

**FOR IMMEDIATE RELEASE**  
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## **OIG CALLS FOR INCREASED ENFORCEMENT AGAINST OWNERS OF THE PLAZA TOWER.**

The OIG is authorized to comment on rules, regulations, policies, and transactions for the purpose of preventing fraud, waste, and abuse in order to promote effective and efficient government. As detailed in the Plaza Tower and Enforcement of the Minimum Property Maintenance Code letter released today, the Office of Inspector General (OIG) examined the Division of Code Enforcement's efforts to mitigate the safety hazards posed by the condition of the privately-owned property located at 1001 Howard Avenue, commonly known as the Plaza Tower. The OIG did not review the City's response to blight in general.

The OIG found that the City has not effectively used the power granted to it in the Minimum Property Maintenance Code (Code) to hold the owners of the Plaza Tower accountable for the conditions of the property. Despite the building's obvious state of disrepair, there were no fines issued by the Division of Code Enforcement and no administrative hearings to address the conditions of the property between 2015 and 2021, when a piece of debris fell and injured a bicyclist. Instead, the City has hesitated to fine the owners of the Plaza Tower, citing the economic value of the property and the effect the fines may have on a potential sale.

In a 2021 administrative hearing, the owners of the Plaza Tower were found guilty of multiple violations of the Code and ordered to pay a fine of \$4,075, plus daily fines of \$250 per day for any violation that was not remediated within 30 days. Failure to remediate each of the violations within a year would have cost the owners up to \$1,003,750. The owners of the property filed a suspensive appeal of the judgement, but ultimately dropped the appeal earlier this year.

Since the 2021 judgment, the Plaza Tower continues to pose a serious threat to the citizens of New Orleans. The City closed several major city streets in 2021, 2022, and again earlier this year to prevent additional injuries to bystanders. These efforts cost the City nearly \$200,000. There have also been multiple events that underline the danger posed by the Plaza Tower, such as fires and a falling death earlier this year. Additionally, upon review of NOPD data, the OIG learned that there were more than 170 crime-related calls for service in the immediate vicinity of the Plaza Tower between 2021 and 2023. At a time when the City's police force is critically understaffed, this diverted much needed resources.

On August 22, 2023, the Division of Code Enforcement will hold a Cost hearing, as requested by the New Orleans City Council, to assess the cost of street closures and other City resources against the owners of the Plaza Tower. This hearing or a subsequent hearing should also include efforts by the Law Department to enforce the daily fines imposed by the November 2021 judgement. Ultimately, the decision on how much the owners of the Plaza Tower must pay to the City rests with the administrative hearing officer.

After reviewing the City’s enforcement of the Code in relation to the Plaza Tower and the efforts taken by the owners to mitigate blight, the OIG recommends the City use every viable option to hold the owners of the property liable for the losses incurred for their failure to properly secure and renovate the building. This includes the potential referral of the matter to the District Attorney for any criminal charges that may apply. The OIG also recommends the Division of Code Enforcement set a reasonable, but firm, date by which a sale of the property must be finalized before proceeding with the next steps for enforcement, which, according to the Division, might include demolition of the property. If a sale of the property is finalized, the city should remove any and all barriers to the eventual redevelopment, while still holding the new owners responsible for blight mitigation.

*“There are several large blighted properties in New Orleans and the Plaza Tower is just one of them. The Division of Code Enforcement has made efforts to hold the owners of Plaza Tower accountable in the last few years. However, the condition of this property is the result of decades of neglect and lack of Code enforcement across several administrations. While placing the property back in commerce would be the best-case scenario for both the City and the property owners, the City cannot continue to withhold stiff penalties designed to encourage blight mitigation while citizens are at risk. Furthermore, the City must hold private property owners responsible for mitigating blight and other risks due to the conditions of their properties.”*

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