

# NEW ORLEANS: A TIMELINE OF ECONOMIC HISTORY

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**F**rench colonials founded New Orleans in 1718 as a headquarters for a commercial land-development scheme for their 1682 claim of the Louisiana territory, and as a bulwark against English and Spanish expansion into the lower Mississippi Valley. The city floundered in the colonial era but developed into a major

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FOUNDED**

*by French Colonials*

mercantilist node after the Louisiana Purchase in 1803, as Americans moved westward and needed a downriver transshipment port to which they could export their agricultural surpluses, and from which new steamboats could return with imports. Vast sugar and cotton plantations near New Orleans, with their insatiable

demand for enslaved labor, made New Orleans the premier slave-trading city in the United States, as well as the legal, financial, and commodities-handling capital of the South. Throughout the antebellum era, the port ranked second only to New York in traffic, while the city's population doubled roughly every fifteen years, making New Orleans the largest city in the South and at one point the third-largest in the nation.

But the concurrent development of manmade waters like the Erie Canal (1825), plus a network of railroads (1830s-1850s) linking the trans-Appalachian West directly with the Northeast, increasingly gave shippers alternatives to the Mississippi River route to market. While New Orleans' western commerce increased in absolute numbers, its relative share diminished. Coupled with the Civil War and the ensuing economic, social, and racial upheaval, New Orleans found its trajectory of metropolitan ascendancy reversed by the late 1800s.

The city reinvented itself at the turn of the twentieth century by modernizing its port, investing in municipal improvements in drainage, water distribution, transportation, and electrification, and encouraging the development of a manufacturing sector. Institutions of higher education formed and developed national reputations, particularly in the area of medical research. River traffic revived during World War I, as the nation upgraded its inland waterways system and barge fleet and the Mississippi River enjoyed a rebirth of domestic traffic. New Orleans especially boomed during World War II, when major ship-building and armaments industries brought tens of thousands of rural workers into the city and the port became the point of embarkation for hundreds of thousands of troops. The 1940s also saw the conversion of the sugar cane



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fields along the lower Mississippi to petroleum processing and chemical industries, abetted by ocean-going shipping and the growth of Louisiana's onshore, nearshore, and later off-shore oil-and-gas extraction industry. With manufacturing in decline after the war, New Orleans rebounded with oil-and-gas related employment. Technological changes in the shipping industry, meanwhile, replaced thousands of dockworkers with containerization technology, to which the city responded by developing its service sector for the leisure and business tourism industry. The city that came onto the world stage as a river/ocean shipping port specializing in agricultural commodities entered the twenty-first century resting primarily on the tourism-dominated service sector, port industries, and the oil and gas sector.

The deluge triggered by Hurricane Katrina in 2005 brought great tragedy and great change. The postdiluvian city bustled with recovery investments and witnessed an influx of young, educated creative people who have introduced entrepreneurial energy to the city, adding to the local cultural renaissance. Employment rates have remained consistently well below the national average since 2008, and housing values have seen none of the flux of markets like California and Florida. The city's media and entertainment sector, particularly the film industry, has gone from negligible to national-class in less than a decade, earning the region the moniker "Hollywood South." With an improved public education system and a new hurricane risk-reduction system complete as of June 2012, New Orleans finds itself well-positioned for an economic resurgence.

The following timeline supplements the above summary with additional details on the economic history and geography of New Orleans, from prehistoric times to the present.

## NEW ORLEANS // HISTORY

### PREHISTORY

**Prehistoric** Indigenous peoples occupy Mississippi delta and discover key shortcuts between Gulf of Mexico and Mississippi River; future New Orleans site, lying on one such portage, becomes trading site and encampment.

### 1600s

**1682** La Salle claims Mississippi Valley and deltaic plain for France; names it Louisiana in honor of his king.

**1699** France colonizes Louisiana for military, imperial, and economic reasons.

### 1700s

**1712-1717** French crown cedes struggling Louisiana colony as commercial monopoly to Antoine Crozat and later John Law, who establishes Company of the West, launches international campaign to lure settlers, and resolves to establish New Orleans.

**1718** Bienville establishes New Orleans at the present-day French Quarter. It becomes Louisiana capital and company headquarters in 1722.

**1719** First large group of Africans arrives to New Orleans, commencing fourteen decades of slavery.

**1762-1769** French and Indian War costs France most of its New World colonies; dominion of New Orleans passes to Spain.

**1791** Market is founded along lower-city riverfront; “French Market” becomes keystone of extensive municipal food-retailing system and birthplace of American tropical-fruit industry; today serves as node in tourist economy.

**1793-1795** Eli Whitney’s cotton gin and Etienne Boré’s granulation of Louisiana sugar help launch Southern plantation economy. Both commodities enrich New Orleans while entrenching slavery in region.

### 1800s

**1800** Spain secretly retrocedes Louisiana to militarily powerful France.

**1803** Slave revolt in Saint-Domingue, impending war, and need for money inspires Napoleon to sell entire Louisiana colony to U.S.; New Orleans, now in progressive American hands, is foreseen to become one of richest and most important cities in nation, hemisphere, and world.

**1809** Over 9000 Saint-Domingue (Haitian) refugees arrive to New Orleans via Cuba.

**1812** Louisiana admitted to Union as eighteenth state.

**1812** First Mississippi River steamboat arrives; with hinterland under intensive cultivation, new transportation technology positions New Orleans to become principal Southern city.

**1825** Erie Canal connects Great Lakes with Hudson River; gives New York City access to West, suddenly challenging New Orleans’ monopoly on Mississippi Valley trade.

**1825-1830** Louisville and Portland Canal circumvents waterfalls on Ohio River; benefits New Orleans by providing uninterrupted shipping to Pittsburgh.

**1830s** Pontchartrain Railroad and New Basin Canal give city access to lake trade.

**1834** First successful gas company brings new fuel to



*Canal and Carondelet Streets circa 1860.*

city for lighting and other purposes.

**1835** New Orleans and Carrollton Rail Road installed on present-day St. Charles Avenue, precipitating uptown development.

**1836-1838** Municipal market system begins steady expansion.

**1840** New Orleans, by one measure, ranks as fourth busiest commercial port in Western world, exceeded only by London, Liverpool, and New York.

**1840s** Destrehan Canal dug to connect Mississippi River with Bayou Barataria and Barataria Bay.

**1850** New telegraph lines speed city’s communication links with adjacent cities and points downriver.

**1850s** New railroads in Northeast introduce new competition on New Orleans’

command of Mississippi Valley trade.

**1851** A peak of 52,011 immigrants arrive to New Orleans, making city primary immigration port in South and second only to New York for most years between 1837 and 1860.

**1850s** “Cotton District” forms around Gravier/Carondelet intersection; becomes New Orleans’ Wall Street.

**1861-1865** Louisiana secedes from Union. War ends early for New Orleans as federal troops occupy city in May 1862. Region’s slave-based plantation economy collapses forever; era of human enslavement ends after 143 years. South and Southern agriculture is devastated; shipping commerce to New Orleans interrupted; federal presence and post-war racial tensions alter social landscape.

**1860s-1870s** Ice manufacturing and refrigerated shipping

abets food industries; expands list of commodities transhipped at New Orleans.

**1860s-1870s** Railroads connect city with Biloxi, Mobile, Pensacola, and points east.

**1875-1879** With sedimentation delaying shipping traffic at mouth of Mississippi, Capt. James Eads constructs parallel jetties at South Pass. Structures deepen channel and allow ocean-going vessels to enter river promptly. Coupled with development of Mississippi River barges and new Southern railroads, Eads' jetties help city rebound from post-war slump.

**1877** Federal troops withdraw; New Orleans' turbulent occupation and Reconstruction era ends. Postwar attempts toward legislating civil rights for emancipated peoples are derailed in favour of white supremacist state and local government; Confederacy essentially loses the war but wins the peace.

**1879** Mississippi River Commission ends era of localism in the construction and maintenance of levees; commences modern era of federal authority over flood and navigation control of Mississippi River and major tributaries.

**1870s-1910s** Remarkable era of innovation, particularly in electrification, transportation, and communications, transforms New Orleans and other American cities.

**1884-1885** World's Industrial and Cotton Centennial Exposition, held at Audubon Park, fails financially but succeeds culturally and accelerates uptown urbanization.

**1894** Tulane University relocates uptown, eventually attracting well-educated and

wealthy demographic to area. Loyola University follows in 1910

**1890s-1900s** Purification and distribution plant is constructed in Carrollton, bringing city into modern age of municipal water systems.

**1890s-1900s** Steel-frame construction and concrete pilings are introduced; first generation of high-rises erected in CBD and upper French Quarter transforms city's skyline.

**1893-1898** Streetcar lines are electrified throughout city.

**1896-1915** World-class drainage system is installed to remove runoff and groundwater in low-lying backswamp; urban development begins to spread toward lake.

**1896** Plessy v. Ferguson establishes "separate but equal" legal precedent, entrenching segregation in South for next half-century; public facilities and accommodations in New Orleans are legally segregated by race.

**1899-1902** Sicilian-born Vaccaro brothers and Russian-born Samuel Zemmurray independently start importing bananas from Central America through New Orleans, advancing city's long-time domination of tropical fruit industry.

## 1900s

**1900s-1920s** Dock Board modernizes port facilities, constructing riverside warehouses, grain elevators, canals, and new dock space. Mayor Martin Behrman oversees important civic improvements, including new drainage, sewerage, and water systems; expansion of city services and public education; and creation of Public Belt Railroad.

**1905-1910** New home construction commences in recently platted Lakeview subdivision, drained from marsh only a few years earlier.

**1910s-1940s** Gentilly is developed on and near Gentilly Ridge topographic feature in Seventh and Eighth wards.

**1917** Xavier University founded. Nation's only black Catholic institution of higher learning reflects New Orleans' distinct Creole heritage; consistently leads nation in production of African-American scientists and Ph.D.'s.

**1918-1923** Dock Board excavates Industrial Canal to connect river and lake, provide shortcut to gulf, and create new private deep-water wharf space. Port activity shifts to Industrial Canal area by mid-1900s.

**1920s** Association of Commerce Convention and Tourism Bureau promotes New Orleans as tourism destination; modern tourist industry comes into form, with new luxury hotels and first night clubs on Bourbon Street opening.

**1926-1934** Ambitious Lakefront Project protects city from storm surges while creating high, scenic acreage for residences, parks, facilities, and airport. Project radically alters city's geography and accelerates population shift toward Lake Pontchartrain.

**1927** Great Mississippi River Flood inundates valley, threatens New Orleans, and inspires controversial (and ultimately unnecessary) dynamiting of levee in lower parishes. Disaster transforms federal river-control policy from "levees-only" to one of massively augmented levees, floodwalls, spillways, control structures, reservoirs,

canals, revetments, and other devices.

**1937-1943** Housing Authority of New Orleans clears selected historic neighborhoods to construct subsidized housing projects.

**1940** Moisant Airfield is established in Kenner to supplant Lakefront Airport; later becomes Louis Armstrong New Orleans International Airport.

**1941-1945** As nation fights World War II, New Orleans serves as major ingress and egress for matériel and troops, base for ships and aircraft, and manufacturing center for Higgins landing craft and a wide range of other armaments.

**1940s** Federal government encourages development of petrochemical refining capability along River Road.

**1946-1961** Mayor de Lesseps "Chep" Morrison oversees post-war modernization of city's infrastructure, including unification of passenger rail lines into Union Station and new Duncan Plaza civic complex on Loyola Avenue.

**1954** Brown v. Board of Education Supreme Court decision reverses 1896 Plessy v. Ferguson ruling on "separate but equal" public schools. City and state drag their feet for six years before slowly and reluctantly commencing integration process.

**1954-1962** Old River Control Structure is built to prevent Mississippi from abandoning channel and jumping into Atchafalaya, by allocating flow at government-approved 70-to-30 ratio.

**1950s-1960s** Containerization technology radically alters port, diminishing labor needs and altering riverfront land

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use while empowering smaller ports like Mobile and Gulfport to compete with New Orleans.

**1955** Pontchartrain Park becomes city's first modern suburban-style subdivision in which black citizens may purchase homes.

**1956** Federal Aid Highway Act commences immense effort to build interstate highway system; New Orleans is eventually connected to nation via I-10 and I-610 plus nearby I-12, I-55, and I-59.

**1958** First downtown Mississippi River Bridge opens.

**1958-1968** Mississippi River-Gulf Outlet Canal excavated in St. Bernard and Plaquemines parishes. "MR-GO" gives ocean-going traffic shorter alternate route to Port of New Orleans and helps develop Industrial Canal / Gulf Intracoastal Waterway as new center of port activity. But 75-mile-long waterway also causes coastal erosion and salt-water intrusion, requires constant dredging, and provides storm surge pathway to reach populated areas.

**1959** After 107 years at historic Lafayette Square, City Hall relocates to new Duncan Plaza complex.

**1960** New Orleans population peaks at 627,525, fifteenth largest American city.

**1960-1964** Civil rights movement, court orders, and Civil Rights Act of 1964 hasten end of de jure segregation. City finally passes its own public accommodations ordinances at end of decade. White flight, followed by general middle-class flight, sends New Orleans population into its first decline, which ensues for decades to come.

**1960s** Oil and gas industry rises; port economy



*A view of the Central Business District from New Orleans' industrial canal.*

mechanizes. Oil industry brings outside investment and professionals to New Orleans; triggers construction of downtown skyscrapers and "Houstonization" of city. Containerized shipping technology replaces many longshoremen and sailors; requires less waterfront space and frees up riverfront for recreational use. As oil industry rises, port-related employment declines.

**1960-1968** Construction of seven major hotels introduces 3000 new rooms into French Quarter; commences era of large-scale tourism and nightly pedestrian-mall carnival on Bourbon Street. Boom precipitates moratorium on any new Quarter hotels, in attempt to balance commercial and residential use.

**1963-1972** Coast-to-coast I-10 and affiliated interstates are constructed through New Orleans, including Claiborne Overpass through Faubourg Tremé. But additional plan for Riverfront Expressway fronting French Quarter is defeated after intense opposition.

**1965** Hurricane Betsy strikes New Orleans region in early September.

**1966** Competition with Houston inspires widening of Poydras Street as showcase corporate corridor. Plan foresees need for major traffic-generating anchors at each end of Poydras: Rivergate Exhibition Hall (1968) at river end, Superdome (1975) at lake end.

**1966** Simultaneous erection of International Trade Mart and Plaza Tower, city's first modern skyscrapers, symbolizes rising oil-related wealth and new piling technology.

**1967** Saints NFL franchise brings professional football to New Orleans, making it a "big league city."

**1970** Jazz and Heritage Festival is held at present-day Congo Square; soon grows into flagship event in city's cultural economy.

**1975** Louisiana Superdome is completed, transforming skyline and breathing new life into CBD.

**1976** Promenade "Moonwalk" opens on French Quarter riverfront; signifies change from port activity to recreation, as containerization and Industrial Canal docks relocate shipping facilities off Mississippi.

**1983-1984** Worldwide oil crash hits city; devastates Gulf Coast and other petroleum-based economies.

**1984** Louisiana World Exposition fails financially but helps spark economic development in Warehouse District and reintroduces citizens to riverfront.

**1985-1986** New Orleans East land development company, poised to urbanize over 20,000 acres of marsh, fails amid oil bust; area becomes Bayou Sauvage National Wildlife Refuge.

**Mid 1990s-early 2000s** Tourist and service economy replaces port and oil as lead job producer. Hotel capacity skyrockets to 37,000 rooms, accommodating ten million annual visitors.

### 2000s

**2000** New Orleans population declines to 484,674, thirty-first largest city in nation.

**Early 2000s** Federal government's HOPE program seeks to end concentration of poverty in isolated public-housing projects by replacing them with New Urbanism-inspired settings,

while integrating poor families paying subsidized rents with modest-income families paying market rates. St. Thomas Development is first to undergo experiment.

**2003** Tourists spend over \$4B annually in Orleans Parish, generating over 61,000 jobs. Visitors to New Orleans account for 44 percent of state's tourism economy.

**2004** New Orleans, population 462,269, is now home to 35 percent of seven-parish metro-area population, down from 80 percent a century earlier.

**2004** Major new containerized shipping facility at Napoleon Avenue wharf, coupled with environmental problems on MR-GO and bottleneck lock on Industrial Canal, returns river to position of prominence in local port industry.

**August 29, 2005** Hurricane Katrina strikes region; surge ruptures federal levees and floodwalls at multiple points, leading to catastrophic flooding of eighty percent of urbanized East Bank. Over 1500 people eventually perish; nearly entire city population is displaced for weeks and months, some for years.

**2006-2007** City's population, reduced from about 455,000 in July 2005 to a few thousand after Katrina, climbs back to 200,000, then to 300,000 range.

**2006-2012** Louisiana "Road Home" Program offers \$150,000 per flooded homeowner, minus insurance settlements and FEMA grants. Homeowners suffering greater than 50 percent damage opt to (1) repair or rebuild in place; (2) sell to state and purchase another home in Louisiana; or (3) sell to state and choose not to remain

a homeowner in Louisiana. Complex transactions were mostly completed by 2011; today, lots that were bought out by state and held in Louisiana Land Trust (LLT) are being transferred to New Orleans Redevelopment Authority (NORA), which is currently returning them to citizen ownership through auctions, Lot Next Door programs, and park space.

**2006-Present** First wave of early-career professionals move to New Orleans in the low thousands, to participate in the recovery; so-called "brain gain" (or "YURPS" – young urban rebuilding professionals) is replaced around 2008-2009 with second wave of newcomers in the digital, finance, media, entertainment, and cultural economy, many of whom have long-term plans for the city.

**2007-2012** Army Corps builds \$15B worth of improvements to ensure protection from storms with 1-percent chance of occurring in any given year. "Hundred-year protection plan" entails gating of outfall and navigation canals, barricading GIWW/MRGO funnel with Netherlands-style barrier, raising of existing levee heights to account for rising seas and subsidence, constructing new levees, installing new pumping stations, and reinforcing weak spots in existing floodwalls and levees. Completed June 2012.

**2008** Hurricane Gustav gives region first post-Katrina test of rebuilt levees, improved evacuation system, and first-responder capabilities, and comes out with mostly successful results.

**2008-2012** B. W. Cooper, C. J. Peete, St. Bernard, and Lafitte housing projects are

demolished and prepared for mixed-income redevelopment. New developments reflecting New Urbanist design sensibilities are now nearly complete and taking in tenants and homeowners, some paying subsidized rates, others market rates.

**2008-Ongoing** New Orleans proves remarkably resistant to nationwide real estate bust and ensuing Great Recession; local employment rates have remained consistently well below national average, and housing values have seen none of the declines of those markets that boomed previously.

**2009-Ongoing** Amid years of planning and civic debate, site is cleared for new University Medical Center and Veterans Affairs Hospital, appending to existing Tulane Avenue medical district. Area promises to become bioinnovation district as well as health-care mecca for South.

**2010** New Orleans Saints' Super Bowl victory brings civic spirit to an apex; public exalts in citywide cultural and economic renaissance only five years after catastrophe.

**2010** U.S. Census enumerates 343,892 residents of New Orleans proper. After adjusting for 2011-2012 growth, city now has roughly 100,000 fewer people than in July 2005 but nearly double the population of July 2006.

**2011** Shipbuilding operations at Avondale and Space Shuttle-components manufacturing at NASA Michoud Assembly Facility enter conversion phase as old contracts expire. Both mega-structures, located at opposite ends of metropolis, bring to bear turn-key opportunities for industrial tenants with

highly trained existing workforce and good river, canal, and interstate access.

**2012** Louisiana becomes third most-productive state for film industry, following much bigger California and New York, thanks to 2002 tax credit. Boom movie and television filming has dovetailed into parallel growth of digital media, software, and entertainment sector. Bountiful office space and infrastructure built during oil and gas real estate boom of 1970s-early 1980s leaves space for new industries, such as the old Chevron Building which now hosts the Receivables Exchange and several start-up and emerging tech firms.

## TO BE CONTINUED

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