

## DESIGN AND DEVELOPMENT PLAN

*“Everyone who knows America's Most Unique City understands the character that lives in the soul of our people, the creativity that rises from our neutral grounds and the essence that drips from our moss draped oaks to form a canopy of heaven. Now is the time to form a united front. Together, we will rebuild New Orleans.”*

- Bring New Orleans Back website

Inspired by the architectural and cultural heritage of the project site and its adjacency to major city destinations and amenities, **Claiborne Grove** recalls the rich landscape that once characterized North Claiborne Avenue and prioritizes redevelopment of the street most critical to the growth and transformation of the neighborhood. The proposal's central design element is “the Grove,” a linear multi-purpose park and urban landscape sited below elevated Interstate 10. Uniting the Grove is a vast canopy lattice structure wrapping underneath I-10 and extending along the elevated highway in rhythmic form. Built of locally salvaged wood, the canopy captures the armature, materiality, and whimsy of New Orleans' famed oak trees, its bold form drawing residents and visitors alike to a one-of-a-kind urban park space.

Not just a showy display of architectural prowess, the canopy channels storm water runoff from I-10 through a system of retention ponds, planters, and underground catchment basins contained within the landscape of the Grove. Recognizing North Claiborne Avenue's role as a primary connection between the new University Medical Center on Canal Street and the soon to be completed Lafitte Greenway, the street is designed to maximize pedestrian and cyclist appeal without sacrificing vehicular accessibility. The modestly realigned N. Claiborne Ave takes a more sinuous form to encourage slower driving and provide adjacent residences and retail with more generous setbacks from the interstate. At Canal Street and St. Louis Street, the two termini of the Grove, the park space opens up to create maximum visibility and invite residents and visitors alike to enter and explore. The canopy, extending beyond the structure of I-10, beckons drivers above to investigate the buzz of activity below.

The northern terminus of the canopy park is anchored by Claiborne Community Center, which serves as a hub for healthy living along the Lafitte Greenway while functioning as a shared indoor space for the Faubourg Lafitte, Iberville, and Tulane-Graver neighborhoods. Both amenities will catalyze diverse programming within the Grove while driving pedestrian traffic toward locally-owned stores and restaurants.

The pastel colors and long, linear forms of the site's new residences pay homage to New Orleans' classic shotgun homes, thus preserving and reimagining the historic urban fabric for contemporary needs. Apartment development is concentrated near the Medical Center and along North Claiborne Avenue to cater to medical professionals and young creatives. For-sale condos, duplexes and townhomes front the Lafitte Greenway, which offers protected park views and quick access to the interstate. Mixed-use commercial and biomedical office space, supported by the economic engine across the street, line the intersection of Canal Street and North Claiborne Avenue, bringing new employment opportunities to area residents.

In sum, Claiborne Grove addresses the needs and desires of the broader North Claiborne community – a development that protects the authenticity of New Orleans culture, supports locally-owned businesses, and provides diverse and inclusive housing options.

## FINANCIAL PLAN

Claiborne Grove's mix of uses and strategic phasing will mitigate investment risk for the project while creating opportunities to adjust the product offering in the event that there are material changes in the economy. Over a 10- year period, the project is expected to generate a 9.3% unleveraged IRR and a 21.9% leveraged IRR, assuming conservative debt financing and public subsidies generated by a Tax Increment Financing (TIF) district. In total, the project will cost approximately \$370 million to develop, with approximately 17% of that amount dedicated to public improvements including construction of “the Grove” urban park beneath I-10, improved streetscapes in adjacent neighborhoods, and the acquisition of sites for the Museum of Gulf Ecology and a Claiborne Community Center.

Comprising 30 acres in total, the development plan includes parcels currently owned by NCNIA (D, E, F, and G), blocks A, B, C, H, I, and J, and two adjacent blocks identified as L and M.

All properties will be acquired up front for a sum of \$34 million, including assumed values for blocks already purchased by NCNIA. This valuation was derived through the use of discounted cash flows, average cap rates for each property type, and market comparisons. Owner-occupied homes in “good” condition that contribute to the unique and historic nature of the neighborhood will be retained.

### PHASE I: Capturing Existing Momentum

Following property acquisition, the first phase will capitalize on the momentum created by the University Medical Center via the construction of mixed-use properties along Canal Street that contain efficiency apartments, furnished short-term rentals for medical professionals, and small business suites with ground floor retail. A Rouses grocery on block B will anchor the initial phase, providing residents with access to a familiar local brand and healthy food while driving traffic to surrounding retailers.

### PHASE II: Creating a Destination

Residential development expands along the newly completed urban park known as “the Grove” in phase two, establishing the project's status as a destination neighborhood and completing the connection to the Lafitte Greenway. Additional rental apartments will be built over “artist bays,” 400 sf affordable short term gallery and retail space that will incubate fledgling local businesses and activate the Grove.

### PHASE III: Connecting to the Quarter

Higher density elements, including 197 for-sale residences along the Lafitte Greenway and a mid-rise tower on Canal Street containing biomedical office space and a 100 room hotel, will be completed in the final phase. This phase also includes a 50-bed senior living facility with independent, assisted, and memory care.

### Public Financing

Given the estimated \$65 million in public improvements and 14% of residential units designated as affordable and workforce housing, Claiborne Grove will require public funding assistance. A TIF district, established along the boundaries of the development site, will generate approximately \$64 million based on incremental property tax revenues over the next 30 years. Low Income Housing Tax Credits (LIHTC) will subsidize the affordable and workforce housing. Over the investment period, the conventional construction loan, sized at 65% of the private costs, will be paid down through funds from for-sale residences and a long-term permanent loan will be put in place after the project rental stream stabilizes.

# CLAIBORNE GROVE

Team 150617

## FINANCIAL SUMMARY

### Key Assumptions

Acquired Blocks A, B, C, D, E, F, G, H, I, J, L, M  
 Acquisition Price 34,390,500  
 Hold Period 10-Years

Total Public Investment  
 Total Private Investment  
**Total Development Cost**

**Total \$**  
 64,764,000  
 306,063,678  
**370,827,678**

Debt + Subsidy  
 Equity  
**Total**

**Total \$**  
 267,518,237  
 103,309,441  
**370,827,678**

**% of Total**  
 72%  
 28%  
 100%

	Phase I					Phase II					Phase III				
	Year 0 2015-2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022	Year 7 2023	Year 8 2024	Year 9 2025	Year 10 2026				

Net Operating Income											
Market-rate	0	0	0	2,136,420	3,915,015	5,829,087	6,003,959	6,184,078	6,369,601	6,560,689	6,757,509
For-Sale Housing	0	0	0	0	0	0	9,825,469	26,201,250	14,072,625	0	0
Rental Housing	0	0	0	208,080	214,322	220,752	227,375	234,196	241,222	248,458	255,912
Affordable	0	0	0	416,880	429,386	442,268	455,536	469,202	483,278	497,777	512,710
Furnished Rentals	0	0	0	623,173	617,643	636,172	652,257	674,915	695,162	716,017	737,498
Hotel	0	0	0	0	0	2,811,423	3,376,094	3,475,077	3,586,830	3,682,042	3,790,203
Senior Housing	0	0	0	220,499	454,228	1,239,814	1,437,639	1,480,768	1,525,191	1,570,947	1,618,075
Retail (ALL)	0	0	0	703,643	724,753	1,990,654	2,050,373	2,771,848	2,855,004	2,940,654	3,028,874
Office/Medical Office	0	0	671,292	691,431	0	0	0	0	0	0	0
Other - Interim NOI (Existing)	0	651,740	671,292	5,000,126	6,355,346	13,170,170	24,905,077	44,652,543	31,654,152	17,223,629	17,738,038
<b>Total Net Operating Income</b>	<b>0</b>	<b>651,740</b>	<b>671,292</b>	<b>5,000,126</b>	<b>6,355,346</b>	<b>13,170,170</b>	<b>24,905,077</b>	<b>44,652,543</b>	<b>31,654,152</b>	<b>17,223,629</b>	<b>17,738,038</b>
Development Costs											
Market-rate	0	0	0	(33,792,121)	(32,745,885)	(14,150,182)	0	0	0	0	0
For-Sale Housing	0	0	0	0	0	0	(11,175,296)	(22,669,372)	(10,965,686)	0	0
Rental Housing	0	(6,053,495)	(4,053,495)	0	0	0	0	0	0	0	0
Affordable	0	(6,768,818)	(4,911,883)	0	0	0	0	0	0	0	0
Furnished Rentals	0	(8,681,859)	0	0	0	0	(1,082,228)	(2,071,297)	(1,035,648)	0	0
Hotel	0	0	0	(6,000,000)	(16,000,000)	0	0	0	0	0	0
Senior Housing	0	0	0	0	0	(6,009,677)	0	0	0	0	0
Retail (ALL)	0	(2,364,450)	(2,420,534)	(8,178,388)	(1,691,866)	0	0	0	0	0	0
Office/Medical Office	0	(2,739,600)	(2,817,468)	(7,451,998)	(7,668,358)	(3,597,822)	(3,702,157)	0	0	0	0
Land Acquisition	(34,390,000)	0	0	0	0	0	0	0	0	0	0
Infrastructure	0	0	(2,052,387)	0	0	(1,960,000)	(611,363)	(4,904,725)	(611,362)	0	0
Public Space	0	0	0	0	0	0	0	0	0	0	0
Indirect costs	(340,500)	(5,999,419)	(3,178,192)	(2,518,908)	(1,521,613)	(576,450)	(957,581)	(1,484,440)	(720,080)	0	0
<b>Total Development Costs</b>	<b>(34,390,500)</b>	<b>(66,399,763)</b>	<b>(52,179,843)</b>	<b>(38,299,476)</b>	<b>(26,881,837)</b>	<b>(12,143,949)</b>	<b>(17,528,624)</b>	<b>(31,129,833)</b>	<b>(13,332,777)</b>	<b>0</b>	<b>0</b>
Annual Cash Flow											
Net Operating Income	0	651,740	671,292	5,000,126	6,355,346	13,170,170	24,905,077	44,652,543	31,654,152	17,223,629	17,738,038
Net Proceeds from Sale (Excl Sales Costs)	0	0	0	0	0	0	10,698,844	28,530,250	15,237,125	0	274,851,819
Total Development Costs	(34,390,500)	(66,399,763)	(52,179,843)	(38,299,476)	(26,881,837)	(12,143,949)	(17,528,624)	(31,129,833)	(13,332,777)	0	0
Net Cash Flow	(34,390,500)	(65,748,023)	(51,508,551)	(33,299,351)	(20,526,491)	(1,026,221)	18,075,297	42,052,960	33,538,500	17,223,629	292,589,857
Debt Service	0	0	(3,401,150)	(6,138,371)	(8,282,746)	(9,615,765)	(10,676,415)	(11,547,810)	(12,171,093)	(10,160,429)	(9,652,408)
<b>Loan to Value Ratio (LVR)</b>	<b>65%</b>	<b>9.28%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>	<b>21.85%</b>
Unleveraged IRR Before Taxes	Based on DCF and Market Comps										
Leveraged IRR Before Taxes	Excluding public spaces										

2. Multiyear Development Program											
Total Buildout by Development Units	Year 0 2016	Year 1 2017	Year 2 2018	Year 3 2019	Year 4 2020	Year 5 2021	Year 6 2022	Year 7 2023	Year 8 2024	Year 9 2025	Year 10 2026

Market-rate	0	0	0	200	400	484	484	484	484	484	484
For-Sale Housing	(units)	(units)	(units)	(units)	(units)	(units)	(units)	(units)	(units)	(units)	(units)
Rental Housing	0	0	0	43	43	43	43	43	43	43	43
Affordable	0	0	0	43	43	43	43	43	43	43	43
Furnished Rentals	0	0	0	85	85	85	85	85	85	85	85
Hotel	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)	(rooms)
Senior Housing	0	0	0	15,000	30,000	89,500	89,500	89,500	89,500	89,500	89,500
Retail (ALL)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)	(s.f.)
Office/Medical Office	0	0	0	36,000	36,000	96,000	96,000	126,000	126,000	126,000	126,000
Structured Parking	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)	(spaces)
Surface Parking	0	0	0	473	703	885,91	1,105	1,153	1,153	1,153	1,153
<b>Total Gross S.F.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>538,015</b>	<b>812,868</b>	<b>1,187,989</b>	<b>1,294,536</b>	<b>1,573,341</b>	<b>1,664,889</b>	<b>1,664,889</b>	<b>1,664,889</b>

3. Unit Development and Infrastructure Costs			
Development Costs	Unit Cost	Unit Cost	Total Costs
Market-rate	154,000	80,688,188	12,488,188
For-Sale Housing	177,870	44,810,353	10,106,991
Rental Housing	233,149	11,680,701	4,189,173
Affordable (1)	213,444	4,189,173	27,977,403
For-Sale Housing	165	14,655,238	22,000,000
Office/Commercial	121	8,636,859	5,184,000
Retail (ALL)	437,364	9,828,000	2,275,500
Hotel	101,610	34,050,000	\$2,76,082,406
Furnished Apartments	103,059	0	0
Senior Housing	14,000	0	0
Structured Parking	2,500	0	0
Surface Parking	0	0	0
Land Acquisition	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

4. Equity and Financing Sources			
Private Equity Sources	Amount	% of Total	
Private Equity (Institutional Investors)	102,309,441	28%	
NCNIA	1,000,000	0%	
Subtotal	103,309,441	28%	
Conventional Debt Sources			
Construction Loan	191,860,391	52%	
Subtotal	191,860,391	52%	
Public Subsidies			
TIF Proceeds	64,764,000	17%	
LHTC	10,893,846	3%	
<b>Total</b>	<b>\$ 370,827,678</b>	<b>100%</b>	

5. Project Summary by Use			
	Total SF	% of SF	
Market-rate	489,600	38%	
For-Sale	250,835	20%	
Workforce	60,706	5%	
Rental	60,706	5%	
Affordable	27,400	2%	
Furnished Rentals	45,000	4%	
Hotel	100,000	8%	
Senior Housing	32,400	3%	
Retail (ALL)	126,000	7%	
Office/Medical Office	126,000	10%	
<b>Total SF</b>	<b>1,282,147</b>	<b>100%</b>	

(1) 2 & 3 Bedroom Units, averaging 1,200 s.f.





# CLAIBORNE GROVE

## SITE PLAN





# CLAIBORNE GROVE

Team 150617

SITE OVERVIEW, LOOKING SOUTHWEST





# CLAIBORNE GROVE

Team 150617

THE GROVE @ CANAL ST. LOOKING NORTHEAST

