



August 20, 2018

Mr. Chris Roth
Managing Director
Jones Lang LaSalle Americas, Inc.

Subject: Request for Proposals – Former Charity Hospital Building, New Orleans

Dear Mr. Roth:

On behalf of Historic Restoration, Incorporated (“HRI”), Iris Development, LLC (“Iris”) and our development team members (collectively, “The HRI/Iris Team”), we are pleased to submit this proposal in response to the LSU Real Estate and Facilities Foundation’s (“REFF”) Request for Proposals (“RFP”) to transform the former Charity Hospital building and its neighboring buildings into a vibrant, walkable community..

This is a transformational project that impacts the overall social, cultural and economic health of the city. This kind of development is catalytic and requires a catalytic developer. This is a complex undertaking, with multiple moving parts, and unknown variables. We stand out for flexibility, agility, and adaptability in offering a clear vision that can be tailored to all variables.

I. THE HRI/IRIS VISION

Charity is an emblem of our city’s heart and soul. It has stood as a symbol for equality in health care. Its rebirth with a public use and as a model for equitable and inclusive development would be a powerful symbol for the city’s post-Katrina future. Why should the public invest in this project? The short answer is economic. It catalyzes a place where people want to work, live, play and visit and makes possible an Innovation District (ID) that may produce 17,000 new jobs and a \$9.5 billion financial impact.¹ It will expand the tourism footprint, relieving the burden on the French Quarter, as tourism grows to 14 million visitors a year. It leverages health care assets to make New Orleans competitive with these industries in places like Houston and Birmingham. It will infuse vibrancy to a severely underutilized swath of New Orleans that stretches from Poydras Street to Louis Armstrong Park. The area contains 2.5 million feet of empty, blighted buildings, parking lots, and the still vacant and storm damaged Municipal Auditorium.

Creating an Innovation District

Those benefits alone justify the project. More important is creating an Innovation District (ID). Achieving that lies at the heart of our vision.

¹ These projections were expressed at a NPC18 Conference, “New Orleans Revitalized: The Biomedical District,” April 22, 2018.

IDs arise in small geographic areas within cities where research universities, medical institutions and companies cluster and connect with start-ups, accelerators, and incubators. IDs represent a new geography of economic development, shifting away from previously isolated suburban research parks towards amenity-rich, hyper-connected areas in a city's core. IDs increase innovation, efficiency and productivity. IDs enable participating individuals and companies to become competitive, nationally and globally.

What makes an ID possible here is the co-location of two major teaching universities and world class hospitals adjacent to a robust city center. The current blighted area occupied by Charity and the VA deprives the city of a place in which to locate an ID. An ID requires revitalizing Charity, establishing a park on the footprint of the old, abandoned VA and creating a destination retail center. All of which form the kind of place where people want to live, work, play and visit, as well as to connect, communicate and interact.

This ID will re-ignite the growth that New Orleans experienced after Katrina but which slowed dramatically in 2017. The need for one is vital to our future.

Meeting Our City's Vital Needs

The City has three glaring needs that our vision solves:

- Affordable and workforce housing, for New Orleans residents with "in-between" incomes who cannot afford to rent one of the luxury apartments that are seemingly the only type of housing springing up downtown. The target markets include employees of city government, and hospitality, tourism, education, and health-care industries – a large percentage of the CBD/Medical District workforce. These individuals want to live in a neighborhood that is full of vitality and in which they can walk to work.
- Moving a currently functionally obsolescent City Hall at an affordable price into a fittingly monumental – and historically significant – new home that befits a great city and puts public employees in the middle of a vibrant Innovation District.
- Capitalizing on the opportunity to use Charity and the retail center for places to spark collaboration and workforce connectivity between the bio-medical, health, technology, hospitality, education and creative industries as well as government.

Community Benefits. A Community Benefits Agreement connected to vitally important New Market Tax Credits (NMTCs) will ensure that the project benefits residents who have historically been overlooked and engages the community in a way that strengthens culture and provides economic opportunity.

Creating a major cultural impact. The Innovation District, including the Upper Canal Street retail area, will provide a venue for culture bearers to sell their products in the Upper Canal Street retail center. The Charity facility itself will provide a venue with a museum and cultural center that increases economic opportunities for locals and sparks creative energy.

Flexibility, adaptability, imagination. We believe that City Hall would be the ideal anchor tenant. But the decision to move lies with the City's Elected Officials, not a developer. Therefore, our first step will be to immediately launch an initial residential phase consisting of 152 mixed-income apartments that will allow sufficient time for the City's prudent due diligence to be concluded on the opportunity to locate City Hall within Charity. Our plan focuses in the longer term on developing between a total of 300 and 640 mixed-income apartments in two or three phases. Flexibility is essential. Tulane University is open to the possibility of taking up to 300,000 square feet of space. United Way is leading a consolidation of social services under one roof and may offer to take 250,000 square feet. We are actively pursuing bio-medical research tenants. Whether these possibilities become concrete opportunities is unknown. Our vision and our capabilities enable us to pivot towards the best outcome. We will maximize the opportunities for Charity, no matter which ones materialize or can be made to materialize, offering certainty of execution through optionality of uses.

What We Exclude

We agree with the Urban Land Institute that a hotel is premature. The market for luxury rental apartments in the Central Business, Warehouse and Charity Districts is overbuilt. There is neither need nor, probably, financing for luxury rental apartments in Charity.

II. THE UNIQUE STRENGTHS OF HRI/IRIS

Commitment to Equitable Development Practices. HRI/Iris has been assembled with intentionality toward inclusion. . It emphasizes DBE participation at every level: ownership, development, design, construction, and construction management. It will engage the community and ultimately result in a Community Benefits Agreement in connection with NMTC financing. The team is committed to affordable housing, equitable delivery of opportunities, and sustainable building.

We believe we can bring more investment to the project than our competitors. Strong financial acumen, large-scale development experience, and key relationships enable us to maximize the financial value of federal and state Historic Tax Credits, New Market Tax Credits, Low Income Housing Tax Credits, and Tax Increment Financing proceeds. With Stirling Properties and JCH as team members, who have a track record as retail developers, we make the certainty and value of the TIF district more robust.

A team that can assemble the government, institutional, civic, community, philanthropic partners required to create a new Innovation District. Our team includes experts in water management, energy, broadband, transportation, retail, the creative industries, social services and job training. We understand the concept of an ID, embrace it, and we possess the know how to create a successful one.

Passion for urban revitalization. HRI has developed its vision for this neighborhood over 12 years of hard work. Its company history demonstrates the passion, leadership, and will to realize our vision's potential.

Proven track record as a Catalytic Developer. A successful ID requires a Catalytic Developer with a proven track record in neighborhood revitalization, realized through community engagement. This proposal is the product of years of intensive engagement with stakeholders. We bring strong relationships at the city, state, and federal level to a project of this magnitude. We can manage the many moving pieces. HRI is a national

leader in urban revitalization: 7 entire neighborhoods in New Orleans alone,² 90 buildings nationwide of which 60 are historic.

Characteristics of Catalytic Development and HRI/Iris

Several characteristics define successful catalytic developments.³ Our team satisfies all of them.

1. Catalytic development generally originates from the place being “down and out.”

The Charity District is blighted and abandoned. Psychologically that produces a negative mindset. Revitalization will create a sense of place, inspire optimism, and attract public and private investment. HRI’s core business is revitalizing districts like this one, as described in our book, The HRI Vision: Revitalizing Cities (authors: Pres Kabacoff, Tom Leonhard, Eddie Boettner, James P. Farwell (Lafayette: University of Lafayette, 2016).

2. Catalytic developers have a clear, focused intention and mission.

Having executed big visions and led the successful revitalizations, we possess required credibility and access to capital through contributions of public land, TIFs, PILOTS, and philanthropy. HRI has been delivering on the Choice Neighborhood Implementation (CNI) project as a trusted partner of the City’s, HANO’s and HUD’s. To date HRI’s CNI projects have resulted in 923 apartments and 207 hotel rooms with a total direct investment of over \$340 million. The successful redevelopment of Charity Hospital has always been part of the CNI vision and our proposed undertaking. We are prepared to execute.

3. A catalytic developer’s personal mission must be balanced by an inclusive project vision

The HRI/Iris team has engaged community stakeholders to ensure an inclusive development process. The Community Benefits Agreement will formalize a binding agreement on an economically viable inclusion plan. HRI/Iris has already collected and incorporated ideas, input and counsel from the community and officials. It will integrate expected outcomes of the CBA: long-term affordable housing, robust DBE participation, living wage commitments, etc.

4. Leveraging Assets

HRI has served as a convener of relevant district institutions (LSU, Tulane, UMC, VA, Delgado and State Vo-Tech), organizations and public entities (Idea Village, NO, Inc, NOBA, RTA, RPC, DDD, HEAL, GNOTC, LSU Facility Foundation) to leverage community assets to create a robust Innovation District; envision transportation centers; create public and high quality green space; create on-going management systems and street improvements, job training centers, progressive energy, broadband and water retention

² The historic Warehouse District, the Historic Central Business District, The Bienville basin (formerly a public housing development), Federal City, Mid-City, the Canal Street Corridor, and River Garden (formerly the St. Thomas Housing Development).

³ Christopher B. Weinberger and Tracy Hadden Loh, “Catalytic Development: 12 Lessons for (Re)Creating Walkable Urban Places (Brookings Institute).

systems and policies; establishing a museum to memorialize the spirit of Charity; a pedestrian/vehicular, public and private transportation plan; a retail center that includes tenancies for culture bearers; mixed income housing to accommodate every age, race, and income level; and a destination retail center.

5. Control of land and existing property

The LSU Foundation controls Charity, Stanislaus, Dibert, DM, Delgado and Butterworth; HEAL (a State appointed Board) controls the garage. The City of New Orleans controls the former Veterans Administration hospital building and the existing locations of City Hall and the Civil District Courts. Two major private owners control almost all the land necessary to assemble for Upper Canal Retail. There is a clear, realizable path to controlling the land that is needed to bring the vision to life.

6. Implemented in phases

We are flexible and have shown the vision to accommodate new thinking. Our vision enables us to do this project in phases, which is necessary to create momentum and allow for the surrounding developments to occur, thereby maximizing the opportunities. We offer certainty through optionality.

7. Commitment to Quality Development

As noted above, HRI is a national leader in the revitalization of historic buildings and neighborhoods.

Team member Woodward/Tishman Design Build (WTDB) is an accomplished design-builder of large historic buildings. WTDB brings local construction participation and national expertise in revitalizing historical buildings, along with large scale financial stability. Its respected for accurately forecasting costs and staying within budget. Its well-practiced outreach, inclusion, and mentorship of local, disadvantaged businesses in our community has earned wide respect.

WTDB is integrally involved in the Four Seasons project on the wide of the former World Trade Center. It's DBE and community outreach efforts for that project have produced over 50% DBE participation from major trades. WTDB will apply the same practices to this project, including: Trade Specific Outreach Meetings, Cost Estimating Training Workshops, Minimum DBE Participation Requirement of 35% for subcontractors, Contractor Controlled Insurance Program (CCIP) for subcontractors, and allowing for Line of Credit Banking Relationships for DBE.

Critically relevant: Woodward/Tishman has now completed the preconstruction phase of the Four Seasons Hotel and Residences. The same process would work on Charity. It's attention is available now to focus on Charity preconstruction.

Local leadership and construction teams: This team comes from, and employs, Louisiana workers. The leadership and hiring will be local.

Iris Development has a strong track record as a conscientious development company; committed to affordable housing, equitable delivery of opportunities, and sustainable building. The company brings a

reputation of civic engagement, often called upon as a thought partner by the city's housing policy makers.

Stirling/JCH is the regional leader in quality retail centers.

Additionally, the HRI/Iris team includes diverse, progressive experts in energy, broadband, water management, job training, community organizing, creative industries, and traffic/urban planning professionals.

III. THE BOTTOM LINE

Next year and for the first time in 34 years, HRI will find itself not working on a major project in New Orleans. That means we have the capacity and resources to dedicate to making Charity's redevelopment a reality.

HRI/IRIS understands this community. We employ a holistic approach. HRI has over \$3 billion of urban development experience with proven results pioneering mixed-income housing and neighborhood revitalization. Our team's strong relationships with the City of New Orleans, the State of Louisiana, LSU, UMC, VA, TULANE, HANO and HUD are vital. Our proposal describes our team members, defines our commitment to diversity, inclusion and equity. Our proposed policies, procedures and practices to ensure an equitable distribution of opportunities to work on this transformative project.

Our proposal defines project programming and related scheduling and phasing; summarizes our development budget and financing plan; outlines the duration of our suggested due diligence and closing periods; and provides the terms of our financial offer.

Duke Ellington famously said about creativity: "It don't mean a thing, if it ain't got that swing." When it comes to historic revitalization and turning transformative dreams into reality, we've got it all.

Regards,



M. Pres Kabacoff
Executive Chairman of the Board of Directors
HRI Properties, LLC

REQUEST FOR PROPOSALS FORMER CHARITY HOSPITAL BUILDING, NEW ORLEANS

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Redevelopment of
CHARITY

AUGUST 20, 2018

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EXECUTIVE SUMMARY

THE WHY

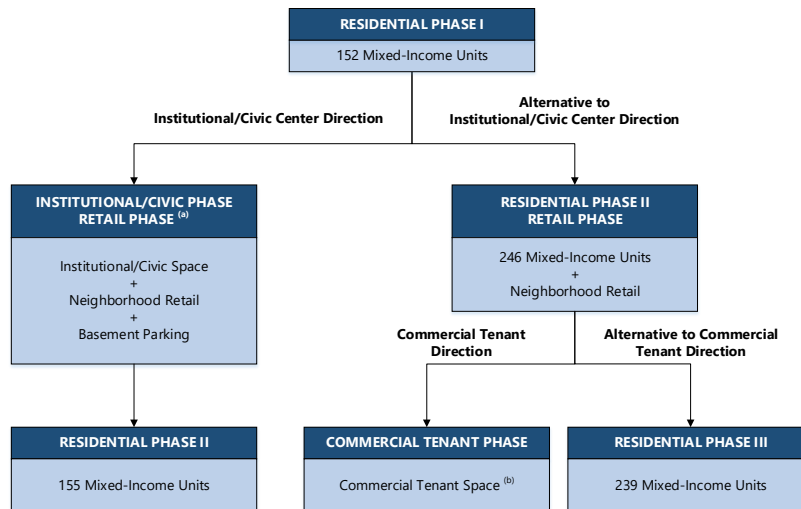
Our approach to the redevelopment of Charity Hospital is grounded in the following key precepts:

1. Workforce housing, not more luxury apartments, is of critical need in downtown New Orleans and it provides the greatest certainty for financing and execution.
2. With Mayor Cantrell’s blessing and following careful due diligence to be performed by the City, New Orleans City Hall represents the most robust opportunity for redevelopment of Charity and the catalyzation of the Spirit of Charity Innovation & TIF/EDD District.
3. The neighborhood currently lacks a critical mass of development to support a hotel or significant commercial use.
4. Charity is too large to undertake in one phase without an immediately committed anchor tenant and this project requires immediacy. Phasing creates momentum and allows for the simultaneous redevelopment of the surrounding neighborhood.
5. Development shall not be performed in a vacuum and the next several months will likely bring new information ripe with opportunities and challenges that will shape the fate of how Charity is brought back into commerce.

THE WHAT

Our proposed redevelopment plan “preserves optionality to drive certainty and success.” First, we will establish momentum and immediacy with an initial phase of mixed-income, multifamily apartments in “**Phase I (Residential)**” of redevelopment. That is certain. The road map we have outlined for other phases allows us to explore the options in a manner that will result in the best combination of feasible, financeable and impactful solutions that will be executed in a highly equitable manner that embraces diversity and serves the needs of the people of New Orleans. Our proposed initial residential phase preserves the opportunity for New Orleans City Hall, should the City conclude that it is in their best interest to proceed, along with ground-floor neighborhood retail space, and a basement level parking garage. The timing of the City’s decision and launch of this undertaking could occur before, during or after the initial residential phase begins. Alternatively, should the City determine that this move is not feasible and/or desirable, we will again proceed with the certainty of another phase of mixed-income, multifamily apartments as “**Phase II (Residential)**.” Our “**Phase III**”, again “preserving optionality to drive certainty and success” is reserved for an impactful commercial tenant, potentially Tulane University, the United Way of Southeast Louisiana, or a TBD biomedical research/laboratory facility. Alternatively, should a commercial tenant fail to materialize, we will again proceed with the certainty of a final phase of mixed-income, multifamily apartments.

Charity Hospital Redevelopment Decision Tree



(a) Depending on the timing of Institutional/Civic Center direction, the Institutional/Civic & Retail Phases could occur prior to or following the start of Residential Phase I.

(b) Potential uses of the Commercial Tenant Space include Tulane University administrative office and research space, a multi-faceted shared space for non-profits in partnership with The United Way of Southeast Louisiana, or Medical Research space.

THE HOW

The cost of placing Charity back in service will be significant but justified by the potential returns to the City and State. We estimate the cost of rehabilitation of Charity at over \$350.0 million, which will require the utilization of every potential financial incentive at the projects disposal including, but not limited to, federal and state historic tax credits, new market tax credits, low-income housing tax credits, CDBG funds, a PILOT, HUD financing and TIF proceeds. The HRI/Iris Team has developed creative and proprietary solutions to maximize the value and sources of financial incentives and is confident in its ability to deliver substantially more than any other RFP respondent. The delivery of this significant incremental subsidy will mean the difference in success vs. failure. The HRI/Iris Team brings to bear strong business relationships throughout the industry and innovative financing strategies that will be essential to the redevelopment of Charity.

I. TEAM

A. TEAM MEMBERS/KEY PERSONNEL

The HRI/Iris Team has assembled a “best-in-class” team of professionals to formulate and execute on a proposed redevelopment plan for Charity Hospital that will catalyze future development in this important downtown neighborhood and which will demonstrate our commitment to deliver a transformative project in an equitable and inclusive way.

HRI PROPERTIES, LLC

HRI Properties, LLC (“HRI”) is a diversified, full service real estate company that is based in New Orleans, Louisiana and is an affiliate of Historic Restoration, Incorporated, which was formed in 1982 by Edward B. Boettner (1933 - 2000) and Pres Kabacoff. HRI is dedicated to the pursuit of revitalizing cities with a niche of owning, managing, and developing irreplaceable, iconic projects in urban areas with an expertise in the adaptive re-use of historic properties. The Company’s differentiated strategy of combining management of both hotels and apartments under one operating platform is unique in the real estate industry. HRI is a “one stop shop” for the development of significant real estate projects, especially those that have a larger synergistic impact on a community. From conceptualizing to designing, structuring and sourcing capital; managing regulatory and brand requirements; managing construction and operating the completed project; HRI possesses, in-house, all the expertise needed to control a large-scale project like Charity and to ensure its successful outcome and continued efficient operation. Under the HRI umbrella, HRI Development, LLC will serve as Co-Developer and Historic Restoration Incorporated will participate in the ownership structure and project sponsorship.

- ⇒ M. Pres Kabacoff, Executive Chairman of the Board of Directors,
- ⇒ A. Thomas Leonhard, President and C.E.O.
- ⇒ Edward Boettner, Co-Chairman and C.A.O.
- ⇒ Michael Coolidge, Chief Investment and Development Officer
- ⇒ Joshua Collen, Senior Vice President, Development Services
- ⇒ Sidney Barthelmy, Vice President, Government Relations
- ⇒ Mark Maher, Vice President, Development Services
- ⇒ Carey Slocum, Director, Development Finance
- ⇒ Edward Leigh, Analyst, Development Finance

IRIS DEVELOPMENT COMPANY - CO-DEVELOPER (DBE)

Iris Development is a New Orleans-based development company, primarily focused on the creation of sustainable, attractive and diverse housing communities. The company has successfully leveraged private and public investment to create mixed-income development projects, including partnerships with the Federal Home Loan Bank of Dallas, the City of New Orleans, the New Orleans Redevelopment Authority, the Industrial Development Board of New Orleans and New York City’s Department of Housing Preservation and Development.

Focusing on ground-up construction and rehabilitation work alike, Iris Development is currently realizing a \$19MM mixed-income development in the Bywater neighborhood in New Orleans and a \$40MM mixed-income homeownership and rental project in Manhattan, New York, as well as various smaller-scale homeownership and rental projects in the New Orleans area.

- ⇒ Curtis Doucette, Jr., Managing Partner
- ⇒ Immanuel Gilen, Managing Partner
- ⇒ Wendy Tsao Hoffman, Managing Partner

HCI CONSTRUCTION, LLC - CONSTRUCTION MANAGEMENT

HCI Construction, LLC (“HCIC”), a wholly owned subsidiary of HRIP, provides construction management services including project managers, field superintendents and field foremen. The construction team helps to create and maintain a detailed project budget and construction schedule in conjunction with the design process to allow ongoing, in-depth knowledge and control of the project process. Furthermore, HCIC assists with FF&E procurement by providing bidding and purchasing oversight, negotiating with vendors and brands and coordinating all logistics associated with schedules and deliverables.

- ⇒ Wayne Clement - President

J.C. PATIN CAG - CONSTRUCTION MANAGEMENT PARTNER (DBE)

JC Patin CAG is a privately held DBE and Hubzone certified business that provides professional services in construction, engineering and design. JC Patin CAG sets high standards for integrity and quality that are built on a family heritage spanning more than four generations. Beginning in the early 1900s, JC Patin CAG got its start in the custom residential and commercial building industry. Throughout the 1980s and up through the years following Katrina, JC Patin CAG has been a key player in

I. TEAM

rebuilding and upgrading the city of New Orleans and the surrounding area's infrastructure through a vast array of civil, commercial and residential projects. JC Patin CAG's successful track record is attributable to the implementation of sound construction management practices that are rooted in the company's core philosophy of hard work and quality construction.

⇒ Cedric Patin, Managing Director

HRI MANAGEMENT, LLC - PROPERTY MANAGEMENT

HRI Management, LLC ("HRIM"), a wholly owned subsidiary of HRIP, provides residential management services for both HRIP owned and third-party property owners. HRIM operates 48 apartment and condominium properties in ten cities and consists of a staff of over 160 employees including specialists in leasing, operations, tax credit compliance, maintenance and resident services. Unique among property management firms, HRI Management brings a quarter century of experience in the successful operation of both market-rate and affordable multi-family buildings. HRI Management is a pioneer in the successful and profitable operation of multi-family developments in historic buildings and urban centers.

⇒ David Abbenante - President

WOODWARD TISHMAN, A JOINT VENTURE - DESIGN-BUILD CONTRACTOR

Woodward Design Build and AECOM Tishman formed Woodward Tishman, A Joint Venture ("Woodward Tishman") in April of 2017 in order to execute the construction of the \$280.0MM Four Seasons Hotel and Residences. Woodward and Tishman have been successfully working together for over a year as the Construction Manager in a preconstruction design assist capacity on the Four Seasons project. Prior to forming the joint venture, both firms were able to confirm that each respective companies' core values were aligned. Both Woodward and Tishman hold a high regard for accountability, hiring the best employees, building strong client relationships and maintaining the highest level of integrity when conducting business. Both Woodward and Tishman have confirmed the strength of its partnership after a year of working together through pre-construction phase of the Four Seasons project and the results of the joint venture have exceeded expectations.

Woodward Design-Build - Founded in 1923, Woodward Design-Build ("Woodward") is a privately held firm based in New Orleans with additional offices and facilities in St. Tammany Parish and Mississippi. Woodward has built a reputation for quality and reliability, striving always to exceed the expectations of its clients. Today, it is one of the largest and most awarded construction firms in Louisiana, its employees have been in the New Orleans community for 95 years, they take great pride in their projects and are grateful for the opportunity to serve their clients.

- ⇒ Paul Flower - Partner
- ⇒ Ken Flower - President
- ⇒ Thomas Erickson - Executive Vice President
- ⇒ Robert Sullivan - Project Executive

AECOM Tishman - AECOM Tishman is a full-service Construction Manager, Owner's Representative and Project Manager. Founded in 1898, AECOM Tishman is responsible for the construction of more than 600 million square feet of space, including facilities of every size and type: office, hotel, entertainment, residential, retail, medical, educational, transportation, recreational and institutional. AECOM Tishman is headquartered in New York City and maintains an active presence in 18 states across the country. AECOM Tishman employs a diversified preconstruction and construction management staff of structural, mechanical, electrical and civil engineers; architects; technology specialists; scheduling and cost control personnel; and construction estimators and accountants. These professionals provide expert consultation and guidance in all phases of a building project, from master planning preconstruction option evaluations and decision-making, design review, estimating and scheduling, through construction and procurement, to occupancy.

HCI ARCHITECTURE, INC (APC) - ARCHITECT

HCI Architecture, Inc. (APC) ("HCIA") a wholly owned subsidiary of HRIP, provides a variety of architectural and interior design services for both HRI and third party developer projects. HCIA provides professional design services; assists in developing project programming; works closely with local, state and federal agencies; coordinates with consultants' work; produces graphic presentation materials for marketing purposes; and provides construction administration services. As its President, Roger Freibert oversees a design staff of nine architects, interior designers and design quality control managers. HCIA has completed more than 55 large scale projects consisting of more than 4,000 apartment units, 4,900 hotel rooms, 570 condo units, over a half million square feet of office/retail space and numerous parking structures.

- ⇒ Roger Freibert - President
- ⇒ Michael Albracht - Team Leader

I. TEAM

WOODWARD ENGINEERING - STRUCTURAL ENGINEER

The Woodward Engineering Group (“Woodward Engineering”) imbues its projects with quality and integrity from the earliest stages and serves a wide range of commercial, institutional, and government clients. Woodward Engineering’s professionals are equally skilled in both traditional building methods and in the application of cutting-edge techniques and materials. Woodward Engineering uses its Virtual Design and Construction capabilities, which features advanced, computer-aided design techniques to support projects during the preconstruction phase as well as throughout construction.

⇒ Nicholas Mannix, Manager

ILSI ENGINEERING - CIVIL ENGINEER (DBE)

ILSI Engineering (“ILSI”) is a 100% female, minority owned civil engineering firm and a certified DBE with multiple agencies. ILSI is domiciled in New Orleans and provides competent, cost effective services in the civil engineering field, specializing in sewer, water, streets and drainage design projects, as well as Program and Construction Management. ILSI has worked closely with several of the top engineering firms in the U.S., such as Shaw, AECOM, CH2MHill and Jacobs. Founded almost two decades ago, ILSI has a strong record of performance on projects completed in the federal, state and municipal sectors. Having built a competent team of civil/structural engineering consultants, ILSI Engineering is well-equipped to provide a number of focused services. Team members are talented, well-practiced and specialize in a number of civil and structural engineering areas. They are dedicated to providing specialized solutions for a client’s needs. The diverse repertoire of ILSI’s projects demonstrates its adaptability to supply several engineering needs and its ability to deliver quality, cost-effective work.

⇒ Iam Tucker - President & CEO

⇒ Ronnie Schumann - VP, Engineering

STIRLING PROPERTIES - CO-RETAIL DEVELOPER

Stirling Properties (“Stirling”) has more than forty-three years of commercial real estate experience in the Gulf South. Stirling’s comprehensive services are unmatched in quality and diversity. They include the development, sale and leasing of commercial properties; investment sales; asset and property management; project management; and buyer and tenant representation. Stirling’s real estate services are widely recognized throughout the Gulf South and the nation. Stirling has vast experience working with a diverse range of clients, including insurance companies; financial institutions; multi-national corporations; city, parish and state government entities; nonprofit corporations; family land trusts; religious organizations; regional medical centers; equity fund managers; private development companies; and retirement fund managers.

⇒ Townsend Underhill - President of Development

JCH PROPERTIES + - CO-RETAIL DEVELOPER

JCH Properties + is a real estate investment, consulting and development company that specializes in delivering urban lifestyle experiences through the conversion of underutilized real estate into “cool”, creative spaces. The company develops multifamily, commercial and special-use projects and its President, Tara Hernandez, has been directly responsible for and/or participated in the development of residential, mixed-use, mixed-income and commercial development projects throughout Louisiana, Mississippi and Missouri.

⇒ Tara Hernandez - President

CREATIVE ALLIANCE OF NEW ORLEANS - RETAIL DEVELOPMENT PARTNER

The Creative Alliance of New Orleans (“CANO”) is a network of cultural and creative producers, professionals, businesses, and nonprofit organizations based in New Orleans, Louisiana, whose mission is to provide training, education, and information for creative artists, cultural producers, and the community; to protect our cultural legacy; and to promote the revitalization of the city as a cultural and economic center.

CANO provides numerous resources for creative professionals across a variety of industries, including: visual, performing, design, media, literary and culinary arts. Services include professional development for working artists, cross discipline networking to promote collaboration and career opportunities, public tours of artist studios and private collections to encourage the purchase of art, and extensive advocacy initiatives to position New Orleans as a creative economic center.

⇒ Jeanne Nathan, Executive Director

ELKINS, PLC - LEGAL COUNSEL

I. TEAM

Elkins, PLC (“Elkins”) sits at the forefront of legal representation in real estate projects at the local, state and national levels. Elkins’ real estate practice spans the development of residential, mixed-use, commercial and resort properties, acquisition, disposition, financing and leasing of real estate projects. Elkins’ represents developers, investors and lenders in secured and unsecured financing transactions, including construction, permanent and mezzanine financing. Their understanding of the legal, tax and financing considerations unique to real estate development allows them to advise clients from initial inception to exit, including structuring of financing, treatment of tax considerations, compliance with local, state and federal laws, land use and zoning compliance and variations, construction law and leasing matters. Elkins has extensive expertise in public/private partnership developments, having served as real estate, tax, financing and development counsel for some of the largest projects in New Orleans, including the World Trade Center Redevelopment, the Saenger Theatre, the Maison Blanche/Ritz-Carlton Development, D.H. Holmes Building and Annex and the St. Thomas and Iberville Housing Redevelopments.

⇒ Gary Elkins - Partner

CLIO ASSOCIATES - HISTORIC PRESERVATION CONSULTANT (WBE)

Clio Associates LLC (“Clio”) is a historic preservation consulting firm specializing in research, documentation, planning and design. Co-founded in 2013 by Gabrielle Begue and Beth Jacob, the firm aims to build a bridge between the preservation and architecture communities in New Orleans, greater Louisiana and the Gulf region. The combination of Clio’s extensive design, research, and writing experience allows them to serve a wide variety of clients and successfully address a diversity of projects. It is Clio’s mission to produce high-quality, practical work that contributes to the protection of the city and region’s built heritage while also supporting its progress and future development.

⇒ Gabrielle Begue - Principal

⇒ Beth Jacobs - Principal

DMM & ASSOCIATES - INCLUSIVITY & DIVERSITY CONSULTING/COMPLIANCE SERVICES (DBE)

DMM & Associates, LLC (“DMM”) is a woman-owned, Louisiana-based firm specializing in creating high performance organizations through "Human Capital Strategies". To enhance their company's capacity, the partners combined their more than 50 years of experience and diverse skills to provide effective services and business solutions for their clients. DMM’s partners and associates are highly skilled professionals with advanced degrees and certifications and expertise in human capital strategies, education and health care management and leadership, diversity management, cultural competency, workforce development education and training, change management, evaluation, monitoring and recruitment and retention.

⇒ Dottie Reese - Principal

⇒ Margaret Montgomery-Richard - Principal

BAQUE HUFFMAN STUDIO - URBAN PLANNING

Baqué Huffman STUDIO is a professional services design firm specializing in Urban Design, Town Planning and Architecture with offices in New Orleans and Tallahassee. The two principals, Andrew Baqué and Craig Huffman, have over forty years’ experience in urban infill and redevelopment projects throughout the United States. They both teach senior and graduate level architecture and urban design studies at LSU and Florida AM Universities respectively. They have been involved in the New Orleans market with projects like the Convention Center Vision and Development Master Plan, the new Louis Armstrong International Airport Terminal, the new Bienville Basin Choice Neighborhoods Initiative Master Plan, the New Orleans East Master Plan, and the Xavier University Campus Master Plan. Their work demonstrates a commitment to the intrinsic qualities of place. They have lectured nationally promoting awareness of our urban heritage and civic traditions of city form. They seek collaborations between clients, communities and design teams around common interest and shared goals; on cultural and environmental stewardship; and political, financial and design innovation all within a spirit of collective and authentic place making.

⇒ Andrew Baqué, Owner and Principal-in-Charge of Urban Planning and Design Services

SQUARE BUTTON - SMART BUILDING/SMART CITY & MEP ENGINEER (DBE)

Square Button leverages its exceptional analytical capability and proactive project management to assist clients and ensure client projects achieve their full potential. Square Button specializes in the design, installation and service of Mechanical (HVAC and Plumbing) and Low-Voltage (Building Automation Systems) systems. No matter the role or the size of the project, the Square Button team excels at establishing dynamic partnerships when needed to deliver excellent service to its customers. Square Button truly believes in the tenets of being a great teammate.

I. TEAM

Square Button is a dynamic company that strives to win every day. Square Button wins for clients and on client projects by leveraging its analytical and project management capabilities. Square Button wins for its stakeholders by creating value through the work it does. Square Button wins for its community by taking pride in its work that creates real, tangible change for the better. Square Button wins with culture. Square Button fosters a culture of hard work, practical yet creative problem solving and accountability to the communities it works in.

- ⇒ Allen Square - CEO
- ⇒ Charles West II - Managing Director

JOHNSON CONTROLS - SMART BUILDING/SMART CITY

Johnson Controls is a global diversified technology and multi-industrial leader serving a wide range of customers in more than 150 countries. Our 130,000 employees create intelligent buildings, efficient energy solutions, and integrated infrastructure that work seamlessly together to deliver on the promise of smart cities and communities.

As a leader in the buildings and energy sectors, Johnson Controls is uniquely positioned to drive innovation in technology to support buildings, communities and cities of the future. With a depth of experience across a wide range of markets and technologies, Johnson Controls will ensure that building, business and specialty systems can be managed as a unified, intelligent infrastructure, creating an environment that connects, shares and optimizes data to deliver connected experiences. To help create a “smart city,” Johnson Controls will furnish, install and integrate systems, products, services and technology in concert with the Team’s goals.

- ⇒ Daniel Swope, Connected Technologies

W.I.S.E./WISP- LA - SMART BUILDING/SMART CITY (DBE)

The W.I.S.E team has been a part of the New Orleans construction market since 2006 and is a Certified DBE female-owned firm specializing in pre-construction budgeting, planning and management for all special systems. W.I.S.E brings the world's technologies together into budget practical packages for end users. Featuring advanced computer-aided design to support project budget forecasting, bid documents and management throughout construction and after. W.I.S.E primary skill set is listening and researching the end user’s needs. Keeping them ahead of the world's technologies as it changes for future development in our city.

W.I.S.E. provides Multi-Year infrastructure planning for systems like WI-FI, IoT, 5G, Fiber, CCTV, A/V, Access, Security, Tel/Data, and DAS by providing dedicated specialized solutions for the client’s needs. W.I.S.E. offers the research and local know-how to connect New Orleans neighborhoods of the future by planning for connectivity in all systems.

- ⇒ Miliss McKay - President
- ⇒ Allen Miller - Vice President

COX COMMUNICATIONS - SMART BUILDING/SMART CITY

Cox Enterprises, founded in 1898, is a privately-held communications, media and automotive services company with revenues of nearly \$20 billion and subsidiary businesses including Cox Communications, Cox Media Group, Manheim, Kelley Blue Book, Autotrader.com and Cox2M. As a division of Cox Communications, Cox Business is one of the country’s leading providers of cable TV, internet and telephone services, and is geared to support Smart City initiatives with over 35,000 miles of metro fiber and 120,000 miles of hybrid fiber coax. Cox Enterprises wholly owns its network of intelligent design that is a redundant ringed, route-diverse and scalable network supported by Cox Business Centers of Excellence that operate and monitor the network on a 24 X 7 basis.

Cox Enterprises supports the local community in a myriad of ways through membership and cash/in-kind support of programs and initiatives that benefit the New Orleans community including, but not limited to, the following: New Orleans Chamber of Commerce, New Orleans Mission, New Orleans Boys' and Girls' Clubs, Hispanic Chamber of Louisiana, and Women in Cable & Telecommunications of Louisiana.

- ⇒ Leigh D. King - Vice President Cox Business

BUILDING SCIENCE INNOVATORS - ENERGY CONSULTING

Building Science Innovators (“BSI”) provides expert consulting services established by scientific, engineering, hands-on experience and education in the design and building construction, renovation, remediation or salvage industries. Using the CLEP invention as a springboard and complementary asset, BSI has expanded its consulting services to electric utilities,

I. TEAM

their regulators, their customers and the industries that furnish building energy design, (e.g., architects, engineers and home energy raters), and manufacturers of appliances and other electrical equipment used in buildings. Myron Katz, Director of Research at Building Science Innovators (BSI), leads a team working to expedite the broad adoption of energy storage in grid-connected buildings in order to improve electricity reliability, building sustainability and penetration of PV.

⇒ Myron Katz, Director of Research

ICE ENERGY - ENERGY CONSULTING

Ice Energy was founded in 2003 with the vision that thermal energy storage could transform inefficient and polluting air conditioners, which are a burden on the grid, into efficient and clean cooling systems that are an asset for the grid. In 2005, Ice Energy launched Ice Bear, an award-winning Ice Bear battery. Since then, Ice Bear has been providing utilities cost-effective and reliable energy storage, lowering electric bills for businesses and homeowners, and reducing CO2 emissions.

⇒ Mike Hopkins, President

HALL PLANNING & ENGINEERING, INC. - TRAFFIC PLANNING

Hall Planning & Engineering, Inc. is a multimodal transportation planning and engineering firm specializing in multiple practice areas within the transportation profession. Richard A. (Rick) Hall, P.E., CNU, and HPE President, is a registered professional engineer in 22 states. Based on his extensive transportation planning and conceptual design experience, the firm focuses on both Planning and Preliminary Engineering, especially the vital interface between Planning and Design. Multimodal transportation aspects of community plans, subarea/sector plans and corridor studies are key HPE emphasis areas.

⇒ Richard A. Hall, President

WAGGONNER & BALL ARCHITECTS - WATER MANAGEMENT CONSULTING

Waggonner & Ball is a broad based architectural and planning firm with over 30 years of experience on a wide range of architectural and planning projects. Located in the historic Garden District of New Orleans, the firm has created award winning educational, retail, office, religious, government, and residential architecture, as well as planning and urban design projects. After Hurricane Katrina, Waggonner & Ball saw an opportunity for New Orleans to reinvent itself as a sustainable city that embraces its lifeblood - water. The firm championed a process that examines history, soils, biodiversity, infrastructure networks, and urban space, along with the forces of water. This holistic foundation for design was developed during the Dutch Dialogues process and continues through the City's recent adoption of the Greater New Orleans Urban Water Plan.

⇒ J. David Waggonner, III, Principal

EWING COLE - BIOMEDICAL ARCHITECTURAL DESIGN

Founded in 1961, EwingCole is a multidisciplinary architecture, engineering, interior design, and planning firm with approximately 350 professionals in Philadelphia, Charlotte, Irvine, New York, Pittsburgh, and Raleigh. EwingCole specializes in complex planning and design projects for a wide variety of science-driven building types. In the past decade, EwingCole has designed over 12 million square feet of Science and Technology space for major pharmaceutical, federal, biotechnology, and universities and medical schools. The firm's diverse experience in a variety of research lab types and manufacturing facilities, combined with a meticulous concern for detail has earned EwingCole recognition as a leader in laboratory planning, design and engineering.

⇒ Steve McDaniel, Director of Science & Technology

FACILITY LOGIX - BIOMEDICAL FACILITIES PLANNING

Facility Logix provides strategic economic development, facility development, and execution management and consulting services for life science, technology and innovation-based cluster development and facilities. Facility Logix's multi-disciplinary approach blends a strong foundation of industry knowledge and commercial real estate experience with the scientific expertise, technical capabilities and experience necessary to effectively advise our clients as to the best market evaluation and positioning, site selection and workforce evaluation, facilities planning, research park planning, development, and management strategies.

⇒ Patricia Larrabee, President

B. DEVELOPMENT TEAM JOINT VENTURE AGREEMENT

See executed Letter of Intent ([Exhibit A](#)) by and between HRI and Iris with regard to development services and participating in the ownership structure of Charity and its respective phased development.

II. DIVERSITY, INCLUSION AND EQUITY

A. OUR VISION OF DIVERSITY, INCLUSION AND EQUITY

The neighborhoods impacted by the Charity Hospital redevelopment bear the distinction of being home to the city’s greatest socio-economic disparities. The HRI/Iris Team is strongly committed to the creation of a project that is catalytic not only in its ability to transform New Orleans’ economy and physical landscape, but additionally redefines how development can be broadly representative and inclusive of the community that forms its core constituency. Putting accountability hand in hand with intent, the development team plans to set direct Disadvantaged Business Enterprise (“DBE”) and local hiring goals, alongside requirements of various civic institutions and stakeholders.

The public input process currently led by GNOF and Design Jones will provide invaluable input for the development team to implement a broad and comprehensive community engagement and development strategy. The importance of this process should not be understated. Through the first two public meetings, it’s become clear that to be successful, an ongoing and binding process of engagement with key community stakeholders is necessary.

Community Benefits Agreement. Going beyond engagement, a key element for The HRI/Iris Team would be the incorporation of an innovative model of memorializing commitments through a Community Benefits Agreement (“CBA”). A CBA, which has multiple precedents in large public-private development processes in other major American cities, will be formulated and entered into with Community Development Entities in connection with the New Market Tax Credit financing.

Some likely outcomes of this process include accountable targets for affordable housing production, goals for living wage job creation, DBE representation minimums on both the worksite and the boardroom (as demonstrated by the partnership between HRI and Iris on the sponsor level), resource sharing for involved DBE firms that are struggling with the demands of growth, mindful and inclusive space planning to integrate the new uses of the building into its existing community while honoring its historical spirit and significance, as well as broad community benefits from daycare provision and public space creation to workforce training and physical space planning for cultural events and activity.

Economic Opportunity. The *New Orleans Prosperity Index: Tricentennial Edition*, reports that “in 2016, the poverty rate among black New Orleanians was 32 percent while the poverty rate among white New Orleanians was nine percent, revealing that race remains a clear dividing line for economic success. The small but growing Hispanic and Asian communities in New Orleans also experience poverty at higher rates than whites. Moreover, large disparities across groups undermine social cohesion and therefore resiliency.” In 2012, thirty-six percent of all businesses in metro New Orleans were minority-owned, a smaller share relative to its population; and at a stagnant two percent of all receipts, well below the national average. The City of New Orleans Disparity Study indicates that 44 percent of local businesses available for work are minority- and women-owned businesses, who might be expected to receive 41 percent of City contract dollars (25.29% Black, 9.11% White Women, 3.4% Latino, 2.45% Asian American and .38% Native American). Subsequently, one of the HRI/Iris Team’s priorities will be to ensure that the Charity project appropriately represents membership, and crucially, economic participation from New Orleans’ rich tapestry of cultural and ethnic backgrounds.

Additionally, the sponsor team has engaged best-in-class consultants, such as DMM, to help identify implementation goals and methods as these ideals are transformed into actionable and measurable performance metrics.

The HRI/Iris Team is particularly concerned about providing economic opportunity to disadvantaged groups across the different bands of economic activity surrounding this project. It is essential to provide and moreover create opportunities to broaden economic opportunity to DBE firms from ownership/development to the construction level and provide an opportunity for the project to be a long-term catalyst for workforce development through its extensive operations. A few specific opportunities include the following:

- Workforce development through apprenticeships with partners like Delgado Community College, YouthForce NOLA, Goodwill Industries and the Foundation for Louisiana, but also including Work Force Nola, Operation Spark, Yep, Job1 Business and Career Solutions and/or the New Orleans Job Corps. (see [Exhibit B](#))
- Create a system of resource sharing for DBE capacity by pooling typical bottleneck points like administrative burdens, legal assistance and payroll/accounting, as pioneered by GNOHA through its Shared Resources program for housing non-profit organizations
- Global tourism organizations are increasingly concerned about the engagement of culture bearers in the decision making, production, education and opportunities of tourism. CANO is proposing specific initiatives that tie the development of the area surrounding Charity Hospital to economic development initiatives to further expand cultural tourism, a fast

II. DIVERSITY, INCLUSION AND EQUITY

growing tourism market, in New Orleans. This could include measures like the availability of space for small entrepreneurial cultural tourism endeavors and nonprofit organizations that are focused on local culture, with a particular focus on communities who originate and favor this rich cultural environment, but who have not been able to achieve the remunerative promise of their talents, despite the recent tourism boom.

- It is anticipated that the CBA will implement a first source hiring policy targeting the low- and moderate-income residents living near the development and in other low-income neighborhoods in the city. This can be achieved with the allocation of funding for Opportunity Centers to develop project-specific job training and notification programs and the engagement of an independent monitor to whom the employers will file periodic reports on the percentages of their hires that are targeted individuals and should be required to describe any difficulties they have had in complying with the program.

Affordable Housing. The lack of affordable housing—in both the rental housing market and the ownership market—is one of the most intractable barriers to economic development of a low-income community. In New Orleans, where housing costs are rising while incomes remain stagnant, a loss of affordability greatly contributes to displacement, which is being acutely experienced by long-term residents in the neighborhoods impacted by the Charity redevelopment. With the stresses of development serving as a clear and present danger to intergenerational residency, the bedrock of cultural preservation and prosperity, the Charity project has the opportunity to achieve managed change for community benefit by recommending the construction of affordable housing units equal to 50 percent of the total project, with a range of affordability options for families earning at or below 80 percent of the area's median income, including a percentage of permanent supportive housing for households earning at or below 20% of the area median income. The required affordable units would meet the high need for 1- and 2-bedroom units for these income ranges, as further detailed in the Project Programming section of this RFP response.

Community Amenities. In addition to the deficits in economic opportunity and housing affordability addressed above, the communities that surround Charity Hospital are in need of increased neighborhood assets for an improved quality of life. In the Claiborne Corridor, 80% of children live without walkable access to schools, libraries, parks, fresh foods, healthcare, and childcare. While these programming decisions are addressed in part by the Programming section, and while these decisions will be informed by ongoing community engagement, a few key priorities have been identified by The HRI/Iris Team.

Bike Easy's 2018 report "Complete Streets for Health Equity" found that in New Orleans 38 percent of residents live in high-poverty census tracts, and 67 percent of crashes in these areas involve people walking and biking. This means our most vulnerable residents are twice as likely to be struck while walking or biking, which is especially evident in the Claiborne Corridor where 40% of residents lack access to a vehicle and Claiborne Avenue itself, which leads the nation in pedestrian fatalities. Complete Streets improvements around the Charity site and on the adjoining Claiborne Avenue from Poydras Street to Elysian Fields Avenue, as signaled by the CID, will give Corridor residents vastly increased walkability, improved safety and health outcomes, and greater access to municipal services and economic opportunity.

The socio-economic and demographic disparity in wealth also necessitate the investment in neighborhood priorities for youth activities. The Charity redevelopment should include spaces for childcare businesses/organizations and should offer innovative childcare services to residents, such as a WE PLAY Center, a free indoor play center for caregivers and children ages birth - 3yrs, designed to offer a safe place to play while engaging in activities that promote brain development, created by Training Grounds, a Corridor-based business.

The (CID), a resident-led equitable development project, is being built along Claiborne Avenue, beneath the elevated I-10 expressway. Its masterplan calls for the creation of two blocks for youth activity and programming to include a Youth City Hall and a range of recreation for 5 – 17-year-olds. The TIF district may provide a significant portion construction costs of these youth blocks of the CID.

Lastly, as Charity Hospital's history is woven tightly with the history of the people of New Orleans from those who were born there, to those whose lives were saved there, to the people who worked there to serve the city and its people, the hospital anchored a neighborhood that was once on the forefront of public health nationwide. It was a model of making healthcare available to all citizens. Many cities developed robust citywide public health programs with the Louisiana and New Orleans public hospitals as their model.

II. DIVERSITY, INCLUSION AND EQUITY

B. DBE PARTICIPATION PLAN

The HRI/Iris Team will develop a comprehensive DBE Management Plan in partnership with Woodward Tishman and DMM & Associates, LLC (“DMM”) to ensure the utilization of DBEs, diversity, and inclusion and to achieve equity outcomes in the redevelopment of the Charity Hospital Building. The HRI/Iris Team intends to use its best efforts to fully and completely carry out this Plan and award contracts to ensure employment and growth opportunities for disadvantage businesses.

The HRI/Iris Team will adopt applicable City of New Orleans DBE policy/ program goals and guidelines. The City’s DBE policy is nondiscriminatory, based on social and economic disadvantages, race, color, gender, disability and national origin in the awarding and performance of contracts. The City’s default goal is 35% DBE participation on non-public works contracts and business entities certified as SLDBE or LAUCP-DBE are all counted toward the DBE participation goal. The program has experienced success with continuous improvements being made and adoption by many local governmental and nonprofit organizations. Additionally, the HRI/Iris Team is committed to removing any barriers which may impede DBE participation and actively create opportunities for their inclusion in the project.

Subsequently, the HRI/Iris Team and its partners Woodward Tishman and DMM are committed to adopting and adhering to the City’s DBE program/policy best practice approach to ensure diversity, inclusion, and equity on every aspect of the project from pre-construction to close out. The team will work to identify and ensure opportunities to enhance DBE participation in the Project to achieve equity outcomes, which would include apprenticeship and training programs, hiring residents, and collaborate with the organizations identified in the CBA to identify inclusive economic opportunities.

DMM will be responsible for monitoring the overall contracting and hiring requirements of the Project, which would focus heavily on Woodward Tishman’s outreach plan, DBE certified firm listings, the buyout process/schedule and solicitation documents, and ongoing construction monitoring. Once the buyout period begins, DMM shall participate in all scheduled outreach sessions and shall conduct weekly site visits to verify the results of all procurement activities where there has been interest expressed by DBEs, through the end of construction.

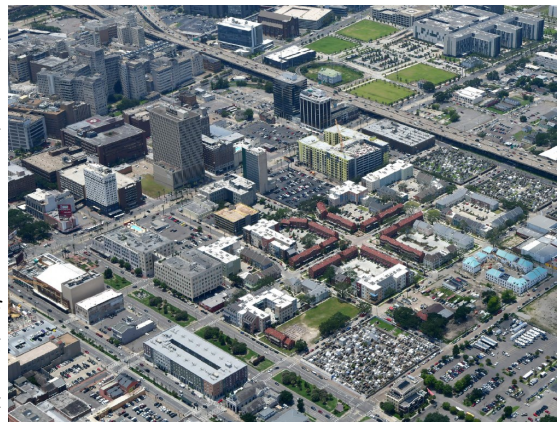
DMM will employ a technology-driven approach to data collection and dissemination. The primary and secondary data sources will include B2GNOW and source documents provided by the HRI/Iris Team and Woodward Tishman. The following will constitute the DBE compliance plan’s monthly reporting package, to be delivered to the HRI/Iris Team for analysis and possible corrective action:

- Monthly Status/Activity Report
- Update on analytics reviewed (i.e., contracting trends by Woodward Tishman, trade areas impact, goal achievements, overall DBE performance, prompt payment history/experiences, conflict resolution success, contract value levels, the economic impact to the local community, excerpts from DBE subcontractors’ statements highlighting experiences)
- Interim DBE Participation Report for verification
- Interim DBE Utilization Report for discussion
- Subcontractor Profile including Sub-Tier Analysis for verification
- Certified DBEs with applicable categories of trades (B2GNOW Certified Directory Report)

III. PROJECT PROGRAMMING

A. OUR VISION OF PROJECT PROGRAMMING

Following HRI’s successful redevelopment of the former St. Thomas Housing Project into the River Garden community, a vibrant 60-acre mixed-use, mixed-income community that serves as a model for transformative affordable housing development, HRI turned its attention to the redevelopment of the Iberville Housing Project (“Iberville”) and the surrounding lower Canal Street neighborhoods. This civic endeavor was driven by the desire of HRI to improve the City of New Orleans and was imagined over 10 years preceding this RFP. HRI envisioned the revitalization of the collection of “City Center” neighborhoods bounded by Poydras Street, Basin Street (and carrying through Congo Square/Louis Armstrong Park), Loyola Avenue/Rampart Avenue and South Claiborne Avenue/I-10. A series of projects would be required to transform underutilized assets along Canal Street and provide connectivity between iconic New Orleans neighborhoods including the French Quarter, the CBD, the Municipal Auditorium/Congo Square, and the Superdome/New Orleans Arena, among others. Upon HRI’s selection as the Master Developer of Iberville and fueled by a \$30.5 million HUD Choice Neighborhood Initiative Grant, the redevelopment of Iberville into “Bienville Basin” became the epicenter of a broad physical, social and economic neighborhood revitalization. This project has had a transformative effect on the surrounding neighborhoods including the French Quarter and lower Canal Street with \$800+ million of investment following in the immediately surrounding area including the historic renovations of the Saenger, Joy and Orpheum Theaters, the Texaco Building, and the Jung Hotel; the new construction of the Bio-Innovation Center, the Homewood Suites Hotel, and the Canal Crossing Apartments (under-construction); and the addition of transportation amenities including the Lafitte Greenway and the extension of various streetcar lines along Canal Street and North Rampart. The Bienville Basin project eliminated a blighted and impoverished section of this important neighborhood and elevated the opportunity for inclusive equitable growth in retail and tourism. The total redevelopment of Iberville included 923 mixed-income apartments in twelve (12) housing phases directly developed by HRI and total funding of \$296 million. In addition, HRI developed a 207-room Homewood Suites Hotel adjacent to Iberville at a total development cost of \$44 million.



Bienville Basin - Aerial Photo

Now, the revitalization of Charity is the most significant remaining cornerstone to complete the transformation of the City Center. For the first time since Hurricane Katrina, the City of New Orleans has stopped growing jobs. More people are moving from New Orleans to other areas of the United States than are coming to the City from other communities. The best way to regain momentum towards continued prosperity is by creating an innovation and tax increment financing district in the Charity/Lower Canal Street neighborhood (the “Spirit of Charity Innovation & TIF/EDD District”) and thereby producing 10,000 new, permanent tourism, technology and medical related jobs. The most important function of such an innovation district is to promote new economic, business and workforce development as an outcome of collaboration between various economic sectors and disciplines. Each district or innovation eco-system should be unique to the assets, resources, history and future potential of a city and the district itself. With this principle in mind we envision a comprehensive use of the Charity Hospital building and site as the anchor and generator of collaboration between the leading assets of the district and city, including, but not limited to the bio-medical, health, technology, hospitality, education, and creative industries.

With more than 2,000,000 square feet of empty buildings and unsightly surface parking lots, this portion of the City Center remains blighted. The potential for the Spirit of Charity Innovation & TIF/EDD District is real because of the neighborhood’s adjacency to New Orleans’ healthy urban center to the east, new world-class hospital facilities (UMC/VA) to the west, the Sports District and Class A office to the south, and a healthy residential mixed-income neighborhood (Bienville Basin) to the north. The presence of strong anchor institutions including the LSU Health Sciences Center, the Tulane University Medical School and the Louisiana Community and Technical College System, the renaissance of lower Canal Street and the connectivity created by the Regional Transit Authority with expansion of street car lines provide a confluence of factors that support growth of the Spirit of Charity Innovation & TIF/EDD District, but fundamentally requires the redevelopment of Charity Hospital.

Decay and vacancy must be eliminated and replaced with a “great place” where people will want to live, work, play and visit. Specifically, this requires the revitalization of Charity informed through equitable and respectful participation of key neighborhood, community and government leaders. The development of Charity and the formation of the Spirit of Charity

III. PROJECT PROGRAMMING

Innovation & TIF/EDD District will require the creation of green space on contiguous undeveloped and vacant parcels to make the area feel less institutional and provide for water management solutions for neighborhood flooding, the creation of broadband and energy solutions that will support the long-term sustainability of area businesses, the creation of a retail center to support a more economically vibrant neighborhood and a Tax Increment Financing (“TIF”) District that will provide gap funding essential to bring Charity, the District’s center piece, back into commerce. These essential Spirit of Charity Innovation & TIF/EDD District elements set the tone and inform our proposed programming for Charity Hospital.

B. OUR UNDERSTANDING OF THE MARKET & ABILITY TO FINANCE

The HRI/Iris Team has thoughtfully endeavored to analyze the myriad of (i) social, economic and market drivers of the City Center community, (ii) the existing condition and structural design limitations of the physical plant of Charity Hospital and (iii) the physical condition and nature of surrounding properties and the lack of a current critical mass of contiguous development and lifestyle amenities so as to yield an understanding of the “highest and best use” functional programming for Charity Hospital. Further, we have performed our analysis within the context of understanding the ability to finance these potential programmatic uses within an historic structure and based on our extensive experience in structuring similar transformative neighborhood redevelopments. We have summarized our analyses of selected key factors that have influenced our proposed project programming as follows:

MARKET ANALYSIS

Multifamily Apartment Market. The Downtown New Orleans Submarket is the epicenter of the greater New Orleans apartment market. New Orleans has consistently been one of the most affordable cities in the country, and this affordability, along with several other factors, has resulted in the recent successful recruitment of companies to New Orleans. Among recent announcements, both DXC Technology and Accruent will be bringing hundreds of high-paying jobs to the CBD over the next few years. Some of the best demand prospects are in the CBD. Tulane University, with more than 13,000 students, is located in Uptown and is part of an education system that enrolls more than 50,000 students a year. The BioDistrict of New Orleans is looking to reshape the metro into a hub of healthcare research and innovation. The University Medical Center is likely to continue to intensify the apartment demand base through the creation of jobs in the health services sector, but even so, the demand may not be for the top of market luxury apartments that are the vast majority of what is being developed in the CBD.

The very real challenge for the Downtown New Orleans submarket is its ability to keep pace with a large supply of new construction luxury apartment inventory projected at over 1,500 units in the next 4 quarters. The Jung Hotel at 1500 Canal Street (Jun-2018 - 113 units), the Canal Crossing Apartments at 1551 Canal Street (Jan-2019 - 330 units), and the Two Saints at 855 St. Charles Avenue (May-2019 - 223 units) are some of the larger luxury apartment properties coming on-line during this time period adding to a “top-end” market that is already over-saturated. Accordingly, overall vacancy rates are expected to increase in 2019 from current rates below 7% to nearly 9% with the luxury apartment sector likely to suffer substantially increased vacancy. This, however, fails to tell the story of those properties not ideally located in the “heart” of the CBD, the Warehouse District or the South Market District where The Domain Companies just announced the construction of a new 29-story apartment project with a projected opening in 2020. “A” rated properties in those prime market locations are commanding rents and achieving occupancy rates that are not available to those properties located on the “fringe” of these areas. Properties like the Saratoga, located at 212 Loyola Avenue, and the California Building, located at 1111 Tulane Avenue, are examples of properties that have historically struggled with double-digit vacancy rates and below-market rents. Charity Hospital’s proximity and more challenging location to these underperforming assets suggests similar, if not, more challenging results for luxury apartments. Conversely, multifamily properties with more reasonable market rate rents have been successful in filling a gap in housing for urban professionals and working-class residents that fuel the backbone of our local economy including those employees of the hospitality, tourism, education and health-care industries. HRI can point to the success of its “fringe” property at the Bienville Basin as a model for the success of mixed-income housing and would suggest a similar model for the development of Charity. Bienville Basin has demonstrated its ability to serve the hospitality, tourism, education and health-care industries with roughly 60% of the residents employed in those industries and roughly 47% earning less than \$30k/year.

The politically charged ubiquity of “short-term rentals” has served as downside protection for the luxury apartment market, as it currently masks an apparent over-supply of units. Entire buildings, such as Factors Row, have converted their luxury apartments to short-term rentals. Developers that are using this approach as downside protection to solve vacancy issues are at great risk in the event the City reverses its current position allowing short-term rentals in commercial multifamily buildings. The market has already felt some of the impact from the potential ban on some short-term rentals creating more inventory on

III. PROJECT PROGRAMMING

the market and creating downward pressure on some rental rates.

Lodging Market. New Orleans is a strong hotel market with full, select, and limited-service hotels remaining consistently strong with increasing daily rates. The New Orleans French Quarter / CBD hotel market has shown aggressive growth since 2012 with a revenue per available room (“RevPar”), calculated by dividing a hotel’s total guestroom revenue by the room count and the number of days in the period, total increase of 11.5% through year end 2017. The past five years (2012-2017) yielded a compound annual growth rate (“CAGR”) of 2.2%. CBRE’s projections for the next four years support continued strong RevPAR growth. The CBD/French Quarter submarket represents approximately 62% of all the supply in Greater New Orleans (“GNO”). Independent assets represent the majority of all supply in GNO with no brand leader commanding the market. Hilton and Marriott are the two largest brands leading the market with a combined 13.8% of room supply.

HRI Lodging, LLC (“HRIL”), a wholly owned subsidiary of HRI, provides hotel management services and HRIL is one of the 50 largest hotel management companies in the U.S. HRIL operates 25 hotels and is an approved operator for industry leading brands including Hyatt, Marriot-Starwood, and Hilton, as well as, independent, boutique hotels. HRI has solicited interest from its hotel partners and the feedback has been consistently non-committal based on the current lack of a critical mass of development and sustainable lifestyle amenities to support a large-scale investment. We concur with this conclusion based on current market conditions but are amenable to reconsideration of this programming based on the success of initial phases of development of Charity and the surrounding neighborhood assets.

Office Market. The Greater New Orleans office market has basically held steady for the past five years. Within the Central Business District (“CBD”), these trends have looked the same. Here is a quick snapshot of the downtown office market, based upon 2017 year-end statistics.

For CBD Class A office buildings:
 Total Rentable Square Feet = 9,032,980 sf
 Total Available Square Feet = 1,107,537 sf
 Percent Leased = 87.74%
 Quoted Rental Rate = \$19.15 psf

For CBD Non-Class A office buildings:
 Total Rentable Square Feet = 2,202,621 sf
 Total Available Square Feet = 784,961 sf
 Percent Leased = 64.36%
 Quoted Rental Rate = \$16.42 psf

Since 2013, the entire Greater New Orleans market has seen a 5% increase in the total amount of available square footage. During that same period, the average rental rates have increased 1.5% and the occupancy rates have decreased by 2.6%. Although New Orleans has seen a recent influx of technology companies – for example, DXC Technology leased 170,000sf of Class A office space at the beginning of this year – this has really just buoyed the slow exodus of several traditional oil & gas companies and their industry-related entities. Whitney’s landmark office building, comprised of 7 different buildings and encompassing 350,000+/- sf in the 200 block of St. Charles Avenue, was recently placed on the market and Whitney will be transitioning its offices into the One Shell Square building, where they too will occupy about 170,000sf. The Whitney building will most probably be converted into a mixed-use property with a few floors of commercial space and either residential or hospitality (or both) above. The Stone Pigman building, located at 546 Carondelet Street and occupying roughly 56,000sf is another example of office product being culled from the market; it is currently being converted into a hotel. Heading in the opposite direction, The Shop at the CAC, has created about 40,000sf of shared office space within the downtown neighborhood where people can rent office space by the day, desk, number of people, etc. This open-plan, flex space has been trending for several years now, however there is still a desire for traditional office space. At 864 S. Peters Street, an additional 40,000sf of newly constructed office space was recently brought on the market and is now being anchored by Leviton, a manufacturing company. Throughout all industries there will always be a natural ebb and flow of businesses and their respective need for space. Despite some of these recent bright spots in the local office sector, we must remain cognizant of the overall market trends. Although Charity falls within the traditional boundaries of the CBD, it is nowhere near (relatively speaking of course) the proverbial business district nexus of St. Charles Avenue and Poydras Street. If CBD people typically enjoy meeting and transferring information within 3 blocks of their own office, then Charity is not really on the map in this regard. Moreover, and as referenced earlier, the rental rates, occupancy and supply for Class A office space have remained rather stagnant for the past five years; the statistics for non-Class A office space are not any better. For the reasons stated herein, we do not feel that converting any significant portion of the Charity building into speculative office space is a viable option at this time. There may be an opportunity for office space in a later phase of this development and we would assess that option accordingly.

Retail Market. At a glance, the retail market throughout the Greater New Orleans area is probably the strongest it has been in

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the last 20 years. We have more national chains now than we have ever had in this city. Not every citizen embraces the notion of nationals coming into their respective neighborhood, but just about every one of them will happily patronize a CVS or PetSmart or Michael's or OrangeTheory Fitness relative to their needs on any given day. The Crescent City also now boasts over 1,500 restaurants doing business within the metro area; compared to roughly 800 pre-Katrina. The majority of these establishments are locally owned and operated. It is important in this community – where there will always be a focus on historical significance, preservation, family and tradition – to maintain a blend of local and national. The nationals provide the financial stability to make projects feasible and the locals remind you where you are and why you're there (or here). And both types originate additional retail sales tax for the city, whose sales tax collections have dramatically increased over the past 5 years.

The influx of new retail talent into the CBD can be easily observed as it now permeates virtually every block of downtown. The Rouses Market, a grocery store, opening at 701 Baronne Street in 2011 acted as a catalyst for the entire neighborhood. Rouses' estimated revenues are about \$800,000/week. Not only does this provide newfound sales tax dollars for the city and create about 100 new entry-level jobs, it also generates foot traffic. As foot traffic increases, then additional street level retail follows. This coincides with the recent surge of residential and ("STR") units being brought online in the CBD. And as historically dormant and blighted downtown streets slowly become livable and walkable, then retail opportunities present themselves in every block.

FINANCING SOURCES

The redevelopment of Charity will require the selection of a catalytic developer with a demonstrated track record, both locally and nationally, of successful large-scale adaptive re-use developments executed through public-private partnership arrangements. The engagement of key community leaders, stakeholders and residents together with the understanding of leveraging various public incentives is essential to the success of this development. One is not accomplished without the other. HRI has consistently demonstrated its ability to nurture public support through cooperative and collaborative stakeholder engagement efforts and by leveraging multiple financial incentives through complex financial structures. Charity will require extraordinary effort and capacity to marry the following financial incentives and it is essential to choose a team that has the ability to overcome these challenges. Our analyses of select financing sources is as follows:

FHA Construction/Permanent Debt. The HRI/Iris Team will seek to obtain a HUD 221(d)(4) non-recourse, senior, secured, non-revolving construction/permanent loan for the rehabilitation of Charity Hospital. The 221(d)(4) loan is the multifamily industry's highest-leverage, lowest-cost, non-recourse, fixed-rate loan available in the business. 221(d)(4) loans are fixed and fully amortizing for 40 years and include up to 3 years of interest-only at a fixed rate during the construction period. These loans are more costly to originate and take longer to close than traditional loans, but the benefits in the form of increased leverage, interest-rate risk mitigation and non-recourse, among other factors, outweigh the additional time and costs.

State & Federal Historic Tax Credit Equity. Charity Hospital is listed on the National Register with the National Park Service ("NPS") and is located within the boundaries of the state-designated Lafitte Greenway Cultural District. As such, Qualified Rehabilitation Expenses ("QREs") will generate Federal and State rehabilitation tax credits (each at 20% of total QREs). The current "post tax-reform" market for these credits yields pricing at rates "typically" ranging from \$0.78 - \$0.85, per \$1.00 of credit. A federal Historic Tax Credit investor will enter into the ownership structure and fund equity into a project based on the "projected" QREs to be incurred during construction and related pricing thereon at various phases of project completion (financial closing, 50% completion, 100% completion, Part 3 Certification and Stabilization). State Historic Tax Credits are transferable and can be sold to a third-party investor upon Part 3 certification from the Louisiana Division of Historic Preservation and Louisiana Department of Revenue approval, which takes place approximately 3-4 months after construction is complete and a cost certification has been prepared. Letters of interest from the National Trust Community Investment Corporation ("NTCIC") ([Exhibit C](#)) and from Stonehenge Capital ([Exhibit C](#)), both long-term partners of HRI, have been obtained for the Federal Historic and State Historic Tax Credit transactions, respectively.

Low-Income Housing Tax Credit Equity. The most important financial engine for the creation of mixed-income and affordable housing is the Federal Low-Income Housing Tax Credit ("LIHTC"). The 9% LIHTC is awarded by the Louisiana Housing Corporation ("LHC") on an annual basis subject to a published Qualified Allocation Plan ("QAP"). The QAP provides the policy objectives and the rules for the highly competitive process of obtaining a reservation of 9% LIHTCs from the LHC. The QAP governs such things as scoring criteria, maximum amount of credit reservation per development, as well as various sub-pools and set-asides all of which set policy that prioritize how the State wants to see affordable housing generated to best serve the needs of its citizens.

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Investments in housing affordable to persons earning 60% of the area median income or less are eligible to generate LIHTCs. Therefore, in a mixed-income transaction, the market rate units do not generate LIHTC, but are needed nonetheless to allow for market segmentation. In New Orleans, households earning 60% of the area median income (which translates to \$27,600 for a person living alone; \$31,500 for a couple; or \$35,460 for a three-person household in 2018) are typically working individuals or families. Creating housing for underserved working households, which are the backbone of several industries located in walking distance from Charity Hospital, is a critically important policy objective.

HRI and Iris each have extensive track records of successful LIHTC development. We have included a letter of interest from RBC Capital Markets ([Exhibit C](#)) to infuse equity into the residential multifamily housing component of the project.

New Market Tax Credit Equity. The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (“CDE”s). The credit totals 39 percent of the original investment amount and is claimed over a period of seven years.

HRI’s affiliated entity, the National Cities Fund, L.L.C. (“NCF”), is a certified Community Development Entity (“CDE”) pursuant to the requirements of the CDFI program and annually submits an application to receive NMTC allocation from the CDFI fund. NCF has received over \$200MM since the inception of the program and in this most recent funding round, NCF included Charity Hospital in its “pipeline” of projects. All of NCF’s NMTC financial products use leveraged NMTC investment structures to maximize the benefit of the NMTCs. By supplementing a NMTC investor’s QEI contribution with HTC investment or funding from leverage loans provided by other capital sources, NCF effectively monetizes NMTCs, enabling it to market its NMTCs to the widest possible set of investors, thereby commanding the best pricing and terms available. Additionally, the involvement of NCF in a transaction helps to bring in multiple other third-party CDEs to also provide allocation and participate in a project’s financing. While we have included letters of interest from RBC, NTCIC and Capital One Community Renewal Fund (“COCRF”) to provide allocation ([Exhibit C](#)), we believe that they are merely three of the most likely of several CDEs that will participate in Charity Hospital if the HRI/Iris Team is the project sponsor.

The use of NMTC financing produces critical equity proceeds that can be utilized to fill the financing gap for transformative mixed-use projects like Charity Hospital. It should be noted that a deep understanding of the program and the complications it can create is essential.

Community Development Block Grant & Other HUD Programs. Community Development Block Grants (“CDBG”) are an important federal funding resource available to fill the financing gap in impactful neighborhood transformation projects. There are three basic categories for eligibility called National Objectives, which are: (i) Benefit to low- and moderate- income (LMI) persons; (ii) Aid in the prevention or elimination of slums or blight; and (iii) Meet a need having a particular urgency (referred to as urgent need).

Obviously, the revitalization of Charity Hospital meets multiple and, arguably, all three of these National Objectives with the right program and execution. It should be noted that the City of New Orleans and the State of Louisiana both receive allocations of CDBG from the Federal Government and have a track record of deploying these funds as subordinate debt into mixed-income or mixed-use transactions. HRI has very successfully developed several mixed-income developments that annually make debt service payments to the State of Louisiana, which program income has become an important source of capital for the State to make new gap financing investments in affordable housing.

In addition to CDBG, there are similar HUD programs that can close financing gaps for project’s such as Charity. These include the HOME Investment Partnership Program, the National Housing Trust Fund, and the Federal Home Loan Bank Affordable Housing Program. This category of funding has been utilized with great success by the HRI/Iris Team and can be part of the solution for the redevelopment of Charity Hospital.

Tax Increment Financing District Sales & Property Tax Bonds. The ULI has recommended the creation of a new Tax Increment Financing (“TIF”) District or Economic Development District (“EDD”) (hereinafter referred to as the “Spirit of Charity Innovation & TIF/EDD District”) surrounding Charity Hospital to support the redevelopment of Charity by capturing a portion of tax revenue to fund improvements in the area and redevelopment of the site. The Spirit of Charity Innovation & TIF/EDD District spans the area between Poydras Street (to the South), Iberville Street (to the North), N.

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Claiborne Avenue (to the West) and Loyola Avenue (to the East).



Rendering of Retail-Based Mixed Use Project (Aerial View)

In following the redevelopment of Charity, Stirling Properties (“Stirling”), in partnership with JCH Properties+ (“JCH”), envisions a retail-based mixed use project comprised of about 382,000sf of commercial space, 82 residential units and parking for 1,400+ vehicles directly across Tulane Avenue from Charity. The project is envisioned to consist of the better part of four city blocks running between Canal St. and Tulane Ave. with substantial frontage and connectivity on both major roads. This will also serve to connect the redeveloped Charity to the Canal St. corridor.

The commercial component would be comprised of a mélange of food service providers (white tablecloth dining, fast casual, lunch

crowd, coffee & pastry, etc.), boutique clothing stores, banks, fitness studios and similar concepts above and in-line with some type of retail box center. The parking would be primarily available for the tenants, retail staff and its respective clientele, however there would be a portion apportioned to be office or all-day parking. The idea here is to create another full-service neighborhood within the mixed fabric of downtown New Orleans. This would not compete with the French Quarter, but rather be complimentary to it and help create a sense of connectivity between historic and business neighborhoods. Of course, this is only possible with a full-scale redevelopment of the neighborhood with Charity leading the way.

<u>COMMERCIAL</u>	<u>SF</u>	<u>RESIDENTIAL</u>	<u>Units</u>
Junior Anchor	165,250	1 & 2 Bedroom	82
Retail Shops	129,480		
Restaurant(s)	10,000	<u>PARKING</u>	<u># of Cars</u>
Office Space	<u>77,500</u>	East Parking Deck	424
Total	382,230	West Parking Deck	983
		Surface Parking	<u>31</u>
		Total	1,438

The initial estimates of the total project cost of Charity-Retail are in the range of \$100-110 million. We anticipate utilizing TIF and EDD programs to assist in financing this development; based on current assumptions, we think \$35-40 million of subsidies will be required. The benefits in terms of job creation, along with the drastically increased property tax and newfound sales tax revenue, are all positives for the city as a whole.

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JCH and Stirling teamed up on the development of Magnolia Marketplace, a 115,281 square foot shopping center located in New Orleans’ Central City neighborhood. Magnolia Marketplace is credited with creating projected annual retail sales of approximately \$36 million for the City of New Orleans, as well as 200 permanent jobs for the area. Magnolia Marketplace was a significant retail development for Orleans Parish, giving residents the opportunity to keep their sales tax dollars local, instead of spending in neighboring parishes. Magnolia Marketplace was 100% pre-leased prior to groundbreaking and remains fully leased.



Rendering of Retail-Based Mixed Use Project (Street View)

The HRI/Iris Team has performed an analysis of the potential to create an Economic Development District around this project that will allow for a TIF on the sales tax dollars. Our estimates are that the total annualized retail sales will be in the range of \$85-90 million. Assuming that we are able to secure all of the State’s 4.45% sales tax and all of the City’s 2.5% sales tax (excluding dedicated RTA and school board amounts) this TIF can generate a total bonding capacity in the \$55-59 million range. We have also assumed Ad Valorem property taxes will be in the range of \$925-975 thousand per year. We estimated that the creation of a property tax PILOT related to the retail center will generate bonding capacity in the \$10-11 million range. In total these revenues will generate approximately \$70.0 million in bonds that will be available to finance the project.

Payment-in-Lieu-of-Taxes. The Industrial Development Board (“IDB”) offers a "Payment-in-Lieu-of-Taxes" (“PILOT”) arrangement whereby the IDB can effect a freeze or a reduction of property taxes by virtue of its status as an entity whose property is exempt from property taxes. PILOT incentives may include an abatement or partial reduction of property taxes for a period of years. The decision to support a PILOT arrangement and terms of each PILOT depend on a number of factors, including the economic benefits of the project such as employment, ultimate increased tax revenues, improvement of the quality of life and other economic benefits, which benefits may include, for example, improving a targeted area or facilitating the development of targeted needs of the City.

With the exception of projects prioritized by the City and housing projects where the land was owned by HANO, very few projects have received a final contract providing a favorable PILOT arrangement. Although all projects coming before the IDB can ask for consideration of a favorable PILOT arrangement, only a small percentage of the projects that have come before the IDB have asked for, satisfied the strenuous requirements of the IDB for qualification, received a vote of approval from the IDB to actually receive a favorable PILOT arrangement. The mixed-use projects that IDB has supported in the past have had transformative impacts beyond just the projects themselves. The redevelopment of Charity Hospital is set to be more transformative than any project that the IDB has seen prior and our team is confident that they will support a PILOT for the development.

EXISTING CONDITION OF NEIGHBORHOOD

Charity hospital asserts its presence on the downtown skyline with a civic pride engendered from years of service to New Orleans and its metropolitan region. This RFP and its reclamation focus are testimony to the dignity this iconic structure holds in the hearts of our community heritage. Unfortunately, the transfer of this noble presence to the pedestrian level is lost in the blight, maze and clutter of a district consisting of a homeless shelter, parking lots, vacant and decaying buildings, and suburban-scaled “super blocks”. Unoccupied buildings including the Dibert, Memorial, Twin Generator, L&M, Hutchinson, and Butterworth immediately surround Charity and must all find alternative uses to facilitate the redevelopment of this neighborhood. This setting, lacking public open space, way-finding, connectivity, capacity for adequate stormwater management and cultural vibrancy, compromises the redevelopment potential of Charity and the subsequent economic, social and urban impact it could and should have on the downtown and surrounding neighborhoods.

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CONCLUSIONS

Based on our understanding of the market conditions, the current status of the immediate neighborhood surrounding Charity Hospital, and the terms and conditions of various financing sources, we have concluded that a strategy that is focused on a phased approach that leverages optionality of uses into a precise direction as decision points are reached by the variety of potential impactful anchor tenants for the redevelopment of Charity Hospital is advantageous from all perspectives.

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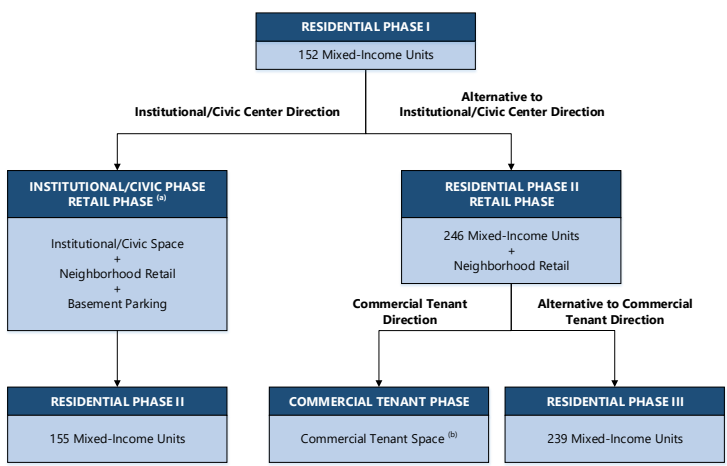
Our multi-dimensional project team, with considerable information received to date from key stakeholders in the community, has thoughtfully developed a vision for this project and the surrounding neighborhood and have prioritized several potential mixed-uses which we believe represent the highest and best financeable use of the property and provides the State of Louisiana with the greatest opportunity to maximize its return over the long-term. Our approach is grounded in a deep understanding of multifamily, lodging and commercial real-estate industries and the New Orleans market for each and the understanding that the certainty of the project will be driven by the optionality that different possible mixes of uses create. We are respectful of the significant history of this iconic building and envision a project that exalts its past splendor to benefit its future purpose. Further, we understand the current medical infrastructure that surrounds this property and the opportunity to provide connectivity to leverage its success. Lastly, we recognize the importance Charity Hospital as the creative hub of the Spirit of Charity Innovation District, utilizing and extending the life of a magnificent building that once housed the most innovative delivery of public health in the nation. The HRI/Iris Team has been actively engaged with several potential commercial tenants to determine their respective interest in occupy significant portions of Charity including the following:

- **City of New Orleans' City Hall.** Former Mayor Mitch Landrieu undertook an effort, early in his administration, to move New Orleans City Hall to Charity Hospital. The Mayor's administration noted that City Hall was more than 50 years old, was becoming functionally obsolete and was at maximum capacity with limited office and storage space. The building lack modern information technology infrastructure and has inadequate wiring and electrical power to properly run and cool IT equipment. The building lacks the necessary space for data centers, has poor wireless capabilities, has significant elevator issues and has a number of structural issues including aging plumbing and fixtures, leaks and subsidence. A move to Charity, which was shelved by the Landrieu administration, was noted as an opportunity to revitalize adjacent neighborhoods, catalyze redevelopment of the decommissioned VA site, stabilize operating costs for City Hall below the then current levels and improve efficiency and quality of workplace for City employees. The redevelopment of Charity Hospital represents a unique opportunity for the City of New Orleans to capitalize on a public/private partnership that will unlock hundreds of millions of dollars of economic development, including many sources typically not available to public entities.
- **Tulane University.** Tulane University has expressed its deep commitment to the redevelopment of Charity and the surrounding neighborhood and will participate in the effort to formulate a Master Plan for the Spirit of Charity Innovation & TIF/EDD District. Tulane University has provided a letter of support (**Exhibit D**) indicating its desire to occupy approximately 300,000 square feet of leasing administrative office and research space in Charity. The breakdown of those two types of space is not determined and there is a lot to be discussed regarding cost and schedule. This letter of support is a testament to Tulane's commitment to diversity, inclusion, equitable growth and sustainable redevelopment. Tulane University is excited about the potential of building modern new work environments in the historic building, enhanced by daylight from its large vertical windows.
- **The United Way of Southeast Louisiana.** The HRI/Iris Team is working with the United Way of Southeast Louisiana ("UWSL") to facilitate the co-location of several of their non-profit organizations within Charity Hospital. The opportunity for UWSL is to drive efficiencies, cut operating costs and strengthen its collaborations with partner agencies through consolidation of office space and back-office administration functions. We believe that locating the non-profit community at the heart of the Innovation District would allow philanthropic collaboration in a way that greatly benefits the City and the mission of the non-profits that provide so many critical services. The UWSL has expressed interest in the need for up to 250,000 SF of space that would likely be located in the Lake Tower. (**Exhibit E**)
- **Biomedical Laboratory/Research Firms.** The HRI/Iris Team is working with the architectural firm of Ewing Cole on the design of state-of-the-art research facility space in the Lake Tower of Charity Hospital and Facility Logix on the generation of lead prospects for users of research facility space. We believe that a bio-medical research facility will further the substantial investment the State has made in the Medical District and Facility Logix has extensive background conducting market assessments that result in the development of life science cluster development strategies that leverage existing assets.

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We have developed several plans that prioritize the certainty and necessity of mixed-income multifamily apartments with critical neighborhood amenities and allows for later phases to leverage optionality of uses into a precise direction as decision points are reached by the variety of potential impactful anchor tenants. Our approach is best understood through a “decision tree” that summarizes the key decision points in our redevelopment of Charity.

Charity Hospital Redevelopment Decision Tree



(a) Depending on the timing of Institutional/Civic Center direction, the Institutional/Civic & Retail Phases could occur prior to or following the start of Residential Phase I.
 (b) Potential uses of the Commercial Tenant Space include Tulane University administrative office and research space, a multi-faceted shared space for non-profits in partnership with The United Way of Southeast Louisiana, or Medical Research space.

Residential Phase 1. Building momentum out of the gate with a readily financeable project will be critical while other elements of the broader neighborhood vision are put in place. To achieve this, we will secure a reservation of 9% LIHTCs from the LHC in their 2019 funding round sufficient to finance 152 mixed-income apartments in the River Tower. This initial residential phase in the River Tower will be constructed within a condominium unit that will have a distinct entrance on Lasalle Street which will preserve optionality for an ideal civic/institutional use for the Center and River Towers (City Hall) to potentially be developed as Phase 2. Of the 152 apartments, there are: 9-studios; 108 1-bedroom units; and 35 2-bedroom units. These initial phase residences will include rental “tiers” resulting in housing for every segment of downtown demand to ensure success, inclusivity and diversity. This translates to 76 market rate housing units that are at a price point within reach to a large percentage of the CBD/Medical District workforce; 60 units affordable to households earning 60% or less of AMI; with 16 units being provided as Permanent Supportive Housing (PSH) with rental subsidies that will be set-aside for populations that most need housing assistance, such as disabled veterans. These PSH units will also count towards the City’s commitment to provide replacement units as part of the HUD Choice Neighborhood Initiative (**Exhibit F**).



Rendering of Typical Apartment Layout & Finishes

Additionally, a leasing preference should be provided for medical/bioscience industry professionals, tourism industry workers and public-sector employees, which will need to be specifically provided for in the 2019 Qualified Allocation Plan (“QAP”) of the Louisiana Housing Corporation. These same leasing preferences should be provided for residents of the market rate housing as well as the affordable housing.

Dedicated amenities for the first phase of the residential component include: pool deck and club lounge on the 13th floor roof with outdoor grill area and cabana; as well as a ground floor business center, community room and program space. The

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ground floor will also have an apartment leasing and management office, mailroom and necessary back of house space on the ground floor.

Institutional/Civic/Retail Phase. The HRI/Iris Team firmly believes that the relocation of City Hall into Charity represents the highest and best use for the project and provides for a catalyzing opportunity to develop the Spirit of Charity Innovation & TIF/EDD District. The redevelopment of Charity Hospital represents a unique opportunity for the City of New Orleans to capitalize on a public/private partnership and locate civic institutions at the epicenter of innovation. It should be noted that if City Hall were to relocate to Charity, it would represent a catalyzing development opportunity for the project. A summary of the HRI/Iris Team’s innovative approach to providing the appropriate legal structuring and financing for the inclusion of City Hall is included in the Documentation Section (VIII.)



Rendering of 13th Floor Pool Deck

Should City Hall conclude that it is feasible and desirable for them to be located within Charity Hospital, we will be prepared to launch the Institutional/Civic/Retail phase of the redevelopment plan that will include two separate financial closings for: (1) commercial space for City Hall and (2) ground floor neighborhood retail space (17,800 SF) along with a basement parking garage in Charity (131 spaces). Depending on the timing of this decision by the City, this portion of the project could occur prior to or following the start of the first residential phase.



Rendering of Proposed Landscape/Hardscape Design

City Hall would have use of a majority of the ground floor including the grand entrance from Tulane Avenue into the Center Tower with security established in one of the historic, free-standing waiting room buildings that define the entrance to the courtyard fronting Tulane Avenue which would also include a coffee shop to make this arrival sequence inviting and mixed-use in and of itself. The Spirit of Charity Museum would be located in the opposing free-standing building. City Hall prominently occupies much of the 1st floor and continues up through much of the Center and River Towers including monumental space on the 19th floor to be utilized for a City Hall employee amenity.

With the location of City Hall in Charity, appropriate homage is paid to the development of the ground floor Center Tower providing for a grand entrance to and through the entire building

from Tulane Avenue to Gravier Street. Accordingly, available ground floor neighborhood retail is limited to the prominent corners of the building and include plans for a 7,700 SF daycare facility (located in the Lake Tower at Tulane Avenue), a 7,000 SF retail space (located in the River Tower at Tulane Avenue) where we envision a destination restaurant with its own private entrance along Tulane Avenue, and a 5,000 SF fitness center utilized by the buildings occupants as well as the general public.

Only with the inclusion of City Hall will we undertake to adapt the basement to a parking garage that we have designed to accommodate approximately 131 spaces. This would include the construction of an entrance driveway accessible from Gravier Street.

Residential Phase 2. The second residential development created as part of the required needs to utilize Historic Tax Credit financing includes 155 units located in the Lake Tower. This residential phase will be constructed within a condominium unit

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that will be accessible through both the main residential entrance on LaSalle Street and with additional access at the existing elevator banks in the Lake Tower. Of the 155 apartments, there are: 6 studios; 109 1-bedroom units; and 40 2-bedroom units. This phase of residences will include rental “tiers” resulting in housing for every segment of downtown demand to ensure success, inclusivity and diversity. This translates to 77 market rate housing units that are at a price point within reach to a large percentage of the CBD/Medical District workforce; 62 units affordable to households earning 60% or less of AMI; with 16 units being provided as Permanent Supportive Housing (PSH) with rental subsidies that will be set-aside for populations that most need housing assistance, such as disabled veterans. These PSH units will also count towards the commitment to provide replacement units as part of the HUD Choice Neighborhood Initiative.

Alternative to the Institutional/Civic/Retail Phase. Should City Hall conclude that it is infeasible or undesirable for them to be located within Charity Hospital, we will be prepared to launch the second phase of the redevelopment plan that will include two separate financial closings: one for a second residential phase; and another for a ground floor impactful neighborhood retail development comprising approximately 62,000 SF.

The second residential development created as part of Phase 2 will include 246 units located in the Center Tower of Charity Hospital and will also include the renovation of the highly monumental entrance and ground floor circulation space. The approach to apartments is similar to that utilized in the initial phase but tiered even more so with: 123 market-rate units, including those located on the 15th through the 19th floors will be marketed at higher rents due to their elevated location in the Center Tower; 24 units will be rented to households earning 80% or less of the AMI; 74 units at the 60% AMI level of affordability and 25 units as Permanent Supportive Housing (PSH), which will be targeted for disabled veterans. The 246 apartments in the second phase are comprised of 1 studio apartment, 136 1-bedroom units and 109 2-bedroom units.

This residential phase will also include a dramatic 2-story resident lounge and gathering room on the 19th floor that will have outdoor terraces affording all residents sweeping views of the City. The residential component of Phase 2 will entail restoring the historic auditorium space located on the Gravier Street side of the second floor. This approximately 2,600 square foot space will serve as a meeting room for residents and commercial tenants of the building and will also be made available for use by the surrounding community.

The commercial development that will take place contemporaneously with the second residential phase, will be a separate financing and ownership component that will create ground floor retail, neighborhood amenities and a museum (providing significantly more space than that available under Option A) celebrating the history and spirit of Charity Hospital with the following spaces and programming:

- The historic, free-standing waiting room buildings that define the entrance to the courtyard fronting Tulane Avenue are each approximately 1,350 square feet and are ideal for casual food and beverage venues, such as a coffee shop, café, or similar business. They are set back sufficiently from the street to allow for outdoor seating to activate the public right-of-way. Their restoration, along with that of the graceful, curved streamline modern covered breezeways provide a perfect first impression upon entering the courtyard space, which we envision as vibrant public space with a reintroduced reflecting pool or fountain centered in the promenade to the building’s monumental entrance.
- Upon entering the front door of the building, the public will experience a beautifully renovated lobby with the historic details of Charity Hospital preserved. Opening off of this main lobby will be the Spirit of Charity Hospital Museum, which will celebrate historic images and the many artifacts currently located throughout the building and provide for an interactive experiential activity that we envision would allow visitors to share their personal stories and experiences at the former Charity Hospital. We have received a letter of support from The Historic New Orleans Collection to help curate this space. ([Exhibit G](#))
- Situated on the Tulane Avenue side of the River Tower is a retail space of approximately 6,900 square feet occupying the hard corner with LaSalle Street. We envision a destination restaurant in this location with its own entrance along Tulane Avenue.
- Located on the ground floor space fronting Tulane Avenue in the Lake Tower, we have created a significant retail opportunity of approximately 10,600 square feet. Here, we wish to locate a neighborhood grocery that will provide a much-needed amenity to an underserved community and eliminate a food desert in this immediate area of the City. Healthy, fresh grocery options and prepared foods that provide an economical option for downtown workers and residents is an important ingredient for the Spirit of Charity Innovation & TIF/EDD District. To attract an urban grocer, we propose creating a one-way drive that will provide a few dozen short-term convenience parking spaces between Charity and the adjacent LSU owned structure. We have received interest from the Pythian Market (see [Exhibit H](#)) which

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has proposed a grocery that combines access, affordability, and quality by incorporating healthy grocery options along with grab-and-go prepared food that will serve the substantial workforce moving in and out of this district on a daily basis.

- At the corner of Gravier and LaSalle Streets, we are seeking to create a multi-tenant, hub for fitness and wellness studios. We believe that providing a large 15,500 square foot space that includes a 5,200 square foot dedicated fitness courtyard will attract a variety of tenants who will see the opportunity to co-locate in the Spirit of Charity Innovation & TIF/EDD District within walking distance to so many jobs and residents. This fitness and wellness center will have an opportunity for multiple direct entrances to the exterior of the building, but will share the private drive and covered entrance along Gravier Street with the residential component, as well as the final neighborhood amenity that we have envisioned for the ground floor retail space fronting Tulane Avenue. The CEO of the YMCA of Greater New Orleans, Mr. Gordon Wadge, has expressed his interest in discussing the possibilities for participation in this component of our proposed development. The YMCA has an established history of success in health and wellness, youth programming, childcare operations, senior citizen centers, aquatics, and more.
- A 15,800 square foot daycare center that will occupy the Gravier Street frontage of the Lake Tower. The downtown core has an extreme shortage of childcare facilities to serve the needs of working families with small children. The opportunity in Charity to provide this service and utilize the second internal courtyard as a dedicated 5,200 square foot playground is ideal for both the overall development program itself, but also for the Innovation District as a whole. We have obtained a letter of interest from the Audubon Primary Academy ([Exhibit H](#)) to expand its operations to Charity.

Phase 3. This Phase only occurs if City Hall concludes that it is infeasible or undesirable for them to be located within Charity Hospital and we have proceeded with Residential Phase 2. Again, this Phase provides for optionality of uses into a precise direction as decision points are reached by one of the various potential anchor tenants in the Lake Tower of Charity. The HRI/Iris Team are actively pursuing commercial tenants including Tulane University, the United Way of Southeast Louisiana, or a Biomedical Laboratory/Research firm. While we have received some encouraging expressions of interest, we believe that significant progress will need to be made both in the surrounding neighborhood and in establishing confidence in the renovation of Charity, itself, before an ideal commercial tenant will commit to locate in the building. It is for that reason that we have preserved this commercial option for the third and final renovation phase.

While we have not yet explored this option in depth, we believe a student housing facility would also be feasible for the Lake Tower and, if selected, we would be interested in having further discussions with the higher education institutions located within walking distance to Charity Hospital.

Having outlined the potential commercial components that we will pursue, we are prepared to move forward with a third residential phase in the Lake Tower if tenant leasing commitments have not materialized at the point we are ready to apply for LIHTC financing. This third residential phase would include up to 239 mixed-income apartments if the remaining square footage of the building is dedicated to a multifamily use including, 9 studio apartments, 137 1-bedroom units and 93 2-bedroom units. Like the prior phases, the units will be available to a diverse group of renters ensuring absorption and long-term sustainability. Specifically, 119 of the apartments will be market rates units, 24 units will be affordable to households earning 80% or less of the AMI, 72 units will set-aside at 60% AMI; with the remaining 24 units set-aside as PSH units.

For this third phase, we will convert the historic surgery auditorium classroom on the 12th floor into a residential amenity as a theater/media room. This third phase of the building will also benefit from multiple elevator banks and entrances. It will be connected to the main lobby and upper floor corridors of the prior residential phases allowing for its integration into the completed facility. The third phase will utilize the elevator banks located at the center of the Lake Tower, as well as the freight elevators with an entrance to be provided on the Gravier Street side of the tower. The availability of these freight elevators is important as it provides for optionality to reduce the size of the residential component in the Lake Tower if: the second phase includes the large civic/institutional use; or if a large portion of the Lake Tower, but not the entire tower, is desired by a commercial use. In that case the elevator banks located at the center of the Lake Tower can be dedicated to the civic/institutional or commercial users and the residential component can utilize the freight elevators on the Gravier Side of the building.

Conclusion. The first several months following the selection of a catalytic developer are likely to bring new information ripe with opportunities and challenges that will shape the fate of how Charity is brought back into commerce. The programming and plans proposed by the HRI/Iris Team provide certainty in a unique way. We provide certainty of direction by converting optionality into opportunity. We are prepared to launch the predevelopment process on a residential phase immediately upon

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selection. That is certain. In our experience, building momentum on projects of this scale is critically important. The road map we have outlined for later phases allows us to explore the options in a manner that will result in the best combination of feasible, financeable and impactful solutions that will be executed in a highly equitable manner.

D. ARCHITECTURAL DESIGN PLANS & SPECIFICATIONS

See **Exhibit I** for Architectural Design Plans & Specifications for Scenario I: City Hall; Mixed-Income Multifamily Apartments (307 Units); Ground Floor Neighborhood Retail (17,800 SF); and Basement Parking Garage (approximately 131 Spaces).

See **Exhibit J** for Architectural Design Plans & Specifications for Scenario II: Mixed-Income Multifamily Apartments (637 Units) and Ground Floor Neighborhood Retail (62,500 SF).

Given the limitations in space required for this RFP response, we have not included a separate design for the option of securing a large anchor tenant (i.e., Tulane, United Way or Biomedical Firm). The individual needs of each these commercial tenants also varies to some degree. We would be pleased to discuss those plans upon request.

E. SPIRIT OF CHARITY INNOVATION & TIF/EDD DISTRICT MASTER SITE PLAN

BACKGROUND

Claiming the civic presence that Charity deserves at the ground level requires giving it room to breathe, space to be appreciated, and public places to host the community gatherings and celebrations that it would naturally inspire. Its cultural role in the city’s history begs a setting worthy of its enduring legacy. The vacancy of publicly owned buildings in its proximity offers a solution to this civic objective. A public park could be created across Gravier St (creating opportunities for creative



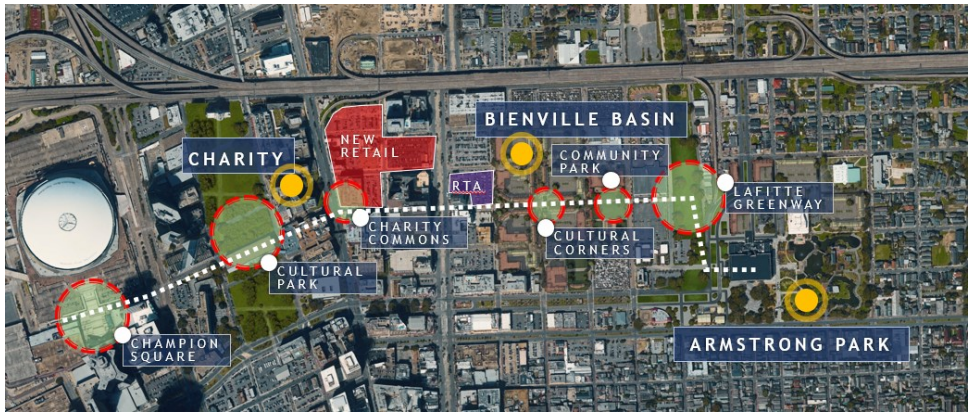
Rendering of Proposed Spirit of Charity Innovation & TIF/EDD District Master Plan

stormwater management) by the removal of vacant VA buildings, and a public square across Tulane Ave by the removal the Butterworth and Delgado buildings. Together, these public spaces extend Charity’s historic civic role establishing this cultural ensemble as the ‘core’ and central focus of the district. This core becomes vital to the reprogramming and redevelopment of the larger district, which extends out to Canal and Poydras Streets, and to Loyola and Claiborne Avenues. This bold and broad impact will be distinct enough to send ripples of economic and social vibrancy as far north as Municipal Auditorium, Armstrong Park, Lafitte Greenway, Bienville Basin, Bio Innovation Center (and potentially, the RTA Transfer Station being considered on Canal St at Marais); and south as far as the Sports District and Champions Square (and possibly, with the right surgical consideration, UPT), which are all effectively linked to each other and Charity by the LaSalle, Marais corridor. It is this type of culturally activated, diverse and fully-integrated environment that attracts the current market of technology and innovation companies, retail and entertainment venues, shopping and leisure activities. Collectively they foster an innovation economy and lifestyle that is redefining urban centers and living choices around the country.

The vision for the District allows for a mix of key government, residential and mixed use tenants. Charity Hospital itself would provide connective tissue for the district, including government, universities, businesses, cultural enterprises and initiatives. The outcome of the center would be to stimulate innovation and economic opportunity. An equally important function of the Spirit of Charity Innovation District will be to promote collaboration between assets, institutions and economic sectors represented in the district. Collaboration across disciplines is one of the leading criteria for successful innovation districts. A

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few specific ideas in that spirit that furthermore renew the legacy of Charity Hospital include: (i) The Spirit of Charity Museum, or a retail component within the Spirit of Charity Innovation District could allow for the sale of cultural products unique to New Orleans; (ii) an information point regarding preventative care, modeled partly on Health & Technology Centers in other cities, would be a particularly apt homage to the physical history and historical use of the site, while in small part addressing the grave inequities in health care outcomes that plague both the immediate neighborhood and the city as a whole; (iii) a story telling modality to include a way for people to tell their stories and self-record their personal history with Charity.



Connecting Neighborhoods in the “City Center”

INNOVATION DISTRICT ENHANCEMENTS

Water Management Solutions. The redevelopment of the Charity District presents an opportunity to create a large system of innovative stormwater management interventions that both increase resilience and improve aesthetic and spatial quality. New parks, improved street infrastructure and water managing architectural features will significantly reduce chronic flooding in the drainage basin, in alignment with the Urban Water Plan.

The existing project area is densely developed with highly impervious land cover, which generates large volumes of stormwater runoff (Exhibit K). Drainage infrastructure is undersized and regularly overwhelmed during rain events. Located mid-slope in the Drainage Pumping Station 2 watershed, it frequently floods due to runoff from the CBD upslope and contributes to flooding in the bottom of the bowl. A statistical two-year storm event, as illustrated by the City’s SWMM model, produces significant flooding in the streets around Charity Hospital (Exhibit K). During the August 5th, 2017 storm, the district flooded significantly, and its runoff worsened flooding in Mid-City. This chronic flooding impacts access to businesses, medical facilities and civic buildings.

To reduce flooding and subsidence, Greater New Orleans Urban Water Plan “Living with Water” principles of SLOW, STORE and REUSE will be implemented through a series of urban parks and green streets. The old VA Hospital and the Charity Hospital Physical Plant are proposed to be demolished and replaced with an urban park that will be the green heart of the district. The park will provide nearly 11 acres of new open space, reducing the district’s impervious surface significantly enough to impact runoff volumes appreciably (SLOW). The park will also provide an opportunity to store substantial volumes of stormwater using a combination of detention basins, bioswales and large-scale plantings of trees and native plants, like the Cloud Burst Parks of Copenhagen or the Mirabeau Water Garden project closer to home in Gentilly (STORE). The park will also provide space for a novel groundwater well heat exchange that will use stormwater to cool the surrounding development (REUSE). Additional park space is proposed at Tulane and S. Villere and smaller pocket parks will be located throughout the district to both store water and create urban quality. New tree plantings and urban bioswales in the surrounding street network will intercept runoff, reduce heat island effect and provide shade. New and renovated buildings will utilize architectural and landscape detention strategies, meeting the 1.25” on-site detention requirement of the City and exceeding where possible. Combined, these measures will decrease urban flooding around Charity Hospital and throughout the watershed.

Traffic Planning. There are several fundamental elements that require direct attention to ensure the successful implementation of a site mobility plan for Charity, including:

- **Great walkable street design for the surrounding street network** - Speed of the motor vehicles is the ultimate contribution to pedestrian safety. Street enhancements should include the use of 10 or 11 foot travel lanes to help manage vehicle speed. Significant street tree planting helps provide enclosure and shade for the comfort of walkers, especially considering the tropical climate. Clear attention to pedestrian crosswalks for length, down lighting and fresh marking all contribute to safety and comfort. On street parking adds to parking supply and allows more pedestrians to access the walkways in the surrounding network.

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- **Attention to transit connections** - Transit service by bus and streetcar is vital to longer trips beyond walking distances. Walkability noted above is a foundation to successful transit, allowing patrons to reach stations with greater ease. The lines at Canal St and Loyola Ave are only two blocks in each direction from the Charity site, an easy walk for most transit riders. Bus service should fill in and complete the transit service. The multi-modal RTA Transfer Station being considered at Canal and Marais Streets would locate car, transit, bicycle and pedestrian mobility within two blocks of the Charity site and help activate and support housing, retail, entertainment and office uses in the area.
- **Development of bicycle transportation in the district** - Bicycle mobility is an increasingly popular choice for urban travelers. The use of “protected” bike lanes has yielded significant increases in ridership in Washington DC and other larger cities. Placement of cycle tracks on the outside of parallel parked cars is an established design solution. Intersections require special treatment in conjunction with protected bike lanes. The overall management of vehicular traffic to 25 miles per hour automatically increases cycling safety and comfort for cyclists with mid-level skills. Plentiful bicycle parking in the network is a key element to encouraging the bicycle option.
- **Maintenance of manage motor vehicle flow within the modal mix** - Obviously motor vehicles are vital to the system. Optimizing capacity is important, however, vehicle flow design within the Complete Streets context is the newest design paradigm. More pedestrian ways should bisect the super blocks wherever possible. Greater diversity of walking paths will increase daily walking significantly. If design questions arise between vehicle and pedestrian safety and comfort, the pedestrians must be given substantial priority. Narrower lanes, compact intersections, reallocation of space and only rare use of one-way streets are solid street design principles for compact, multimodal transportation networks. These design concepts all share the fundamental policy decision to focus on all major travel modes for safety and economic sustainability.

“Smart Building”/“Smart City” Solutions. The goal of the Spirit of Charity Innovation & TIF/EDD District is to leverage broadband technology to promote smart city/building technology, safety and access/equity for all. Our vision realized is the Spirit of Charity Innovation & TIF/EDD District becoming a sought out destination for businesses, residents, and those that promote smart city technology. Success creates a technology enabled community of people from all walks of life.

The HRI/Iris Team proposed Smart Buildings Team consists of proven technologists, service providers and construction companies. The core team, Johnson Controls Inc., Cox Business, W.I.S.E., and Square Button, have deep experience and demonstrated success in delivering on similar projects. Our team will partner with the City of New Orleans to design, construct, and operate an ultra-high speed fiber optic network backbone that enables smart technology to interoperate, promoting quality of life and bringing economic benefit to all.

Delivery of the ultimate “connected community” is the goal of our efforts. Free WiFi in common spaces and lower cost access for low income residents and small businesses ensures access for all. As important, is that the ultra-high speeds will afford more effective use of the latest, most-energy saving and most performance- enhancing technologies. Below is a list of potential applications that can leverage the infrastructure we propose across the district:

- **Safety:** Key features include, but are not limited to, in-building and public space CCTV, access controls, situational awareness and command centers providing alarm receiving, CCTV monitoring, incident management, emergency planning disaster recovery, audio communications (VoIP, radio, intercom), operational intelligence, and virtual concierge services.
- **Cost Savings to City of New Orleans:** Leveraging our team’s broadband infrastructure is an opportunity for the City to avoid the connectivity costs for many devices. Currently, or in the near future, the City of New Orleans could avoid the monthly costs of ensuring connectivity to parking meters, street lights, cameras, and traffic lights.
- **Flood detection:** Drain monitors have long been a discussion of increasing awareness of potential flooding. Installation of monitors would be fully supported by the wireless connectivity that our team would supply to the area around the Charity building and throughout the district.
- **Enhanced Retail Experience:** Retail has been rapidly changing with the increased use of online sales. Retailers are looking to technology to improve the shopping experience in traditional brick and mortar stores. The Spirit of Charity Innovation & TIF/EDD District is an opportunity to test and attract retailers due to the availability of ultra-high-speed data.
- **Energy:** Key features include, but are not limited to, smart metering, energy management, smart street lights, cost certainty related to energy utilization and life-cycle management.
- **Life-cycle management:** Planning for future technology infrastructure demands, guaranteed cost certainty related to energy utilization/efficiency over multi-year time horizon, asset management and planning.

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Energy Plan. The HRI/Iris Team has assembled a team of nationally recognized leaders in innovative energy solutions, including Building Science Innovators and ICE Energy, to formulate an Energy Plan that offers the potential for immense benefits to the Charity Hospital project and all businesses located in the Innovation District. This forward-thinking Energy Plan is intended to be a model nationally and internationally for sustainable development. The cornerstone of the plan requires a New Orleans's City Council resolution that Entergy New Orleans adopt, for purposes of this redevelopment, a market-based, electricity rate-structure called Customer Lowered Electricity Price (CLEP). CLEP will lower the price of electricity for all in New Orleans; support reliability solutions at Charity with positive net present value cashflow; and, enable each individual aspect of the energy plan to be either self-funding or financeable through well-established methods. Without the adoption of CLEP, the proposed energy technology solutions are not financeable, as payback does not support the initial capital outlay and, therefore, not realizable.

Like most of the country, New Orleans and its residents have lived with an electricity grid built on the central plant model, dependent on fossil fuels and susceptible to outages. The difference is that New Orleans has been plagued by outages unlike anywhere else in the country and the costs being incurred and being planned by the utility to mitigate outages are extraordinary and unlikely to fix the problem inherent in a central plant model dependent on fossil fuels. There is a move across the country from fossil fuels to renewables and with it there is the opportunity to change grids from the vulnerable central plant model to the more reliable and resilient distributed model where power is generated and managed right where power is consumed without the need for large, expensive vulnerable power plants whose power needs to be delivered over large, expensive transmission lines to get where it needs to go. People across the US are taking advantage of this opportunity by developing microgrids – essentially privately-owned grids operating within the utility's grid. Microgrids are based on local rather than central decision making, localize energy resources to improve reliability and resiliency, and when done right, benefit everyone. The HRI/Iris Team Energy Plan includes what will be New Orleans' first microgrid. The microgrid will incorporate best in class zero and low emission generation, energy efficiency and demand management, including thermal and electrical storage, and is being designed to be readily replicated throughout New Orleans and beyond. The microgrid, like all microgrids, requires a market-based rate arrangement with the utility under which the microgrid pays the real cost of electricity when it consumes grid power and earns the real price of electricity when it generates or saves electricity, including sharing in the value to the grid of the microgrid improving the reliability and resiliency of the grid. This arrangement is what enables the microgrid owner to finance the microgrid without any cost to rate payers and ensures the best decision making for the design and operation of the microgrid.

F. OTHER ELEMENTS

Parking Solutions. While Charity Hospital's central location in New Orleans will provide ample opportunity for multi-modal transportation, from welcoming pedestrian access for residents and the surrounding community and the provision of bike facilities to coordination with the Regional Transit Authority on optimized transit facilities, it is clear that a broad provision of parking facilities will be necessary to make this project a success, and it will additionally be a significant value driver for the retail real estate on site. There are several options for providing parking solutions including the following:

- The HEAL Garage located at 300 Lasalle Street (at the corner of Gravier and Lasalle) is operated by SP+ Corporation for the Health Education Authority of Louisiana ("HEAL"). The garage has 1,374 spaces of which approximately 700 are currently under contract including over 350 employees of the City. Monthly parking rates are \$110 a month for non-reserved spaces and \$130 a month for reserved spaces. SP+ Corporation is already a partner of HRI's on the DH Holmes Garage and has executed a letter of support ([Exhibit L](#)) to assist with the parking needs of Charity Hospital. SP+ also operates a surface lot directly behind the Tulane Hospital Lasalle Garage at 200 Lasalle Street which has approximately 130 spaces.
- The Tulane Hospital Lasalle Garage located at 200 Lasalle Street (directly across Tulane Avenue from Charity Hospital) is operated by Premium Parking. Tulane University has provided a letter of support ([Exhibit D](#)) offering to provide parking, as available, to accommodate Charity residents and tenants.
- Basement Parking at Charity Hospital – We have developed a parking solution that provides for approximately 131-space parking garage within the building's basement that would be accessed by a newly constructed ramp from Gravier Street adjacent to the Lake Tower. Although this option represents a potentially convenient parking solution for tenants, it is not a cost effective option given the availability of public parking at various nearby lots. We will, however, plan to include this option if City Hall decide to relocate to Charity as it would provide a secure and convenient parking solution for City Hall staff.

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Enwave Thermal Chilled Water Loop. We understand that Charity is on the Enwave thermal chilled water loop (“Enwave Loop”) which provides chilled water cooling and steam. Further, we understand that Enwave maintains an access easement for steam and chilled water that runs underneath Charity. For the purpose of our cost estimating, our Design Build contractor has assumed the utilization of the Enwave Loop only for the Institutional/Civic use, which would avoid the need for a central plant.

We will further evaluate the use of the Enwave Loop once the final building program has been established and we understand the potential impacts of any District enabled provisional rate structures or technologically enhanced infrastructure that may be agreed to in this public/private development. Once these aspects of the project are better understood, we will be pleased to share our analysis.

IV. PROJECT SCHEDULE AND PHASING

Within the context of our selected project programming there are several factors that will influence the sequencing and phasing of our rehabilitation scope. They are as follows:

- **The size of Charity.** Charity is over 900,000SF of interior gross area. It would be aspirational to undertake the entire renovation of Charity in one single phase to secure the immediate safety of those working on and occupying the building. It would likely provide greater allure for first generation tenants - boosting occupancy and rental rates and increasing the velocity of surrounding development. The fact is, however, that this magnitude of square footage simply cannot be placed on the market in a single phase as it is not financeable and the market could not reasonably absorb this amount of space even with a mix of uses. Our lender and investor partners have indicated an interest in phased financeable development and have indicated concern regarding a single-phased development. Without lender/investor support, this project cannot move forward.
- **The structural orientation of Charity.** Charity is comprised of three (3) distinct “Towers” (the River Tower to the East, the Center Tower, and the Lake Tower to the West) each with its own separate vertical transportation and ingress/egress. The River Tower provides immediate pedestrian and vehicular street access with a separate accessible entrance on LaSalle Street and is oriented toward the CBD and off-site parking at the HEAL Garage. The River Tower includes twelve (12) floors and 160,000 net SF of developable space which is nearly equal to the size of the Lake Tower and approximately 130,000 SF less than the Center Tower. These attributes make the River Tower more adequately suited for multifamily use and immediate development in the 1st phase of Charity. The Center Tower provides a monumental front entrance onto Tulane Avenue that must be celebrated, primary pedestrian ingress/egress into the entire building, pedestrian and vehicular street access onto Gravier Street in the rear, and seven (7) additional floors that includes a potentially grand double-height amenity space on the 19th floor. The Central Tower provides the opportunity for greatest impact of development with its monumental entrance and 19th floor amenity space, however, it will be more costly with its grand historic elements. These attributes make the Center Tower more adequately suited for a 2nd phase of development that would benefit from the maturity of the project and substantial completion of the 1st phase and provide for greater optionality of use as either commercial space to be utilized by City Hall or for the next phase of multifamily development. The Lake Tower is equal in floors and square footage to the River Tower, more limited in its access as it only has vehicular ingress from the rear on Gravier Street and is oriented toward the medical district. These attributes make the Lake Tower more suitable for a 3rd phase of development and flexible in its use as either commercial or additional multifamily space.
- **The physical condition of Charity.** Charity hospital has been closed since Hurricane Katrina and has significant deferred maintenance on the exterior structure including its limestone cladding, windows, roof and foundation. Each of these items will require significant additional assessment to understand the full extent of the repair and/or replacement required. In addition, the interior includes asbestos containing materials, obsolete mechanical, plumbing and electrical equipment, obsolete vertical transportation, moisture damage, and non-ADA compliant ingress/egress issues, among others. Each of these issues must be thoughtfully addressed in formulating the programmatic use for Charity Hospital and performed within the context of related costs to repair and/or replace.

The above only addresses the adaptive reuse of the Charity Building and not the surrounding neighborhood and elements of development that must be accomplished to create an Innovation District.

A. CONSTRUCTION PLANNING & APPROACH

Woodward Tishman has prepared the following project work plan reflecting the approach and methodology for work to be performed on the Charity Hospital.

DEMOLITION PLAN

The demolition scope of the Charity Hospital Building can be separated into the following categories: hazardous material abatement, exterior stair demolition, oncology building demolition, interior demolition, window removal/repair, and roof demolition.

[Hazardous Materials Abatement.](#) Woodward Tishman retained Zimmer-Eschette to assist with preliminary hazardous materials removal pricing for the purpose of this RFP. Based on their limited recent access to the building and prior work experience with Charity, Zimmer provided preliminary pricing that is subject to refinement upon the completion of a detailed survey and quantification of hazardous materials. Prior to the start of demolition, a detailed Abatement Plan will be generated, which will identify all abatement work that will take place. The plan will address sequencing as well as the means and methods

IV. PROJECT SCHEDULE AND PHASING

for executing the plan. The pricing provided by Zimmer is based on the assumed necessity to abate ACM (asbestos containing material), LBP (lead based paint), PCB (mercury containing electrical components) and Mold. However, it will be determined if some of these materials could be safely encapsulated in place and remain subject to an O&M plan.

Exterior Stair Demolition. A majority of the building stair additions will be demolished. This activity will take place early in the project as access to these areas will be restricted while the heavy demolition activity is taking place. Additionally, performing this work early in the process will allow the team to assess the condition of the existing limestone façade in the areas which are currently concealed behind stairwell additions.

Oncology Building Demolition. This demolition of this entire building would take place concurrently with the exterior stair demolition early in the project.

Interior Demolition. This scope will include all interior demolition activities associated with making the interior space buildable into the future residential and institutional/civic uses. This work would start on the 20th level and proceed down the building. Construction debris would primarily be removed from the building by using temporary trash chutes which will be installed in abandoned elevator shafts or by utilization of existing elevators on the exterior of the building at the locations of the demolished exterior stair additions. The existing stairwell door openings will serve as access points to the trash chutes. Secondly, interior demolition debris will be removed utilizing the existing elevators. Historic elevators will be carefully protected to avoid damage during demolition activities.

Roof Removal. All roofing will be removed early in the project to expose the existing condition of the roof structure. This will allow an appropriate amount of time to complete the design of the new roof.

EXTERIOR ENVELOPE

Exterior Skin. To address the condition of the exterior of the building, the Design-Build Team has included a comprehensive scope that entails: cleaning the entire façade and tuck pointing joints in panels, as needed; replace missing limestone panels with replicated panels; repairing inward displacement, cracking, open joints, deteriorated relief joints, contentious patching and spalling; as well as providing and installing a recessed proprietary engineered anchoring system to secure limestone panels on the entire building façade. These recessed anchors will be concealed with a Dutchman repair to match adjacent limestone panels. The repair or replacement of limestone panels are included at existing facades on the Tulane and LaSalle elevations where existing stair chambers will be removed.

Windows. The Design-Build Team, after discussing with Clio Associates that repairable windows will likely be required to be retained by the NPS reviewer, utilized the following assumptions for window repairs and replacement:

- Replacement of all existing non-original aluminum casement glazed windows with historic replica windows. These new custom windows will match existing profiles with strap anchors that will have impacted rated glass below 60' and non-impact above 60'. New windows will have insulated glazing with tinting and an appropriate metal finish so that they closely match the appearance of the originals;
- Replacement of 20% of the remaining existing original windows (approximation of those beyond repair) with the same new historic replica windows;
- Restoration of the remaining 80% of the existing original windows to include replacing 75% of the existing glass lites with new 1/4" laminated glass set in silicon caulking. Restoration also includes prep, spot prime, and repaint with two coats of appropriate metal finish paint on top of the existing steel windows with removal and replacement of interior and exterior side caulking to perimeter of windows. The scope also includes removal and replacement of sealant at each glass pane being replaced.

LOGISTICS PLAN

The building fronts Tulane Avenue and is bounded by LaSalle Street to the east, Gravier Street to the south, and the I-10 to the west. While Tulane Avenue is a two way street, both LaSalle and Gravier are one way streets.

The basement will be demolished and converted into a parking lot/staging area very early in the project. This will accommodate a primary construction ingress/egress point on Gravier. This entry/ exit would be primarily for light construction material deliveries. Deliveries that are too large to be accommodated by driving through the parking area will be offloaded on either LaSalle or Gravier by utilizing appropriate traffic control measures.

IV. PROJECT SCHEDULE AND PHASING

Woodward plans to stock floors with construction materials primarily by utilizing a personnel/material hoist to be installed on the exterior of the building at the Lake Tower.

Additionally, Woodward anticipates establishing a temporary jobsite office inside of the building on the 2nd level.

MECHANICAL EQUIPMENT PLAN

The proposed mechanical system for the residential occupancy, inclusive of the related first-floor areas, shall consist of a water source heat pump system, complete with multiple roof-mounted fluid coolers, each with redundant condenser water pumps, and gas-fired boilers for loop condenser water supplemental heat. Each apartment and each floor zone would have a water source heat pump unit connected to the building condenser water loop. Packaged, roof-mounted direct expansion dedicated outside air units with gas heat would supply conditioned ventilation air to all apartments and apartment corridor areas. Bathroom, dryer and kitchen hood vents would be collected by floor and ducted in individual shafts to the roof. All storm drainage, domestic water, fire water and sewer piping will be stubbed out (5") for connection by others. Plumbing system to include WC, LAV, and Tub/SH in each apartment bathroom; sink and washing machine box in each apartment; and 40-gallon water heater in each apartment. New Fire Protection System to include temporary Standpipe Riser with fire hose valves for fire department use to be utilized during construction, new fire pump, and installation of a hydraulically designed automatic fire sprinkler system.

B. MILESTONE SCHEDULE

Woodward Tishman has prepared a Development Milestone Schedule for the Residential & Institutional/Civic Use scenario (See [Exhibit N](#)).

A Due Diligence Milestone schedule, which will be further discussed in the Due Diligence section, provides various Due Diligence milestones and financial closing milestones for the various phases of the Residential & Institutional/Civic Use scenarios. (See [Exhibit O](#))

V. DEVELOPMENT BUDGET AND FINANCING PLAN

HRI has a long established track record of securing financing for adaptive-re-use projects involving federal and state historic tax credits, low-income housing tax credits (“LIHTC”), new markets tax credits and other public incentives. Our long-standing relationships with lenders and tax credit investors include New Orleans based financial institutions, national banks and syndicated state historic investors. HRI will utilize these and other national providers of debt and historic and low-income tax credit equity to finance the redevelopment of Charity Hospital. In our 30+ year history, HRI has completed over 90 large scale projects with total development costs in excess of \$3.0 billion, exhibiting its long track record of successfully completing projects similar to the Charity project.

A. DEVELOPMENT BUDGET/SOURCES & USES

Total project Sources & Uses, by phase, are shown as follows, assuming two development scenarios:

1. With the Inclusion of a Civic Use and Two Residential Phases

SOURCES & USES (ALL PHASES)													
	Consolidated			Residential Phase I			Civic Use		Retail/Parking		Residential Phase II		
	Total	%	per GSF	Budget	Per SF	Per Unit	Budget	Per SF	Budget	Per SF	Budget	Per SF	Per Unit
Construction Loan	\$135,498,597	46.96%	\$130.45	\$40,817,632	\$206.09	\$268,537	\$42,707,535	\$82.61	\$11,556,235	\$98.43	\$40,417,194	\$195.90	\$260,756
Permanent Sources													
Federal LIHTC Equity	\$63,749,560	25.87%	\$61.37	\$31,874,780	\$160.94	\$209,703	-	-	-	-	\$31,874,780	\$154.49	\$205,644
Federal HTC Equity	68,786,440	18.02%	66.22	15,519,379	78.36	102,101	\$33,190,000	\$64.20	\$5,270,000	\$44.89	14,807,061	71.77	95,529
State HTC Equity	59,060,483	14.62%	56.86	13,326,066	67.29	87,671	28,490,000	55.11	4,530,000	38.59	12,714,417	61.63	82,028
NMTC Equity	19,422,000	3.42%	18.70	-	-	-	9,711,000	18.79	9,711,000	82.72	-	-	-
Permanent Loan	34,700,000	20.81%	33.41	15,000,000	75.74	98,684	-	-	4,200,000	35.77	15,500,000	75.13	100,000
Civic User Prepaid Rent	91,680,000	4.36%	88.26	-	-	-	91,680,000	177.35	-	-	-	-	-
TIF Proceeds/Affordable Housing Funds	40,000,000	10.59%	38.51	8,310,000	41.96	54,671	18,770,000	36.31	7,570,000	64.48	5,350,000	25.93	34,516
Deferred Developer Fee	2,220,853	2.31%	2.14	1,135,332	5.73	7,469	-	-	-	-	1,085,521	5.26	7,003
Total Sources	\$379,619,335	100.00%	\$365.47	\$85,165,556	\$430.01	\$560,300	\$181,841,000	\$351.76	\$31,281,000	\$266.45	\$81,331,779	\$394.21	\$524,721
Uses													
Financing Fees	\$5,494,237	2.03%	\$5.29	\$1,582,691	\$7.99	\$10,412	\$1,340,587	\$2.59	\$1,018,272	\$8.67	\$1,552,688	\$7.53	\$10,017
Soft Costs, Fees, & Misc.	43,511,503	14.59%	41.89	13,237,289	66.84	87,087	13,239,309	25.61	4,503,894	38.36	12,531,010	60.74	80,845
FF&E	1,000,000	0.26%	0.96	250,000	1.26	1,645	250,000	0.48	250,000	2.13	250,000	1.21	1,613
Reserves	2,994,000	1.60%	2.88	1,200,000	6.06	7,895	250,000	0.48	259,000	2.21	1,285,000	6.23	8,290
Construction Period Interest	7,408,496	3.48%	7.13	2,788,135	14.08	18,343	1,384,340	2.68	351,883	3.00	2,884,138	13.98	18,607
Commercial T.I. Allowance	2,255,300	1.64%	2.17	-	-	-	-	-	2,255,300	19.21	-	-	-
Construction Design-Build Costs	290,079,737	69.87%	279.27	60,457,232	305.26	397,745	151,420,695	292.91	20,742,861	176.68	57,458,949	278.50	370,703
Owner's Hard Cost Contingency	26,876,063	6.51%	25.87	5,650,209	28.53	37,172	13,956,070	27.00	1,899,789	16.18	5,369,995	26.03	34,645
Total Uses	\$379,619,335	100.00%	\$365.47	\$85,165,556	\$430.01	\$560,300	\$181,841,000	\$351.76	\$31,281,000	\$266.45	\$81,331,779	\$394.21	\$524,721

2. Without the Inclusion of a Civic Use and Three Residential Phases

SOURCES & USES (ALL PHASES)														
	Consolidated			Residential Phase I			Residential Phase II			Retail Phase		Residential Phase III		
	Total	%	per GSF	Budget	Per SF	Per Unit	Budget	Per SF	Per Unit	Budget	Per SF	Budget	Per SF	Per Unit
Construction Loan	\$167,513,266	48.00%	\$178.35	\$40,817,632	\$206.09	\$268,537	\$58,755,372	\$167.20	\$238,843	\$14,401,144	\$230.44	\$53,539,118	\$178.03	\$224,013
Permanent Sources														
Federal LIHTC Equity	\$95,624,340	27.40%	\$101.81	\$31,874,780	\$160.94	\$209,703	\$31,874,780	\$90.71	\$129,572	-	-	\$31,874,780	\$105.99	\$133,367
Federal HTC Equity	62,333,011	17.86%	66.37	15,519,379	78.36	102,101	22,509,590	64.06	91,502	\$5,040,000	\$80.65	19,264,041	64.06	80,603
State HTC Equity	53,525,938	15.34%	56.99	13,326,066	67.29	87,671	19,328,368	55.00	78,571	4,330,000	69.29	16,541,504	55.00	69,211
NMTC Equity	12,909,000	3.70%	13.74	-	-	-	-	-	-	12,909,000	206.56	-	-	-
Permanent Loan	77,600,000	22.23%	82.62	15,000,000	75.74	98,684	29,100,000	82.81	118,293	7,600,000	121.61	25,900,000	86.12	108,368
TIF Proceeds/Affordable Housing Funds	40,000,000	11.46%	42.59	8,310,000	41.96	54,671	17,630,000	50.17	71,667	4,450,000	71.21	9,610,000	31.96	40,209
Deferred Developer Fee	7,011,664	2.01%	7.47	1,135,332	5.73	7,469	3,166,225	9.01	12,871	-	-	2,710,107	9.01	11,339
Total Sources	\$349,003,952	100.00%	\$371.59	\$85,165,556	\$430.01	\$560,300	\$123,608,963	\$351.76	\$502,475	\$34,329,000	\$549.31	\$105,900,432	\$352.14	\$443,098
Uses														
Financing Fees	\$7,413,256	2.12%	\$7.89	\$1,582,691	\$7.99	\$10,412	\$2,308,493	\$6.57	\$9,384	\$1,452,009	\$23.23	\$2,070,063	\$6.88	\$8,661
Soft Costs, Fees, & Misc.	52,131,642	14.94%	55.51	13,237,289	66.84	87,087	18,040,360	51.34	73,335	5,167,578	82.69	15,686,414	52.16	65,634
FF&E	800,000	0.23%	0.85	250,000	1.26	1,645	200,000	0.57	813	250,000	4.00	100,000	0.33	418
Reserves	5,838,000	1.67%	6.22	1,200,000	6.06	7,895	2,237,000	6.37	9,093	388,000	6.21	2,013,000	6.69	8,423
Construction Period Interest	11,968,467	3.43%	12.74	2,788,135	14.08	18,343	4,423,969	12.59	17,984	530,598	8.49	4,225,765	14.05	17,681
Commercial T.I. Allowance	6,210,200	1.78%	6.61	-	-	-	-	-	-	6,210,200	99.37	-	-	-
Construction Design-Build Costs	242,094,001	69.37%	257.76	60,457,232	305.26	397,745	88,159,898	250.88	358,374	18,663,579	298.64	74,813,293	248.77	313,026
Owner's Hard Cost Contingency	22,548,386	6.46%	24.01	5,650,209	28.53	37,172	8,239,243	23.45	33,493	1,667,037	26.67	6,991,897	23.25	29,255
Total Uses	\$349,003,952	100.00%	\$371.59	\$85,165,556	\$430.01	\$560,300	\$123,608,963	\$351.76	\$502,475	\$34,329,000	\$549.31	\$105,900,432	\$352.14	\$443,098

HRI and Iris collectively provide assurance that none of the funding sources listed above conflicts with our ability to obtain any other funding source listed.

B. FINANCIAL COMMITMENTS

Refer to **Exhibit B**.

VI. ASSET AND FACILITY MANAGEMENT

The HRI/Iris Team has proposed a multi-phased, mixed-use development that provides for “optionality” of uses including (1) mixed-income multifamily apartments, (2) ground-floor neighborhood retail space, and (3) flexible commercial office space or bio-medical research/laboratory space. Regardless of the varied programming options, individual phase owners which will be created by Historic Restoration Incorporated and Iris, will enter into a long-term Property Management Agreements with HRI Management, LLC “(Manager)” for the marketing, lease-up and day-to-day operation of the property and to ensure compliance with all federal, state and local laws and regulations governing the operation of the property. Manager will have complete responsibility concerning residential and commercial leasing, applicant screening, procedures for maintenance or repairs, and collection and accounting of rental revenues, among other responsibilities. The Owner agrees to the delegation of authority for management of the property to the Manager on a day-to-day basis. The Manager will be charged with specific performance in accordance with the Property Management Agreement and will, by means of periodic budgets, financial statements, status reports and personal conferences advise the Owner and requisite regulatory agencies and stakeholders on the operation of the Property.

As previously detailed in the Diversity, Inclusion & Equity Section, it is essential for the Charity redevelopment to provide opportunities from clerical and management positions not only during construction, but on an ongoing basis through sustainable workforce development practices and long-term operational employment opportunities. To that end, the HRI/Iris Team will focus on a number of measures to ensure maximum community benefits and economic opportunities for the Charity community including: (i) provision of job and training opportunities and listings to be distributed through appropriate channels; (ii) close collaboration with selected workforce development organizations; and (iii) resource sharing for DBE capacity by pooling typical bottleneck points like administrative burdens, legal assistance and payroll/accounting, among others measures.

The following items address select Operating Plan and Maintenance Plan policies and procedures to be utilized in the operation of the various optional programmatic uses of the Project (Mixed-Income Multifamily Apartments; Ground-Floor Neighborhood Retail; Civil/Municipal Space; Bio-Medical Research/Laboratory Space; and Commercial Office Space).

A. OPERATING PLAN

The management of the property will be carried out under the direct supervision of the Manager at the project site and subject to various contractual and regulatory agreements governing the operation of the project. The Manager will operate the property in accordance with the highest standards achievable, including staffing, financial management, reporting and administrative duties. Personnel will be employees of the Manager.

MULTIFAMILY APARTMENTS

The Manager will ensure that the property provides a quality and affordable place to live for an economically, racially and ethnically integrated resident population, without regard to race, religion, sex, color, family status, disability status or national origin; houses responsible residents and maximizes occupancy and rent collection efforts; provides effective and timely services to the residents while responsibly maintaining the property; and maintains effective working relationships with residents, resident associations, local government including the police department, other property owners in the surrounding area, lenders and investors. The Manager will provide all residents an opportunity to present their complaints to management through a complaint and grievance procedure and attempt to resolve those complaints swiftly.

Lease-Up and Marketing. The Manager will target pre-leasing efforts for an audience comprised of income qualified families meeting any approved preferences. Anticipated preferences will be for individuals that are medical/bioscience industry professionals, tourism industry workers and public-sector employees, which will need to be specifically provided for in the 2019 Qualified Allocation Plan (“QAP”) of the Louisiana Housing Corporation. The Manager will adhere to the proscribed rental “tier” requirements for each phase of development by satisfying occupancy targets for market rate units, affordable units (typically 60% or less of AMI) and Permanent Supportive Housing (PSH), which is likely to provide a preference for disabled veterans, to ensure success, inclusivity and diversity. The Manager will adopt a strategy for affirmative marketing of the Property in accordance with HUD approved Affirmative Fair Housing Marketing Plan. Marketing efforts may further include the establishment of a consistent brand identity and the staging of model units during pre-leasing. A Grand Opening event will serve as the official announcement of the revitalization of Charity Hospital to the State, the City of New Orleans and the Center City community and will recognize the efforts of key stakeholders, private and public partnership participants and government officials involved in the redevelopment effort. HRI Management, LLC has an effective marketing staff

VI. ASSET AND FACILITY MANAGEMENT

knowledgeable of the community, its amenities and activities and competitive properties. Resident retention is safeguarded through best-in-class customer service and enriching activities and the Manager will develop opportunities for resident interaction and communicate neighborhood activities to the residents by means of a monthly newsletter.

GROUND FLOOR NEIGHBORHOOD RETAIL

The commercial development that will take place contemporaneously with the second residential phase, will be a separate financing and ownership component that will create ground floor retail and neighborhood amenities as previously discussed in the Project Programming section.

Lease-Up and Marketing. The HRI/Iris team has already secured letters of support from The Historic New Orleans Collection to help curate a Spirit of Charity Museum, the Pythian Market has provided a letter of support to develop a neighborhood grocery store concept, and Audubon Primary Academy has provided a letter of support for a day-care facility.

The significance of the project and anticipated coverage of its development will be a primary driver of interest for retail businesses that may become future tenants of the available commercial space. The space will also be marketed with assistance of local commercial brokers and details of the space will be advertised through on-line market tools.

BIO-MEDICAL RESEARCH/LABORATORY & COMMERCIAL SPACE

The HRI/Iris team is actively pursuing commercial tenants for our proposed 3rd phase of Charity, which will occupy the Lake Tower. While we have received some encouraging expressions of interest, we believe that significant progress will need to be made both in the surrounding neighborhood and in establishing confidence in the renovation of Charity, itself, before an ideal commercial tenant will commit to locate in the building.

Lease-Up and Marketing. The specific Bio-Medical Research/Laboratory & Commercial uses currently being pursued include Tulane University and the United Way of Southeast Louisiana (refer to the Project Programming section for more details on those efforts). Additionally, a Biomedical Laboratory/Research Firm as facilitated through efforts with Ewing Cole and Facility Logix.

The HRI/Iris is working with the architectural firm of Ewing Cole on the design of state-of-the-art research facility space in the Lake Tower of Charity Hospital (See [Exhibit M](#)) and Facility Logix on the generation of lead prospects for users of research facility space. Facility Logix has extensive background conducting market assessments that result in the development of life science cluster development strategies that leverage existing assets. Facility Logix conducts market assessments to attract both regional and national clinical trials with Contract Research Organizations (CROs), identifying specific opportunities tied to the demographics of the region. With this knowledge, the company has already created a database of over 250 life science firms that may provide a good fit based on the nature of the trials and/or products to be developed. With larger CRO's, Facility Logix is exploring whether certain supply chains would make New Orleans an opportune destination for a clinical trial base.

On a project the size and scale of the Charity Hospital Project, Facility Logix typically works closely with regional and state economic development offices to maximize and coordinate outreach efforts; respond to industry-specific site selector requests; and to promote the benefits of the project. These efforts are ongoing until lease-up of the research tower is achieved.

B. MAINTENANCE PLAN

The Manager will maintain the Charity building, its equipment and grounds in accordance with the provisions of a Property Maintenance Plan that is mutually-agreed upon and accepted by the Owner, Manager, and the required regulations of any State or Federal agency and as may be dictated by project financing partners. The Property Maintenance Plan will include provisions related to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary to maintain the building, equipment and grounds. The following are selected elements of the Property Maintenance Plan:

- The Manager will complete routine and preventive maintenance activities in the most cost effective and efficient manner as possible.

VI. ASSET AND FACILITY MANAGEMENT

- The Manager will procure and contract with qualified independent contractors utilizing the Project's approved DBE Plan for extraordinary repairs beyond the capability of regular maintenance employees.
- The Manager will systematically investigate all service requests from residents, take such action thereon as may be justified and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Serious complaints will be reported to the Owner for investigation.
- The Manager is authorized to purchase all materials, equipment, tools, appliances, supplies and services reasonably necessary for proper maintenance and repair. The Agent will secure for and credit to the Owner any discounts, commissions or rebates obtained as a result of such purchases. A maintenance shop located on site will store a reasonable supply of replacement items for daily operations, such as paint, light bulbs, circuit breakers, etc. The shop will have an adequate supply of tools and equipment to perform daily routine maintenance with some minor repair of appliances and building equipment.
- Prior approval of the Owner will be required for any expenditure in excess of an agreed upon amount in any one instance for labor, materials, services, or other in connection with the maintenance and repair of the Property, except for recurring expenses within the limits of the approved annual budget or emergency repairs involving manifest danger to person or property or required to avoid suspension of any necessary service to the Property. In the latter event, the Manager will inform the Owner of the acts as promptly as possible.
- The Manager will establish procedures, contact lists and training that will enable the on-site staff to effectively respond to all emergency situations in accordance with the provisions of the Property Maintenance Plan.

The Property Maintenance Plan will include, but not be limited to, the following policies and procedures:

- Installed Equipment - Scheduled maintenance and repair for installed equipment will be accomplished by the Manager's staff in accordance with manufacturer's recommendations and the requirements of equipment operating manuals. A building equipment inventory will be maintained on site.
- Custodial Services - Maintenance of common areas will be governed by regular schedules for cleaning of hallways, storage areas, laundry rooms, recreation areas and stairwells.
- Trash Removal - Trash removal will be accomplished through contractual arrangements with disposal companies.
- Grounds Maintenance - Grounds will be swept and litter collected on a regular scheduled basis. Grounds will be inspected by the Resident Manager daily to assure that no hazardous conditions have arisen, and he/she will immediately rectify any such situation that may arise. Landscape maintenance schedules will be established in accordance with the characteristics of the specific plantings installed and lawns will be cut as required.
- Interior Maintenance - Units will be painted between occupancies and when there have been no move-outs over along period, units will be repainted on the basis of need, but not less than once every five years. The property manager will set up a schedule for painting of all areas other than residential units.
- Extermination - Extermination services will be scheduled, not less frequently than twice a year, and before new occupancy is accepted. This services will be by contract.
- Repairs - Repair of walkways and parking lot surfaces will be undertaken as required. Building equipment will be inspected and maintained in accordance with operating manuals. Dwelling unit equipment repairs will be made, based upon regular inspections and tenants requests.

The design-build contractors scope of repairs will remedy deferred maintenance items stemming from Charity Hospital's neglect and place the exterior building envelope in good working condition. The Property Maintenance Plan will include measures that will ensure the continued maintenance of those items and support their longevity.

The project will also require an Operations & Maintenance Plan ("O&M Plan") to assist in managing asbestos-containing materials ("ACMs") and/or lead-based paint ("LBPs") that might remain in the subject building post-remediation. Since total removal is not always desirable, feasible or affordable, the O&M Plan allows for the safe and effective management of ACMs/LBPs.

VI. ASSET AND FACILITY MANAGEMENT

C. OPERATING PRO-FORMA INSTITUTIONAL/CIVIC USE PROFORMA

PROFORMA CASH FLOW STATEMENT (ALL PHASES)																
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Average Apartment Occupancy																
	60%	76%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	
Revenue																
Market Rate Units Revenue	\$730,487	\$1,851,858	\$2,248,761	\$2,293,736	\$2,339,611	\$2,386,403	\$2,434,131	\$2,482,813	\$2,532,470	\$2,583,119	\$2,634,782	\$2,687,477	\$2,741,227	\$2,796,051	\$2,851,972	
LH/TC Units Revenue	276,554	755,754	977,074	996,615	1,016,548	1,036,879	1,057,616	1,078,769	1,100,344	1,122,351	1,144,798	1,167,694	1,191,048	1,214,869	1,239,166	
PSH Units with Rental Subsidy Revenue	81,717	225,950	294,945	300,844	306,861	312,998	319,258	325,643	332,156	338,799	345,575	352,487	359,537	366,727	374,062	
Retail Revenue	278,872	281,661	290,111	298,814	307,778	317,012	326,522	336,318	346,407	356,800	367,504	378,529	389,865	401,511	413,629	
Parking Revenue	261,345	261,345	269,185	277,261	285,579	294,146	302,970	312,060	321,421	331,064	340,996	351,226	361,763	372,615	383,794	
CAM Collections	1,395,765	1,395,765	1,437,638	1,480,767	1,525,190	1,570,946	1,618,074	1,666,616	1,716,615	1,768,113	1,821,157	1,875,791	1,932,065	1,990,027	2,049,728	
Total Revenue	\$3,024,740	\$4,772,333	\$5,517,714	\$5,648,037	\$5,781,567	\$5,918,383	\$6,058,572	\$6,202,219	\$6,349,414	\$6,500,246	\$6,654,811	\$6,813,204	\$6,975,523	\$7,141,871	\$7,312,351	
Growth:	n/a	57.0%	15.0%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	2.4%	
Expenses																
Pay Roll	(\$216,584)	(\$364,497)	(\$371,430)	(\$382,572)	(\$394,050)	(\$405,871)	(\$418,047)	(\$430,589)	(\$443,506)	(\$456,811)	(\$470,516)	(\$484,631)	(\$499,170)	(\$514,145)	(\$529,570)	
Repairs & Maintenance	(213,688)	(330,932)	(337,700)	(347,831)	(358,266)	(369,014)	(380,084)	(391,487)	(403,231)	(415,328)	(427,788)	(440,622)	(453,841)	(467,456)	(481,479)	
Advertising & Marketing	(18,190)	(36,789)	(37,387)	(38,509)	(39,664)	(40,854)	(42,080)	(43,342)	(44,642)	(45,982)	(47,361)	(48,782)	(50,245)	(51,753)	(53,305)	
General & Administrative	(60,633)	(122,630)	(124,624)	(128,363)	(132,214)	(136,180)	(140,265)	(144,473)	(148,808)	(153,272)	(157,870)	(162,600)	(167,484)	(172,509)	(177,684)	
Insurance	(451,584)	(609,575)	(623,650)	(642,360)	(661,630)	(681,479)	(701,924)	(722,981)	(744,671)	(767,011)	(790,021)	(813,722)	(838,133)	(863,277)	(889,176)	
Utilities	(526,108)	(638,803)	(655,018)	(674,669)	(694,909)	(715,756)	(737,229)	(759,345)	(782,126)	(805,590)	(829,577)	(854,650)	(880,289)	(906,698)	(933,899)	
Property Taxes ⁽¹⁾	(35,944)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	(47,034)	
Capital Replacement Reserves	(45,475)	(93,341)	(96,272)	(99,160)	(102,135)	(105,199)	(108,355)	(111,606)	(114,954)	(118,402)	(121,950)	(125,611)	(129,382)	(133,263)	(137,261)	
Property Management Fees	(123,405)	(228,177)	(271,155)	(277,171)	(283,339)	(289,544)	(296,087)	(302,932)	(309,432)	(316,335)	(323,399)	(330,635)	(338,030)	(345,586)	(353,321)	
Total Expenses	(\$1,691,611)	(\$2,471,777)	(\$2,564,289)	(\$2,637,674)	(\$2,713,238)	(\$2,796,574)	(\$2,877,206)	(\$2,959,642)	(\$3,044,505)	(\$3,131,867)	(\$3,222,377)	(\$3,310,544)	(\$3,401,875)	(\$3,495,879)	(\$3,593,493)	
Expense Coverage Ratio:	1.79x	1.93x	2.15x	2.14x	2.13x	2.12x	2.11x	2.10x	2.09x	2.08x	2.06x	2.05x	2.04x	2.03x	2.02x	
Growth:	n/a	46.1%	3.7%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	
Net Operating Income	\$1,333,129	\$2,300,557	\$2,953,445	\$3,010,364	\$3,068,328	\$3,121,810	\$3,181,366	\$3,242,577	\$3,304,909	\$3,368,379	\$3,432,434	\$3,497,660	\$3,559,666	\$3,627,892	\$3,697,858	
Margin:	44.1%	48.2%	53.5%	53.3%	53.1%	52.7%	52.5%	52.3%	52.1%	51.8%	51.5%	51.3%	51.0%	50.8%	50.6%	
Senior Debt Service																
Construction Interest	(\$519,695)	(\$1,197,906)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Permanent Debt - Principal	(274,906)	(408,753)	(553,246)	(562,720)	(572,549)	(582,745)	(593,319)	(604,281)	(615,644)	(627,419)	(639,616)	(652,248)	(665,326)	(678,861)	(692,863)	
Permanent Debt - Interest	(46,654)	(72,221)	(1,413,714)	(1,404,241)	(1,394,411)	(1,384,215)	(1,373,642)	(1,362,679)	(1,351,316)	(1,339,542)	(1,327,344)	(1,314,712)	(1,301,635)	(1,288,100)	(1,274,000)	
Construction Interest Reserve Contribution	1,180,301	1,197,906	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Senior Debt Service	\$339,045	(\$1,370,774)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	(\$1,966,960)	
Debt Service Coverage Ratio:	n/a	2.03x	1.50x	1.53x	1.56x	1.59x	1.62x	1.65x	1.68x	1.71x	1.74x	1.78x	1.81x	1.84x	1.87x	
Cash Flow After Debt Service	\$1,672,175	\$1,169,783	\$986,484	\$1,043,403	\$1,101,368	\$1,154,849	\$1,214,405	\$1,275,617	\$1,337,948	\$1,401,419	\$1,466,474	\$1,525,699	\$1,592,706	\$1,660,932	\$1,730,865	
Lease Payment - Residential Phase I	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	
Lease Payment - Civic	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)	
Lease Payment - Retail	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	
Lease Payment - Residential Phase II	-	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(150,000)	(150,000)	(150,000)	(150,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	
Working Capital Contributions	(218,892)	(210,442)	(223,849)	(238,059)	(252,700)	(271,781)	(292,315)	(313,314)	(335,794)	(359,768)	(385,251)	(412,251)	(440,786)	(470,866)	(502,505)	
Second Mortgage	(132,613)	(164,793)	(58,342)	(71,556)	(84,836)	(72,902)	(61,022)	(74,468)	(87,961)	(101,492)	(89,770)	(78,070)	(65,181)	(50,306)	(118,935)	
Net Cash Flow⁽⁴⁾	\$870,669	\$244,948	\$154,299	\$183,788	\$213,832	\$164,165	\$170,669	\$201,834	\$234,194	\$267,159	\$220,454	\$229,371	\$264,219	\$299,716	\$389,532	

Notes:
(1) Residential Phase I, the Civic Use Phase and the Retail/Parking Phase are projected to open in 2022.
(2) Residential Phase II is projected to open in 2023.
(3) Assumes 15 year Payment in Lieu of Taxes.
(4) Net Cash Flow will be available to pay other Subordinate Debt, if any, and Deferred Developer Fee.

ALL RESIDENTIAL PROFORMA

PROFORMA CASH FLOW STATEMENT (ALL PHASES)																
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Average Apartment Occupancy																
	60%	59%	72%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	
Revenue																
Market Rate Units Revenue	\$730,487	\$1,955,897	\$4,139,435	\$5,539,051	\$5,649,832	\$5,762,829	\$5,878,085	\$5,995,647	\$6,115,560	\$6,237,871	\$6,362,629	\$6,489,881	\$6,619,679	\$6,752,072	\$6,887,114	
LH/TC Units Revenue	276,554	721,055	1,329,968	1,683,145	1,716,808	1,751,144	1,786,167	1,821,890	1,858,328	1,895,494	1,933,404	1,972,072	2,011,514	2,051,744	2,092,779	
PSH Units with Rental Subsidy Revenue	81,717	236,501	470,297	611,116	623,339	635,806	648,522	661,492	674,722	688,216	701,981	716,020	730,341	744,947	759,846	
Retail Revenue	278,872	281,661	290,111	298,814	307,778	317,012	326,522	336,318	346,407	356,800	367,504	378,529	389,865	401,511	413,629	
Parking Revenue	261,345	261,345	269,185	277,261	285,579	294,146	302,970	312,060	321,421	331,064	340,996	351,226	361,763	372,615	383,794	
CAM Collections	1,395,765	1,395,765	1,437,638	1,480,767	1,525,190	1,570,946	1,618,074	1,666,616	1,716,615	1,768,113	1,821,157	1,875,791	1,932,065	1,990,027	2,049,728	
Total Revenue	\$1,088,758	\$3,836,283	\$6,862,530	\$8,783,827	\$8,969,008	\$9,156,179	\$9,351,426	\$9,548,841	\$9,750,514	\$9,956,546	\$10,167,026	\$10,382,057	\$10,601,739	\$10,826,176	\$11,055,473	
Growth:	n/a	252.4%	78.9%	28.0%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
Expenses																
Pay Roll	(\$151,584)	(\$347,284)	(\$570,001)	(\$617,068)	(\$635,580)	(\$654,647)	(\$674,287)	(\$694,515)	(\$715,351)	(\$736,811)	(\$758,916)	(\$781,683)	(\$805,134)	(\$829,288)	(\$854,166)	
Repairs & Maintenance	(113,688)	(268,171)	(451,704)	(490,228)	(504,934)	(520,082)	(535,685)	(551,755)	(568,308)	(585,357)	(602,918)	(621,006)	(639,636)	(658,825)	(678,590)	
Advertising & Marketing	(18,190)	(42,907)	(72,273)	(78,436)	(80,790)	(83,213)	(85,710)	(88,281)	(90,929)	(93,657)	(96,467)	(99,361)	(102,342)	(105,412)	(108,574)	
General & Administrative	(60,633)	(143,025)	(240,909)	(261,455)	(269,298)	(277,377)	(285,699)	(294,270)	(303,098)	(312,191)	(321,556)	(331,203)	(341,139)	(351,373)	(361,914)	
Insurance	(515,584)	(657,562)	(662,272)	(653,637)	(643,246)	(633,443)	(623,247)	(612,744)	(602,034)	(591,121)	(580,004)	(568,691)	(557,191)	(545,516)	(533,679)	
Utilities	(106,108)															

VI. ASSET AND FACILITY MANAGEMENT

INSTITUTIONAL/CIVIC USE UNIT MIX

RESIDENTIAL RENT MATRIX (ALL PHASES)							
Unit Type	# of Bedrooms	# of Units	Average Unit Size	Average Tenant Paid Rent	Average Tenant Paid Rent / SF	Average Subsidy	Total Rental Revenue
PSH/PB8 (20% AMI)	Studio	4	585	\$167.00	\$0.29	\$490.80	\$2,631
PSH/PB8 (20% AMI)	1B	28	706	\$173.00	\$0.24	\$606.70	\$21,832
LIHTC (60% AMI)	Studio	7	586	\$610.00	\$1.04	-	\$4,270
LIHTC (60% AMI)	1B	69	716	\$648.00	\$0.91	-	\$44,844
LIHTC (60% AMI)	2B	46	1,060	\$772.00	\$0.73	-	\$35,512
Market Rate	Studio	4	577	\$1,050.00	\$1.82	-	\$4,200
Market Rate	1B	118	708	\$1,225.42	\$1.73	-	\$144,600
Market Rate	2B	31	1,088	\$1,491.13	\$1.37	-	\$46,225
Total		307	795	\$928.44	\$1.17	\$61.73	\$304,114

ALL RESIDENTIAL UNIT MIX

RESIDENTIAL RENT MATRIX (ALL PHASES)							
Unit Type	# of Bedrooms	# of Units	Average Unit Size	Average Tenant Paid Rent	Average Tenant Paid Rent / SF	Average Subsidy	Total Rental Revenue
PSH/PB8 (20% AMI)	Studio	3	577	\$167.00	\$0.29	\$490.80	\$1,973
PSH/PB8 (20% AMI)	1B	62	713	\$173.00	\$0.24	\$606.70	\$48,341
LIHTC (60% AMI)	Studio	7	586	\$610.00	\$1.04	-	\$4,270
LIHTC (60% AMI)	1B	110	722	\$648.00	\$0.90	-	\$71,280
LIHTC (60% AMI)	2B	89	1,064	\$772.00	\$0.73	-	\$68,708
80% AMI	Studio	1	592	\$831.00	\$1.40	-	\$831
80% AMI	1B	31	740	\$886.00	\$1.20	-	\$27,466
80% AMI	2B	16	1,036	\$1,056.00	\$1.02	-	\$16,896
Market Rate	Studio	8	585	\$1,050.00	\$1.80	-	\$8,400
Market Rate	1B	210	729	\$1,236.19	\$1.69	-	\$259,600
Market Rate	2B	79	1,066	\$1,544.94	\$1.45	-	\$122,050
Market Rate	2B Tower	21	1,176	\$2,000.00	\$1.70	-	\$42,000
Total		637	834	\$993.29	\$1.19	\$61.36	\$671,816

VII. DUE DILIGENCE

Upon our selection by the REFF to adaptively reuse Charity Hospital, our Team will commence the process with the REFF to execute an Agreement to Enter into a Lease (“AEL”) that will include a mutually agreed-upon lease agreement to be entered into at each respective “phased” financial closing for each separate condominium unit, which will specify contractual terms including timelines, terms and conditions, and deposits. The AEL will also provide HRI with rights to access the building and to perform pre-construction work.

Our Team will commence with its due diligence efforts immediately upon its selection by the REFF including, but not limited to, (i) the advancement of architectural plans and specifications, (ii) the detailed assessment of the building’s condition including its structural integrity, exterior envelope condition, and the quantification of hazardous materials to be abated, (iii) securing debt and equity commitments from financial partners, (iv) the formation of a Tax Increment Financing district and (v) will proceed with the submittal of requisite National Park Service applications to secure approvals for the issuance of Historic Tax Credits on Qualified Rehabilitation Expenditures, among other due diligence tasks. A summary of select due diligence tasks are as follows:

A. DUE DILIGENCE SCOPE

BUILDING CONDITION ASSESSMENT

Previously prepared facility condition reports (Charity Hospital Main Building-Facility Condition Analysis dated November 2008) and independent analysis by our design-build contractor, Woodward Tishman, A Joint Venture (“Woodward Tishman”), have identified various areas of exposure that will require 3rd party review and documentation. Areas of particular interest include, but are not limited to, differential settlement of the building structure, the condition of exterior limestone wall panels, windows, roofing materials and exterior doors, the infiltration of water in the basement, and the structural capacity and condition of the existing Entergy thermal chilled water loop. This work will be performed to inform the design-build contractor’s scope of rehabilitation work, the nature of ongoing building maintenance post-rehabilitation and to ensure that the worksite is safe and secure during the rehabilitation period. The Comprehensive Healthcare Facilities Study - Phase II dated August 2003 identified the following issues with the Charity Building:

- *The structure of the main facility has experienced substantial differential settlement and it is unknown if this condition has stabilized. A long-term program of physical measurement and review of the structure is required to monitor this condition.*
- *Water infiltration is excessive in the subgrade areas and is adversely affecting structural, mechanical, plumbing and electrical systems by exposing these systems and equipment to water and humidity. This could be a major issue and may affect whether or not the building is fit for any type of continued occupancy.*
- *The integrity of the building envelope is a primary concern. Many of the limestone panels are cracked and it is unknown whether this is the result of movement of the facility or the effects of time and a lack of repair throughout the life of the building. The solution to the issue is to undertake a major exterior building envelope replacement and restoration project.*
- *In addition to the concerns with the limestone panels, the windows of the building present another serious building envelope issue. The existing windows are generally leaky, rusted and are contributing to the ineffective HVAC system. In some areas, physical objects can be thrust completely through the window frame sections due to extensive corrosion.*
- *While some ADA accessibility upgrades have been made at the MCLNO Charity Campus, many accessibility issues remain to be addressed.*

With respect to the above, Woodward Tishman notes that it would appear that the differential settlement, which occurred very early in the buildings life, has been stabilized and stated structural concerns are not likely to be an issue with the intended project programming. Further, water infiltration issues must be remediated appropriately and the building envelope should be restored consistent with the 2008 report. Lastly, the elevators have been out of service for several years, and their condition and potential functionality are unknown. Woodward Tishman recommends an independent third-party elevator reviews and reports on the ability for modernization of existing elevator equipment versus replacement of full elevator systems including shafts.

The HRI/Iris Team will undertake to have various independent 3rd party consultants assess the building including:

- Environmental Site Assessment - Phase I & Phase II
- Survey and Condition Assessment of the Entergy Chilled Water Loop
- Building Envelope Assessment (including a detailed window survey)
- Structural Engineering Review
- In addition to the items above, we will also engage the following consultants during the design process: Accessibility Consulting and Elevator Consulting

VII. DUE DILIGENCE

ENVIRONMENTAL SITE ASSESSMENT

The presence of significant Asbestos Containing Material (“ACM”) and Lead Based Paint (“LBP”) in Charity is known and has been well documented. Materials surveyed included pipe insulation and fittings of various sizes, black mastic/tar duct wrap, piping debris and floor tile materials located throughout the survey area. Still, a thorough review of all existing survey data should be conducted to confirm the location of previously identified and suspected friable and non-friable ACM, LBP, mercury containing electrical components, or PCB, and Mold and the location, condition and quantity of additional ACM, LBP, PCB and Mold should be properly documented and samples collected, if required. U.S. Helm, the predecessor entity of our likely environmental consultant, J.S. Held, was previously retained by the State of Louisiana’s Division of Administration to prepare an inventory of historical artifacts to be preserved pursuant to National Park Service requirements. The scope of demolition and abatement of hazardous materials must be performed in a manner that is respectful of those preservation requirements. A detailed survey and quantification of hazardous materials will be prepared along with abatement specifications and O&M plans for any materials that will be encapsulated.

ADVANCEMENT OF ARCHITECTURAL PLANS & SPECIFICATIONS

Our Team’s architecture firm, HCI Architecture, Inc. (APC), (“HCIA”) has completed more than 55 large scale projects consisting of more than 4,000 apartment units, 4,900 hotel rooms, 570 condo units, over a half million square feet of office/retail space and numerous parking structures. The majority of these projects involved the adaptive-reuse of historic buildings and HCIA has undoubtedly undertaken the renovation of more historic buildings in the City of New Orleans than any other architectural firm with projects including the Cotton Mill Apartments, the Hibernia Bank Building, 225 Baronne, the Gravier Place Apartments, and the Texaco Building, among others. HCIA first studied the Charity Building with the issuance of the RFP for its redevelopment in 2015 which has carried forward to its continued work to assist with the preparation of a response to this RFP. HCIA has studied the buildings structural grid, vertical transportation, ingress/egress, building orientation and historic fabric and recognizes the optimal space configurations for selected programming options.

Design due diligence, needs assessment and programming for the civic uses of the building outside of the Phase 1 residential footprint will be further advanced concurrently with the building condition assessment and additional survey documentation over the first 90-day period post award. In consultation with our design-build and preservation partners and following the additional field survey of existing conditions and building condition assessment by the Woodward Tishman team, HCI Architecture will advance the conceptual plans for Phase 1 Residential to Schematic Design (SD) level over a 90-day period. Although focused on the specifics of the Phase 1 multifamily residential tower, this SD effort will also continue to further clarify and delineate the overall building renovation requirements relative to exterior skin and fenestration, interior historic fabric and vertical circulation. With receipt of the detailed civic program requirements, Schematic Design for City Hall will advance and could run parallel to the Phase 1 residential design and duration.

Upon completion of the next 4-month phase of Design Development (DD), the design will clearly identify all major architectural, structural, mechanical, electrical and fire protection elements for Phase 1 allowing preliminary review with local code officials as well as compliment the NPS Part 2- Description of Rehabilitation submission. The overall building core and shell will also be advanced to a DD level at this stage allowing completion of demolition documents accurately addressing both the updated condition assessment as well as the rehabilitation designs coordinated with historic preservation requirements. Any necessary building code equivalency proposals will be resolved with the appropriate City departments during DD. The noted SD and DD durations are intended to allow sufficient time for the necessary design review and approval milestones for both the residential and civic uses.

With a now well-defined path forward, the final phase of design will include completion of Construction Documents (CD), plan submissions to the City and State Fire Marshal at 75% CD completion to obtain all necessary building permits, and final design coordination with the design-builder, collectively over a 5-month duration. Receipt of the required building permits will allow building construction to commence, however the specificity of the DD documents included in the NPS Part 2 application and projected timeline for these approvals at the state and federal levels, should allow the separately permitted demolition to begin prior to completion of the CD design phase.

FINANCING SOURCES

Historic Tax Credit Equity. Clio Associates, our Historic Preservation Consultant, will undertake the preparation of the Part 1 and Part 2 applications for the federal and state tax credit programs for submittal to the Louisiana Division of Historic Preservation (State Historic Preservation Office or “SHPO”) and the NPS. Part 1 applications are used to evaluate the historic significance of a given building and confirm that it qualifies as a “certified historic structure” for the purposes of the tax credit.

VII. DUE DILIGENCE

As a National Register-listed property, Charity Hospital is currently eligible for the federal program, and as such a Part 1 application is not required. NPS does require current photographic documentation of the property keyed to floor plans, which will be submitted with the federal Part 2 application. A complete state Part 1 application will also be submitted. Part 2 applications describe in detail the scope of planned rehabilitation work and must be accompanied by a set of architectural plans typically advanced to the Design Development (“DD”) stage.

Clio Associates will also submit federal and state Part 3 applications, which are submitted upon the completion of the project, or phases of the project, to certify that the rehabilitation has adhered to the Secretary of the Interior’s Standards for Rehabilitation. A federal advisory determination request form and a state Part 3 application will be submitted per phase as required. A federal Part 3 application will be submitted upon completion of the final project phase.

Low-Income Housing Tax Credit Equity. The 9% LIHTC is awarded by the Louisiana Housing Corporation (“LHC”) on an annual basis subject to a published Qualified Allocation Plan (“QAP”). The 2019 “draft” QAP is anticipated to be issued in early 2019 with public comment due by April 2019 and the “final” QAP issued in June/July 2019. Applications would be due on or about August 2019 with awards of reservations of tax credits in October 2019. Our financial closing on any reservation received would generally proceed 6 months from the award date. The 2020 QAP would follow similar milestone dates for that year. To the extent QAPs are finalized earlier and the application awards are earlier, so to would be the start date of our residential phases.

New Market Tax Credit Equity. HRI’s affiliated entity, the National Cities Fund, L.L.C. (“NCF”), is a certified Community Development Entity (“CDE”) pursuant to the requirements of the CDFI program and annually submits an application to receive NMTC allocation from the CDFI fund. NCF has received over \$200MM since the inception of the program and in this most recent funding round, NCF included Charity Hospital in its “pipeline” of projects. The involvement of NCF in a transaction helps to bring in multiple other third-party CDEs to also provide allocation and participate in a project’s financing. While we have included letters of interest from NTCIC and Capital One Community Renewal Fund (“COCRF”), we believe that they are merely two of the most likely of several CDEs that will participate in Charity Hospital if HRI and Iris are the project sponsors. HRI and Iris will conduct a nationwide search of CDEs that focus on the development of affordable housing and which have available NMTC allocation for solicitation of their participation in the project. The CDFI funds next allocation funding round announcement will occur in the Winter of 2019 at which time, HRI will know the availability of allocation from NCF and other targeted CDEs. Given the lengthy development timeline for this project, HRI will continue to include Charity in its development pipeline for the purpose of supporting its request for subsequent NMTC allocation.

FHA Construction/Permanent Debt. HUD loans are more costly to originate and take longer to close than traditional loans. Market rate property applications follow a two-step process: first the pre-application, then the firm application. The HRI/Iris Team would select a Lender that would submit exhibits for a pre-application review by HUD. After review, HUD either rejects the application or invites the Lender to submit an application for Firm Commitment. The second stage is the submission of the Lender’s exhibits for the Firm Commitment. After review of the application for Firm Commitment, HUD decides whether or not to issue a Firm Commitment. After receiving an invitation to submit an application for a Firm Commitment, the Lender completes the processing of the application including a full underwriting analysis and presents its recommendation to HUD. One-stage applications for affordable and rental assistance properties generally take five to seven months to close, whereas two-stage applications for market rate properties generally close in eight to 12 months, subject to deal specifics.

Community Development Block Grants & Other HUD Programs. The City of New Orleans and the State of Louisiana both receive allocations of CDBG from the Federal Government and have a track record of deploying these funds as subordinate debt into mixed-income or mixed-use transactions. In addition to CDBG, there are similar HUD programs that can close financing gaps for project’s such as Charity. These include the HOME Investment Partnership Program, the National Housing Trust Fund, and the Federal Home Loan Bank Affordable Housing Program. All of these funds have been utilized with great success by the HRI and Iris team and can be utilized as part of the solution for the redevelopment of Charity Hospital.

Payment-in-Lieu-of-Taxes (PILOT). We will work with the Industrial Development Board of the City of New Orleans to establish a PILOT comparable to agreements executed on similar development projects. Establishing a PILOT will allow the project to have certainty of its property taxes and maximize our ability to leverage private debt financing.

VII. DUE DILIGENCE

SPIRIT OF CHARITY INNOVATION & TIF/EDD DISTRICT/SALES & PROPERTY TAX BONDS

The formation of a TIF district requires a collaborative public-private effort involving numerous city and state level government agencies. The process begins with New Orleans City Council introducing and approving the adoption of an ordinance for the creation of the Spirit of Charity Innovation & EDD/TIF District. A Cooperative Endeavor Agreement (“CEA”) between the City, Special District, and Developer must be created and approved by New Orleans City Council that outlines the details of the TIF arrangement. The TIF District will issue bonds after finalization of a Bond/Revenue Study for the City, approval from the State Bond Commission of bond issuance by the Spirit of Charity Innovation & TIF/EDD District, and City Council adoption of resolutions approving the issuance of Bonds.

The Charity project becoming official is the critical milestone in order to make this retail project feasible. Following the Charity project being awarded and the financial feasibility being determined, the timeline for the retail project is estimated to be about 12 months to effectively prelease secure site control and, preliminary secure development approvals. From that point we would need about another 12-18 months to work through design, site planning, engineering, financing, leasing, other pre-construction aspects of the project prior to commencing construction. We anticipate a 12-18 month construction period for this development. The TIF and PILOT bonds previously described in the Project Programming section above would be able to be sold either prior to construction commencing after building permits are issued or following completion of construction and opening of a significant number of tenants. We contemplate selling these bonds as soon as building permits are issued but if feasible we will be able to generate larger proceeds by waiting until the project is completed and tenants are open. All efforts will be made to shorten this timeframe if possible but this is our best estimate of timing at this point.

The proposed Spirit of Charity Innovation & EDD/TIF District and Charity Redevelopment are inter-dependent in the goal of maximizing their full potential. The scale of Charity and the size and diverse potential of the district coupled with the broad vision for each offer hope for this mutual outcome. The HRI team will work closely with The Spirit of Charity Innovation & TIF/EDD District leadership group (GNOF + Design Jones, LLC) to share strategies, integrate visions and creatively collaborate to ensure solutions that will help New Orleans uphold its legacy as an innovator and veteran in fostering culturally dynamic and lasting urban districts.

B. DUE DILIGENCE MILESTONE TIMELINE

Refer to [Exhibit O](#).

C. REQUESTED DUE DILIGENCE PERIOD

We will request a period of 12 months from the date of execution of the AEL to review all documents deemed necessary, to conduct physical inspections of the property, to progress architectural plans and specifications, to advance financing solutions and to commence the formation of the TIF district, among other tasks (the “Due Diligence Period”). The AEL will be executed by the Charity Revitalization Company, LLC, whose managing member will be comprised of a joint venture between affiliates of Historic Restoration, Inc. and Iris Development, LLC. The managing member of each Phase of development will also be comprised of affiliates of both Historic Restoration, Inc. and Iris Development, LLC. Financial closings and lease signings will be mutually-agreed upon with the REFF based on the final phasing plans for the project.

D. SUGGESTED DEPOSITS

Within three (3) business days after the execution of the AEL, the HRI/Iris Team, or an affiliated entity, shall pay a mutually agreed-upon escrow agent by wire transfer, the sum of One-Hundred Thousand and No/100 Dollars (\$100,000) as an earnest money deposit (the “Initial Deposit”) and the escrow agent shall hold and disburse as per the terms of the AEL. The Initial Deposit will be refundable in the event that either we or the REFF terminate the AEL prior to the end of the Due Diligence Period. In the event that neither party terminates the AEL prior to the end of the Due Diligence Period, the deposit will become non-refundable. The amount of the Initial Deposit, \$100,000, will be released to the REFF as an initial Lease Payment at the time of the initial phases financial closing.

VIII. DOCUMENTATION

The HRI/Iris Team has proposed a multi-phased, mixed-use program that leverages “optionality” to drive certainty as decision points are reached by the various impactful potential anchor tenants. Uses potentially include (1) mixed-income multifamily apartments, (2) ground floor neighborhood commercial retail and (3) commercial office space, (4) medical laboratory/research space and (5) parking. The various programmatic uses dictates the application of multiple lease/sub-lease structures to meet required IRS guidelines for utilizing tax credit funding. For the purpose of this narrative response, we have focused on City Hall occupying the commercial space, as it is the more complicated direction.

Any successful plan will require the full support and participation of City Hall officials and staff, in order to design and finance new facilities to meet both current and long-term needs. This presents a “once in a lifetime” opportunity to establish new public facilities in a financing structure that can access tax subsidies that would not be accessible to the City in a traditional public finance structure, resulting in additional dollars to fund the capital requirements and a more efficient use of public dollars than could otherwise be achieved. See [Exhibit P](#) for a proposed structural diagram in anticipation of Institutional/Civic, Residential and Retail use relocating to Charity. Alternatively, see proposed structural diagram for Residential and Retail use also at [Exhibit P](#).

A. GROUND LEASE STRUCTURE

Capital Lease Structure. As was the case with the redevelopment of the Saenger Theatre by the City and Canal Street Development Corp. (“CSDC”), as well as the recent similar development of the World Trade Center, a tax credit structure based on long term capital leases is required. For tax purposes, a lease with a term that exceeds the depreciation period of the underlying asset is considered to be “ownership.” Applicable Louisiana law would permit leases of up to a maximum term of 99 years. Additionally, the Internal Revenue Code, Sec. 467, permits “pre-paid” leases, with up-front payments of substantial amounts, effectively pre-paying the rent at the commencement of the long-term “capital lease.” For tax purposes, each lease in a multiple lease/sublease structure must have a term at the landlord level which exceeds the term at the tenant/sublessee level, in order to constitute a “true lease,” which is what is required for tax credit funding.

Applying the foregoing rules in the context of a possible structure to include City Hall facilities in the Charity rehabilitation project would require a series of leases. The Base Lease would be from the State/LSU to the selected Developer. Presumably, this will be a 99 year lease (similar to the long-term lease of the Saenger from CSDC and the long-term lease from the City/NOBC of the World Trade Center)—a structure which the City and its advisors have had significant experience with. Again, for tax credit purposes, the Developer would then “master lease” the Charity facility to one or more Master Tenant entities. The tax credit investor would invest equity dollars at the Master Tenant level. The Master Tenant would then enter into a long-term sublease with end-users. A phased rehabilitation of the million square feet of Charity Hospital is contemplated, with the building being subjected to a condominium regime to segment the physical plant into separate legal parcels of property for separate construction, separate uses and separate sub-leases. Current architectural design plans would have separate condominium units for the City facilities, with separate financing arrangements and lease terms. Because of the “true lease” requirements, the term of the Master Lease from the Developer to the Master Tenant will be less than the term of the base lease from the State/LSU to the Developer, and the term of the sublease(s) from the Developer to the City will be less than the Master Lease term. However, given that the Base Lease will have a term of 99 years, the term differential between the subsequent leases should pose no practical issue with respect to long term occupancy and control.

With respect to rent, as indicated above, tax credit structures often use a “Section 367 Pre-paid Rent” structure, in which all or a significant portion of the tax credit investor equity is funded up-front, and paid by the Master Tenant to the Developer for use in financing the planned rehabilitation and construction. In a redevelopment plan to include subleases to the City, the public financing sources accessed by the City can similarly be used to “pre-pay” the rent to the Master Tenant for the long-term capital facilities lease, which the Master Tenant can combine with the tax credit investor equity to pay to the Developer to fund construction—effectively “leveraging” the public dollars with the tax credit equity dollars from the private sector, to produce a more efficient and cost-effective financing model for the City. After construction, because of the pre-paid rent, the annual rent from the City would be a nominal amount, together with an amount sufficient to pay ongoing operating costs, insurance, capital reserves and/or other items that the City would otherwise incur in a stand-alone, separately financed structure. As stated above, given the efficiency in operations and lower maintenance cost of a newly constructed facility in the Charity Hospital development, annual operations and maintenance costs for the City would produce significant savings over the costs currently experienced in the aging existing facilities.

Capital Lease Equivalent to Ownership. We understand that a key concern for the City is the assurance of continued occupancy of their respective facilities on a long-term basis that is equivalent to ownership. This is a common concern of the

VIII. DOCUMENTATION

tax credit equity investor in tax credit Master Lease structures, who needs protection from termination of its leasehold interest during the five year tax credit compliance period. This protection is commonly accomplished through the use of non-disturbance agreements. Just as the City/CSDC/NOBC executed non-disturbance agreements in prior public/private partnership leasehold developments, a similar set of non-disturbance agreements would be required for the Charity Hospital redevelopment, from the top down. The City occupancy would be protected by agreements not to disturb or dispossess the City from their leasehold occupancy, in a manner satisfactory to all parties. Just as hundreds of millions of private debt and equity were committed to the Saenger and World Trade Center projects on the strength and reliance upon the non-disturbance agreements of the various governmental and private parties, the Charity Hospital project is premised on similar assurances and restrictions.

Cooperative Endeavor Agreements/Put Agreements. The Louisiana State Constitution and Revised Statutes expressly contemplate Cooperative Endeavor Agreements (“CEAs”) between one or more governmental bodies and private individuals or private entities. Again, the use of CEAs in public/private development structures has a long and successful track record and is uniformly utilized and relied upon by the parties. In conjunction with the non-disturbance agreements contemplated and discussed above, one or more CEAs will be required in the Charity structure, beginning at the State/LSU level and including the intermediate parties, the City. As is typical in tax credit structures, the structure will contemplate the exit of the tax credit investor through a pre-negotiated buy-out under a Put Agreement with the Developer, as well as the termination of leases and “roll-up” of the structure at a future date. In order to ensure the continued long-term occupancy of the City of their respective facilities, the Charity CEAs would necessarily include an intergovernmental agreement, subject to no subjective conditions, providing that upon the termination of the leasing structure in the future, the State/LSU would be unconditionally obligated to convey title and unencumbered ownership to the City of their respective facilities, transforming the initial capital leases and “tax ownership” into actual legal title and ownership.

Conclusion. We believe a properly structured public/private development of Charity Hospital, together with an overall development plan that focuses on revitalizing the surrounding district, is in the best interest of the City of New Orleans and its citizens, and is the best vehicle for achieving the goals and objectives of the Mayor and City Council on a sound and efficient financial footing. We stand ready to work shoulder-to-shoulder with City personnel to transform this “once in a lifetime” opportunity into a reality worthy of this great City.

B. SUGGESTED LIST OF REQUIRED DOCUMENTS

The following is a preliminary list of documents that we would anticipate would be required to advance the project through execution of the ground lease, construction and asset and facilities management. We reserve the right to amend this list based on the future development of this project.

Project Parties

- State
 - ◇ LSU Real Estate and Facilities Foundation
- Developer/Managing Members/Sponsors
 - ◇ Historic Restoration, Incorporated
 - ◇ Iris Development Co.
- Co-Developers
 - ◇ HRI Development, LLC
 - ◇ Iris Development, LLC
- Master Tenants
 - ◇ MT City
 - ◇ MT Residential
 - ◇ MT Commercial
- Master Subtenants (end-users)
 - ◇ City of New Orleans (“CNO”)
 - ◇ Residential Subtenants (collectively, “ST Residential”)
 - ◇ Commercial Subtenants (collectively, “ST Commercial”)
- Federal Historic Tax Credit (FHTC) Investor(s)

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- ◇ City FHTC Investor
- ◇ Residential FHTC Investor
- ◇ Commercial FHTC Investor
- State Historic Tax Credit (SHTC) Investor
 - ◇ Low Income Housing Tax Credit (LIHTC) Investor
 - ◇ Residential LIHTC Investor
- Lender(s)

I. Acquisition and Site Leasehold Documents

- A. Cooperative Endeavor Agreement
- B. Any additional inter-governmental agreements or programmatic agreements regarding:
 1. Cooperation among governmental agencies, public entities, and private entities
 2. Historic preservation
- C. Agreement to Enter into Lease
- D. Site Lease between State and Developer
- E. Memorandum of Site Lease
- F. Nondisturbance Agreement

II. Condominium Documents

- A. City Unit
 1. Act of Declaration by Developer Creating and Establishing a Condominium Regime for City Unit
 2. Formation and Operating Documents for City Unit Association
- B. Residential Unit
 1. Act of Declaration by Developer Creating and Establishing a Condominium Regime for Residential Unit
 2. Formation and Operating Documents for Residential Unit Association
- C. Commercial Unit
 1. Act of Declaration by Developer Creating and Establishing a Condominium Regime for Commercial Unit
 2. Formation and Operating Documents for Commercial Unit Association

III. Developer and Master Tenant Leasehold Documents

- A. Developer and MT City
 1. Master Lease between Developer and MT City
 2. Memorandum of Master Lease
 3. Nondisturbance Agreement among State, Developer, and MT City
- B. Developer and MT Residential
 1. Master Lease between Developer and MT Residential
 2. Memorandum of Master Lease
 3. Nondisturbance Agreement among State, Developer, and MT Residential
- C. Developer and MT Commercial
 1. Master Lease between Developer and MT Commercial
 2. Memorandum of Master Lease
 3. Nondisturbance Agreement among State, Developer, and MT Commercial

IV. Master Tenant and Master Subtenant Leasehold Documents

- A. MT City and CNO
 1. Sublease between MT City and CNO
 2. Memorandum of Sublease
 3. Nondisturbance Agreement among State, Developer, MT City, and CNO
- B. MT Residential and ST Residential (for each Residential Subtenant during operations)
 1. Residential Sublease between MT Residential and ST Residential
 2. Form of Residential Sublease (to be approved in advance)
- C. MT Commercial and ST Commercial (for each Commercial Subtenant during operations)
 1. Commercial Sublease between MT Commercial and ST Commercial
 2. Memorandum of Commercial Sublease
 3. Nondisturbance Agreement among State, Developer, MT Commercial, and ST Commercial
 4. Form of Commercial Sublease (approved in advance)

V. Historic Tax Credit Investment Documents

- A. Federal Historic Tax Credits – MT City
 1. MT City Amended and Restated Operating Agreement
 2. Credit Pass-Through Agreement
 3. Guaranty

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4. Put and Call Agreement
 5. Company Management Agreement
 6. Development Services Agreement
 7. Contractor HTC Certification
 8. Architect HTC Certification
- B. Federal Historic Tax Credits – MT Residential
1. MT Residential Amended and Restated Operating Agreement
 2. Credit Pass-Through Agreement
 3. Guaranty
 4. Put and Call Agreement
 5. Company Management Agreement
 6. Development Services Agreement
 7. Contractor HTC Certification
 8. Architect HTC Certification
- C. Federal Historic Tax Credits – MT Commercial
1. MT Commercial Amended and Restated Operating Agreement
 2. Credit Pass-Through Agreement
 3. Guaranty
 4. Put and Call Agreement
 5. Company Management Agreement
 6. Development Services Agreement
 7. Contractor HTC Certification
 8. Architect HTC Certification
- D. State Historic Tax Credits – Developer
1. SHTC Purchase and Sale Agreement
 2. Guaranty Agreement
- VI. Low Income Housing Tax Credit Investor Documents – MT Residential**
1. See Federal Historic Tax Credits – MT Residential
 2. [additional LIHTC documents with LHC including a Tax Credit Regulatory Agreement]
- VII. Bond Documents**
- A. General Obligation Bonds (CNO)
1. Issuer Approval of Bonds
 2. Trust Indenture
 3. Bond Form
 4. Tax Regulatory Agreement
 5. Arbitrage Rebate Agreement
 6. Certificate as to Arbitrage and Tax Matters
 7. Cost Certificate
 8. Tax Certificate
 9. Issuer Certificate
 10. Transcript Certificate
 11. Bond Counsel Opinion
- VIII. TIF Documents**
- A. Economic Development District (EDD)
1. Resolutions establishing EDD
- B. Tax Increment Financing Award (Commercial)
1. Development Agreement
 2. Operations and Maintenance Agreement for Non-Standard Improvements
- IX. Loan Documents (Lender and Developer)**
- A. Loan Agreement
 - B. Leasehold Mortgage
 - C. Completion Guaranty
 - D. Payment Guaranty
 - E. Environmental Indemnity Agreement
 - F. Intercreditor Agreement
 - G. Disbursing Agreement
 - H. Estoppel Certificates from Master Tenants re: Maser Leases
 - I. Estoppel Certificates from Master Subtenants re: Master Subleases
 - J. Estoppel Certificate from State re: Site Lease
 - K. UCC Financing Statements
- X. Property Management and Development Documents**

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- A. Property Management Agreement (City Unit)
- B. Property Management Agreement (Residential Unit)
- C. Property Management Agreement (Commercial Unit)
- D. Construction Management Agreement
- E. Joint Venture Development Agreement

XI. Title Insurance and Survey

- A. Leasehold Title Insurance Policy – Developer
- B. Leasehold Title Insurance Policy – MT City
- C. Leasehold Title Insurance Policy – MT Residential
- D. Leasehold Title Insurance Policy – MT Commercial
- E. Loan Title Insurance Policy – Lender(s)
- F. ALTA Survey

XII. Project Due Diligence (in general)

- A. Financial Projections
- B. Historic Tax Credit
 - 1. Parts 1-3 Federal Applications & Approvals
 - 2. Parts A-B State Applications & Approvals
- C. Environmental Reports
- D. Property Condition Reports
- E. Title and Survey
- F. Zoning
- G. Condominium Plans
- H. Construction
- I. Insurance

XIII. Legal Opinions and Guidance

- A. Existence and Authority Opinions for all entities
- B. Enforceability Opinions for all Project Documents
- C. Federal Historic Tax Credit Opinion
- D. Bond Counsel Opinions
- E. IRS Private Letter Ruling (integrated unit)

IX. FINANCIAL OFFER

A. GROUND LEASE TERM

Consistent with Internal Revenue Code requirements that a lease must exceed the depreciation period of the underlying asset to be considered “ownership” and applicable Louisiana law regarding the maximum term of a lease, we request a lease term of 99 years.

B. GROUND RENT RATE

The HRI/Iris Team proposes a “tiered” lease structure that allows for a phased approach and for the project to gain momentum as components are delivered and stabilize. We propose to make an annual lease payment to the REFF that is determined by each phase of the development’s size, economics and use. The lease payments will be subordinate to the required operating costs, reserves and first mortgage debt service of that phase. The lease payment, however, will be superior in the cash flow waterfall to any subordinate debt payments, deferred developer fee payments and distributions. The lease payment of each phase will increase by \$25,000 to \$50,000 every five years, again depending on the size, economics and use of the individual phase of the project.

Total projected lease payments, by phase, are shown as follows, assuming two development scenarios:

1. With the Inclusion of a Civic Use and Two Residential Phases

	LEASE PAYMENTS									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential Phase I	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Civic	250,000	250,000	250,000	250,000	250,000	300,000	300,000	300,000	300,000	300,000
Retail/Parking	100,000	100,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000	150,000
Residential Phase II	-	100,000	100,000	100,000	100,000	100,000	150,000	150,000	150,000	150,000
Total Lease Payments to the REFF	\$450,000	\$550,000	\$550,000	\$550,000	\$550,000	\$700,000	\$750,000	\$750,000	\$750,000	\$750,000
Total Lease Payments over 30 Years	\$31,150,000									

2. Without the Inclusion of a Civic Use and Three Residential Phases

	LEASE PAYMENTS									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential Phase I	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Residential Phase II	-	150,000	150,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000
Retail	-	150,000	150,000	150,000	150,000	150,000	200,000	200,000	200,000	200,000
Residential Phase III	-	-	150,000	150,000	150,000	150,000	150,000	200,000	200,000	200,000
Total Lease Payments to the REFF	\$100,000	\$400,000	\$550,000	\$550,000	\$550,000	\$600,000	\$700,000	\$750,000	\$750,000	\$750,000
Total Lease Payments over 30 Years	\$29,750,000									

The HRI/Iris Team is assuming that the State, through the Louisiana Housing Corporation (“LHC”) or Office of Community Development (“OCD”), will likely be in the second mortgage position of the mixed-income housing phases in a to be determined amount. We believe that the amount of these second mortgage loans on any phase can be minimized or paid down through TIF proceeds and/or affordable housing gap proceeds from other sources. Nonetheless, we think it is beneficial to the State and the project if there was material participation in the financing of the residential phases via second mortgage loans. These loans would provide the gap financing required to allow each phase to proceed and would allow the State to capture 50% of available cash flow from each respective residential phase as debt service that would provide program income that the State could recycle into additional housing production around the State well into the future. These second mortgage debt service payments would occur in the cash flow waterfalls behind the lease payments to the REFF, but ahead of any other subordinate financing, payments of deferred development fee or distributions. HRI/Iris developer fees will be consistent with the requirements of the Qualified Allocation Plan (“QAP”) of the LHC that is applicable at the time of financing of any phase or component of the project.

IX. FINANCIAL OFFER

The following are schedules showing a projection of these second mortgage debt service payments for two development scenarios:

1. With the Inclusion of a Civic Use and Two Residential Phases

SECOND MORTGAGE DEBT SERVICE PAYMENTS										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential Phase I	\$132,613	\$11,154	\$17,326	\$23,525	\$29,747	\$10,716	\$16,977	\$23,254	\$29,543	\$35,841
Residential Phase II	-	153,639	41,016	48,031	55,089	62,187	44,044	51,215	58,418	65,651
Total Debt Service Payments to LHC/OCD	\$132,613	\$164,793	\$58,342	\$71,556	\$84,836	\$72,902	\$61,022	\$74,468	\$87,961	\$101,492
Total Debt Service Payments over 30 Years	\$3,672,178									

2. Without the Inclusion of a Civic Use and Three Residential Phases

SECOND MORTGAGE DEBT SERVICE PAYMENTS										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Residential Phase I	\$132,613	\$11,154	\$17,326	\$23,525	\$29,747	\$10,716	\$16,977	\$23,254	\$29,543	\$35,841
Residential Phase II	-	53,602	404,200	90,894	104,764	118,751	107,324	121,536	135,857	150,283
Residential Phase III	-	-	9,834	363,710	84,754	96,983	109,302	96,196	108,687	121,260
Total Debt Service Payments to LHC/OCD	\$132,613	\$64,756	\$431,361	\$478,129	\$219,265	\$226,450	\$233,603	\$240,986	\$274,087	\$307,384
Total Debt Service Payments over 30 Years	\$12,009,661									

C. LUMP SUM PAYMENT

Understanding that an “upfront” payment of rent will result in an increase in the financial GAP which will only require additional financial incentives, we do not propose any “upfront” lump sum payment of rent.

EXHIBIT A - DEVELOPMENT TEAM JOINT VENTURE AGREEMENT

August 15, 2018

Mr. Curtis Doucette, Jr.
 Managing Partner
 Iris Development LLC
 1441 Canal Street, Suite 324
 New Orleans, Louisiana 70112

Re: Letter of Intent Regarding the
 Adaptive Reuse of the Former Charity Hospital Building

Dear Mr. Doucette:

This letter sets forth the intent of HRI Properties, LLC and Iris Development LLC ("Iris") with respect to providing development services and participating in the ownership structure for the adaptive reuse of the former Charity Hospital Building (the "Project").

Background

The former Charity Hospital Building is located at 1532 Tulane Avenue in the heart of the medical district within the Central Business District of the City of New Orleans.

The Building contains approximately 1,000,000 gross square feet of program space. It is 20 stories in height and has a basement.

The Building is listed on the national Register of Historic Places. The Building was designed by the New Orleans architectural firm, Weiss, Dreyfous and Seiferth and was constructed in the late 1930's opening in 1939. The Building is an example of modern classic architectural style and includes Art Deco and Streamlined Modern detailing.

On April 16, 2018, the LSU Real Estate and Facilities Foundation ("REFF") issued a request for qualifications. HRI Properties, LLC responded to the request and was one of three firms selected by REFF as a qualified respondent. On June 4, 2018, REFF issued a request for proposals requesting that proposals be submitted by July 30, 2018. As of the date of this letter of intent, HRI Properties, LLC and Iris are collaborating on a response.

HRID is a wholly owned subsidiary of HRI Properties, LLC and provides development services for projects undertaken by HRI Properties, LLC and its affiliate, Historic Restoration, Incorporated. If HRI Properties, LLC and Iris are selected by REFF as the developer for the Project, HRID and Iris will negotiate and execute definitive agreements consistent with this letter of intent in connection with the Project financial closings.

Intent of HRID and Iris

It is the intent of HRID and Iris to serve as co-developers on every component or phase of the Project and to organize the managing member for each project owner, with Historic Restoration,

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 August 15, 2018
 Mr. Curtis Doucette, Jr.

Incorporated or its affiliate and Iris or its affiliate owning membership interests in each such managing member. The following principal business points will be included:

1. HRID will execute a development agreement for each component or phase with the project owner of such component or phase, and HRID and Iris will execute a subdevelopment agreement. HRID will not have the right to terminate a subdevelopment agreement except for a material breach by Iris of its obligations thereunder.
2. The development services to be performed by HRID and Iris shall be decided by future agreement, but Iris acknowledges that HRID will ultimately determine responsibility for certain development tasks. HRID acknowledges that to the extent HRID is performing certain development tasks, Iris may participate. Iris acknowledges that to the extent Iris is performing certain development tasks, HRID may participate.
3. The development fee for all components or phases of the Project will be shared as follows: HRID, 90%, and Iris, 10%, on a pro rata basis. The parties acknowledge that a portion of the development fee may be deferred, which deferred portion will be paid from project cash flow. Iris acknowledges that HRID will have the sole discretion to determine whether a portion of the development shall be deferred and the amount of such deferral. HRID acknowledges that payments of deferred development fee will be made on a pro rata basis in accordance with the percentages set forth in the first sentence of this paragraph.
4. The managing member of each project owner shall be owned by Historic Restoration, Incorporated or an affiliate and Iris as follows: Historic Restoration, Incorporated, 90%, and Iris, 10%. If a project requires non-tax credit equity, Iris shall have the opportunity to invest such equity in the project and increase its ownership percentage in the managing member, on a pro rata basis, but Iris shall not be entitled to invest an amount so that its ownership percentage would exceed 49% without the approval of Historic Restoration, Incorporated.
5. An affiliate of HRID will provide all required guarantees. Iris will not be required to provide any guarantee.

If this letter correctly sets forth the intent of HRID and Iris with respect to the principal business terms of their relationship regarding the Project, please evidence your acknowledgement by signing below.

Sincerely



Joshua D. Collen
 Senior Vice President - Development Services

Page 3
 August 15, 2018
 Mr. Curtis Doucette, Jr.

Acknowledged this

.15_ day of August, 2018

IRIS DEVELOPMENT LLC

By: 
 Curtis Doucette, Jr.
 Managing Partner

EXHIBIT B - COMMUNITY PARTNERS



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**WORKFORCE DEVELOPMENT AND INSTITUTIONAL ADVANCEMENT
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www.dcc.edu

June 27, 2018

HRI Properties
812 Gravier Street, Ste. 200
New Orleans, LA 70130

Dear Sir:

Delgado Community College is extremely excited to be a potential partner with HRI Properties and its affiliates for the Charity Hospital Redevelopment Project to provide workforce training.

Delgado Community College has been a staple in the New Orleans region for nearly 100 years and is the oldest and largest community college in the state of Louisiana. In fact, *New Orleans City Business* magazine recently named Delgado Community College the "Best Two-Year College" in the Greater New Orleans Region for the second consecutive year in a row.

There are three core elements that make Delgado Community College uniquely qualified to partner with HRI Properties in the realm of workforce training:

- **Strategic Partnerships:** Delgado Community College has established relationships across the region with governmental, quasi-governmental, private industry, and union organizations. Currently we are providing quality training courses for Sewerage & Water Board, Entergy New Orleans,
- **Training Courses:** "Ready for All Facets of Business and Industry": Delgado Community College offers over 100 plus courses in the areas of OSHA, industrial maintenance, carpentry, electrical, welding, and millwright, as well as nursing, medical assistance, culinary and hospitality. We also hire our highly skilled instructors through our union and industry partnerships.
- **Customized Trainings:** Delgado's Workforce Division works has the ability to tailor trainings to the specific needs of its business/ industry partners.

Delgado Community College has a proven track record regarding our ability to meet the needs of our business/ industry partners, students, and the community. In closing, we are extremely excited about the potential to partner with HRI Properties and its affiliates. Together we can make a tremendous positive impact in the city of New Orleans by providing a highly qualified/trained workforce that support economic development, but ultimately improves or maintains the "quality of life" of the citizens of New Orleans.

Respectfully,



Arlanda J. Williams, MPA
Vice Chancellor

*Delgado Community College is a member of the Louisiana Community and Technical College System
AN EQUAL OPPORTUNITY EMPLOYER*



**Real-World Skills.
Real-Life Success.**

August 7, 2018

LSU Real Estate and Facilities Foundation
3796 Nicholson Drive
Baton Rouge, LA 70802

Re: HRI Properties' Proposal to Lead the Adaptive Reuse of the former Charity Hospital

Dear Members of the Selection Committee,

I write to support HRI Properties' proposal to LSU Real Estate and Facilities Foundation to lead the adaptive reuse of the former Charity Hospital site at 1532 Tulane Avenue.

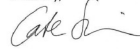
YouthForce NOLA is an education, business, and civic collaborative that prepares New Orleans public school students for successful pursuit of high-wage, high-demand career pathways. Through our network of partner schools, employers, training providers, and community organizations, YouthForce offers expanded coursework offerings, career exposure and experiences, soft skills training, and employer-validated credentials to in-school youth. The collective YouthForce vision is that our public school graduates will thrive economically, and be the most sought after talent for hiring and advancement in the region's high-wage, fast-growing industries.

New and dynamic economic activity in the Charity neighborhood, our city, and our region is essential to the achievement of the YouthForce vision, and I applaud the REFF for prioritizing as such in your solicitations. Not only will a revitalized Charity, and Charity neighborhood, serve as a premier destination for our talented young people in their future career pathways, but it would also be an ideal hub for collaborative, innovative, community efforts such as YouthForce NOLA to increase our citizen's economic outcomes.

Since YouthForce's founding in 2015, we have enjoyed strong collaboration with both HRI and their partner Woodward Design Build. Both organizations have demonstrated strong commitments to the City of New Orleans, our young people, and to both inclusivity and innovation. I give you my strong support of their proposal.

Thank you for your serious consideration of HRI's application.

Sincerely,



Cate Swinburn
President

625 Celeste Street, Box 108, New Orleans, LA 70130

Our Mission

We offer opportunities to people with disabilities and other employment barriers to improve their economic self-sufficiency through training, education, support services and employment.

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In 2014, Goodwill provided job training and employment services to 3,112 people and helped 279 find sustainable employment.

An Equal Opportunity Employer. Auxiliary aids and services available upon request to individuals with disabilities.



New Orleans Office:
3400 Tulane Avenue, Suite 1000
New Orleans, LA 70119
Phone: 504.456.2622
Fax: 504.456.2688

Baton Rouge Office:
647 Main Street
Baton Rouge, LA 70802
Phone: 225.308.0220
Fax: 225.308.0224
www.goodwillnola.org

August 16, 2018

HRI Properties
812 Gravier Street, Suite 200
New Orleans, LA 70130

Dear Sir:

Goodwill Industries of Southeastern Louisiana is extremely excited to be a potential partner with HRI Properties and its affiliates for the Charity Hospital Redevelopment Project to provide workforce training.

Goodwill Industries has been a staple in the New Orleans region for 71 years and is most noted for its ability to offer opportunities to people with disabilities and other barriers to improve their economic self-sufficiency through training, education, support services and employment.

Goodwill Industries of Southeastern Louisiana is uniquely qualified to partner with HRI Properties in the realm of workforce training.

- **Strategic Partnerships:** Goodwill has established relationships across the region with governmental, quasi-governmental, and private industry.
- We are currently operating our proprietary training school by providing quality and nationally certified training in hospitality and tourism, Medical Office Administration, Medical Billing and Coding, Communications Technology and Microsoft Office Technology.
- Goodwill also has the ability to customized training offerings that are tailored to the specific needs of its business/industry partners.
- Goodwill Industries of Southeastern Louisiana has a proven track record regarding our ability to meet the needs of our business/industry partners, program participants, students, and the community.

In closing, we are extremely excited about the potential to partner with HRI Properties and its affiliates. Together we can make a tremendous positive impact in the City of New Orleans by providing a highly qualified/trained workforce that support economic development, but ultimately improves or maintains the "quality of life" of the citizens of New Orleans.

Sincerely,



Kim Evans Rugon, PhD
Vice President of Workforce Development

EXHIBIT C - FINANCIAL COMMITMENT LETTERS



July 23, 2018

M. Pres Kabacoff
HRI Properties, LLC
812 Gravier Street, Suite 200
New Orleans, Louisiana 70112

Subject: Charity Hospital New Market Tax Credit Investment

Mr. Kabacoff:

We are pleased to provide this letter of interest to HRI Properties, LLC ("HRI") in connection with your financing plan to transform Charity Hospital and the surrounding neighborhood into a vibrant mixed-use community.

Capital One Community Renewal Fund, LLC (COCRF) has a long-standing relationship with HRI and its affiliated Community Development Entity (CDE), the National Cities Fund, LLC (NCF). Together we have partnered to invest approximately \$211 million of New Market Tax Credit (NMTC) allocation into nine projects that have generated a total investment of \$482 million in distressed urban areas. Our investments with HRI and NCF have eliminated blight and created approximately 1,650 construction jobs, 495 permanent jobs, 1,100 hotel rooms, 600 apartments, of which 130 are affordable housing, and 50,000 square feet of retail space.

As a long-time participant in many transformative New Orleans-area projects, COCRF is highly interested in participating with NCF in the financing of the restoration of the Charity Hospital. Of particular interest to us is participating in financing the commercial, neighborhood amenity retail and/or the potential civic anchor tenant components of the project, which we understand would be separated from the mixed-income residential components of the project via a condominium structure. We are interested in providing NMTC allocation as well as investing in the NMTCs generated by our allocation, NCF's allocation, and should the need arise, any third-party allocation obtained. Of course, as you know, our participation in any financing is subject to standard underwriting and internal approvals and this letter is not a commitment or promise to participate in any financing.

Placing the Charity Hospital building back into operation is vital to continuing the revitalization of New Orleans. We hope the selection committee chooses a strong catalytic developer, such as the HRI and Iris Development Team, capable of navigating the inherent complexities of this undertaking and focused on delivering the right community benefits and outcomes.

Sincerely,



Spencer Gagnet
Managing Director, Tax Credit Finance



Tax Credit Equity Group
One Piedmont Town Center, Suite 420
4720 Piedmont Row Drive
Charlotte, NC 28210

July 24, 2018

Mr. Josh Collen
Sr Vice President – Development Services
HRI Properties
812 Gravier Street, Suite 200
New Orleans, LA 70112

Re: Charity Hospital Project – New Orleans, LA

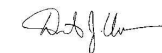
Dear Mr. Collen:

RBC Tax Credit Equity, LLC (RBC) is a leading tax credit syndicator, having invested in more than \$8.2 billion of affordable housing properties across the U.S., providing upwards of 78,000 affordable units. We are very interested in the potential to partner with HRI Properties in the financing of the rehabilitation of the former Charity Hospital located in New Orleans, into a mixed-use property including affordable apartment units, market rate apartment units and commercial space. The commercial space will provide much needed neighborhood retail amenities, as well as potentially civic, non-profit and research space. The plan is for this project to be redeveloped utilizing federal Low-Income Housing Tax Credits (LIHTC), Federal Historic Tax Credits (HTC) and potentially New Markets Tax Credits (NMTC). RBC has a vast amount of experience placing both LIHTC's and HTC's and has also secured five NMTC awards totaling more than \$193 million. RBC works closely with a number of end investors to place these investments, of which Capital One is one of our top investors and has expressed interest in the project as well.

RBC is currently working on closing a NMTC investment with HRI Properties. From our experience and due diligence, we consider HRI Properties to be one of the premier developers in the country and very capable and highly qualified to undertake a project the magnitude of the Charity Hospital redevelopment. We feel it is very important that the developer has extensive experience with historic rehabilitations that will incorporate housing and commercial space and HRI provides that. We also greatly appreciate the fact that HRI Properties is locally based in New Orleans and that it further demonstrates their commitment to the community.

We feel this is a very exciting opportunity, with a developer that is capable of completing the rehabilitation and turning Charity Hospital into a marquee property in New Orleans.

Very truly yours,



David J. Urban
Director

EXHIBIT C - FINANCIAL COMMITMENT LETTERS



**National Trust Community
Investment Corporation**
a subsidiary of the
National Trust for Historic Preservation

August 9, 2018

Josh Collen
Senior Vice President – Development Services
HRI Properties
812 Gravier Street, Suite 200
New Orleans, LA 70112

**Re: The Charity Hospital
Federal Historic Tax Credit Equity Investment
Federal New Market Tax Credit Investment**

Dear Mr. Collen:

The National Trust Community Investment Corporation (together with its affiliates, collectively “NTCIC”) is pleased to provide HRI Properties (together with its affiliates, collectively “you” or the “Sponsor”) with this letter of interest (“LOI”), which outlines the our interest in supporting your rehabilitation and adaptive re-use of the Charity Hospital (the “Building”) into Charity Hospital Development (the “Project”) in New Orleans, Louisiana.

NTCIC is a wholly owned for-profit subsidiary of the National Trust for Historic Preservation and is the preferred source for tax credit investments and expertise. An experienced syndicator since 2000, NTCIC has partnered with over 20 corporate investors in HTC, NMTC, ITC & LIHTC transactions. Investment partners for our projects include major and regional banks, insurance companies and manufacturers. Our development partners include a wide variety of property owners including for-profit developers, nonprofit organizations and local governments. NTCIC has provided tax credit financing of over \$1.2 billion in capital for HTC, NMTC, ITC, and LIHTC investments for 160 transactions with over \$4.8 billion in total development costs.

Project Description

NTCIC understands that your proposed rehabilitation will establish a mixed-use (residential, neighborhood retail, as well as potentially civic, nonprofit and research space) project at Charity Hospital. NTCIC is attracted to your Project because of its unique reuse of a historic property that was devastated by Hurricane Katrina and given our past partnerships on other investments, we are confident you have the wherewithal to development a very successful project in light of the scale and complexity this opportunity poses.

This LOI is based on representations and information provided by you. Any changes may result in adjustments to this offer. The proposed terms and conditions are subject to the satisfactory conclusion of NTCIC’s due diligence review, final approval and possible amendments by NTCIC’s Investment Committee and investor, and closing. This letter does not set forth all of the terms, conditions and documents that will be required by NTCIC in connection with the proposed investment. 6367875.1

Investors

NTCIC has very strong interest in placing New Market’s Tax Credit allocation here given the Project’s strong community impacts derived from the proposed redevelopment. If HRI is chosen the preferred developer for Charity Hospital, NTCIC will gather additional information about the Project, undertake standard due diligence and, assuming the Project meets NTCIC’s underwriting guidelines, would arrange for one or more tax credit investors to invest in the Project.

We are pleased that we have the opportunity to consider participating in your redevelopment efforts and would encourage you to keep us apprised as you move forward in your development efforts.

Sincerely,



Matthew Prickett
Acquisitions Manager, National Trust Community Investment Corporation

EXHIBIT C - FINANCIAL COMMITMENT LETTERS



Josh Collen
Senior Vice President – Development Services
HRI Properties
812 Gravier, Ste. 200
New Orleans, LA 70112

Dear Mr. Collen:

Stonehenge Capital Company (“Stonehenge”) is pleased to submit this letter in support of HRI Properties (“HRI”) in connection with your proposal to restore and rehabilitate Charity Hospital in New Orleans, Louisiana (the “Project”). Stonehenge has developed a long-standing business relationship with HRI and has had the opportunity to provide both federal and state tax credit equity to support their catalytic historic rehabilitation projects in Louisiana.

During the last ten years, Stonehenge has provided over \$100,000,000 of financing to projects sponsored by HRI. These projects were completed on budget, on time and are delivering on the intended community development initiatives. These investments were predicated upon the fact that HRI has the experience and ability to assemble the various forms of financing needed to complete these projects which include, but are not limited to, historic tax credits, New Markets Tax Credits, Low-Income Housing Tax Credits, and related incentives to successfully complete complex historic projects.

From the restoration of the historic Hibernia Tower to the 23-acre Bienville Basis neighborhood, the City of New Orleans has benefited from the vast impact of HRI’s development work throughout the city. Year after year, Stonehenge has valued HRI as a trusted partner with an exceptional leadership team. HRI’s investments speak volumes to your commitment and determination to create sustainable communities in Louisiana.

Stonehenge is a nationally recognized leader in specialty finance that is headquartered in Baton Rouge with principal oversight in Columbus, Ohio. Since 1999, we have participated in 57 regulated state tax credit incentive programs in 33 states without having a single credit recaptured, disallowed, or otherwise forfeited in any capacity. Since 2006, Stonehenge has invested in projects that have generated \$3 billion in various federal and state incentives and has invested in 190 historic rehabilitation projects that have generated approximately \$800 million of historic tax credits. Stonehenge acts as a principal in transactions using its own capital and offering financing to developers with its ability to monetize various incentives.

Should HRI be selected, Stonehenge is committed to supporting its historic tax credit financing needs and would be interested in exploring providing New Market Tax Credit allocation through our affiliate Stonehenge Community Development. Stonehenge has adequate funds available to invest in this Project subject to underwriting, due diligence and approval by Stonehenge’s Investment Committee.

On behalf of Stonehenge, it is our pleasure to support HRI. If you have any questions or need further clarification, I am happy to discuss this letter further. Please feel free to contact me by telephone at (225) 408-3250 or via email at tjadamek@stonehengecapital.com.

Sincerely,



Thomas Adamek
President

EXHIBIT D - LETTER OF INTEREST: TULANE UNIVERSITY

Tulane University
Office of the Chief Operating Officer
327 Gibson Hall
6823 St. Charles Avenue
New Orleans, Louisiana 70118

August 9, 2018

Pres Kabacoff, Executive Chairman of the Board of Directors
HRI Properties
812 Gravier Street Suite 200
New Orleans, LA 70112

RE: Redevelopment of Charity Hospital

Dear Pres,

Thank you for reviewing with us your approach to the Redevelopment of Charity. We agree that this building is a key component in transforming the center of New Orleans.

Tulane University is interested in exploring three types of participation in this initiative:

1. Occupying Space in Charity:

Tulane's particular interest is in potentially occupying a total of 300,000 square feet in the Charity Hospital building, which could be comprised of 175,000 square feet for administrative office space and 125,000 square feet for research, academic, and faculty/student housing. The breakdown of these types of space is not determined and there is a lot to be discussed regarding cost and schedule. However, we are excited about the potential of building modern new work/living environments in the historic building, enhanced by daylight from its large vertical windows. This would be a strong statement of Tulane's commitment to sustainability.

2. Joint Effort on Master Planning:

The idea of master planning this area of the city, in collaboration with your team, LSU, and the community, is appealing to us. We would like to create an improved neighborhood and we are willing to consider alternatives to the current appearance/ shape of our existing parking garage across Tulane Avenue from Charity.

3. Leasing of Excess Parking:

If the joint master planning shows that we have extra parking, we would consider leasing some of it to occupants of the redeveloped Charity.

There are many details to be figured out, and we are interested in doing that, to enhance the quality of our home, New Orleans. We continue to value the role that both of our campuses, uptown and downtown, can play in making the city even more vibrant.

Of course, this letter is not binding, nor is our interest in this project exclusive. We look forward to exploring further with you the details of this redevelopment opportunity.

Sincerely,

Patrick Norton

Patrick Norton
Senior Vice President and Chief Operating Officer

EXHIBIT E - LETTER OF INTEREST: UNITED WAY OF SOUTHEAST LOUISIANA



2515 Canal Street
New Orleans, LA 70119
tel 504.822.5540
unitedwaysela.org



Thursday, July 19, 2018

Mr. Pres Kabacoff
HRI Properties
812 Gravier Street
Suite 200
New Orleans, LA 70112

Dear Pres,

As you may be aware, The United Way of Southeast Louisiana's five years ago, UWSELA embarked on a journey to determine its relevancy in its 7-parish service area. Over sixty community conversations were conducted, and hundreds of thought partners were brought to the table to identify the Big Issue that our community needed to thoughtfully address in order to build a stronger, healthier, safer community for all. The results were clear: UWSELA would address poverty as its big issue. Based on those community conversations, it was also clear that poverty had to be viewed through the lens of equity, racism and family. As a result of the findings, UWSELA was able to develop our Blueprint for Prosperity.

The Blueprint for Prosperity focuses on four main outcomes: Stability Today, Prosperity Tomorrow, Personal Wellness, and Vibrant Communities. The Blueprint also identifies specific indicators that measure poverty outcomes and will have specific equity indicators around the work that is being done internally and externally by 2019. We are making progress!

But, we know we can't do this work alone. Our community came together to identify the challenges we face, and now it is imperative that funders, programs, service providers, and other connected to the work of alleviating the effects of poverty come together in a Spirit of Charity, to continue the work of developing long-term solutions to meet this great need. UWSELA has convened several collaborative partnerships around various pieces of this work. We have seen and participated in the tremendous successes to be had when great minds, compassionate hearts, and strong backs meet around a table to address a common challenge. Imagine how much greater our impact might be if we were able to focus our efforts on a more inclusive initiative to improve lives in Mid-City.

We appreciate the opportunity to explore a possible partnership with you on the Spirit of Charity project. A multi-faceted shared space for non-profits is something the City of New Orleans deserves, and when realized could lead to greater collaboration and shared efforts to benefit and improve the lives of all New Orleanians, beyond its Mid-City home.

At United Way of Southeast Louisiana, our mission is to eradicate poverty in our region. Our goal, our dream, our vision, and our driving motivation each day is to see equitable communities where all people are healthy, educated, and financially stable. We applaud and lend our enthusiastic support to any effort



2515 Canal Street
New Orleans, LA 70119
tel 504.822.5540
unitedwaysela.org



to bring that day one step nearer, and we have great interest in learning more about where and how we might assist with this specific effort.

Sincerely,



Michael Williamson

EXHIBIT F - HUD CHOICE NEIGHBORHOOD INITIATIVE LETTER



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

Patrick Forbes
Executive Director
Division of Administration
Office of Community Development
Claiborne Building, Ste. 3-150
1201 N. Third Street
Baton Rouge, LA 70802

JUL 2 @ 2018

Re: Charity Hospital Redevelopment
Iberville/Tremé Choice Neighborhoods Initiative

Dear Mr. Forbes,

On behalf of the U.S. Department of Housing and Urban Development (HUD), I would like to express our appreciation for the Louisiana Office of Community Development's ongoing partnership in advancing the Housing Component of HUD's Iberville/Tremé Choice Neighborhoods Initiative (CNI) in New Orleans. We believe this initiative will stimulate and fuel a community transformation within the City of New Orleans, and this sort of public/private partnership is a model for the Choice Neighborhoods program.

Through focusing energies and resources from Federal, State, City, community, and private stakeholders, the City of New Orleans and the Housing Authority of New Orleans, as the CNI co-grantees, along with their housing development partner and social service partners, have produced hundreds of quality housing units in developments scattered throughout the Choice Neighborhood and provided support for public housing and neighborhood residents.

At the core of this CNI neighborhood transformation effort is the redevelopment of the 23-acre, long-blighted Iberville public housing development, now known as Bienville Basin. This project, which is nearing completion, will create over 680 new mixed-income housing units and will serve as a major catalyst for transformation throughout the entire CN neighborhood.

However, though much has been accomplished as a result of the Iberville/Tremé CNI, work remains to complete the one-for-one replacement of the 821 housing units demolished at the Iberville public housing site and to continue redevelopment of critical neighborhood properties, including the Charity Hospital, which occupies and impacts a large portion of the Choice Neighborhood footprint. Given the importance of revitalizing Charity Hospital as a part of completing the CNI neighborhood Transformation Plan, we are excited to see that the Request for Proposals (RFP) procurement process is proceeding. In the interest of continuing the momentum of redevelopment and advancement of the CNI objectives, we encourage you to continue our work and to incorporate housing for households of varying income levels into the RFP process.

www.hud.gov

espanol.hud.gov

HUD looks forward to working with the State of Louisiana and the City of New Orleans to collaboratively advance progress on both the Choice Neighborhoods Initiative and the Charity Hospital redevelopment. Please feel free to reach out to Luci Blackburn, the HUD New Orleans CNI project manager, at (202) 402-4190.

Sincerely,



Mindy Turbov
Director
Choice Neighborhoods Program

EXHIBIT G - HISTORIC NEW ORLEANS COLLECTION

THE HISTORIC NEW ORLEANS COLLECTION
KEMPER AND LEILA WILLIAMS FOUNDATION
533 ROYAL STREET • NEW ORLEANS, LOUISIANA 70130-2179 • (504) 523-4662

PRISCILLA LAWRENCE
President/CEO

July 16, 2018

Jeanne Nathan
Executive Director
Creative Alliance of New Orleans

Dear Jeanne,

We at The Historic New Orleans Collection understand that there is an opportunity to create a community-based cultural program in a revitalized Charity Hospital building with new uses. We also understand that there is a concept to engage the community through storytelling and oral histories of their own personal experiences as patients, staff or faculty over the years. We think this is an excellent concept and would welcome an opportunity to explore how we might bring our expertise in gathering such stories to your project.

We also understand that there are a significant number of artifacts available both from the hospital and from the surrounding area. We again would be interested in exploring the possibility of working to preserve, archive and present some of those artifacts as part of a cultural and community oriented space or site within Charity Hospital.

We would be happy to meet with you as planning progresses to see if this project is something that would fit within our mission and future plans.

Sincerely,



Priscilla Lawrence

cc: Daniel Hammer
John Lawrence
Mark Cave

LOUISIANA HISTORY GALLERIES
WILLIAMS GALLERY
533 Royal Street
www.hncc.org

WILLIAMS RESEARCH CENTER
410 Chartres Street
New Orleans, Louisiana 70130-2102
(504) 523-4662

PUBLICATIONS
WILLIAMS RESIDENCE
MUSEUM SHOP
533 Royal Street

EXHIBIT H - LETTERS OF INTEREST: RETAIL TENANTS



Josh Collen
HRI Properties
Re: Charity Hospital Redevelopment

Dear Josh:

On behalf of our Pythian Market Team, we wanted to express our interest in operating a grocery concept we have been developing in the redeveloped Charity Hospital footprint. As we both know this type of large-scale, catalytic redevelopment needs local, well-loved anchors, and though we have not been around very long, we believe the energy and excitement generated by our food hall has been top notch.

Our grocery concept would only build on that excitement. The vision for this concept is to combine access, affordability, and quality in a way that can address the challenges of operating in a food desert like the Spirit of Charity Innovation District. We will incorporate healthy grocery options along with grab and go and prepared food that will serve the substantial workforce moving in and out of this district on a daily basis.

We understand that you would be looking to fill a roughly 10,000 square foot space with a grocery store, and we believe we would be well-suited to deliver on that effort for you. In addition, our commitment to sustainability, equity, and community matches well with the overall goals of the district.

We can provide more detail as needed on our plans and concept and look forward to negotiating rental terms and other details of how we would operate. For now, we hope this letter of interest suffices for your needs in the proposal. We would be honored to join your team, and work in this new capacity with one of our long-standing partners.

Sincerely,



Will Bradshaw,
President of Green Coast Enterprises, and
Managing Member of Pythian Market



234 Loyola Ave 3rd Floor, Suite 100B
New Orleans, LA 70112
pythianmarket.com



July 13, 2018

Mr. Thomas Leonhard, Jr.
Historic Restoration, Incorporated
812 Gravier Street, Suite 200
New Orleans, LA 70112

RE: Charity Hospital Building, New Orleans

Dear Tom,

Hello, my name is Jewel Stafford, I am the owner and Director of Audubon Primary Academy. I founded Audubon after being asked to remove my child from a day care because my "expectations were too high"; he was only 6 months old. With that, I realized as a working Mom, that we were in need of quality childcare.

With the assistance of my staff, I strive to provide an environment where parents can leave their children and think about them, not worry about them. I've developed and operate Audubon as if each child is my own. My staff and I are certified in CPR/Pediatric First Aid, have certifications in early childhood development and a combined total of over 50 years child care experience. It is our daily goal to provide you with a loving, safe and professional environment for your child to thrive & grow. We are looking to expand our reach and feel as though Charity Hospital would be a development of interest for us.

We recognize that Charity Hospital is a real monument and important part of the overall New Orleans culture. We are confident that we can provide the expertise it takes to facilitate an exceptional child care learning experience within this development.

Best regards,

Jewel Stafford
Owner

1501 Religious Street
504.304.7335
apacademy@aol.com

EXHIBIT I - ARCHITECTURAL PLANS

INSTITUTIONAL/CIVIC USE

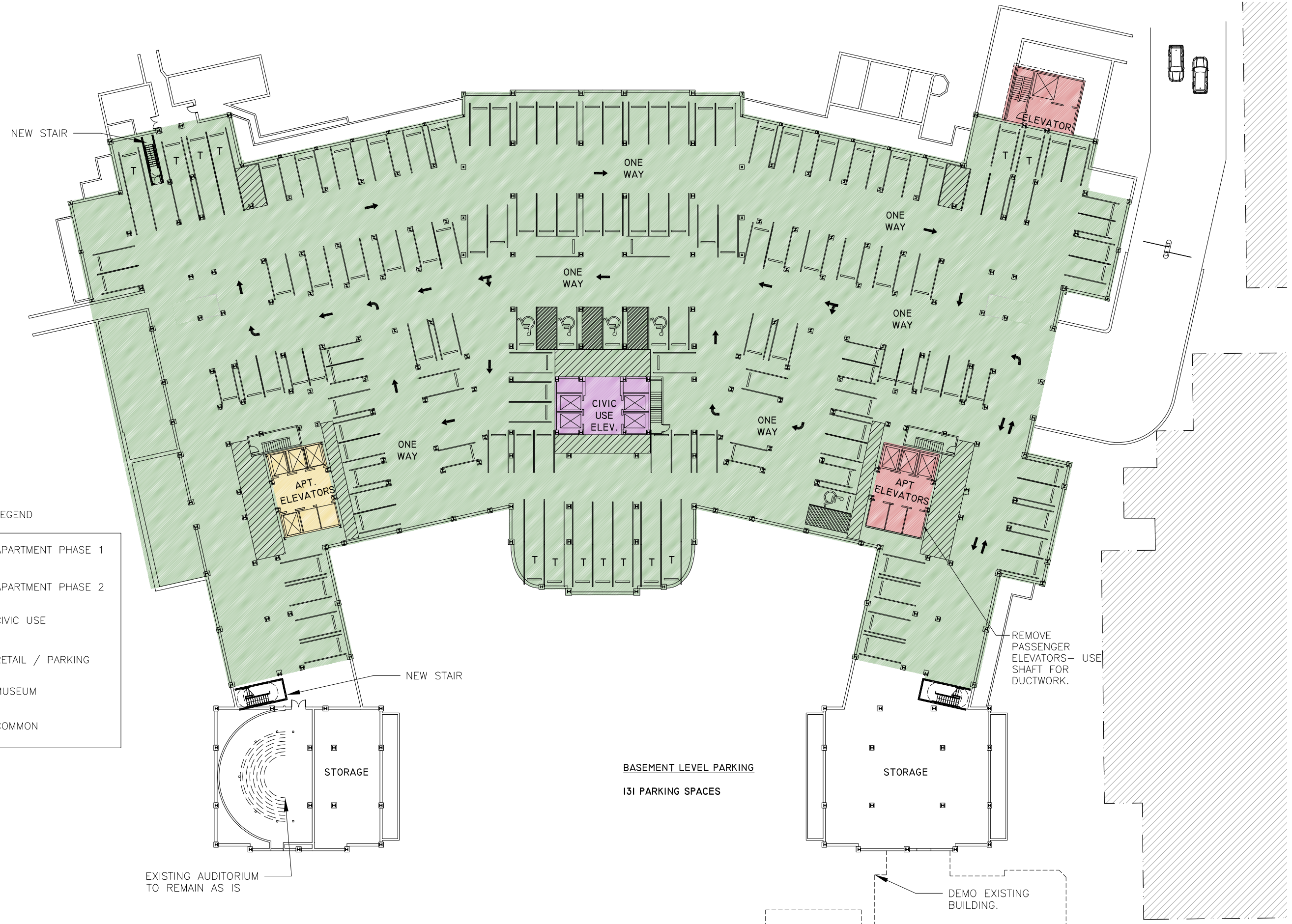
- ◇ MIXED-INCOME MULTI-FAMILY;
- ◇ CITY HALL;
- ◇ GROUND FLOOR NEIGHBORHOOD RETAIL;
- ◇ BASEMENT PARKING



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SUB: PLANK SET

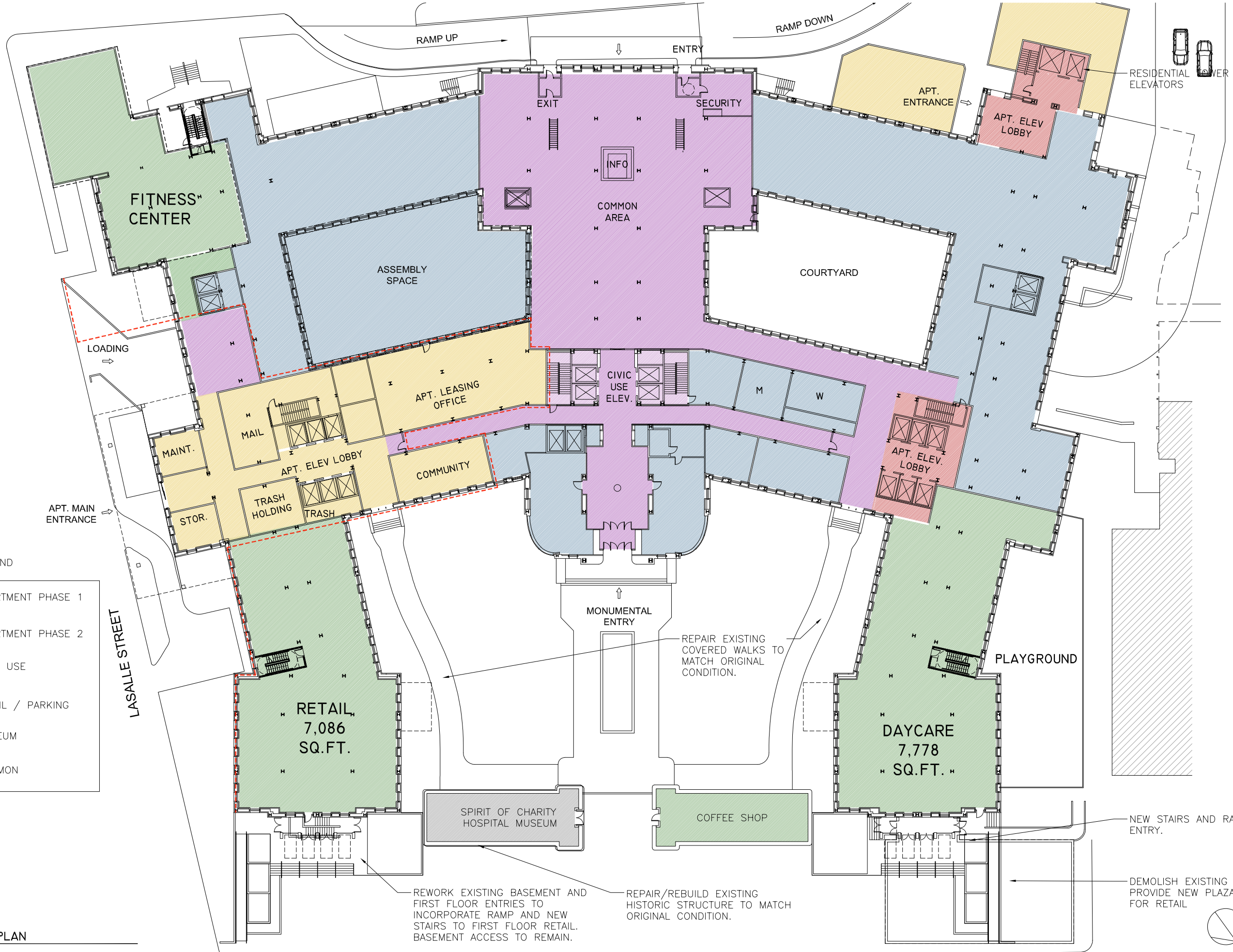
LEGEND

- APARTMENT PHASE 1
- APARTMENT PHASE 2
- CIVIC USE
- RETAIL / PARKING
- MUSEUM
- COMMON



AI **BASEMENT FLOOR PLAN**
A101 1" = 20'-0"

W:\Projects\120217\120217.dwg (12/20/17) 12/20/17 12:00:00 PM



LEGEND

	APARTMENT PHASE 1
	APARTMENT PHASE 2
	CIVIC USE
	RETAIL / PARKING
	MUSEUM
	COMMON

AI
AI02 FIRST FLOOR PLAN
1" = 20'-0"

CLAIBORNE AVE. (SIDE)

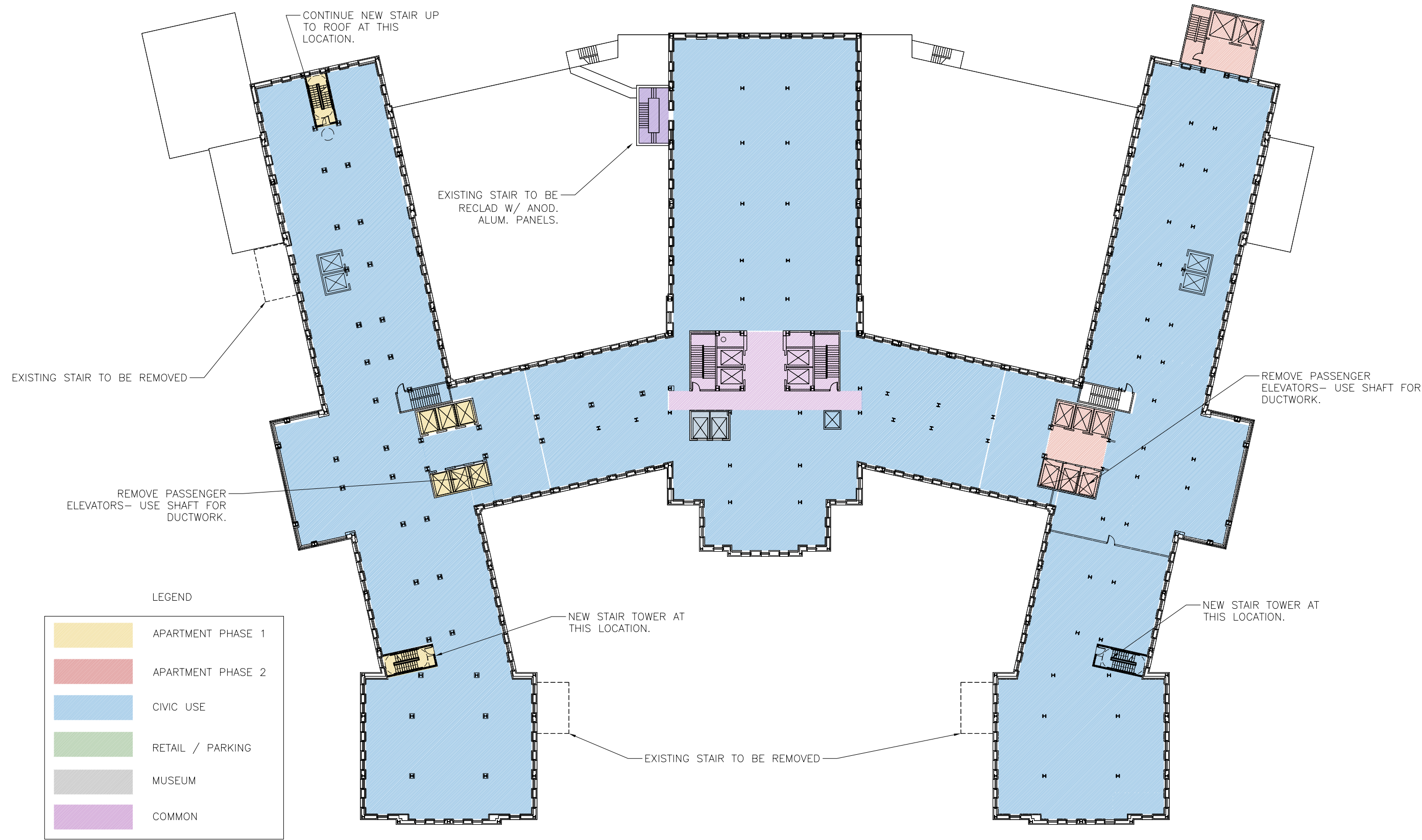


CHARITY MIXED - USE
NEW ORLEANS, LOUISIANA

PLOT DATE	17-AUGUST-2018
PROJECT NO.	418
DRAWING FILE	AI02_1ST FLOOR PLAN.rvt
SCALE	1" = 20'-0"

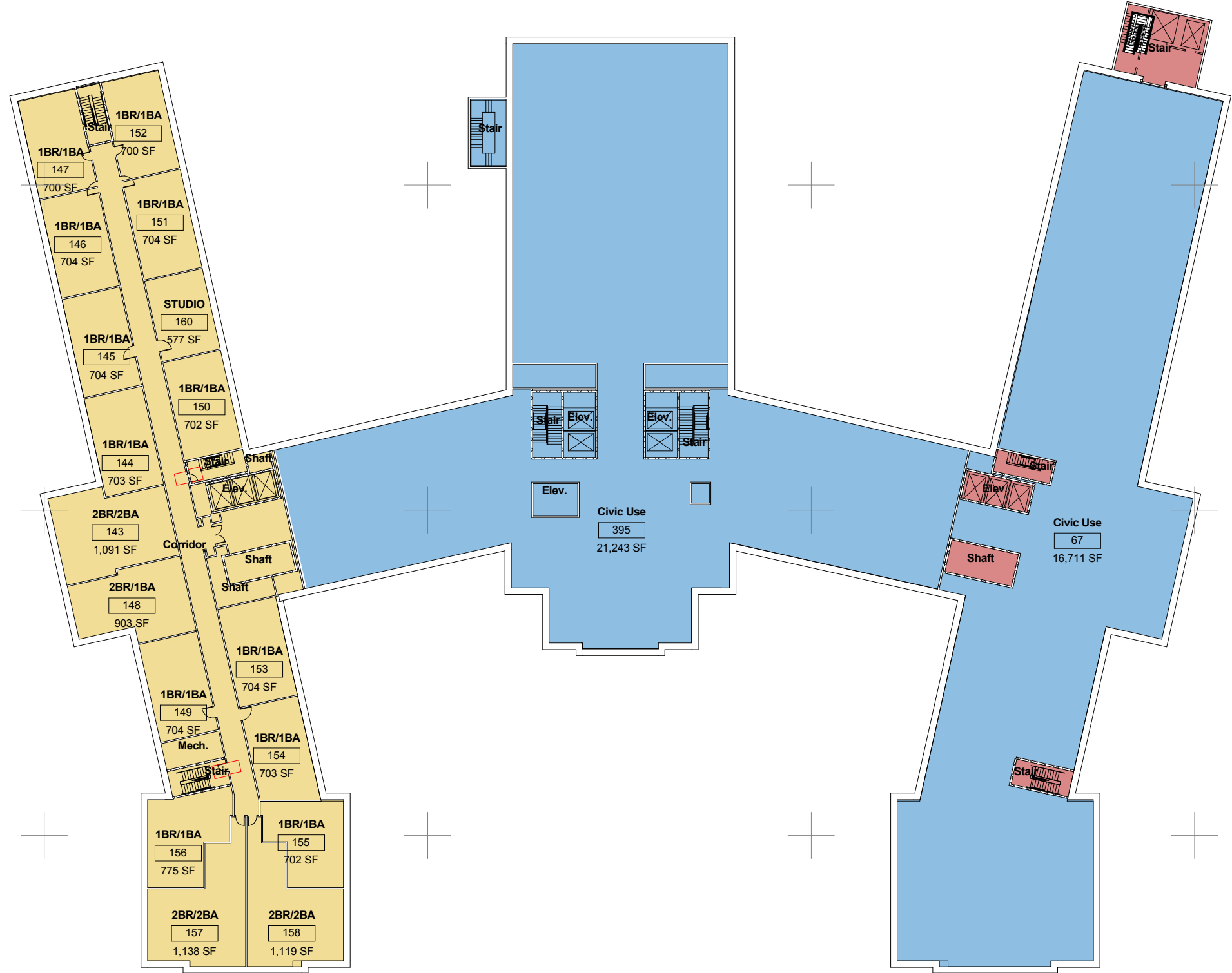
AI02
SCHEMATIC SET
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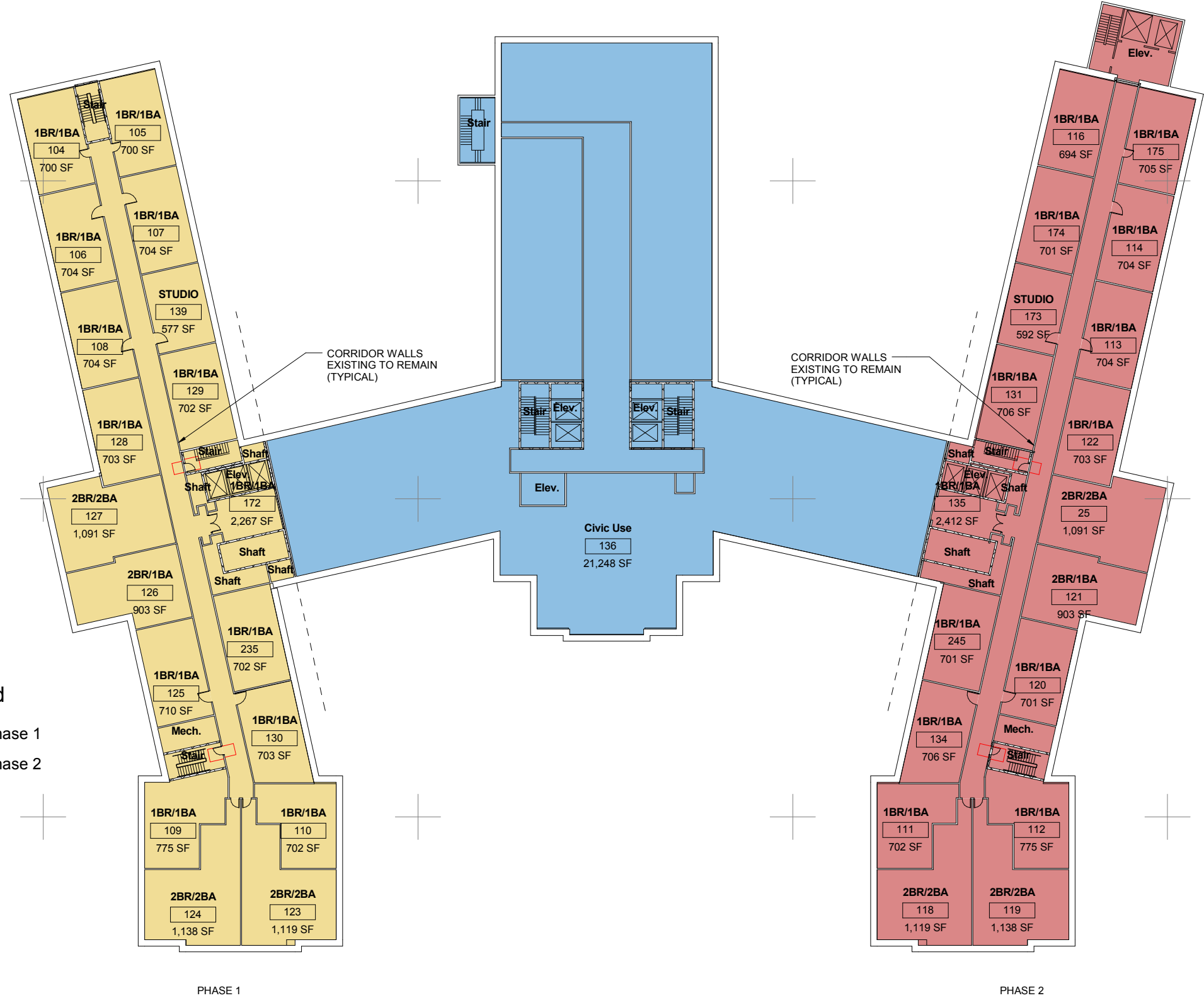


Phase Legend

- Apartments Phase 1
- Apartments Phase 2
- Civic Use



1 Level 4th & 5th - Floor Plan
 A105 3/64" = 1'-0"

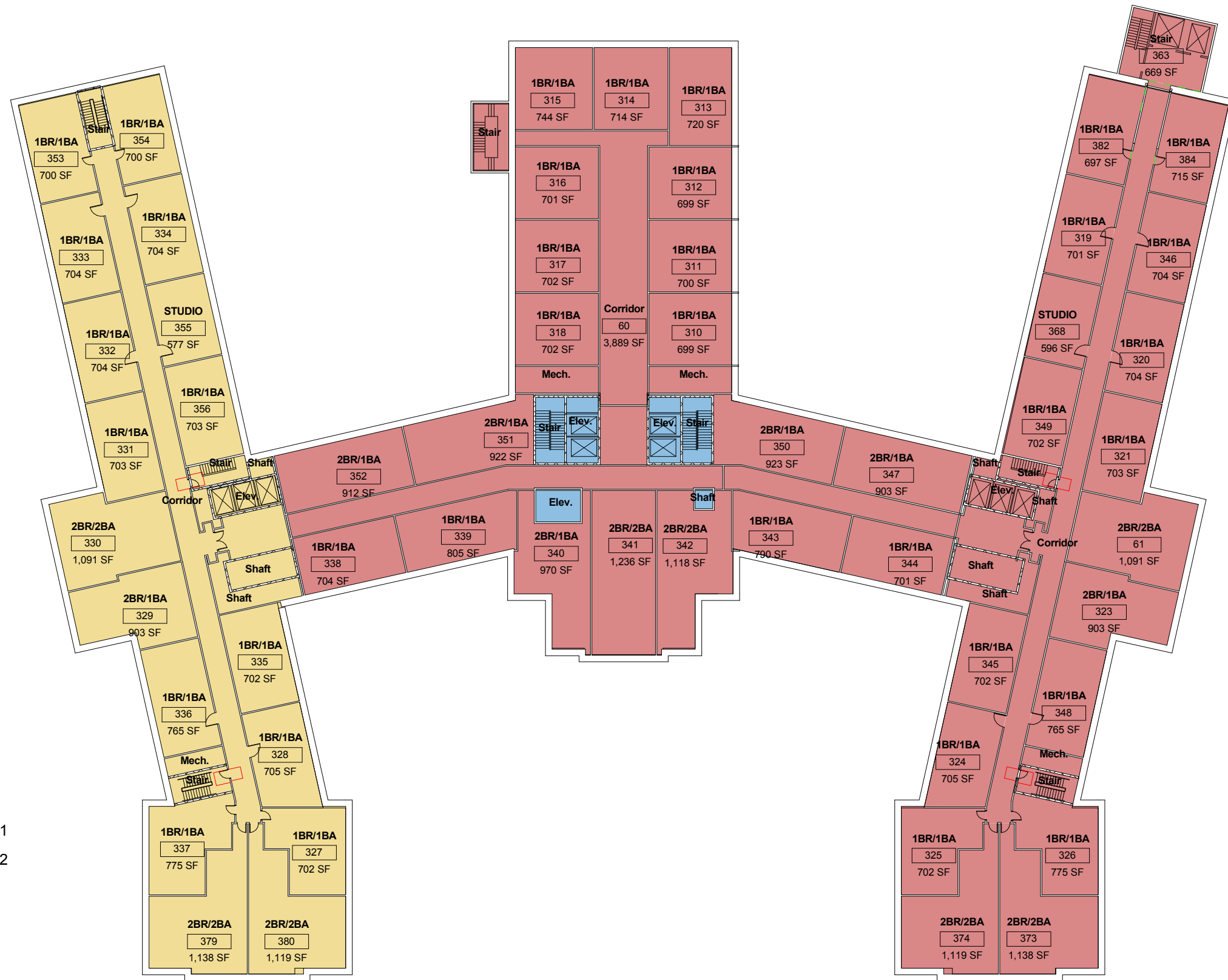


- Phase Legend**
- Apartments Phase 1
 - Apartments Phase 2
 - Civic Use

1 Level 6-10 - Floor Plan
 A106 3/64" = 1'-0"

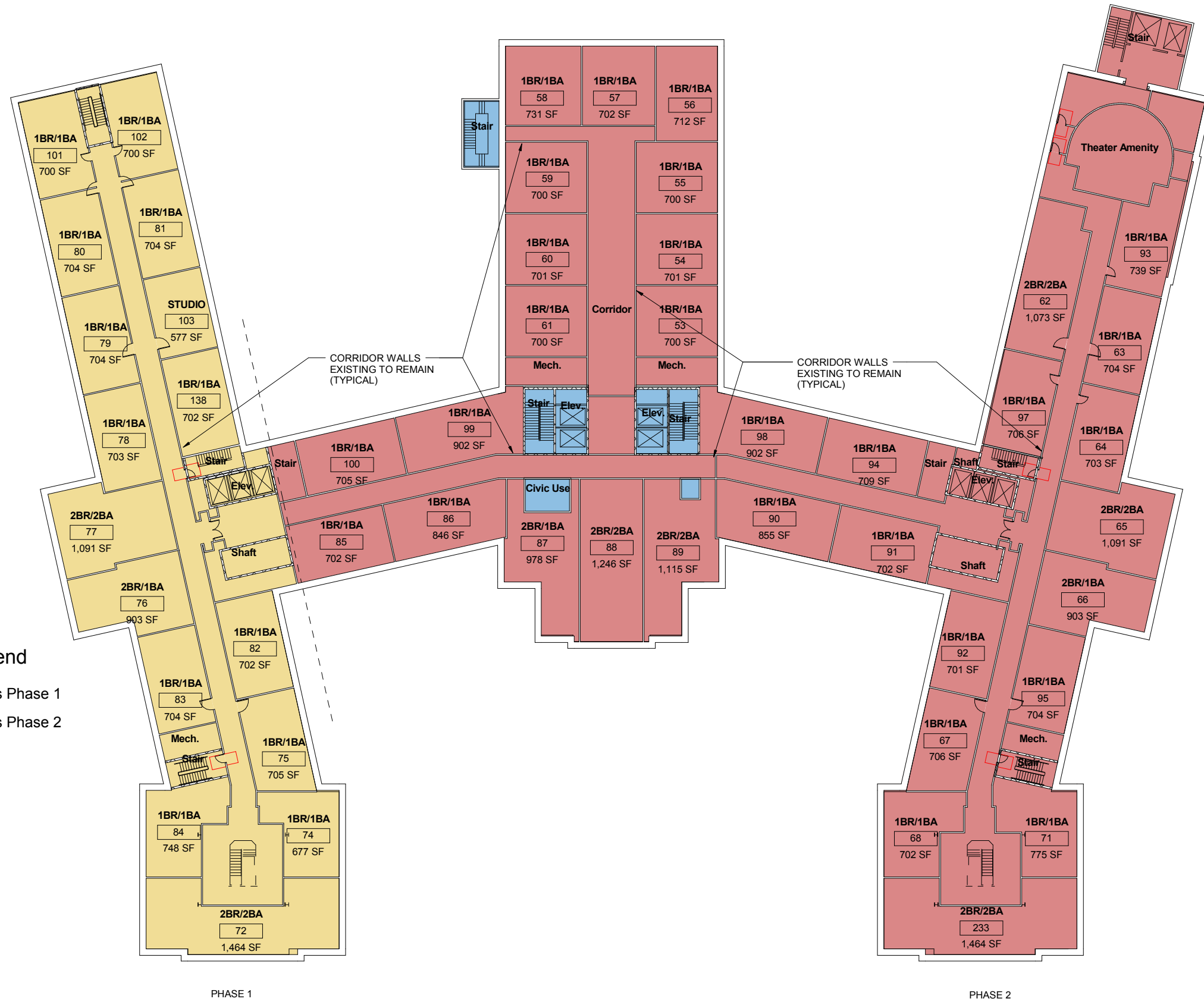
Phase Legend

- Apartments Phase 1
- Apartments Phase 2
- Civic Use



1 Level 11
A107 1" = 20'-0"

- Phase Legend**
- Apartments Phase 1
 - Apartments Phase 2
 - Civic Use



1 Level 12 Floor Plan
A108 1" = 20'-0"

PROPOSED DEVELOPMENT WITHIN THE CITY OF NEW ORLEANS, MISSISSIPPI. ALL RIGHTS RESERVED. © 2018 HCI ARCHITECTURE, INC.

CONTINUE EXISTING STAIR UP TO ROOF AT THIS LOCATION.

EXISTING STAIR TO BE REMOVED

NEW OUTDOOR DECK

COVERED CABANA AREA

NEW STAIR TOWER AT THIS LOCATION.

EXISTING STAIR TO BE RECLAD IN ANOD. ALUM. PANELS.

EXISTING STAIR TO BE REMOVED

(+72")

POOL

(+48")

(+24")

(+24")

EXTENDED ELEVATORS

ELEVATOR/MECH.







COMMUNITY ROOM 324 S.F.

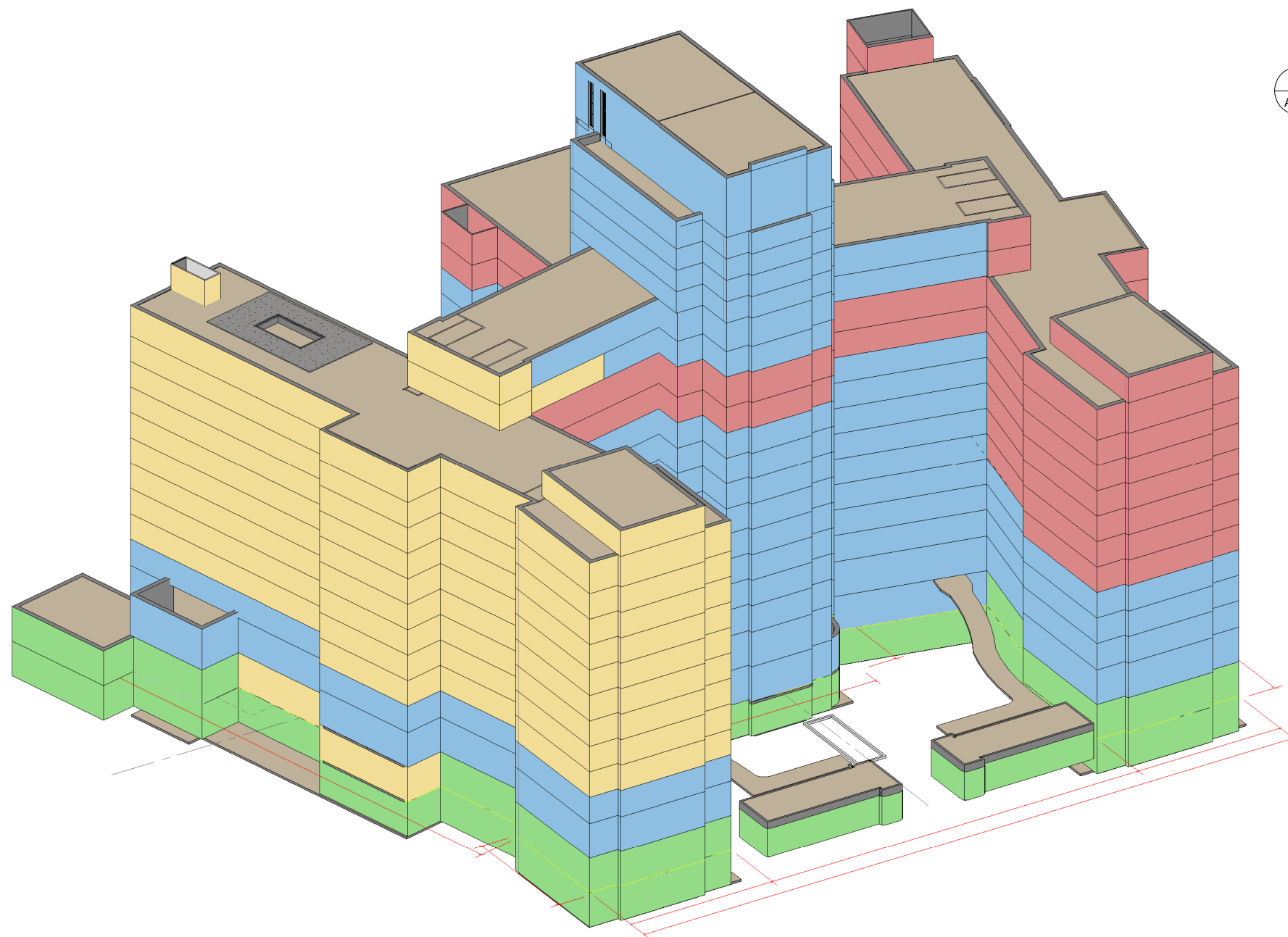
WOMEN

MEN

CIVIC USE 12,832 SQ. FT.

ELEVATOR/MECH.

	APARTMENT PHASE 1
	APARTMENT PHASE 2
	CIVIC USE
	RETAIL / PARKING
	MUSEUM
	COMMON



	Apartment Phase 1
	Apartment Phase 2
	Civic Use
	Retail / Parking

2 Department Legend
A201 12" = 1'-0"

1 Phase View
A201

EXHIBIT J - ARCHITECTURAL PLANS

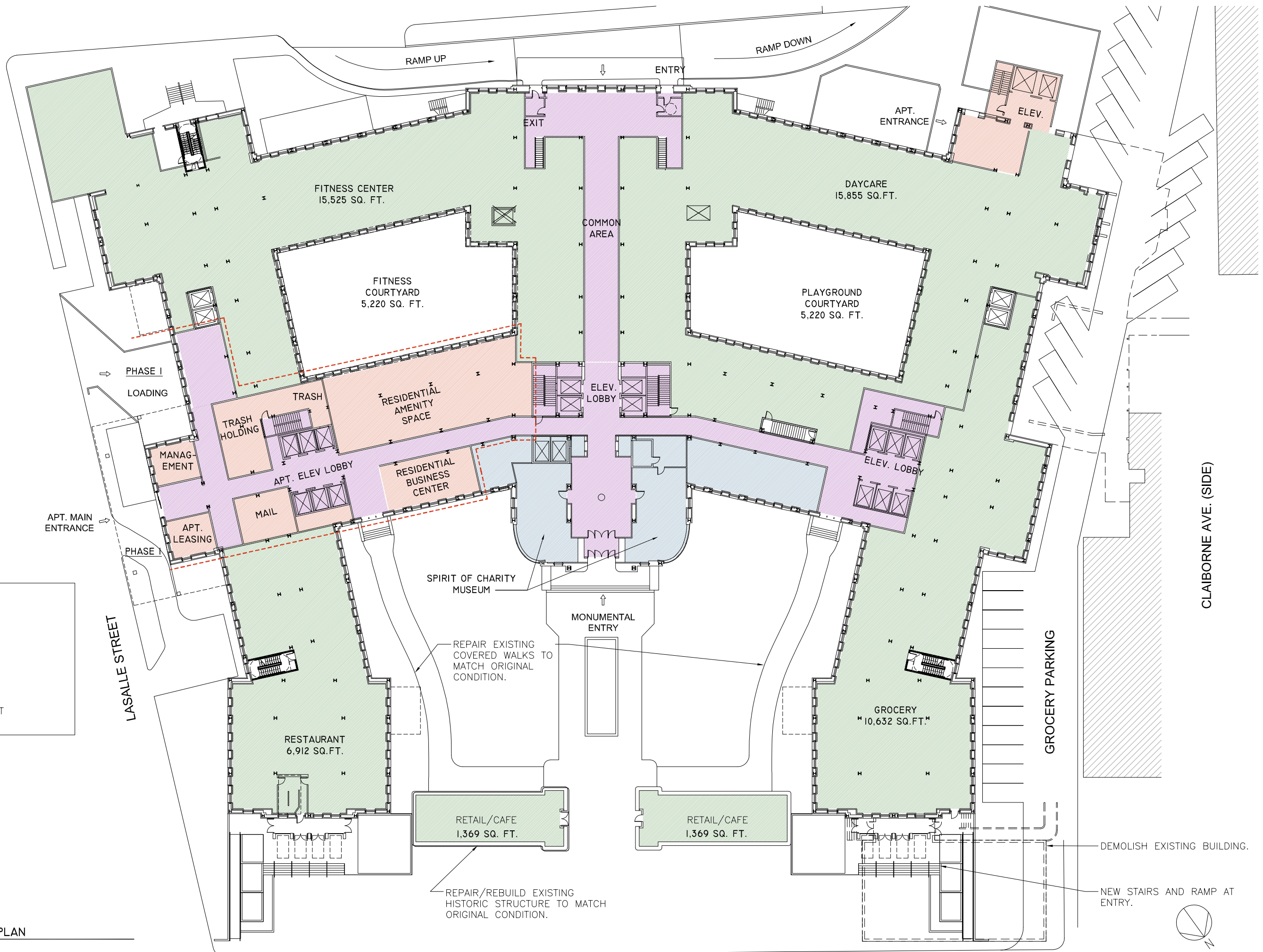
NON- INSTITUTIONAL/CIVIC USE

- ◇ MIXED-INCOME MULTI-FAMILY;
- ◇ GROUND FLOOR NEIGHBORHOOD RETAIL;

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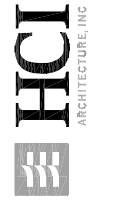
HEAL GARAGE



LEGEND

- RETAIL
- MUSEUM
- COMMON
- APARTMENT

AI
AI02 FIRST FLOOR PLAN
1" = 20'-0"



CHARITY MIXED - USE
NEW ORLEANS, LOUISIANA

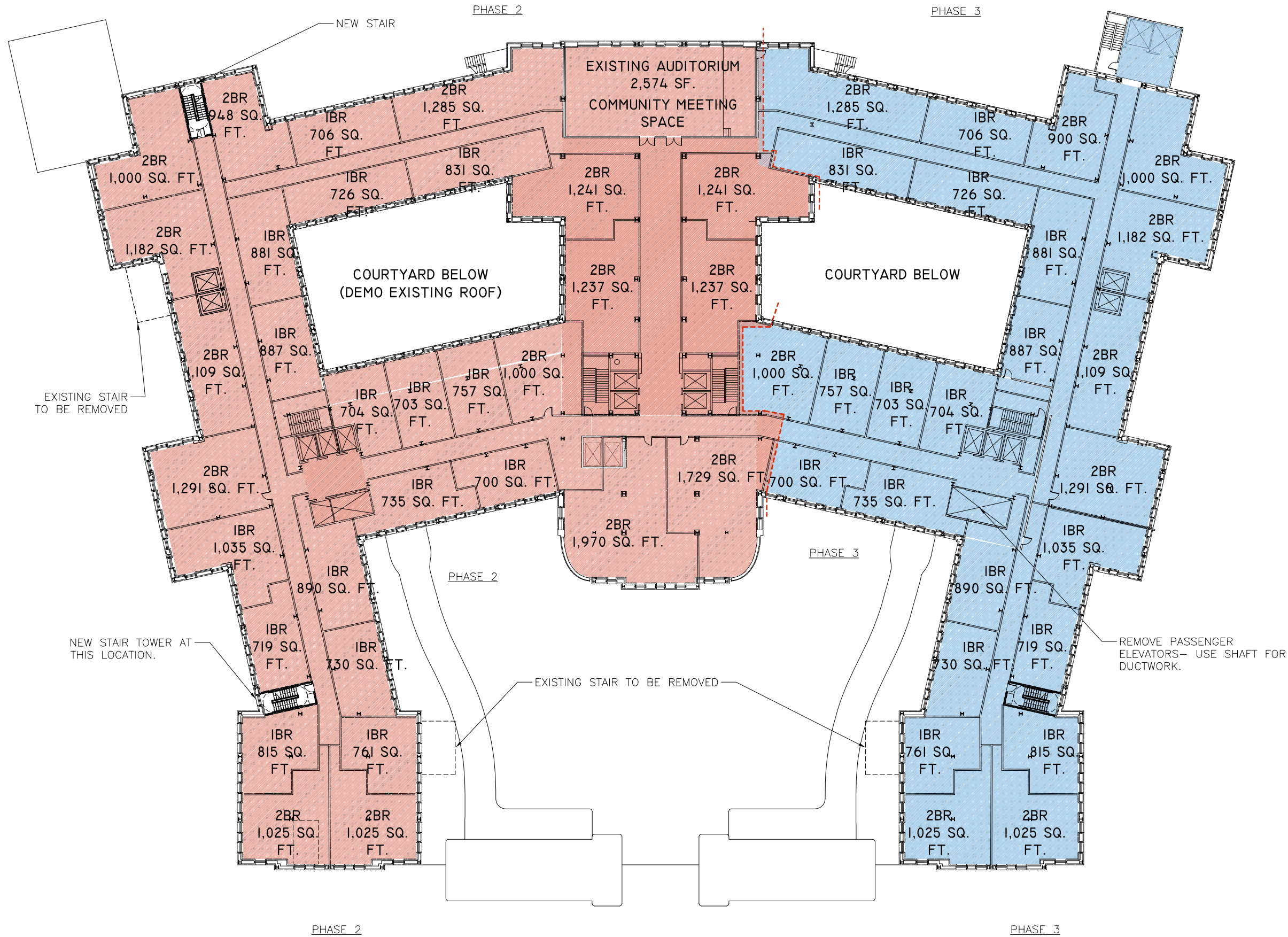
PLOT DATE 17 AUGUST 2018
PROJECT NO. 418
DRAWING FILE 2017_117_0001
PLAN SET

1ST FLOOR PLAN

AI02
SCHEMATIC SET
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PHASE 2 PHASE 3

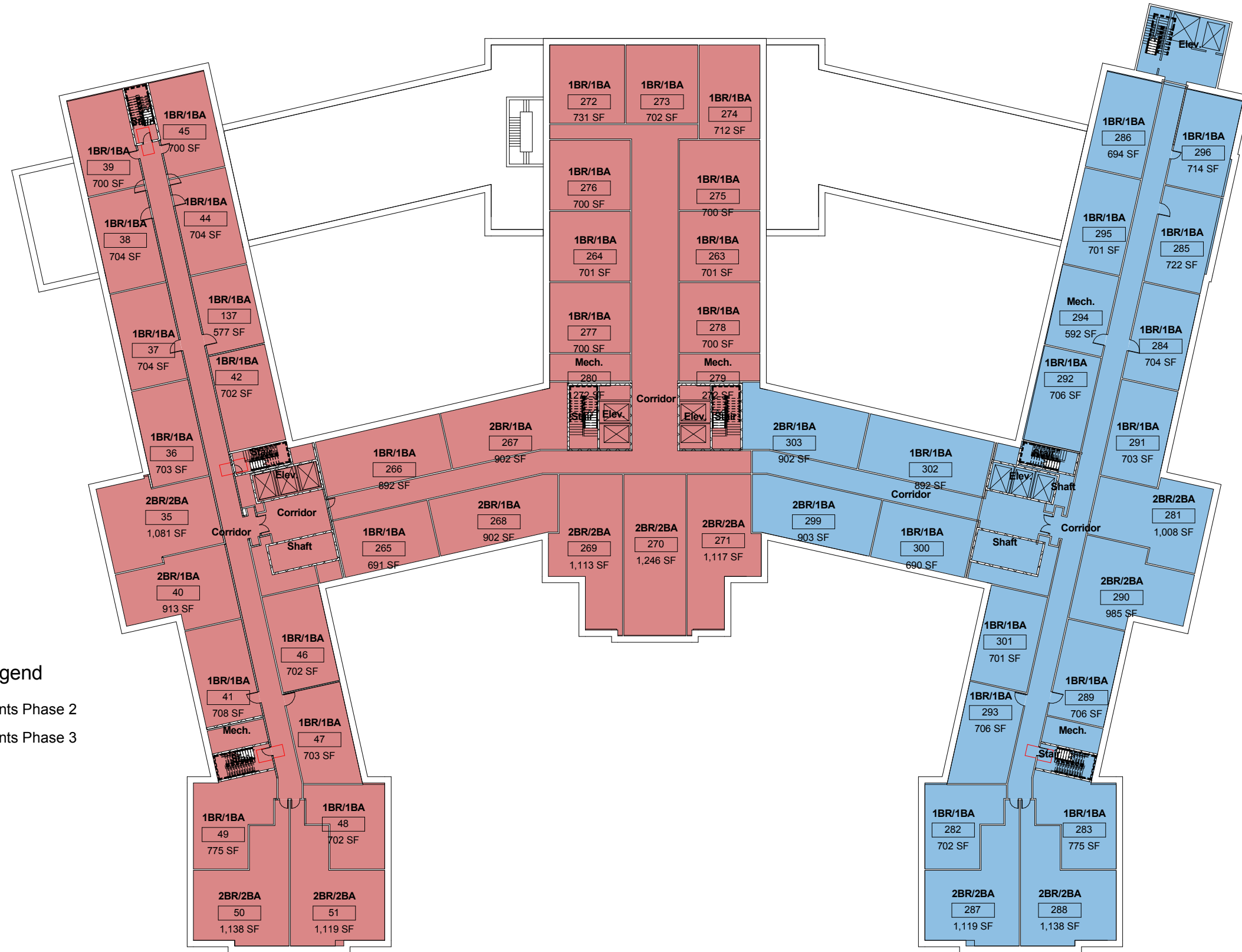


AI SECOND FLOOR PLAN
1" = 20'-0"



Phase Legend

- Apartments Phase 2
- Apartments Phase 3

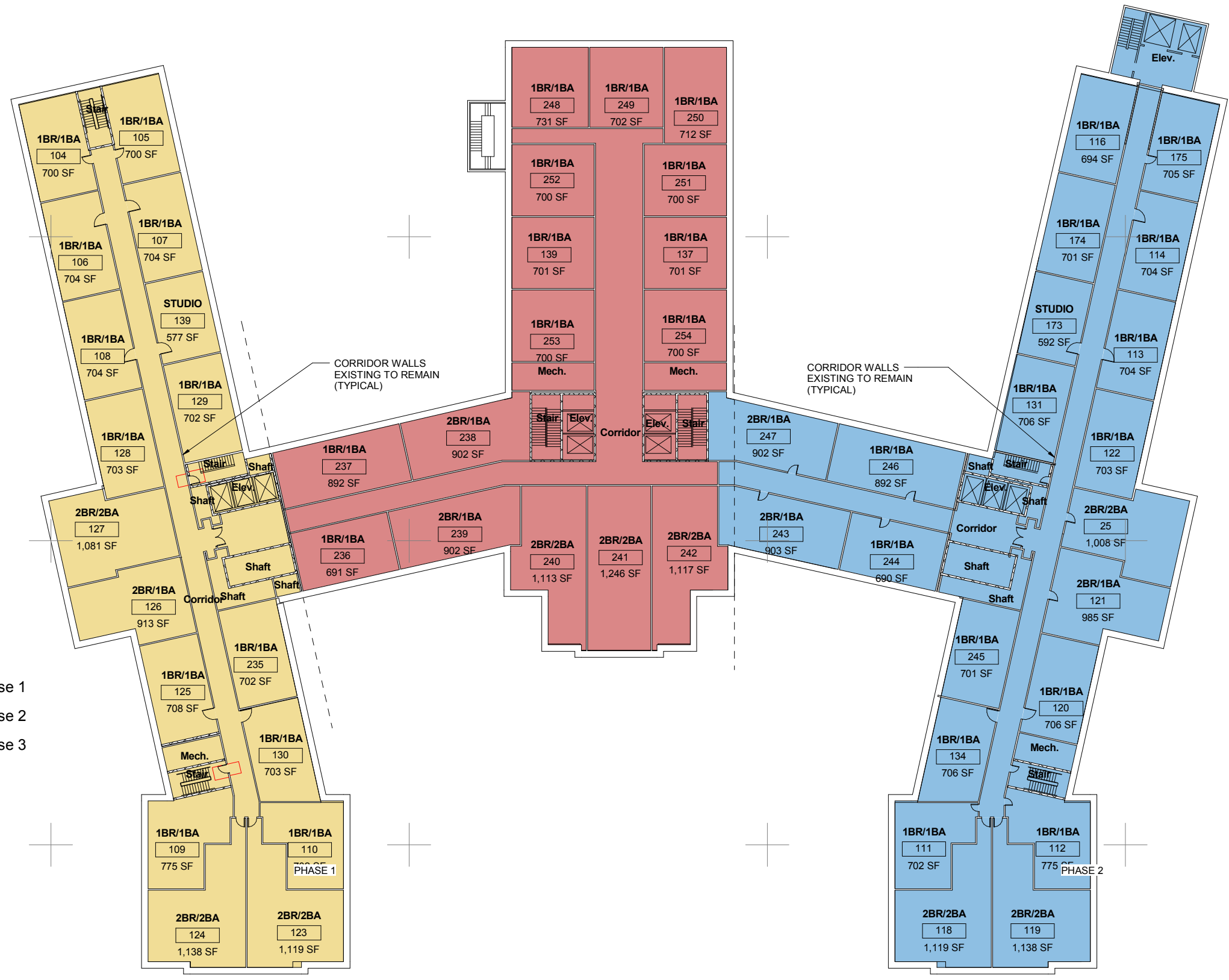


1 Level 3 - Floor Plan
 A104 1" = 20'-0"

ISSUE DATE:	17 August 2018
PROJECT #:	2438
CLIENT NAME:	HRI
DRW BY:	MA
CHK BY:	RF

Phase Legend

- Apartments Phase 1
- Apartments Phase 2
- Apartments Phase 3

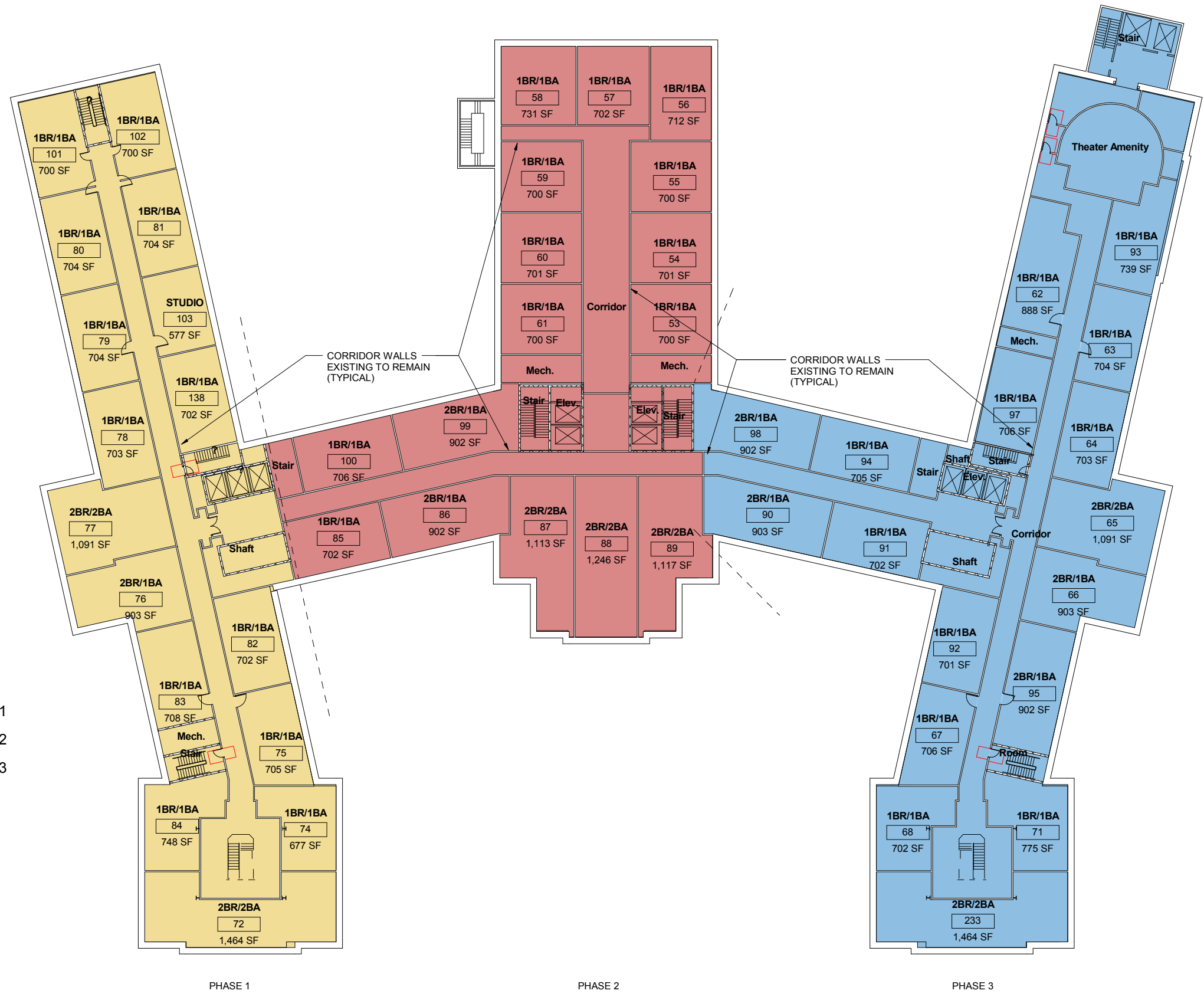


1 Level 4-11 - Floor Plan
 A105 1" = 20'-0"

ISSUE DATE:	17 August 2018
PROJECT #:	2438
CLIENT NAME:	HRI
DRW BY:	Author
CHK:	Checker

Phase Legend

- Apartments Phase 1
- Apartments Phase 2
- Apartments Phase 3








1 Level 12 Floor Plan
A106 1" = 20'-0"

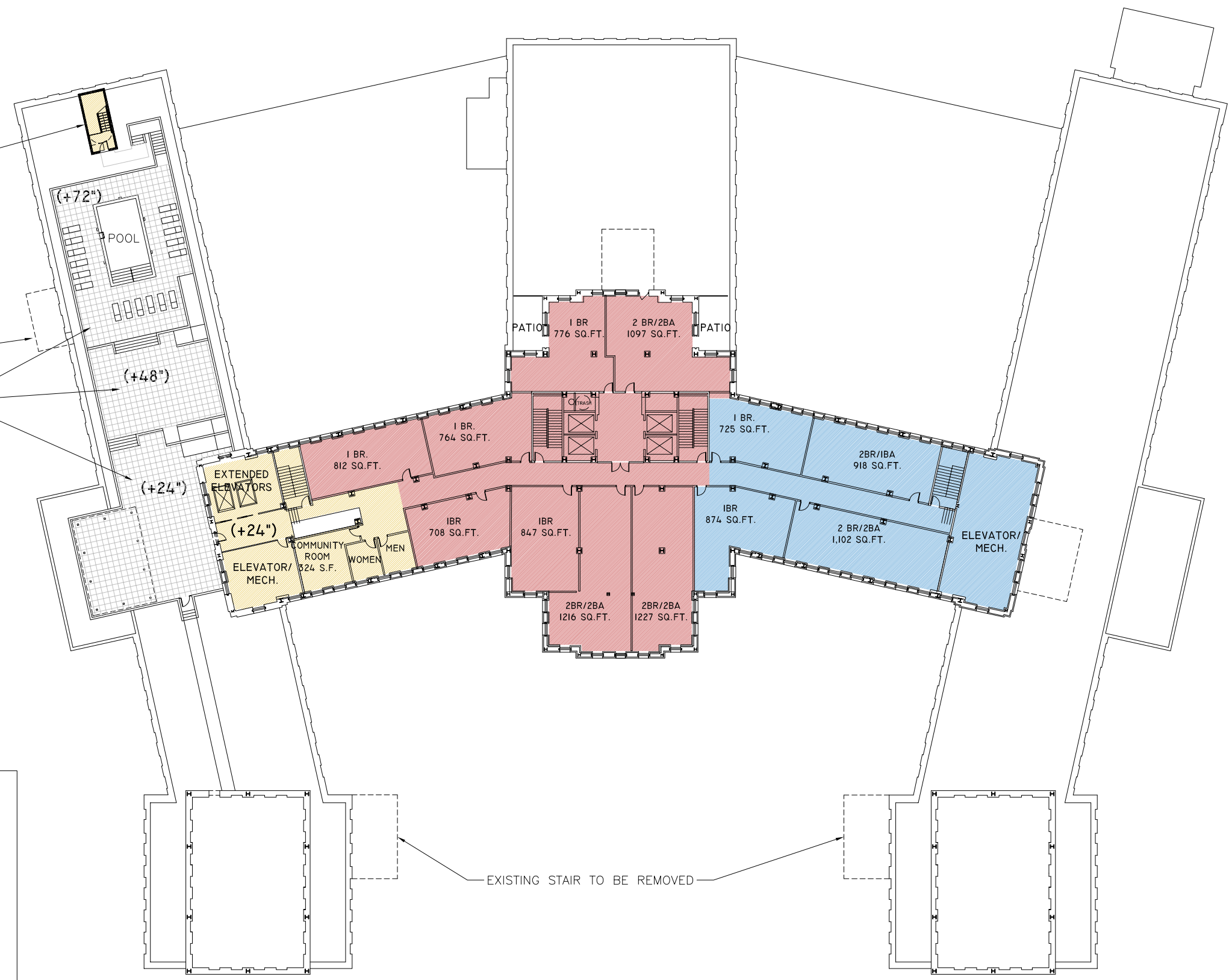
17-AUGUST-2018 4:18 PM
AI07_13TH FLOOR KEY PLAN
SUB

CONTINUE EXISTING STAIR UP TO ROOF AT THIS LOCATION.

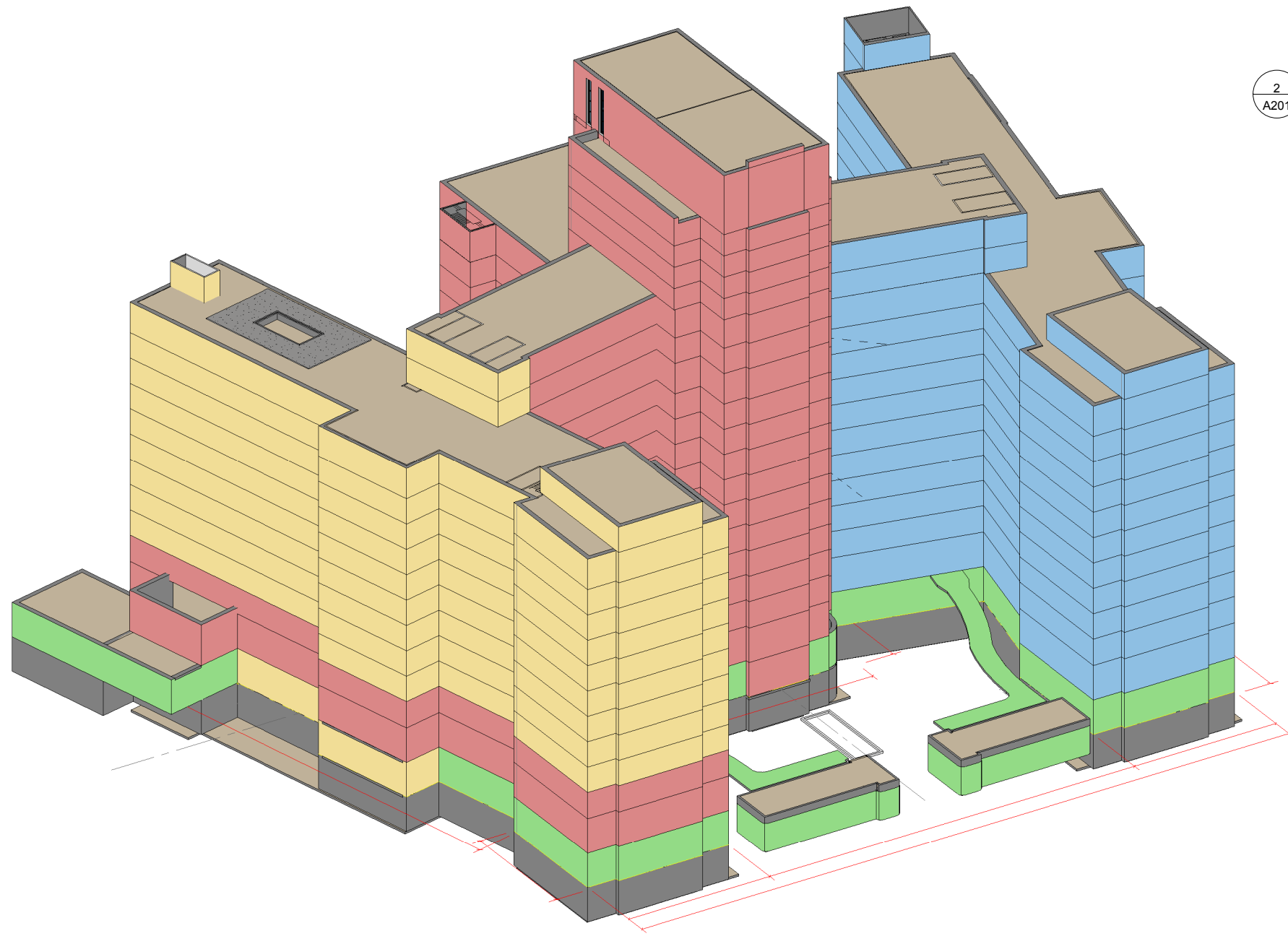
EXISTING STAIR TO BE REMOVED

NEW OUTDOOR DECK

	APARTMENT PHASE 1
	APARTMENT PHASE 2
	APARTMENT PHASE 3
	RETAIL (PHASE 2)
	MUSEUM (PHASE 2)



EXISTING STAIR TO BE REMOVED



	Apartment Phase 1
	Apartment Phase 2
	Apartment Phase 3
	Retail

2 Phase Legend
A201 12" = 1'-0"

1 Phase View
A201

EXHIBIT K- STORMWATER MANAGEMENT

Figure 1: Impervious Land Cover

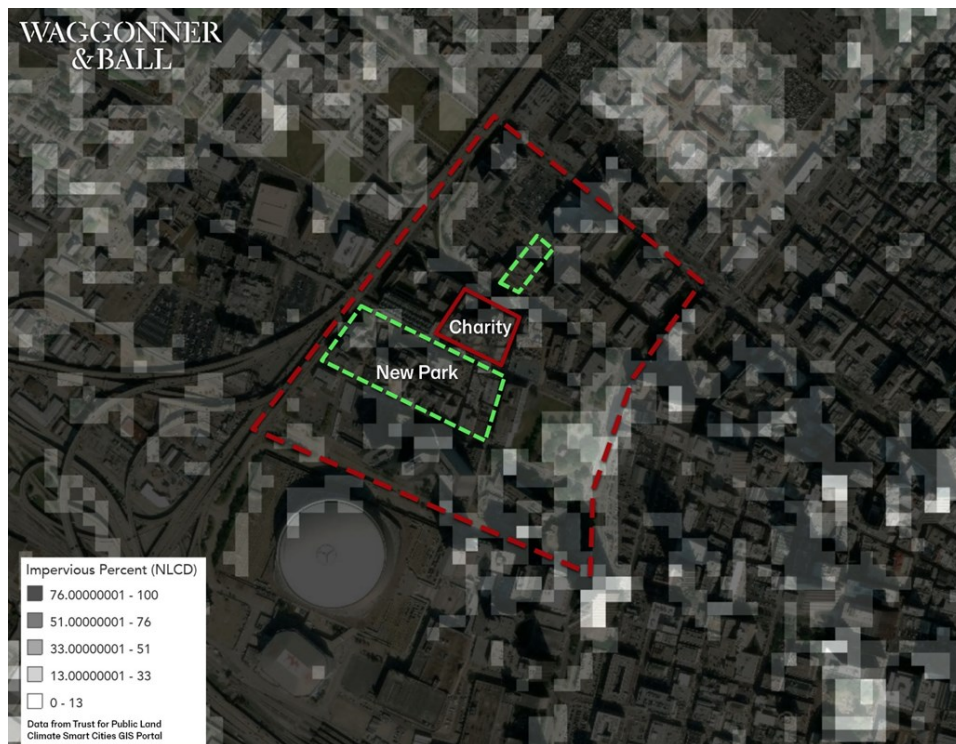


Figure 2: Statistical Two-Year Storm Model

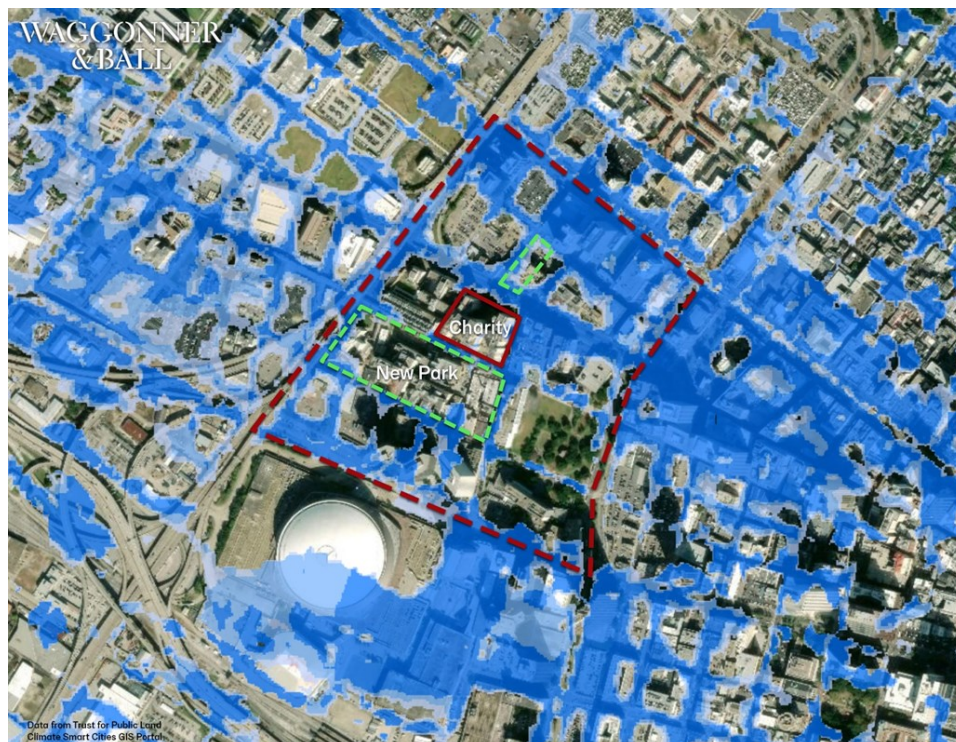


EXHIBIT L – PARKING SOLUTIONS



July 17, 2018

M. Pres Kabacoff
HRI Properties, LLC
812 Gravier Street
Suite 200
New Orleans, Louisiana 70112

Subject: Charity Hospital Revitalization

Mr. Kabacoff:

We are pleased to provide this letter of support to HRI Properties, LLC (“HRI”) and its proposed effort to revitalize Charity Hospital. I understand that, if selected by the State of Louisiana, you will develop a mixed-use project that will include a combination of uses including the potential for over 500 mixed-income multi-family apartments, ground-floor retail space, and commercial office space, among other potential uses and supporting amenities.

SP+ Corporation is the operator of the Health Education Authority of Louisiana (“HEAL”) Garage located at 300 LaSalle Street (corner of Gravier Street and LaSalle Street), across the street from Charity Hospital. The garage has 1,373 spaces of which approximately 700 are currently under contract including over 350 employees of the City. Current monthly parking rates are \$110 for non-reserved spaces and \$130 for reserved spaces. We have the capacity to handle the needs of your project and we are excited about the opportunity to partner with your group. SP+ Corporation is already a partner of HRI’s on the DH Holmes Garage and appreciates this opportunity to expand our relationship.

We would welcome the opportunity to work with HRI on this transformational project and pledge you our support.

Sincerely



Paul Pirhofer CAPP, CPA
Vice President

935 Gravier Street
Suite 500
New Orleans, LA 70112

p. 504-525-5476
f. 504-522-6665
www.spplus.com



EXHIBIT M - RESEARCH FACILITY DESIGNS

RESEARCH IN CHARITY HOSPITAL HRI PROPERTIES / EWINGCOLE



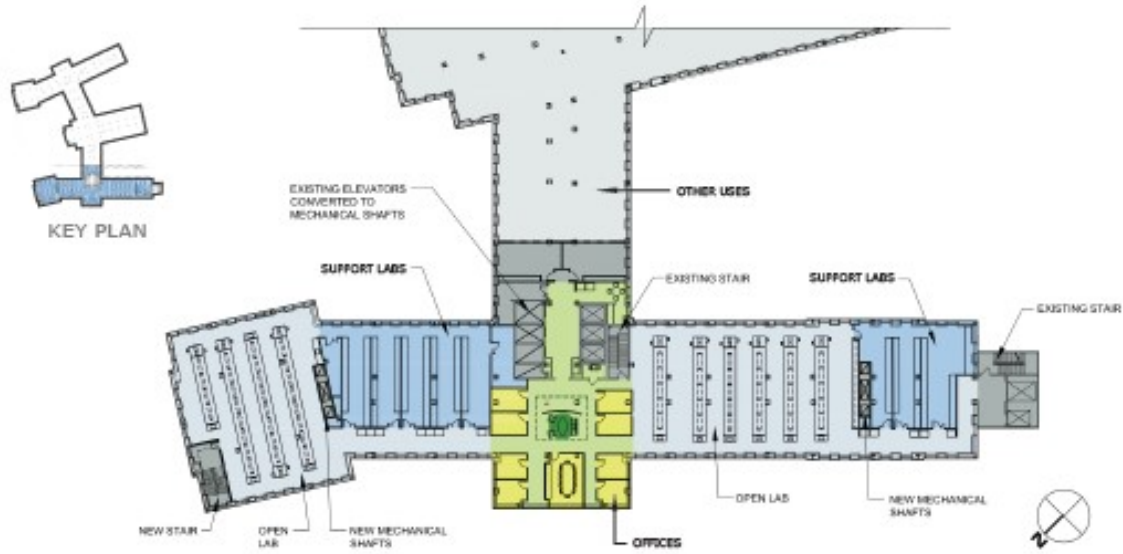
OPEN LAB SPACE WITH FLEXIBLE CASEWORK



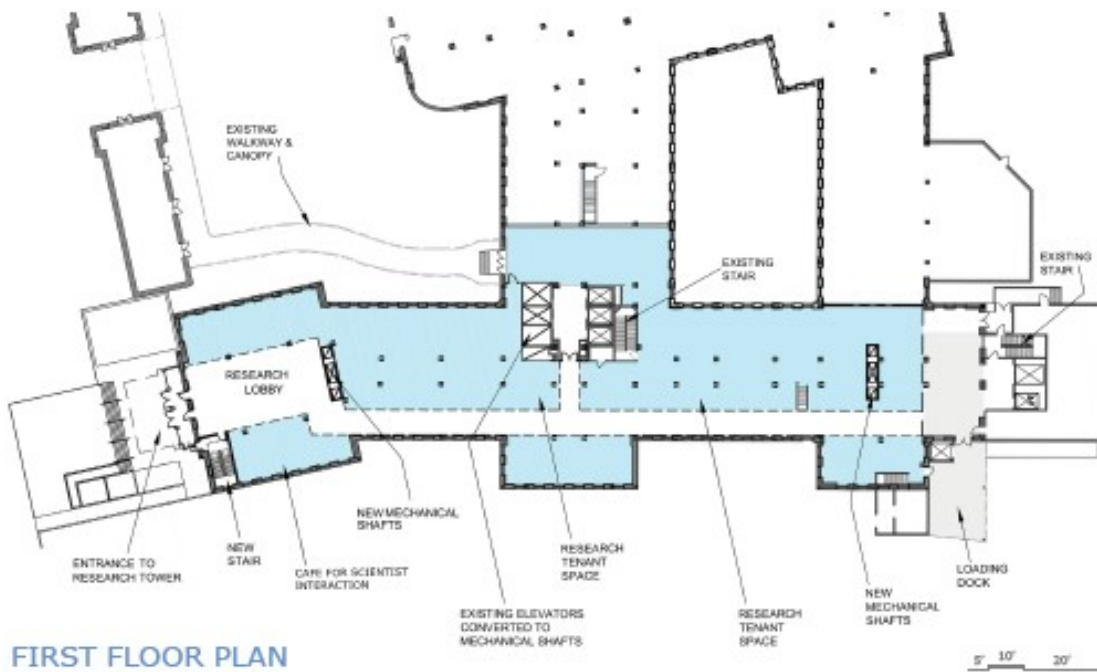
ENTRANCE TO RESEARCH LAB TOWER

EXHIBIT M - RESEARCH FACILITY DESIGNS

RESEARCH IN CHARITY HOSPITAL HRI PROPERTIES / EWINGCOLE

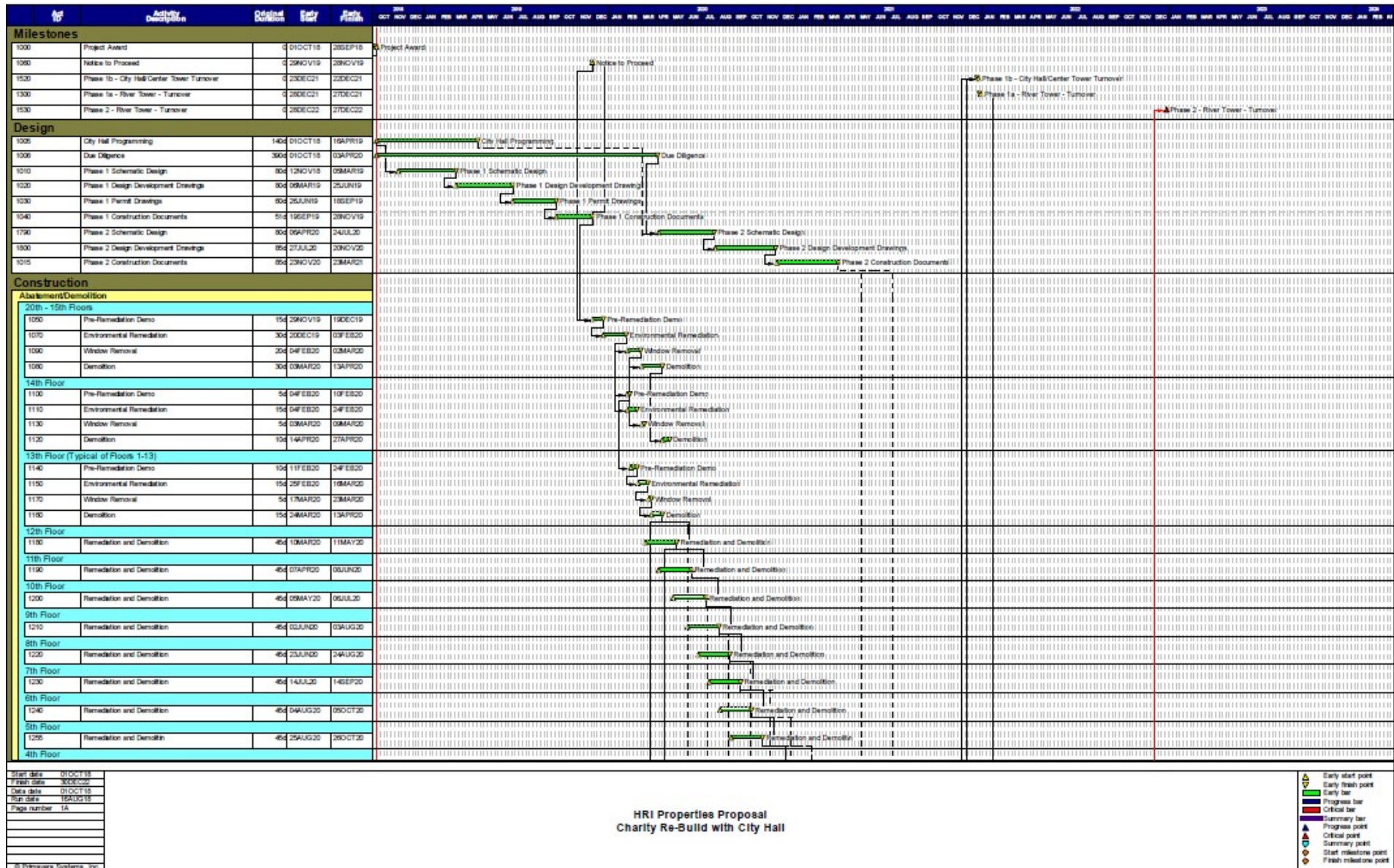


PROTOTYPE PLAN FOR A RESEARCH FLOOR



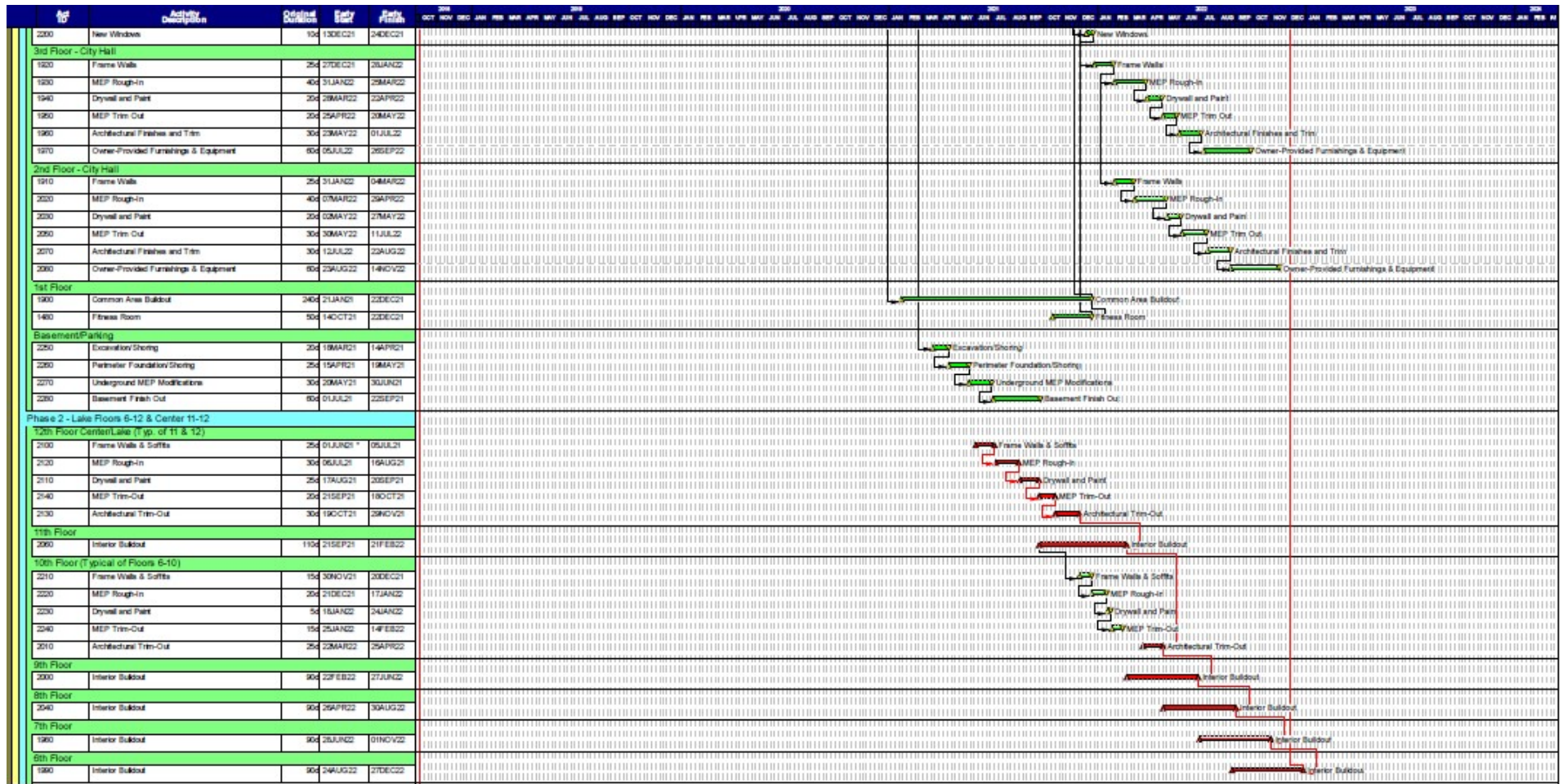
FIRST FLOOR PLAN

EXHIBIT N - DEVELOPMENT MILESTONE SCHEDULE



HRI Properties Proposal
Charity Re-Build with City Hall

EXHIBIT N - DEVELOPMENT MILESTONE SCHEDULE



Start date	01OCT21
Finish date	30DEC21
Data date	01OCT21
Run date	10OCT21
Page number	4A

HRI Properties Proposal
Charity Re-Build with City Hall



EXHIBIT O - DUE DILIGENCE MILESTONE SCHEDULE

DATE	MILESTONE
Aug-18	RFP Response Due Date (August 20th)
Sep-18	
Oct-18	
Nov-18	REFF - selection of HRI/Iris Team as Developer for Charity Hospital
	City Hall to commence Space Planning to determine detailed square footage needed and other due diligence
	HRI/Iris Team - commencement of key stakeholder engagement
	Architect - Phase 1 (Residential): commencement of Schematic Design ("SDs")
	Architect - Phase 2 (Institutional/Civic): commencement of design due-diligence & engagement with City Hall
	Design-Builder ("DB") - engagement of 3rd party consultants for due diligence/assessment reports
	Environmental - commencement of Environmental Site Assessment
	Tax Increment Financing ("TIF") District - Retail Property Assembly and site control commences (6 mos.)
Dec-18	New Market Tax Credit ("NMTC") - 2018 Application Award Date
Jan-19	Historic Tax Credit ("HTC") - Part 1 application to Louisiana Division of Historic Preservation ("LaDHP")
	TIF District - introduce EDD resolution with CEA to City Council for approval
	TIF District - Retail Design schematics begin, multiple iterations (4-5 months)
Feb-19	HRI/Iris - execution of Agreement to Enter into Lease ("AEL") with REFF
	TIF District - City Council approval of EDD resolution
Mar-19	Architect - Phase 1 (Residential): complete SD set; commence DD set;
	LIHTC (9% credits) - "Draft" 2019 QAP issued by Louisiana Housing Corporation ("LHC")
	TIF District - introduce resolution to City Council for approval of CEA
	TIF District - Retail preleasing begins (9-12 mos.)
	Architect - complete demolition drawings and specifications
	Environmental - complete abatement scope
Apr-19	HTC - Part 1 approval by LaDHP
	LIHTC (9% Credits) - Deadline for providing comments to 2019 "Draft" QAP
May-19	TIF District - City Council approval of CEA
Jun-19	NMTC - 2019 Application Due Date
	LIHTC (9% credits) - 2019 "Final" QAP issued by LHC
Jul-19	Architect - Phase 1 (Residential): complete DD set; commence CD set;
	Architect - Phase 2 (Institutional/Civic): commencement of Schematic Design ("SDs")
Aug-19	LIHTC (9% credits) - 2019 QAP Application deadline with LHC
Sep-19	HTC - Phase 1 (Residential): Part 2 submittal to LaDHP
Oct-19	LIHTC (9% credits) - LHC award of 2019 reservations of 9% LIHTCs
Nov-19	Architect - Phase 1 (Residential): complete CD set;
	Architect - Phase 2 (Institutional/Civic): complete SD set; commence DD set;
	Architect - Phase 3 (2nd Residential): commencement of Schematic Design ("SDs")
Dec-19	NMTC - 2019 Application Award Date
Jan-20	HTC - Phase 1 (Residential): Part 2 approval by LaDHP
	TIF District - Retail submit for building permits (2 mos.)
Feb-20	HTC - Phase 2 (Institutional/Civic): Part 2 submittal to LaDHP
Mar-20	LIHTC (9% credits) - "Draft" 2020 QAP issued by Louisiana Housing Corporation ("LHC")
	TIF District - Retail approval to issue EDD bonds at state bond commission
	Architect - Phase 2 (Institutional/Civic): complete DD set; commence CD set;
	Architect - Phase 3 (2nd Residential): complete SD set; commence DD set;
Apr-20	LIHTC (9% Credits) - Deadline for providing comments to 2020 "Draft" QAP
	TIF District - Retail building permits issued
May-20	TIF District - Retail construction commencement (12-14 mos.) and EDD bonds sold
Jun-20	HRI/Iris - Financial closing on 9% LIHTC financing for Phase I (Mixed-Income Residential - 152 Units)
	HTC - Phase 2 (Institutional/Civic): Part 2 approval by LaDHP
	LIHTC (9% credits) - 2020 "Final" QAP issued by LHC
Jul-20	Architect - Phase 2 (Institutional/Civic): complete CD set;
	Architect - Phase 3 (2nd Residential): complete DD set; commence CD set;
Aug-20	LIHTC (9% credits) - 2020 QAP Application deadline with LHC
Oct-20	LIHTC (9% credits) - LHC award of 2020 reservations of 9% LIHTCs
Nov-20	Architect - Phase 3 (2nd Residential): complete CD set;
Jun-21	HRI/Iris - Financial closing on 9% LIHTC financing for Phase 3 (2nd Residential)

EXHIBIT P- PROPOSED STRUCTURAL DIAGRAM(S)

Charity Hospital Proposed Ownership Structure (Includes Civic Use)

(For Discussion Purposes)

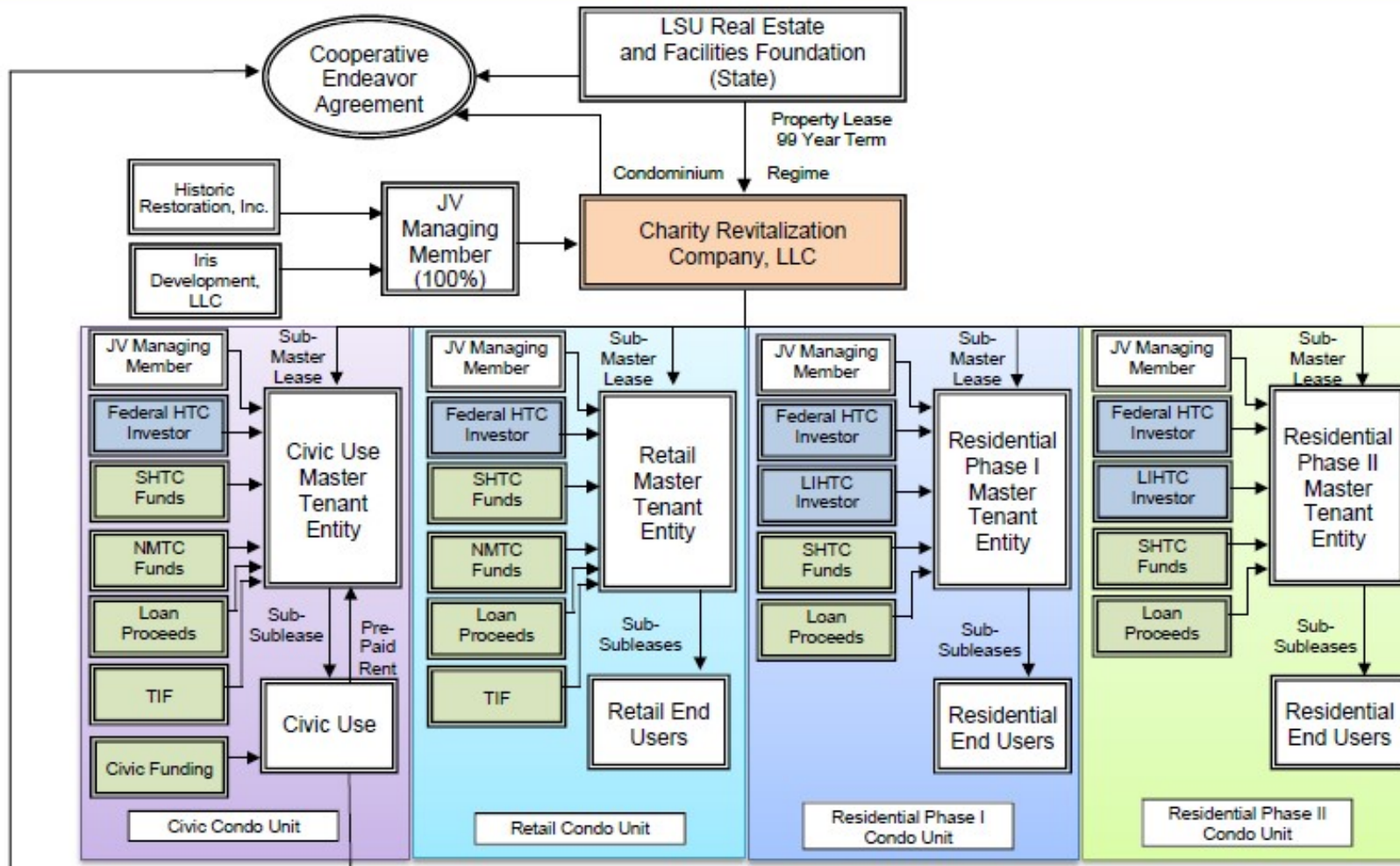


EXHIBIT P - PROPOSED STRUCTURAL DIAGRAM(S)

Charity Hospital Proposed Ownership Structure (Without Civic Use)

(For Discussion Purposes)

