which could impinge on developer objectives and flexibility in planning what needs to be done in the future.

In summary, the opportunity is large, but certain constraints need to be resolved.

Key Issues in Development

Determining what to do at Armstrong Park requires a consideration of several basic issues:

1. Role of entertainment--a program for putting the project on the map.
2. Possibilities for hotel development.
3. Choice of project type. A choice needs to be made on the nature of the project as to whether it is a commercial recreation concept with a gate charge or a specialty entertainment center without a gate charge.
4. Critical mass. Enough activity and investment has to take place to turn the image of the project and the area around, and to compete effectively in the active New Orleans recreation and entertainment market. It is not a good setting for bootstrapping.

These subjects are addressed in the following paragraphs.

Role of Entertainment

A premise of the development is incorporation of major on-site entertainment activity day and night all year long. In that regard:

1. The performing arts center brings one million people to the site now. By hiring a top facility manager and event promoter--greater use can be made of these facilities. The schedule is slack in the summer.
2. The site is already a key element in the Mardi Gras experience.
3. Tommy Walker Spectaculars plans to bring a wide array of on-site entertainment to Armstrong Park such as:
 - a. Daily jazz funeral by a repertoire company.
 - b. Festival days.
 - c. Spasm band concerts.
 - d. Parades.
 - e. Strolling musicians, mimes, performers.
 - f. Nightly fireworks show.

The operation must finance these activities by a gate from operations, assessment or specifically ticketed performances.

4. Restaurants, bars, and nightclubs on-site will stress house entertainment.

This program will add needed force to the development concept in any configuration.

Possibilities for Hotel Development

The hotel market in New Orleans is strong and in particular capacity is limited in those facilities which are themed in the traditional period style. A themed hotel of quality and character would add substantially to the turn around effectiveness of this project.

A site is available next to Congo Square--an attractive green space deeded as a permanent historical park of about 2.3 acres within Armstrong Park. To the west of the Square some 30,000 square feet is available within Armstrong Park bounded by Basin Street on the West, Memorial Auditorium frontage on the north, and St. Peter Street on the east. Just to the south, some 34,000 square feet is available as fee land with a bounding on the south by North Rampart

Street. Its acquisition (reportedly \$1 million is the asking price) would allow street closure between the two and on the east creating a total site of 97,000 square feet.

A 350-room, six-story New Orleans style garden-type hotel would require a pad of 35,000 square feet; 400 rooms, 40,000 square feet. The 97,000-square-foot site would allow adequate space for setbacks and green space. It could open on to Congo Square and a fully developed Armstrong Park--a superb setting. Land cost in the aggregate would be low.

Choice of Project Type

The choice of project type involves finding a balance among (1) commercial recreation appealing to resident families (largely a daytime function); (2) entertainment functions appealing to both locals and the dominant tourist market (largely a night-time activity); and (3) specialty center functions. A gate charge is operable with commercial recreation and entertainment and counter productive in specialty center activities.

As an insight into this issue, market penetrations of theme parks and specialty centers are shown in Tables 8 and 9.

Theme park penetrations range from 9 to 36 percent of the available market for seven parks shown. Each park is primarily a ride based attraction and investment level is on the order of \$50 to \$100 million in today's dollars. Per capita expenditures in these parks ranges from \$14 to \$16.

Specialty center penetrations range from 5 percent to 83 percent for the 13 centers shown. In the large LA market, penetrations are low. In San Francisco--more or less the size of the New Orleans market--penetrations are 22 percent and 40 percent. Specialty centers in the less competitive Denver and Salt Lake markets achieve 31 percent and 38 percent levels.

Table 8

MARKET PENETRATION FOR SELECTED
THEME PARKS
1978

<u>Park</u>	<u>Year Built</u>	<u>Annual Attendance (millions)</u>	<u>Total Market Size (millions)</u>	<u>Market Penetration (%)</u>
Magic Mountain Los Angeles	1971	2.7	31.7	9
Knott's Berry Farm Buena Park	1937	3.9	31.7	12
Opryland Nashville	1971	2.1	12.5	17
Great America Santa Clara	1976	2.5	13.8	18
Six Flags-Georgia Atlanta	1969	2.9	14.4	20
Astroland Houston	1967	2.0	8.1	25
Six Flags-Texas Dallas	1963	2.8	7.7	36

Table 9

MARKET PENETRATION FOR SELECTED SPECIALTY CENTERS
1978

<u>Center</u>	<u>Year Built</u>	<u># of Outlets</u>	<u>Square Feet of Feasible Space (000)</u>	<u>Annual Attendance (millions)</u>	<u>Total Market Size (millions)</u>	<u>Market Penetration (%)</u>
Fishermans Village, Marina del Rey	1968	40	34	1.5	31.7	5
Alvera Street, Los Angeles	1881	77	53	2.5	31.7	8
Knott's Village, Buena Park	1937	12	80	3.0	31.7	11
Florida Festival, Orlando	1980	40	54	1.7	16.7	10
Ports 'O Call, San Pedro	1962	--	90	3.5	31.7	11
Farmers Market, Los Angeles	1934	130	95	6.0	31.7	19
Seaport Village, San Diego	1980	61	95	3.7	16.5	22
The Cannery, San Francisco	1967	50	87	3.1	13.8	22
Lorimer Square, Denver	1965	60	90	2.5	8.0	31
Trolley Square, Salt Lake City	1972	115	148	3.0	8.0	38
Ghirardelli Square, San Francisco	1964	92	127	5.5	13.8	40
Harbor Place, Baltimore	1980	140	142	11.0	18.0	61
Faneuil Hall, Boston	1976	--	230	10.0	12.0	83

Total size of the New Orleans market in 1981 is estimated at 12.7 million--7.4 tourists, 5.3 residents. Attendance levels for various ranges of penetration are shown as follows:

<u>Penetration</u>	<u>Attendance (millions)</u>
8%	1.0
10%	1.3
12%	1.5
14%	1.8
16%	2.0
18%	2.3
20%	2.5
25%	3.2

In the New Orleans market a theme park of outstanding execution and with \$60 million invested could be expected to draw 18 percent to 20 percent of the market and generate a \$14 per capita. A specialty center of 90,000 square feet, with outstanding execution and a heavy entertainment emphasis could be expected to generate a market penetration of 16 percent to 20 percent in its second year (2.0 to 2.5 million attendance), per capita expenditures in the range of \$5 to \$6. Land requirements of the theme park are large--40 to 50 acres plus parking. For the specialty entertainment center, land requirements are less--3 to 10 acres plus parking.

Critical Mass

To get at the question of how much to build, four project models were defined and development costs estimated. In all models--the assumption of high entertainment activity was considered--which would be largely reflected in operating costs--not development costs.

The four models are approximately costed by line item in Tables 10, 11, 12, and 13:

- The low investment or bootstrap model--Table 10--contains essential site improvements, substantial

Table 10

A DEVELOPMENT PROGRAM FOR THE
LOW INVESTMENT LEVEL MODEL

<u>Category</u>	<u>Space Sq.Ft.</u>	<u>Development Costs (\$000)</u>
1. Site Improvements:		
a. Peripheral tree planting		\$ 50
b. Landscaping		170
c. Gating and fencing		52
d. Two restrooms - 20 spaces each		120
e. Water system		80
f. Benches & fountains - 73 units		17
g. Sound and lighting		132
h. Amphitheater improvement		<u>80</u>
Subtotal		\$ 701
2. Entertainment:		
a. Jazz funeral/on-site jazz concerts		
b. Festival days		
c. Spasm band concerts		
d. Sidewalk art show		
e. Strolling musicians/mimes		
f. Fireworks show nightly		
Subtotal		\$ 80 <u>1/</u>
3. Essential Improvements to Existing Structures:		
a. Perseverance Hall Restaurant	3,500	\$ 340
b. Reimann House Restaurant/ Nightclub	3,520	352
c. Rabassa House Museum/Store	2,600	312
d. Kitchen Building Store	520	41
e. Firehouse Nightclub	3,900	468
f. Patio beer/wine garden & dance	<u>4,100</u>	<u>308</u>
Subtotal	18,040	\$1,821
A & E - 10%		<u>260</u>
		\$2,862
Contingency - 15%		<u>438</u>
		\$3,300

1/ Services an operational entertainment budget.

Table 11

A DEVELOPMENT PROGRAM FOR THE
HYBRID MODEL

Category	Specialty Space		Development Cost (\$000)
	# Units	SQ.FT.	
1. Site Improvements:			
a. Items 1-a to 1-f low inv. model			\$ 701
b. Additional landscaping			170
c. Two more restrooms-20 spaces each			120
d. Benches and fountains - 72 units			16
e. Increased sound and lighting			133
f. 240' x 40' Mural on Auditorium wall			<u>100</u>
Subtotal			\$ 1,240
2. Entertainment:			
a. Same as low investment model			\$ 80 <u>1/</u>
3. Attractions:			
a. Quantum Leap 30 min. film story on the life of Louis Armstrong and History of Jazz	6,000		\$ 1,300
b. Louis Armstrong Museum and Store	2,500		450
c. Jazz Hall of Fame Boat Ride	21,000		2,242
d. Merry-go-round	2,000		300
e. Paddle boats, rafts and dock	<u>400</u>		<u>100</u>
Subtotal	31,900		\$ 4,392
4. Restaurants and Bars:			
a. Perseverance Hall	1	3,400	340
b. Reimann House	1	3,520	352
c. Rabassa House	1	2,600	312
d. Fire House Nightclub	1	3,900	468
e. Patio wine/beer garden	1	4,100	308
f. Fast food operations	<u>6</u>	<u>3,000</u>	<u>540</u>
Subtotal	11	20,520	\$ 2,320
5. Specialty Merchandise:			
a. Kitchen	1	520	\$ 41
b. Fire House Court Stores	6	6,500	975
c. Other Stores	<u>3</u>	<u>3,000</u>	<u>450</u>
Subtotal	10	10,020	\$ 1,466
Total	21	30,540	\$ 9,498
A & E 10%			<u>950</u>
			\$10,448
Contingency 15%			<u>1,552</u>
			\$12,000

1/ Services an operational entertainment budget.

Table 12

A DEVELOPMENT PROGRAM FOR THE
ENRICHED HYBRID MODEL

<u>Category</u>	<u>Specialty Space</u>		<u>Development Cost</u>
	<u># Units</u>	<u>Sq.Ft.</u>	<u>(\$000)</u>
1. Items 1-5 - Hybrid Model	21	30,540	\$ 9,498
2. Additional Attractions:			
a. Add Pirate Cove children's area - 71,000 square feet			\$ 2,000
b. Bumper Boats			100
c. Roller Skating Course			50
Subtotal			\$ 2,150
Total	21	30,540	\$11,648
A & E -10%			1,165
Contingency 15%			\$12,813
			1,937
Grand Total			\$14,750

Table 13

DEVELOPMENT PROGRAM FOR THE COMPLETE
SPECIALTY ENTERTAINMENT CENTER

Category	Specialty Center		Development Cost (\$000)
	# Units	Sq. Ft.	
1. Site Improvements			
a. Delete fencing and gating			(\$ 50)
b. Reduce sound/light			(100)
c. From the Hybrid Model			<u>1,160</u>
Subtotal			\$ 1,010
2. Entertainment:			
a. Same as the low/hybrid models			\$ 80 <u>1/</u>
3. Attractions:			
a. Quantum Leap 30 minute film story on the life of Louis Armstrong and History of Jazz			\$ 1,300
b. Merry-go-round			300
c. Paddle boats and dock			<u>80</u>
Subtotal			\$ 1,680
4. Restaurants and bars:			
a. From Hybrid Model			
Items 4. a. to 4. f.	11	20,520	\$ 2,320
Perseverance Hall-Chart House			
Reimann House-Fish House			
Rabassa House Jazz/Lounge			
Fire House Nightclub			
Patio Wine/Beer Garden			
Six Fast Food Operations			
b. Rosie O'Grady's Bar	1	6,000	
c. Lulu White's Parlor House	1	4,000	
d. Tio Pepe's Spanish Rest.	1	4,000	\$ 5,307
e. Papagayo Mexican Rest.	1	4,000	
f. Chinese Lotus Garden	1	4,000	
g. Italian Restaurant	1	3,000	
h. Food Emporium (New Orleans Food)	<u>6</u>	<u>4,480</u>	
Subtotal	23	50,000	\$ 7,627
5. Specialty Merchandise:			
a. From the Hybrid Model S.a.- S.c.	10	10,020	\$ 1,466
b. 16 Additional stores	<u>16</u>	<u>29,980</u>	<u>4,497</u>
Subtotal	26	40,000	\$ 5,963
Total	49	90,000	\$16,360
A & E - 10%			<u>1,636</u>
			\$17,996
Contingency - 15%			<u>2,704</u>
			\$20,700

I/ Services an operational entertainment budget.

entertainment funded by a gate charge, and renovative use of existing structures for specialty center functions--one store and five restaurants/bars totaling 18,040 square feet. Total development budget is \$3.3 million.

It is not recommended because it lacks sufficient drawing power to justify a gate to pay for entertainment and operating costs. The gate is at cross purposes with the operations of its six retail and restaurant establishments.

- The hybrid model shown in Table 11 is named as it is because it attempts to combine gated amusements with specialty center functions. It combines an extensive entertainment program, more extensive site improvements, and five major attractions (a museum, a filmic story of Louis Armstrong, a dark water ride themed on the history of jazz, a merry-go-round, and paddle boats) all funded by a gate charge with 11 restaurants/bars and 10 shops aggregating 30,540 square feet in 21 stores. Total development budget is \$12 million. It begins to be a specialty center in a small amusement park.

It is not recommended because of the conflict caused by the required gate--which is worse with 30,500 square feet of restaurants and shops. It also requires an extensive organization in specialized marketing, operations and maintenance, characteristic of ride parks, which has to be funded by a small base of five attractions.

- The enriched hybrid--Table 12--adds a major investment, in a children's area like Sea World's Captain Kidd or Toronto's King of the Mountain plus two lesser attractions. Its development budget is \$14.75 million.

It is not recommended for the same reasons. Although it has more operational base to support its required organization, it still conflicts with the specialty center.

- The final model--Table 13--expresses the content and cost of an important specialty center project of the Faneuil Hall-Ghirardelli Square genre and to achieve that thrust it contains 49 shops, restaurants, nightclubs and bars aggregating 90,000 square feet. Its entertainment costs are funded from its operational revenue base surcharge, and special ticketings--rather than a gate. Site improvements remain the same, but investment in attractions is minimized. Total development budget is \$20.7 million.

It is recommended as a viable and workable venture opportunity appropriate for the site and the market in New Orleans. It has no gate charge conflict. It has sufficient mass to create its own environment--particularly if the adjacent hotel materializes as part of the project. It is quite close to the concept recommended by the City for Phase 2 development and independently consistent with the City's expressed objectives. It can operate all year round. It is a higher use of valuable land.

Selected descriptive elements of the program discussed in this section are shown in appendices A, B and C.

Specific economic projections for the project and detailed development of its content can be addressed later if, and after, negotiations are undertaken with the City.

Appendix A

REQUIRED IMPROVEMENTS TO THE GROUNDS AT LOUIS ARMSTRONG PARK

1. There is a strong need to separate the site from its exterior environment so as to give the park a sense of privacy and place year-round. A double row of rapidly growing evergreen trees is needed around the perimeter for a length of approximately 2,500 feet. Pine trees would be suitable and can be readily transplanted using a Vermeer hydraulic transplanter. In 10 foot spaces, 500 trees would be needed. An alternative would be giant bamboo in 4 foot centers (previously available from the McIlheney nursery on Avery Island, New Iberia). Many other fast growing trees abound (Golden Rain Tree, Chinese Tallow, Sycamore, and Cottonwood), but the need for year-round greenery is controlling.

Cost allowance--\$50,000.

2. Greenery throughout the park is in sad shape inspite of substantial prior expenditure. A general improvement program is essential to give the park a required ambience.

A cost allowance of \$20,000 per acre is a minimum, or \$340,000 for 17 acres.

3. If a gate charge is to be imposed, the park must be closed off from the performing arts center and gates established at entry positions near the Municipal Auditorium and the Performing Arts Theater. Required fencing is 680 feet. Two ticket entry booths are required.

A cost allowance of \$52,000 is appropriate (\$25,000 for the booths, \$27,000 for wrought iron fencing).

4. Restroom capacity required for this development exclusive of restaurant needs is as follows:

<u>On-Site Design Day Attendance</u>			
Annual Attendance	1,500,000	2,000,000	2,500,000
On-Site at Design Day	4,275	5,700	7,125
Number of Bathrooms	4	4	4
Fixture Count (Men & Woman)	60	80	100
Cost (buildings, air conditioning, fixtures)	\$215,000	\$240,000	\$265,000

5. The lakes are a public nuisance; stagnant ponds full of debris, scum, and algae. Capacity of the lake is about

2 million gallons and its cleanup requires substantial circulation. To get circulation, a low head pump of about 1,500 gallons per minute is required at one end of the lake connected to the other end by about 1,000 feet of 8 inch pipe line which would pass water through screening and sand filtration gear to the entry point of the system. Chlorine bleeding is required at the entry point for control of algae. Additional equipment is required for surface and bottom cleaning.

Cost allowance--\$80,000.

6. Other public facilities. Some 125 benches and 20 drinking fountains are needed around the site. Cost allowance--\$33,000.
7. Sound should be piped all over the site using underground conduit and all weather speakers. Some conduit is in place, other will be added. Cost allowance--\$65,000.
8. A completely dispersed lighting system is required throughout the 17 acres, grain of wheat types, Pitchell lights, rim lighting and flood lights in various areas. Cost allowance--\$200,000.
9. The east wall of the municipal auditorium is a looming blight leaning on the project. It can be made into a blaze of color that the whole city can be proud of by creating a great mural 280 feet long by 40 feet high.

The city would sand blast the structure and repair its broken windows. The developer would retain a great muralist to portray the story of jazz, someone like Claudio Mazzoli of Italy who is preparing a large mural for EPCOT.

Estimated cost allowance is \$100,000.

10. At an existing terrace site near the Performing Arts Theater on the water's edge, outdoor concerts and jam sessions would be held for Dixieland music. A stage could be built in the water and seating added to existing sloped terraces.

Estimated improvement cost:

Stage	\$50,000
Lighting, Amphitheater	20,000
Seating Improvements	<u>10,000</u>
	\$80,000

Summary of requirements:

1.	Berm planting	\$ 50,000
2.	Enhanced landscaping	340,000
3.	Fence enclosure & booths	52,000
4.	Restrooms (4)	240,000
5.	Water system	80,000
6.	Benches/fountains	33,000
7.	Sound system	65,000
8.	Lighting system	200,000
9.	Mural	100,000
10.	Amphitheater improvement	<u>80,000</u>
		\$1,240,000

Appendix B
A FILM ATTRACTION PROPOSED FOR
LOUIS ARMSTRONG PARK

The major attraction of the park is a new and unique audio-visual high resolution film story of the life of Louis Armstrong and the history of jazz in New Orleans. It would have its own building and high quality technology making use of the film techniques developed by Quantum Leap in Santa Monica. It is visualized as a step ahead of IMAX in its impact and flexibility, and smaller, cheaper and more flexible.

Seating capacity is derived as follows:

Annual attendance	2,500,000
Peak month 12%	300,000
Peak week	72,000
Peak day 16%	11,500
Penetration 30%	3,450
Number of shows	15
Attendance per show	230
70% Occupancy	330
Build	400 seats
Pad size	6,000 sq. ft.

Cost requirements are estimated as follows:

Hardware	\$200,000
Production	500,000
Theater	600,000

Appendix C

PROTOTYPE MERCHANDISE CONFIGURATIONS FOR A SPECIALTY CENTER AT ARMSTRONG PARK

	<u>Number of Stores</u>	<u>Footage</u>
Music store	1	2,000
Louisiana crafts	1	2,000
Antiques	2	3,500
Jewelry	3	2,250
Leather	1	500
Latin American Imports	1	1,500
Carribean Imports	1	750
Gourmet food & wine	1	1,500
Art gallery	1	2,000
Tobacconist	1	500
Glassware	1	1,250
Stained Glass & ceramics	1	1,500
Book shop	1	2,000
Gift ware	1	1,000
Souvenirs	3	6,000
Card shops	2	1,000
Men's and women's clothing	<u>6</u>	<u>10,750</u>
	28	40,000