

# Charity Hospital New Orleans, Louisiana

November 5–10, 2017



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Development Scenarios for Reuse and Revitalization  
of Charity Hospital

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# About the Urban Land Institute

**THE URBAN LAND INSTITUTE** is a global, member-driven organization comprising more than 40,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision making is based on its members sharing expertise on

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Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at [uli.org](http://uli.org). Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

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# About ULI Advisory Services

**THE GOAL OF THE ULI ADVISORY SERVICES** program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 600 ULI-member teams to help sponsors find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with sponsor representatives, a day of hour-long interviews of typically 50 to 75 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. A written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues



and to provide recommendations in a compressed amount of time.

*The ULI panel team.*

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

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# Acknowledgments

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providing the panel with context of the New Orleans market. Another big thank you to the ULI Louisiana volunteers who helped in a variety of capacities throughout the week: Patrick Carey, Luke Elser, Kendra Home, Laura Woltanski, and McDaniel Wyatt.

Finally, the panel would like to thank the approximately 75 residents, business, faith, and community leaders and representatives from New Orleans and the surrounding parishes who shared their perspectives and insights during the panel's stakeholder interviews.

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# Background and Key Recommendations

**NEW ORLEANS IS RENOWNED** for being a city of art, culture, food, and, since 2005, survival and rebirth. According to GNO Inc., the largest industries in the city of New Orleans are hospitality, health care, energy, and trade, with large growth in digital media, biosciences, and environmental management. Citywide, New Orleans has an estimated employment of 558,110 people with an average income of \$43,406.

New Orleans continues to make a big push for new companies to come to the city, with a focus on entrepreneurs as well as a new emphasis on attracting tech companies and medical research. In fact, immediately following the panel's completion, DXC Technology announced that it will open an office in New Orleans adjacent to the medical district, bringing 2,000 new jobs and leasing up to 300,000 square feet—the biggest single economic development announcement in the history of New Orleans.

The central business district (CBD) is home to most of the city's financial institutions, the Mercedes-Benz Superdome and the Smoothie King Center, the Ernest N. Morial Convention Center, and City Hall. Tourism affects the whole city, and attractions are spread throughout New Orleans. In 2016, an estimated 10.4 million tourist visitors spent \$7.4 billion—a record amount.

The New Orleans area regional population has increased between 2010 and 2016 by 6 percent, putting the region at a population of 1,268,883, compared with its pre-Katrina population of 1,337,726. Neither the white nor the African American population has climbed back to its pre-Katrina numbers, though they both continue to grow. The Hispanic population has seen a rise of about 7,000 people. Within the city of New Orleans, the population has contracted from 455,188 to 391,495. The city's peak population in the 1970s was over 625,000.

## New Orleans Population Changes

	2000	2016
African American	323,392	231,044
White	128,871	121,086
Hispanic (any race)	14,826	21,929

Sources: Data Center analysis of U.S. Census Bureau data from 2000 census and population estimates for 2016.

The percentage of households with children under the age of 18 has dropped from 30 percent in 2000 to 20 percent in 2015. This change has pushed the average age up by almost three years to 37.6 according to Data Center research. Single-person households increased from 33 percent in 2000 to 45 percent in 2015.

The median household income has increased modestly from \$38,601 in 1999 to \$39,077 in 2015, based on inflation-adjusted dollars. Although the median income is \$10,000 to \$15,000 lower than that of the United States, according to Data Center research, New Orleans's average income has increased while the U.S. median income has decreased by almost \$4,000. According to a Brookings Institution study, at 17.7, New Orleans has the second-highest inequality ratio in the United States between the

## Single-Person Households

	Percentage of total	
	2000	2015
Orleans Parish	33%	45%
Jefferson Parish	27%	31%
St. Tammany Parish	20%	24%
Metro area	27%	33%
United States	26%	28%

Source: Data Center analysis of U.S. Census Bureau data from Census 2000 SF3 and American Community Survey 2015.



## Inequality Ratio, New Orleans versus Other Major U.S. Cities

City	2014 household income		Inequality ratio
	Bottom 95th percentile	Top 20th percentile	
Boston	\$14,942	\$266,224	17.8
<b>New Orleans</b>	<b>\$11,466</b>	<b>\$203,383</b>	<b>17.7</b>
Atlanta	16,057	281,653	17.5
Cincinnati	10,454	164,410	15.7
Providence	12,795	196,691	15.4
New Haven	12,293	187,984	15.3
Washington, DC	21,230	320,679	15.1
Miami	12,262	184,242	15.0
San Francisco	26,366	383,202	14.5
New York City	17,691	249,609	14.1

Sources: Brookings Institution; U.S. Census; ULI.

household earning incomes in the bottom 95th percentile (\$11,466) and those earning incomes in the top 20th percentile (\$203,383). This ratio is slightly lower than that of Boston (17.8), and slightly higher than that of Atlanta (17.5).

New Orleans continues to rebuild after Hurricane Katrina. That rebuilding effort includes making great strides in creating a more resilient, healthier, and safer city, while challenges continue with renovating and repurposing abandoned parcels and buildings throughout the city.

### The Panel's Assignment

The Real Estate and Facilities Foundation (REFF) of Louisiana State University (LSU) asked the panel to study the former Charity Hospital building to find an adaptive use for the iconic structure. REFF asked the panel to incorporate the reuse as a potential critical element in the continued growth and development of downtown New Orleans and the adjacent BioDistrict. The panel was given two primary questions to consider:

1. What is the highest and best use of the Charity Hospital building?
2. How can REFF and LSU Health Sciences Center realize the maximum benefit of outsourcing the redevelopment of Charity Hospital to a private developer? Maximizing benefit means finding a use that would work in synergy with the BioDistrict and the LSU Health Sciences Center, a use that would accelerate after development in the BioDistrict, and a use that would be of financial benefit to the REFF.

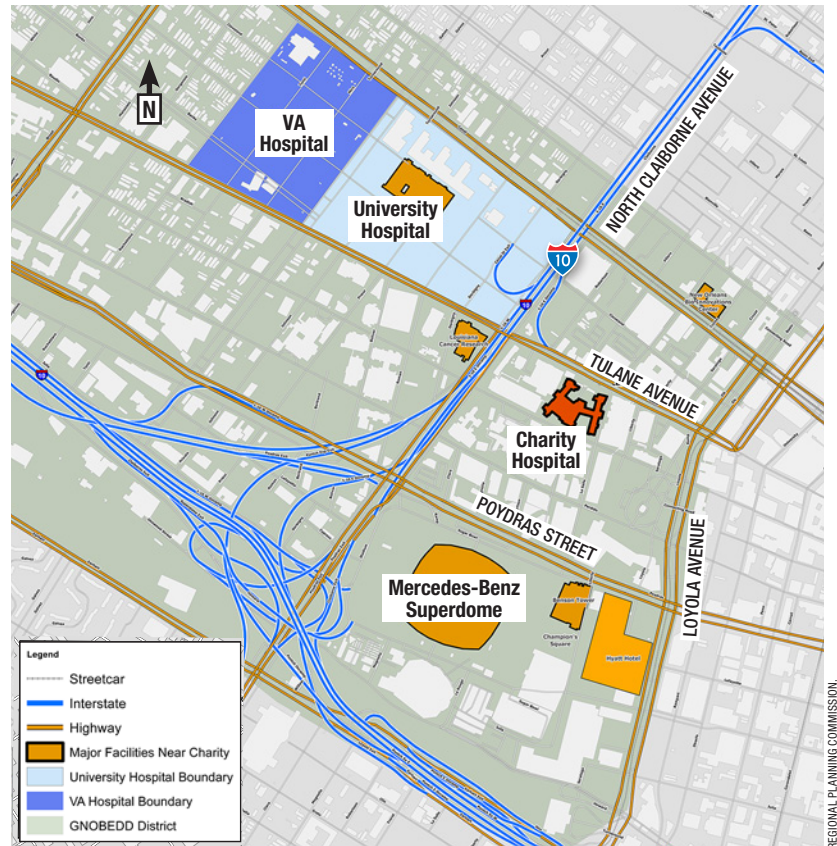
Charity Hospital has 20 floors, including a basement. The building is zoned for multiple uses and is designated as a historically significant building. In May 2017, Zimmer-Eschette Service II LLC won a bid to conduct a \$6.38 million cleanup of the building, clearing it of debris, equipment, and furniture, according to the *Times-Picayune*. The building has not yet been cleaned of mold or peeling lead paint and has cosmetic and structural issues. Although major work needs to be done to put the building into operation, the 2017 cleanup represented a significant step in preserving the structure and making the building

development safer, while taking first steps to prepare the building for redevelopment.

Located near Interstate 10, the Charity Hospital building is readily accessible by automobile. In 2015, New Orleans was demonstrated to be an automobile-dependent community, with 37.5 percent of New Orleans households owning two cars, followed by 35.9 percent owning one, 10.6 percent owning three, and 10.2 percent owning none, according to Data USA. The Canal Streetcar operated by New Orleans Regional Transit Authority (RTA) stops a few blocks from the hospital, and future planned expansions of the streetcar system will increase the breadth of service to the area. Several bus lines run adjacent to the building with a bus stop located at the corner of Tulane Avenue and South Villere Street.

Surrounding the Charity Hospital building are the CBD and the BioDistrict. Downtown New Orleans is experiencing a significant amount of development, with \$6 billion worth of projects either currently under construction or in the development pipeline. Although the CBD is growing and vacancy rates continue to drop, many buildings are still vacant or unoccupied. Despite the CBD's proximity to desirable locations such as the French Quarter and the Superdome, the area has yet to grow into a destination for people before or after work hours. The nearby Warehouse District has succeeded in increasing its after-work appeal with new desirable residences, an emerging art scene, and many trendy restaurants.

The Charity Hospital building is also inside the borders of the BioDistrict. The BioDistrict overlaps portions of the CBD, Mid-City, and Gert Town neighborhoods. The BioDistrict comprises mostly medical buildings, including the Veterans Affairs (VA) Hospital, University Medical Center, Tulane Hospital and Medical School, LSU Medical School, LSU Health offices, various other medical buildings, and empty buildings including the Charity Hospital. The district is 1,500 acres in a roughly 15-by-five-block area. Along with the CBD, the BioDistrict lacks successful street activation, likely as a result of the concentration of one industry, the commuter lifestyle of the area, and a



dearth of other property uses and types in the area and its adjacencies.

*Charity Hospital and the surrounding area.*

## Key Recommendations

The redevelopment of Charity Hospital represents a once-in-a-generation opportunity to catalyze this neighborhood into a vibrant social and economic contributor to all of New Orleans. In addition, successful redevelopment may establish a “New Orleans global example” of ethical and inclusive revitalization. The panel made the following key recommendations:

- **The Charity Hospital Building must remain in place.** This is the baseline to all of the panel’s recommendations. Immediate actions should be taken to stabilize the structural integrity of the building to ensure it does not further degrade before reuse.

■ **The panel recognizes that to create a sustainable pathway to shared prosperity, all stakeholders need to work together in new and innovative ways.** The panel has established concurrent processes for receiving requests for qualifications (RFQs) and requests for proposals (RFPs) for the reuse of Charity Hospital and the establishment of an economic development district (EDD) to leverage tax increment financing (TIF). Both processes should be transparent and identify when public comment is accepted and when it is not.

■ **Any reuse of Charity Hospital and revitalization of the surrounding neighborhood should ensure that the panel’s guiding principles are executed.** These principles include

1. Incorporating the “spirit of Charity”;
2. Implementing a clear and transparent process;
3. Ensuring inclusive and equitable processes and outcomes;
4. Ensuring that reuse and revitalization encompass financial feasibility and stewardship;

5. Maintaining flexibility as a tenet of good planning;
6. Including a public use and community benefit component in reuse of Charity Hospital;
7. Improving connectivity;
8. Establishing partnership and collaboration;
9. Ensuring high-quality design and construction; and
10. Translating vision into a strategic plan.

■ **A multi-stakeholder coordinating committee (Charity District Coordinating Committee, or CDCC) should be established to facilitate the revitalization goals of the Spirit of Charity Innovation and Economic Development District and develop a strategic plan.** The CDCC would develop and oversee the implementation of administrative procedures for the district and ensure that the activities and initiatives of each of the bio, research, medical, teaching, and innovation/tech stakeholders are coordinated, energy is put toward common aims, and resources (whether physical or other) are shared where feasible.

# Preamble and Guiding Principles

**THE ULI ADVISORY SERVICES PANEL** was asked to examine and provide recommendations about what was the highest and best use of the Charity Hospital building and how to maximize the benefit of its development. The panel recognizes that this project has been a long time in coming. Many people in New Orleans have been eager to see—and at times, frustrated with the pace of conversation about—the future of Charity Hospital. It is abundantly clear to the panel, and to virtually all whom the panel engaged and interacted with, that now is the time to act.

The panel also recognizes that to talk intentionally and inclusively about that future, this discussion needs to begin from the same starting place. To that end, the chart below provides a snapshot of events leading up to the ULI panel.

## What This Is All About

*“Healing helps us to renew our faith in the process of becoming.”*—Chani Nicholas

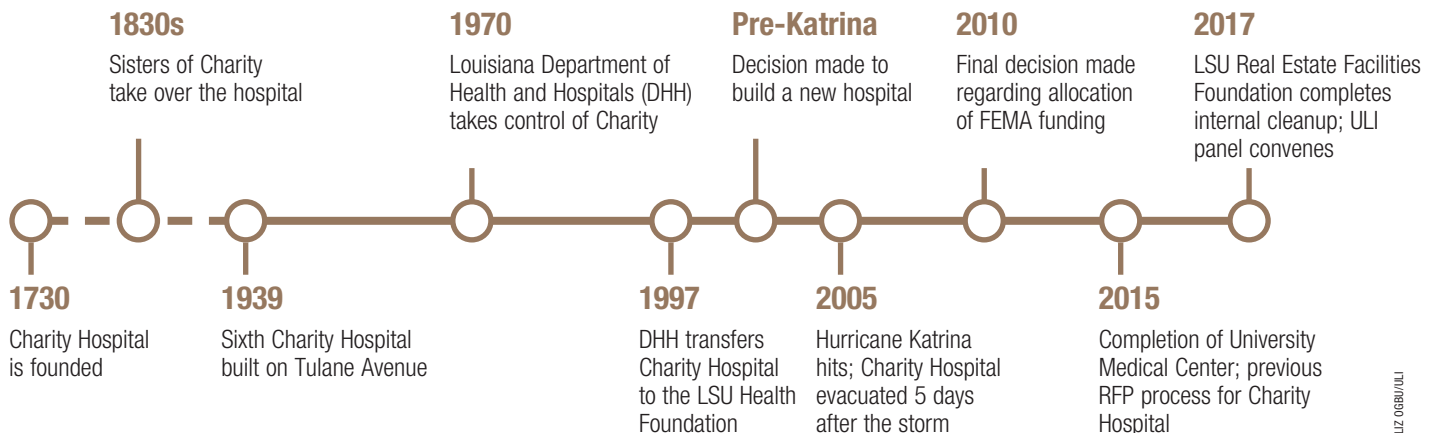
Healing is integral to the context of Charity Hospital. Panel members rarely had a conversation with a stakeholder—

be it from LSU, the city of New Orleans, or a community organization—where that word was not invoked as part of the memory of Charity. The panel believes that healing is not about being stuck in the past or the present; it is about forward movement. And this project is fundamentally about healing, not just the healing of the body and emotional spirit, but also the healing of place, from disparate investment to disconnected social ties to decaying physical fabric. The panel believes that healing—as defined here—is a critical component of addressing Charity Hospital’s future.

Both before and after Hurricane Katrina in 2005, mistakes and successes have been part of the process. Some decisions about development were widely shared; some were not. Some people have thrived here in this neighborhood and in Greater New Orleans; others are continuing to struggle. None of this is an either/or; all is true. This exposition is not to relitigate any of this history, but to acknowledge the reality and to move forward with intention, improved processes, and more inclusive outcomes. These recommendations are not just about LSU moving forward;

*Timeline of events leading up to the ULI panel.*

## How We Got Here



nor are they about the VA, the city of New Orleans, or any individual entity or neighborhood moving forward. They are about New Orleans as a whole moving forward—together.

The ULI panel heard from stakeholders and observed projects, processes, and initiatives that were stymied by the silos that exist here. When working in silos, a little movement may be possible, but, ultimately, you get stuck in mud. The only way to get unstuck is with a collective nudge. Building a sustainable pathway to shared prosperity can be part of the New Orleans story, but only if stakeholders from across the spectrum work together in new and innovative ways.

The panelists all agreed that Charity Hospital is a critical ingredient to this new pathway. To that end, the panel recommends that the Charity Hospital building must remain in place. All the panel's recommendations are made from that baseline.

## Moving Forward

More than 12 years have passed since Hurricane Katrina struck. The availability of additional disaster-related federal money is now drying up. New Orleans has made great strides during that time in rehabilitating neighborhoods and reconceiving many of its urban systems. However, the community needs to determine how to complete the pivot from a “postdisaster” city to a city that once again competes in the global marketplace. It has become apparent that the city is emerging as world class in sectors beyond hospitality, but to reach its potential, this ascendance cannot be at the expense of the working poor, people of color, or those without ready access to structures of power. The redevelopment of Charity Hospital represents a once-in-a-generation opportunity not only to catalyze this neighborhood but also to establish New Orleans as a global example of ethical and inclusive revitalization.

The panel believes that this project works best if the ambitions for what it involves and what it accomplishes are bigger: that is, not only about inclusivity of people, but also of place. There was a time when dreaming bigger was ingrained in the spirit of New Orleans. Immediately after

the storm, when surrounded by devastation, dreaming was one of the few things onto which people could hold. Over time, reality, politics, money, and trauma have gotten in the way of transforming a number of those dreams into reality.

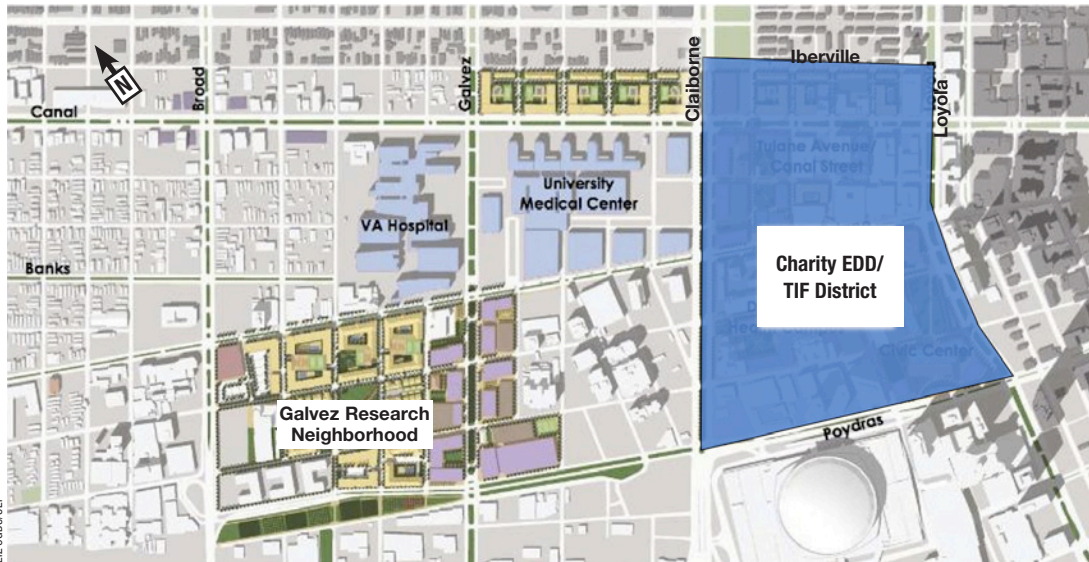
The panel recognizes that the city suffers from planning fatigue, but finding a way to capture the value of a project as significant as and at the scale of the Charity Hospital redevelopment will succeed only if the mindset for the development is more expansive and includes the area surrounding the building. The panel does not accept—nor should any of the stakeholders accept—that projects of this nature are doomed to be stuck in a rut of complacency and inaction. The vision must mean expanding the limits of what is possible. It must mean looking not only at Charity Hospital but also at the entire district surrounding the property. The fate of one is inextricably tied to the other.

To ensure a coupling of the two, the panel recommends the creation of a new TIF district—economic development district (EDD) in Louisiana terms—surrounding Charity Hospital to support the redevelopment and to capture the increased value of the redevelopment to provide sustainable financial support of the district. For the purposes of this report, the newly proposed EDD/TIF district is called the Spirit of Charity Innovation and Economic Development District or, simply, the Charity EDD/TIF District.

Dreams do not have to remain fantasy. Dreams can become the reality of visions of a better life, a better community, a better city. Dreams are not just a luxury for those with power. The panel believes that the dream for Charity, like the plan and outcomes proposed in this report, needs to be expressed as a collective vision of all stakeholders. Often, the most powerful dreams—the ones that have the highest potential to transform reality—are the ones that stem from shared visions.

The following are some examples of developments and actions in cities that have transformed communities.

- **Amplifying workforce development to address economic mobility.** To address the economic mobility gap



Existing downtown New Orleans districts with the proposed Spirit of Charity Innovation and Economic Development District, which would be bounded by South Claiborne Avenue, Iberville Street, Loyola Avenue, and Poydras Street.

between businesses and job seekers, Charlotte, North Carolina, launched a new training program for adults with multiple barriers to employment called Partnership for Inclusive Employment and Career Excellence (Project PIECE) in partnership with Goodwill Industries of the Southern Piedmont and Urban League of the Central Carolinas. The program includes training for careers in broadband and fiber optics, residential and commercial construction, and highway construction.

- **Creating new neighborhood connections with public space.** Business leaders in Dallas reimaged its downtown by creating a new urban park, Klyde Warren Park, a deck that bridges over the sunken Woodall Rodgers Freeway. The freeway was an imposing, riverlike barrier between downtown and the densifying and rapidly expanding Uptown neighborhood. Built with a combination of public and disproportionately large private funds, the five-acre park features a flexible, pedestrian-oriented design that arranges a children’s park, reading room, great lawn, restaurant, performance pavilion, fountain plaza, games area, dog park, and botanical garden around a sweeping pedestrian promenade. The park has also created a new town square that bridges the city’s downtown cultural district with the burgeoning mixed-use neighborhoods to the north.

- **Capturing value by redefining public/private partnership.** The redevelopment of Union Station in Denver turned a vacant parcel of land and an underused and somewhat obsolete old central passenger train station into a progressive urban redevelopment that is an exemplary model for cities and transit systems worldwide. The project involved a public/private partnership consisting of private developers and various public agencies including city, county, state, and federal entities and established an innovative 30-year TIF district comprising the entire Union Station and surrounding 20 acres. The location has become a central activity area in what was in recent years an underused, underperforming neighborhood.
- **Building an inclusive city from an equitable foundation.** Seattle’s Equitable Development Framework guides how the city prioritizes its work; shapes its budgets, policies, programs, and investments; and structures the implementation of targeted strategies and equitable development projects by using clear objectives for reducing disparities and achieving equitable outcomes for marginalized populations. In the fall of 2016, the city signed an agreement, based on a property sale, including \$16 million to establish an Equitable Development Implementation Fund. The 2017 budget includes a \$6.5 million loan from this sale, as well as \$200,000 in

ongoing funding from the General Fund and \$430,000 in Community Development Block Grants. These funds will be used to support community capacity development, real estate development, and entrepreneurship and talent development. In addition, an interim advisory board is being established that will help determine criteria for prioritizing aid for projects and programs to receive Equitable Development contributions.

Hurricane Katrina aid from the federal government has come and for the most part gone. But the panel recognizes that the leadership, the agency, and the accountability it is proposing to carry the recommendation forward is already in place, embedded within the various institutional stakeholders, community agencies, and constituents in this city. Now is the time to tap fully into this powerful tool to take the dreams and visions into reality.

New Orleans is physically and emotionally in a different place from where it has ever been. Charity Hospital was always the portal for the people of this city, from being a place where they were born to preparing them to be the caregivers that they became. Some have talked about it as the last piece to completing the city's recovery from the storm. But the panel believes the Charity Hospital building

is actually the keystone to building the sustainable pathway to shared prosperity.

## Guiding Principles

To increase the likelihood of success in implementing the ideas expressed in this report, the panel recommends that guiding principles be established. Through the last several decades, ULI has found that working from a principle-based platform has become a best practice for many of its members. In accordance with the briefing materials provided by the sponsor and community stakeholder interviews conducted by the panel, any redevelopment of Charity Hospital and revitalization of the surrounding district should abide by the following guiding principles:

### 1. Spirit of Charity

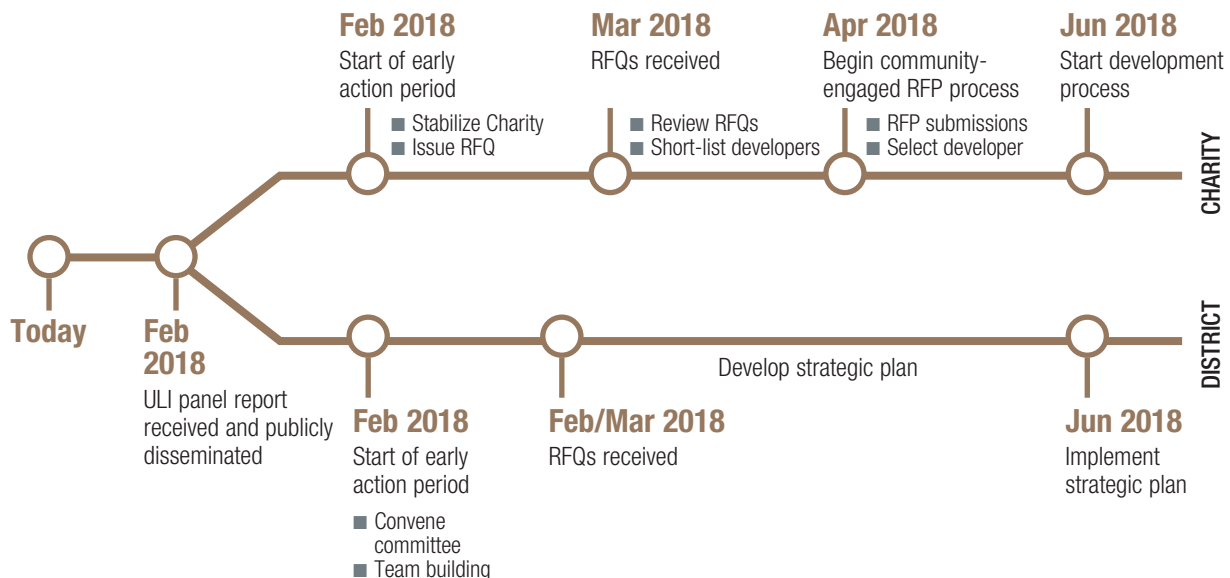
*"Many people feel like they wouldn't be alive if it wasn't for Charity."*

*"A lot of doctors will tell you that they became the human that they are because of the interactions at Charity."*

Charity Hospital is more than a building, and the "spirit of Charity" still lives in the hearts of many in New Orleans. From the programs considered to the physical elements

Recommended timeline for what happens next with Charity Hospital and the surrounding Charity District.

## What Happens Next?



ULI/2018/02/11

that are incorporated, redevelopment must take into account the history and living spirit of Charity Hospital as a place for all; a place for birth and rebirth; a place for healing and caregiving; a place for education and training; a place for innovation; and a place for lasting connections.

## 2. Clear and Transparent Process

*The panel found that in the absence of clear, publicly available information about the status of Charity Hospital, confusion, frustration, and alternative facts tend to arise, even from those who could be key allies.*

The planning process and the implementation of any plan will be complex, and the misconception exists that a more transparent process will add time and money. But as previous planning processes throughout this city have shown, the most productive process and positive outcomes will be achieved only if intentional transparency exists. Intentional transparency means a clear framework enables stakeholders to (a) understand the key elements, milestones, and timing of the process; (b) believe their input is valued and listened to; and (c) understand what specific aspects of the process and outcomes they can influence.

## 3. Inclusive and Equitable Process and Outcomes

*“Charity is a place for economic collisions. It has to be a place where those with the most money and those with the least can come together.”*

*“There are those who feel the resurgence of New Orleans is passing them by—even though their family helped to make this city what it was for generations. Can we use Charity to bring people back together? To make them feel part of the city again?”*

For the Charity Hospital building and surrounding district redevelopment to be truly successful, those leading the effort must design, sustain, and embrace an inclusive and equitable process that is outcome oriented. This approach recognizes the critical importance of resource availability while acknowledging that existing local talent and wisdom can add value to the redevelopment process and ensure

the outcomes benefit the many instead of just the few. This approach is rooted in the belief that for a building or neighborhood to achieve its maximum strength, benefits must be spread across all stakeholders, that strength is not only of value to existing stakeholders but also can serve as an attractor to new, valued constituencies outside the neighborhood or city.

## 4. Financial Feasibility and Stewardship

*The panel heard general consensus that any plan for the redevelopment of Charity Hospital must be tied to a realistic strategy for financing. Without adequate sources of funding, the project will fail. In addition, several interviewees expressed a need to ensure funding sources—including taxing authority—for the ongoing maintenance of not only Charity Hospital but also the larger surrounding district in terms of streets, sidewalks, public spaces, and safety.*

The effort must be financially feasible not only in the redevelopment, but also in the ongoing maintenance and operation of Charity Hospital and the surrounding district. Creative financing tools and governance structures—such as an EDD/TIF district—must be used both to support the initial redevelopment and to capture the additional value created by the revitalization for high-quality, ongoing stewardship (maintenance, safety, etc.).

## 5. Flexibility

*The panel heard and considered several uses that are collectively desired but need to be further studied for organizational viability and financial feasibility. The short time frame of the panel's investigation also means that some uses that align with the guiding principles may exist that are not yet on anyone's radar.*

Although a clear plan for the redevelopment of Charity Hospital and revitalization of the surrounding neighborhood is needed, that plan should be flexible enough to embrace the indeterminate. That is, the plan should leave some room for unexpected and unanticipated ideas that may be generated during the planning process and implementation.



## 6. Public Use and Community Benefit

*"This building is very personal and it needs to be returned to being a community beacon."*

*"Everyone has a Charity story. Whatever it becomes, it has to be open in some way to the public."*

Relating to embracing the spirit of Charity, the redevelopment must include some aspects that are clearly for public use and designed for ongoing community benefit. Examples of this type of use could include a museum or other memorial honoring the legacy of Charity Hospital, a municipal program, public art in the building or throughout the district, multipurpose community meeting spaces, a prominent public space, and workforce training programs.

## 7. Connectivity

*"Charity is bigger than life. This place has to reconnect with the larger community."*

The redevelopment of Charity Hospital must be considered, planned, and implemented with a deep awareness of the surrounding neighborhoods. The redevelopment of Charity Hospital provides a unique opportunity to catalyze connectivity both within its surrounding district and across the city. To fully leverage this connectivity, streetscape, public spaces (design and programming), public life, walkability, access, and safety must be addressed in new ways that are consistent across the larger district.

## 8. Partnership

*"The key players haven't been talking to each other and that's not working for us."*

Although Charity Hospital and the surrounding district have many entities, a new "community quarterback" entity is needed that is public facing, authentically collaborative, competent, politically savvy, empowered with appropriate authority, and responsible for accountability. Without this new partnership, plans for Charity Hospital or even the surrounding neighborhood are highly unlikely to come to fruition.

## 9. High-Quality Design

*"There is nothing drawing people outside of the buildings [in the neighborhood], because it doesn't feel or look like a place you want to walk around. There is nothing to see. Nothing to entice you to walk around for pleasure. You just want to get in your car and drive away."*

Good design—or beauty—is a basic service that is too frequently not considered or extended to all parts of a city. High-quality design is essential to the success of the Charity Hospital redevelopment as well as that of the larger district, creating opportunities for both productive and valued spaces. An emphasis on design will not only enhance Charity Hospital and other individual projects nearby, but also provide an opportunity to leverage it to bring greater definition to this area as a signature district while strengthening connectivity to adjacent districts.

## 10. Strategic Plan

*The panel found that previous attempts to develop plans for Charity Hospital as well as other districts and buildings in the area have mostly stalled because of inadequate strategies, uncoordinated leadership, or both.*

Ultimately, discussions and visions for the district surrounding Charity Hospital must be translated into a strategic plan if they have any hope of becoming reality. And to achieve maximum benefit, this plan needs to be built around the guiding principles identified by the panel in this report.

# Process and Leadership

**THE PANEL UNDERSTANDS THAT** the general objective of LSU's REFF and the city of New Orleans is to transform the Charity Hospital site into a new and revitalized facility to provide economic benefit and create well-being for the citizens of New Orleans. Though the challenges are many, as outlined in other sections of this report, the probability of success will largely depend on establishing an effective and transparent process for reaching the project's goals and conforming to the guiding principles.

Early action is required for two distinct processes, both of which are equally important and should be accomplished within 60 days of issuance of the ULI Advisory Services panel report. The first process involves stabilizing the building and protecting the public right-of-way. The second early action process is identifying a person, earlier referred to as the community quarterback, with the public presence and gravitas to convene the stakeholders who will ultimately form a new entity, the CDCC, to guide the planning of the Charity EDD/TIF District. This should happen no less than 30 days from the issuance of this panel report.

## Charity Hospital Building

Though the Federal Emergency Management Agency (FEMA) deed restrictions prevent the facility from being reused as a "health care" facility, as defined by the Louisiana Department of Health, the panel believes an economically feasible opportunity for the restoration and adaptive use of the Charity Hospital building into a repurposed facility is possible. Any adaptation should be accomplished in a manner that ensures the result will serve the economic and social interests of the city while contributing to the establishment of a transformational catalyst for the wider district.

## The Panel's Six Sigma Approach

Six Sigma is a set of techniques and tools to help continuously use what is learned to improve a process. Initially, it was developed for production in the 1980s at Motorola. Features that set this approach apart are as follows:

- An increased emphasis on strong and passionate management leadership and support;
- A clear focus on achieving measurable and quantifiable financial returns from the project;
- A clear commitment to making timely decisions on the basis of verifiable data and statistical methods, rather than on assumptions and guesswork; and
- Incorporating feedback loops from all parties to the process to ensure outcomes consistent with the project's goals while engaging a collaborative process.

For purposes of this report, the study panel adopts a Six Sigma understanding of process in which the outcomes are going to be no better than the process itself.

## Stabilizing the Building

The Charity Hospital site has been vacant for 12 years and has been subject to a program of deferred or no maintenance for a period substantially longer than 12 years. Though no detailed engineering assessment has been done, the panel's opinion is the Charity Hospital building may reach a point at which restoration and preservation may no longer be physically or financially viable.

According to information the panel received, the metal clips that attach the stone fascia to the steel, brick, and concrete superstructure are failing. Extended exposure to water has rusted the clips, causing stone panels to fall. The falling panels may pose an imminent threat to pedes-

trians or the workforce charged with maintaining the security of the building. The panel strongly recommends that prompt action be taken to stabilize the building, including arresting the penetration of water through open joints and providing protective sidewalk scaffolding where portions of the building are near public sidewalks and rights-of-way.

**RFQ/RFP Process: Establishment of an Organizational Committee**

The panel was told that the LSU REFF is hiring a consultant to design and issue an RFQ and a subsequent RFP from which a developer will be selected for the Charity Hospital site. Before issuance of the RFQ/RFP, stakeholders should form an organizational committee (referenced earlier in the report) made up of key stakeholders to move quickly on working with the consultant to advance development objectives for the RFQ/RFP issuance that are consistent with the project’s guiding principles.

The committee should, to the extent possible, provide a summary of the potential space uses and relative allocations of the uses that would be considered appropriate within the vision and principles for the Charity Hospital site. This determination should be done in collaboration with the CDCC. The LSU REFF should reach out to both local and national developers to be considered for development of the site.

The panel believes that casting a wide net to communicate the opportunity to a widespread array of potential developers creates competition and ensures that the LSU REFF, all community stakeholders, and the city of New

Orleans implement a plan of action that best supports their common academic, economic, and social needs. The panel also recommends including a preliminary list of possible local institutional tenants who may have an interest in meeting their unmet space needs at the site after it is redeveloped. By providing all potential respondents an even playing field consisting of the same base information about the market, the panel believes the LSU REFF is more likely to attract competitive proposals from both local and national developers. Before moving forward, the LSU REFF should review this recommendation with the consultant it has chosen to manage the RFQ and RFP process to determine the applicability of this process to the selection process the consultant will design.

**The Spirit of Charity Innovation and Economic Development District**

Beyond the huge task of reusing Charity Hospital, New Orleans faces additional challenges that can become opportunities. The panel encourages the team to identify opportunities relating to the future of its biosciences, medical, university, and innovation/tech sectors and focus on capturing new business in these sectors. New Orleans is fortunate to have numerous high-quality biomedical, institutional, and educational entities located near Charity Hospital that create a base of business that should act as a catalyst for these efforts. The panel recommends that these existing institutions and businesses save the energy consumed by the current culture of “friendly” competi-



LYNN ROSS/ULI

*Panel-proposed Charity Hospital development objectives.*

tion by identifying common ground and collaborating as a unit to achieve shared objectives for the greater good of the city, its population, and its health. If New Orleans is to seize the future and maximize return, key stakeholders must begin to work together in a new way.

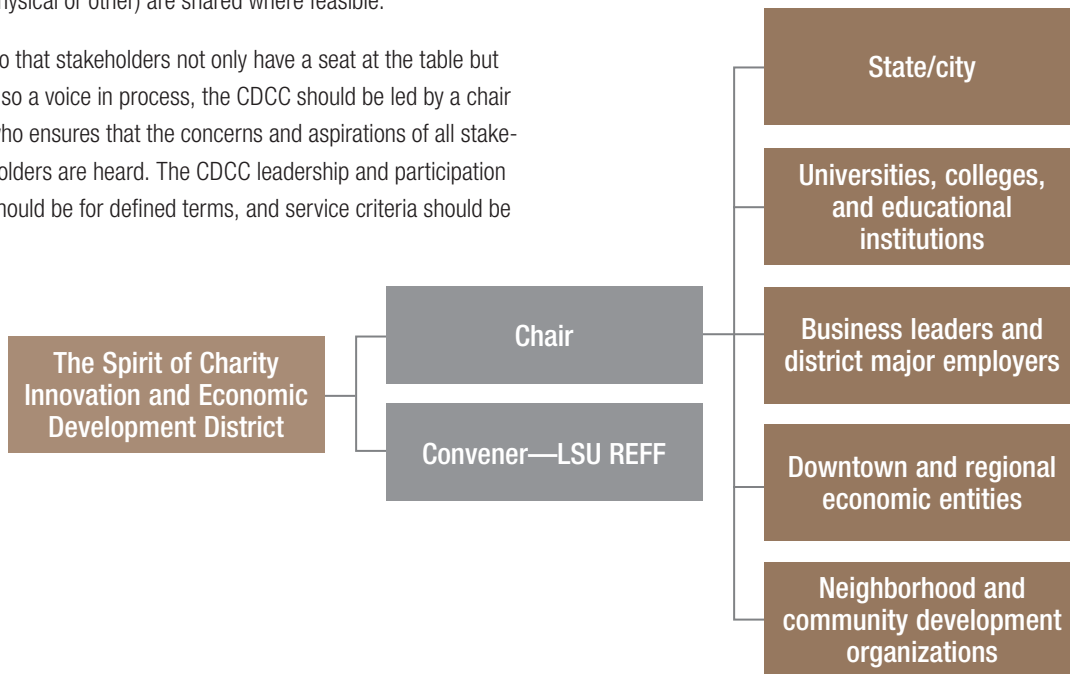
**Multi-Stakeholder Charity District Coordinating Committee**

To equitably facilitate the redevelopment goals of the Charity EDD/TIF District, the panel recommends that a multi-stakeholder CDCC of committed representatives from diverse groups should immediately be convened to articulate, brand, market, steward, and shepherd New Orleans’s vision for health care and biomedical research excellence, destination medicine, and innovation/tech. Once convened, district stakeholders on the CDCC should immediately appoint, at minimum, a chair and a secretary to lead the committee and document its decisions. The purpose of the CDCC is to develop and oversee the implementation of administrative procedures for the Charity EDD/TIF District and to ensure that the activities and initiatives of each of the biosciences, research, medical, teaching, and innovation/tech stakeholders are coordinated, energy is put toward common aims, and resources (whether physical or other) are shared where feasible.

So that stakeholders not only have a seat at the table but also a voice in process, the CDCC should be led by a chair who ensures that the concerns and aspirations of all stakeholders are heard. The CDCC leadership and participation should be for defined terms, and service criteria should be

developed to recruit committed and consistent participant leaders with subject matter expertise, as well as to constantly attract the participation of those with new and fresh ideas. The work of the CDCC should be supported by professional staff with community and subject matter experience as well. Issues to be addressed by the CDCC or established subcommittees could include the following:

- District redevelopment and economic development strategies and procedures;
- Transportation, access, and connectivity;
- Infrastructure;
- Parking;
- Amenities such as public realm improvements;
- Shared building and land assets;
- Faculty, student, staff, and user amenities and housing needs;
- Shared grant and research program pursuits to increase the overall flow of research grant dollars flowing into the area; and
- Educational programming.



*Organizational chart of the Charity District Coordinating Committee for the Spirit of Charity Innovation and Economic Development District.*

## Health Disparities

In New Orleans, despite massive post-Katrina investment in replacement hospitals, and with the impact of the shift in health care delivery for low-income populations in the state from a system of charity hospitals to mixed-income health care delivered by public/private partnerships like the one manifest at the University Medical Center, significant disparities (potentially avoidable differences) between the health outcomes of different populations of New Orleanians (those more socially advantaged in terms of income, wealth, education, and occupation compared with those with fewer advantages) persist.

According to the New Orleans Health Department, in 2011 Orleans Parish ranked toward the bottom of the state for health outcomes—60th of 64 parishes. By 2015, Orleans Parish moved up only to 42nd in the parish health rankings.

Between 2008 and 2010, the New Orleans Health Department documented the following disparities:

- Overall, an African American person in New Orleans was 1.37 times more likely to die than a white person in New Orleans.
- African Americans were eight times more likely to die of homicide than whites in Orleans Parish.
- African Americans were three times more likely to die of diabetes and twice as likely to die of kidney disease and HIV.

- Between 2008 and 2010, a 15 to 24-year-old African American person in New Orleans was more than four times more likely to die from any cause than a white person in the same age group.
- A 2010 survey found that African Americans are statistically significantly less likely than whites to report that their neighborhoods have enough restaurants, grocery stores, and places where children can play outside.
- In 2012, the Joint Center for Political and Economic Studies' Place Matters project documented a 25.5-year difference between the zip codes in New Orleans with the highest and lowest life expectancies.
- A 2012 report found that whites in New Orleans had a median income almost twice that of African Americans. African Americans were also far likelier than whites to live in asset poverty (not having enough assets to live at 100 percent of the federal poverty level for three months without other income) and income poverty (households with income below 100 percent of the federal poverty level). Further, zip code life expectancy is more closely related to the percentage of residents in that zip code living below 150 percent of the federal poverty level than the percentage of residents who are people of color or the percentage with less than a high school degree.

Continuity and momentum of the committee activities will be key, so the CDCC should commit to holding regular, at least monthly, meetings.

Examples of types of possible CDCC members and member organizations include the following:

- City and state representatives;
- Foundations, medical schools, universities, and community colleges;
- Charter schools with relevant subject matter focus;
- Health care providers and health systems;
- Bio/innovation/tech sector leaders;

- City assessment and business improvement districts;
- Community land trusts;
- Convention and visitors bureaus; and
- Community residents and stakeholder groups.

Organizations that have not traditionally had a seat at the table within New Orleans's development projects should be included within in this group. Some specific community-focused groups to consider include the Crescent City Land Trust, Women with a Vision, and the City of New Orleans Network for Economic Opportunity.

## Strategic Plan Development

To facilitate collaboration among CDCC members, who may not have worked as a group toward common aims in the past, the support of professional facilitation and team-building strategies may be helpful to speed the pace of progress and achieve better outcomes. Charity Hospital touched the whole community of New Orleans, its doors were open to all, and the panel recommends that the Charity EDD/TIF District around the hospital be led by, and demonstrate, a collaborative, inclusive leadership model for the new era they are entering.

The CDCC should immediately begin the work on a strategic plan for the Charity EDD/TIF District. That plan should include strategies to ensure that each investment made catalyzes other investments through the development of a shared vision. Each academic, health care, research, and technology institution or corporation should be required to provide a five- and ten-year master plan that reflects its overall vision as well as its vision for its institution's presence in the Charity EDD/TIF District. Then these entities can work collaboratively to incorporate those plans into a unified strategic plan for the Charity EDD/TIF District through the CDCC.

The panel recommends that the strategic plan should incorporate giving the CDCC these ongoing responsibilities:

- *Providing high-quality management of public space:* The responsibility should include maintaining and managing public space in the district, including parks, outdoor plazas, sidewalks, and the pedestrian pathways connecting the district across Claiborne Avenue to the Medical District. The creation of these public amenities will be expected to bring life and vigor to this urban district and contribute to success in attracting new investments to the area. The High Line in New York City and Millennium Park in Chicago are two examples of public realm investments that have created higher-valued real estate and dramatically improved quality of life.
- *Encouraging the creation of both pop-up public spaces and permanent public spaces that are programmed and curated with events throughout the year:* These curated events can start well before the start of new real estate investment as part of the strategic plan to change the messaging about the area: that it is now safe, accessible, and interesting. Birmingham, Alabama, has used this strategy to help facilitate the development of a new national monument in the Civil Rights District. Across the country, widespread evidence exists of the effectiveness of curating and programming periodic events in the public realm to prepare the community for transformation.
- *Contributing to the Fit NOLA Partnership to improve New Orleans health outcomes, regardless of the uses that are developed in the Charity Hospital reuse project:* Redevel-

**BUILDING HEALTHY PLACES TOOLKIT**

**STRATEGIES FOR ENHANCING HEALTH IN THE BUILT ENVIRONMENT**

Research shows that the built environment (including buildings, streets, and neighborhoods) has a profound impact on health outcomes. Professionals who influence the built environment can play a significant role in creating healthier communities.

The *Building Healthy Places Toolkit* outlines 21 practical, evidence-based recommendations that the development community can use to promote health at the building or project scale. The recommendations were formulated to help developers, owners, property managers, designers, and investors understand opportunities to integrate health-promoting practices into real estate development. The project was generously supported by the Colorado Health Foundation and the state of Miami-Dade.

Learn more: [www.ufl.org/toolkit](http://www.ufl.org/toolkit)

**URBAN LAND INSTITUTE**  
The Urban Land Institute is a nonprofit research and education organization whose mission is to provide leadership on the responsible use of land and in creating and sustaining thriving communities worldwide.

The ULI *Building Healthy Places Initiative* is bringing the power of ULI's global networks to shape projects and places to meet and improve the health of people and communities.

**CENTER FOR ACTIVE DESIGN**  
The Center for Active Design will be contributing author and expert content author for the toolkit. The center is a nonprofit organization that provides architecture and urban planning solutions to improve public health.

**PHYSICAL ACTIVITY**

- 1 Incorporate a mix of land uses
- 2 Design well-connected street networks at the human scale
- 3 Provide sidewalks and enticing, pedestrian-oriented streetscapes
- 4 Provide infrastructure to support biking
- 5 Design visible, enticing stairs to encourage everyday use
- 6 Install stair prompts and signage
- 7 Provide high-quality spaces for multigenerational play and recreation
- 8 Build play spaces for children

**HEALTHY FOOD AND DRINKING WATER**

- 9 Accommodate a grocery store
- 10 Host a farmers market
- 11 Promote healthy food retail
- 12 Support on-site gardening and farming
- 13 Enhance access to drinking water

**HEALTHY ENVIRONMENT AND SOCIAL WELL-BEING**

- 14 Ban smoking
- 15 Use materials and products that support healthy indoor air quality
- 16 Facilitate proper ventilation and airflow
- 17 Maximize indoor lighting quality
- 18 Minimize noise pollution
- 19 Increase access to nature
- 20 Facilitate social engagement
- 21 Adopt pet-friendly policies

ULI's *Building Healthy Places* Initiative highlights 21 tasks to improve the physical activity, food, water, environment, and social health of a community.

opment of the building, and in the surrounding district, should reflect the guidance provided in ULI's *Building Healthy Places Toolkit*. The initiative and toolkit seek to leverage the power of ULI's global networks to shape projects and places in ways that improve the health of people and communities. The initiative seeks to raise awareness of health problems, links to the built environment, potential solutions, and the value proposition for development that is associated with improving health.

### Tax Increment Financing

The panel believes that tax increment financing is an important financial tool that should be made available throughout the Charity EDD/TIF District to aid in the devel-

opment of public infrastructure, retail, workforce housing, and other investments that create jobs and economic activity. The development and ongoing management of a TIF district will require the ongoing engagement of experienced financial and economic development professionals.

In the Charity EDD/TIF District, the panel strongly recommends that the allocation of any district TIF dollars should align with the CDCC's strategic plan, including activation of the area and subsidizing area improvements such as infrastructure, improving public places, incentivizing private development, providing for the maintenance and management of the district, and paying for other expenses related to the economic revitalization of the district.

## What Is a TIF District?

A tax increment financing (TIF) district (known in Louisiana as an economic development district, or EDD) is a financing mechanism for creating new development that operates within a specifically defined area. This mechanism functions by government capturing the incremental increases in tax revenue in the district over a set time period and reinvesting this money through bonds into private development in that same district.

TIF districts are a tool of optimism because they function with the expectation that new development will succeed in spurring transactions that will increase tax revenue. The revenue is not generated from specific existing taxes but is based upon the incremental growth in values and the related taxes that are generated on top of what was received in the base tax year (the year preceding the implementation of the TIF district). The tax revenue generated by the TIF is not based on an increased

millage rate but represents the taxes generated by the investments in the district and the underlying increases in value that generally occur when economic activity improves.

States each have their own, unique rules regarding where a TIF district can and cannot be created. Most states require that a TIF district be in an area subject to distress, in need of conservation, with significant amounts of deterioration or dilapidation, or a broken community engagement system that prevents development. TIF districts are created in areas that are too difficult or too expensive for developers to build in independently, and they shift certain developer costs to the city or state. TIF districts are proposed to either the local city or state government by private groups, often developers or business improvement districts.

TIF Districts ARE	TIF Districts ARE NOT
Funded by the incremental increase in tax revenue	Funded by the implementation of new taxes and thus an increase in the millage rate
A partnership between the public and private sectors	Implemented independently by a single body
Active for a specific amount of time	Permanent
Subject to rules and regulations that vary by state	Uniform across the United States
Part of a larger city or district redevelopment plan	Implemented without a strategy

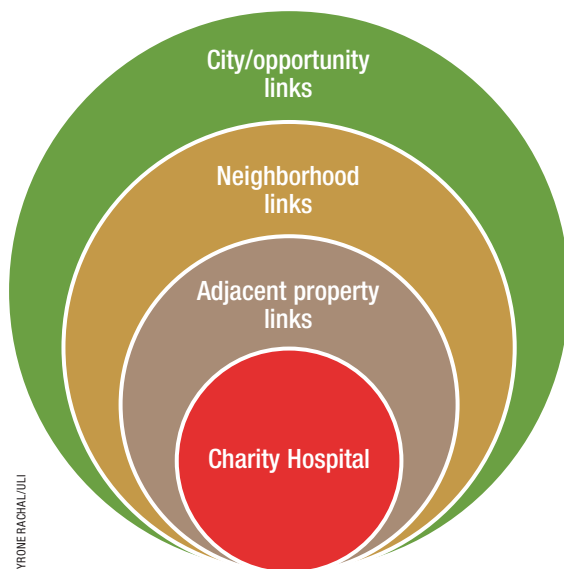
Sources: Kenneth W. Bond, Squire, Sanders & Dempsey LLP; Cali Slepín/ULI.

# Building Uses and District Links

## THE REDEVELOPMENT OF CHARITY HOSPITAL

should conform to best practices of historic adaptive use, as large historic medical institution assets in other communities have done successfully. The panel strongly recommends that the development team include professionals and groups with success not only in the physical redevelopment and retenanting of similar assets but also in the process of forming and maintaining business and civic coalitions that enable the completion of these large, complicated, and highly publicized projects.

Charity Hospital is an asset with deep historical and social significance for many constituents across the city of New Orleans. It also occupies a geographically central location within the city. Located among significant, yet culturally and functionally different neighborhoods that are all crucial for the continued growth of the city and the improvement of the quality of life of its residents, Charity Hospital is



Potential uses for Charity Hospital should be intentional and should make sense with nearby uses.

positioned to be an economic and community development driver. As such, any contemplated redevelopment of Charity Hospital has to be considered within the context of the impact, connectivity, and potential synergies with its adjacent properties, neighborhoods, and the overall city and regional economy.

The long-term sustainable success of Charity Hospital is deeply linked to the development of its adjacent properties, neighborhoods, and the city at large. These uses must align with New Orleans's market realities.

*The Spirit of Charity Innovation and Economic Development District is near other uses and neighborhoods.*

## Possible Uses for the Charity Hospital Building—Flexibility Is Key

Charity Hospital's large size and density within a compact urban location requires a vertical mixed-use redevelopment. Flexibility in the use of the building is key to



## Charity Hospital: Potential Use Suitability

●	Commercial multitenant office
●	Hotel
●	Medical: hospital
●	Market-rate multifamily housing
●	Medical: wellness
●	Education and workforce development
●	Institutional uses
●	Museum uses
●	Retail
●	Technology/research and development
●	Workforce housing (80%–150% of AMI)

**Key**

- not immediately suitable
- potentially immediately suitable
- most immediately suitable

successful retenanting. More important, the scale of the financial requirements for the project requires the commitment of several large anchor tenants early in the process. The panel divided potential uses for Charity Hospital into three use types in the current market, based on data available and interviews:

- Most immediately suitable;
- Potentially immediately suitable; and
- Not immediately suitable.

### Immediately Suitable

Following are possible uses that are most immediately suitable for reuse of Charity Hospital.

**Education and workforce development.** Part of the renovated building can be used to house educational institutions and other training organizations that can provide skills training for medical workforce as well as technology workers for a broader district. Retraining local residents for higher-paying medical and technology jobs in a location

centrally situated between medical and central business districts provides a strong public benefit.

Charity Hospital can be used by the various state, city, and university-supported initiatives as a base to colocate workforce development programs in partnership with multiple hospital and corporate employers. Colocated facilities can leverage shared resources such as equipment and mock-up practice facilities. This use will require the financial support and incentives available under the various state and city workforce development programs.

**Institutional uses.** The use of the building for public agency and institutional uses is feasible if it results in benefits to agencies from consolidation of disparate locations and relocation from high-maintenance and functionally obsolete properties. Public agency use not only further benefits from improvements in service from more efficient space and a better public image, but also offers opportunities to invest in making vital public buildings more resilient to function in future emergencies and to benefit from more energy-efficient features that reduce operating expenses. The potential size of space required for the consolidation of public agencies makes these tenants prime candidates as the target required anchor tenants.

**Museum uses.** A museum or permanent exhibit feature as part of the redevelopment of Charity Hospital is an opportunity to memorialize the history of Charity Hospital and the Louisiana medical community that trained at Charity. Such a museum can be combined with a city viewing deck located in the smaller top floors of the building. This component could complement any memorial and public art placed in contemplated open spaces around the redeveloped building. It would also provide a new attraction for tourists to visit as part of the New Orleans experience.

**Retail.** Retail uses that provide neighborhood service amenities such as daycare are possible in the building's first-floor space, depending on the nature of anchor tenants for the building and redevelopment of the immediate area around Charity Hospital.

**Technology/research and development.** New Orleans is emerging as a technology, research, and development hub. Technology firms such as DXC Technology are locating to the city because of a lower cost of living and a high quality of life. Coordination between New Orleans economic development and institutional entities and the CDCDC would be required to attract this type of use in the near term. Multitenant office feasibility is discussed more broadly later in this report.

**Workforce housing.** The local workforce has a large, unmet demand for rental housing that is affordable to those earning 80 to 150 percent of area median income. This includes a substantial portion of hospital service and administrative staff in the proposed district. Reports have shown that apartment rents in New Orleans have increased by nearly 12 percent between 2011 and 2014, whereas area median income has stayed flat. Market-rent increases have further accelerated in the past two years. The development of affordable workforce housing should be considered as a public benefit if available federal, state, and local financing tools and incentive programs render this development feasible and sustainable. This use has the potential of being a major component in the renovated building.

### **Potentially Immediately Suitable**

Following are possible uses that are potentially immediately suitable for reuse of Charity Hospital.

**Market-rate multifamily.** The number of market-rate rental multifamily projects in the city has increased significantly, and a large pipeline of projects is in planning and development. Therefore, the panel does not recommend considering market-rate multifamily at this time. For-sale residential condominiums are likewise not feasible because of the underlying ground-lease structure of the property.

**Medical and wellness.** Medical office and wellness uses may be possible with sufficient spillover demand from neighboring medical facilities.

### **Not Immediately Suitable**

Following are possible uses that are not immediately suitable for reuse of Charity Hospital.

**Commercial multitenant office.** The current Class A office market rents of \$18 to \$20 per square foot with operating expenses of \$8 to \$9 per square foot do not economically justify redevelopment into new commercial multitenant office space. However, as part of the Charity EDD/TIF District, a renovated Charity Hospital may be used by economic development groups to recruit desirable technology or biomedical employers who prefer architecturally prominent space. Business development incentive funds may be used to subsidize the redevelopment of office and lab space for these tenants.

**Hotel.** The number of full-service hotels targeting the resurgent tourism industry has increased significantly, and a large pipeline of full-service hotels is currently in development. In the last two years, 1,782 rooms opened, with at least another 3,336 rooms under construction or in planning that will deliver over the next four years, mostly located closer to the tourism core of the city. Reuse of Charity Hospital as a full-service hotel is thus not recommended at this time. However, should the new medical centers nearby generate demand as a medical destination for specialized procedures or for testing and research, an unmet demand for extended-stay hotels may arise in the future.

**Medical: hospital.** Reuse of the building as a medical hospital is prohibited by a FEMA deed restriction.

## **District Links and Placemaking**

Although the preceding use analysis and financial feasibility will ultimately dictate the real estate program at the Charity Hospital site based on market forces, opportunities exist for strategic links with adjacent properties to create synergies that may amplify development efforts to accomplish important goals for the immediate area. The property is within the existing BioDistrict New Orleans, but FEMA deed restrictions with respect to the use of the property

## The Innovation Economy

Throughout the panel discussions, two parallel conversations have taken place—one about real estate and revitalization and the other about growing the innovation economy. They are related. The physical quality of a place is essential. Revitalization should not just be focused on Charity Hospital, but also should include the entire Charity EDD/TIF District. This approach will allow the community to take advantage of its connectivity to the rest of the city. The renewed vibrancy will help attract research dollars and research talent. Independently, LSU Health, Tulane University, and Xavier University of Louisiana have begun offering early-stage and venture capital funding plus assistance in developing patents, but more sources are needed. Connecting place to innovation will help the city realize the full potential of the LSU Medical Complex, the new VA Hospital, and Tulane and Xavier universities. A high-value economy will diversify and enrich New Orleans.



ALWAYS SHOOTING/FICKR

*The University of Pittsburgh (pictured) and Carnegie Mellon University formed a partnership that has spurred more than \$1.1 billion in research and development funding since 2012. This partnership has improved Pittsburgh's reputation as an innovation economy, and its entrepreneurial culture is attracting talent and early-stage and venture funding to grow new businesses and jobs. Technology companies like Google and Uber are following with investment in former industrial buildings in the city.*

limit its use as a medical facility. Several supporting uses are complementary to the goals of the BioDistrict (medical professional office, support services, and the like), but a preference appears to exist to locate those uses closer to the anchors on the BioDistrict campus, given fewer constraints on the development program.

Although that strategy strengthens the BioDistrict, an opportunity exists to brand the immediate surrounding area as an Innovation District to complement the current economic development business recruitment efforts of the city of New Orleans and regional economic development partners. The existing BioDistrict is an Innovation Center, but one of the economic development goals of the city of New Orleans is to leverage its efforts to attract and grow software and technology anchors.

Given the creative nature of this industry, any economic development efforts should seek to leverage proximity to create and grow physical, community, and economic assets and create the ecosystem between people, companies, place, and community that facilitates idea generation and accelerates commercialization. This would entail leveraging the current economic development efforts in software and technology recruitment to build a place where workers can truly live, work, and play.

This strategy also allows partnerships with local nonprofits to support city and developer housing goals in the area to provide housing stock at all price points (e.g., Philadelphia University City: City Center Innovation District). Similarly, employer-assisted housing programs to support ownership within the district should be supported and encouraged. Several examples of employer-assisted housing programs include Miller's Court in Baltimore, Maryland, and Masonvale in Fairfax, Virginia.

### Opportunities for Creating Open, Public Green Spaces for All of New Orleans

Another concept of effective placemaking is to leverage this unique opportunity to set aside recreational areas and to provide programming for the entire city, its residents, and visitors. Duncan Plaza is a potential gem to recreate an asset that can truly be integrated into this changing area. Given the Downtown Development District's \$5 million plan to redesign Duncan Plaza, consideration should be given to evaluating the possible expansion of this asset while deploying activation measures to bring energy and life into the downtown area. This could be accomplished



*Conceptual site plan from the Old VA Site Re-Use Study commissioned by the New Orleans Downtown Development District. The site is intended to be partitioned into three areas: a parklike setting near Claiborne Avenue, an urban core/retail area near the entrance of Charity Hospital, and Duncan Plaza to become more of a festival and events space.*

through pocket parks on surrounding underused land or a possible partial or full demolition of the former VA building.

The panel heard from many downtown stakeholders that lack of green space is a major concern for residents and employers in the area. Given Duncan Plaza's proximity to downtown, the Superdome, City Hall, and the tourism assets along Canal Street, this area could become an activity magnet for the residents of the entire city and region.

Careful consideration would be needed on relocation of the proposed homeless shelter to allow for better treatment options. However, the homeless shelter should remain near the medical assets within the area (either within the Charity EDD/TIF District or south of Claiborne Avenue).

### **Opportunities for Creating “Memorial Space” Honoring Charity Hospital’s Contributions**

Creative placemaking is defined as the partnering of public, private, not-for-profit, and community sectors to strategically shape the physical and social character of a neighborhood, town, tribe, city, or region through arts, design, and cultural activities. Creative placekeeping is about working with existing communities to understand

and find value in their existing native assets and matching their needs and desires to those native assets, then channeling that knowledge through arts, design, and cultural activities that lead to physically and socially responsive, complementary, and amplifying outcomes. The Charity Hospital building’s redevelopment presents an opportunity to link the elements of creative placekeeping and thoughtful placemaking design.

Honoring Charity Hospital’s history and the contributions to training countless medical experts in the city and the state in a formal manner, presents an opportunity to potentially expand Duncan Plaza or create a new open space that provides a place for recognizing that history. With the appropriate placement of historical artifacts related to this rich history, an asset can be created not only to provide additional open space but also to leverage its connection to Charity Hospital. In addition, with adequate park programming, this opportunity has potential to be a special area that serves a historical function (such as the National September 11 Memorial or World War I Memorial). This space should incorporate creative placemaking and placekeeping into the design.

### **Parking Analysis for Efficient Use of Space**

Although the use analysis and financial feasibility must support the reuse of Charity Hospital, the ultimate use will have to accommodate parking requirements generated by the uses. The panel was informed that only 60 percent of existing LSU parking structure capacity is currently being utilized regularly. However, any planned use of Charity Hospital and adjacent property links must carefully examine how to efficiently manage parking and transportation, including the leverage of existing streetcar and other RTA resources to create a walkable and livable environment that is accessible for visitors and residents. Parking facilities should be collocated among all building owners of the Charity EDD/TIF District and surrounding areas.

In addition, future transit-oriented development potential exists through coordination with the RTA on a potential multimodal asset that is being considered in the nearby area which includes special financing. Effective transit-oriented development, in combination with a focus on mobility and transit demand management, will reduce the overall parking requirements for any reuse of Charity Hospital and revitalization of the Charity EDD/TIF District.

### **Enhancing Opportunity and Equity for All City Residents through Charity Hospital Redevelopment**

While the immediate effects of redevelopment patterns are most felt by nearby users, the city of New Orleans must be intentional in taking this opportunity to create assets and value for all residents. The economic development efforts of the city must be strategically linked to positive outcomes

for New Orleans's current and future workforce. Educational and training initiatives must be leveraged to provide employment opportunities for K–12 students, college, and nonprofit workforce development efforts.

A good example is GE Capital's Software Engineering Apprenticeship Program (SWEAP), which uses a public/private partnership with the University of New Orleans to offer computer science students a unique opportunity to work alongside seasoned software engineers and gain valuable industry experience. Potentially, the Louisiana Economic Development FastStart Program can be leveraged to increase outcomes in partnership with several locally directed programs that already exist (e.g., Network for Economic Opportunity, Youthforce NOLA, and Operation Spark).

As mentioned previously, these training and educational links will assist in recruitment efforts from an economic development perspective and help attract new creative industries to the city while positioning its residents to be competitive for these new opportunities. Such links also help diversify the skill base of New Orleans's residents so that skills are more aligned with the economy of the future.

# Project Development Finance

**THE ADAPTIVE USE EFFORT** must be financially feasible not only in the redevelopment of the building, but also in the ongoing maintenance and operation of the Charity Hospital building and other improvements occurring within the surrounding Charity EDD/TIF District. As discussed elsewhere in this report, the successful redevelopment of Charity Hospital requires consideration of the site's context, perhaps more so because of its size. During the course of the panel's interviews, several potential ideas were mentioned that seem promising and are part of the basis for the panel's recommendation to explore partnerships and to identify complementary uses for neighboring buildings and land. Ultimately, however, the decision-making process should be guided by the panel's principles and the CDCC's strategic plan.

## Financial Viability of Redeveloping the Charity Hospital Building

The significant costs of redeveloping the building relative to prevailing rates for office and housing create challenges to the economic viability of a redevelopment program. The panel's discussions included both market-rate functions and below-market-rate functions that could potentially be housed in the redeveloped building. As the relative share of below-market-rate activities increases, the need for public subsidy becomes more significant.

Although consolidating municipal and perhaps university functions would provide sizable, long-term occupancy in the building, that use alone may not generate sufficient market-rate income to avoid the need for a subsidy. While opportunities exist to improve utilization with a residential component, the decision of how much market and below-market public benefit functions to include in the reuse of Charity Hospital depends on the amount of public subsidy that can be expected for this project.

The panel examined three potential mixed-use redevelopment scenarios that would be suitable for this building. The first two scenarios considered the relocation of the city of New Orleans's municipal offices as well as some of the local civil courts. The third option considered a redevelopment scenario that was driven by market-rate uses with no municipal or court uses. The panel's three scenarios' project development financing relies on the continued existence of the federal historic tax credit.

### **Scenario 1: Consolidate Municipal Functions with Unprogrammed Space**

Under the first scenario, the panel envisioned consolidating municipal and civil court functions in the building, with the possibility of including university classroom or administrative space as well. Assuming a 68 percent occupancy rate, the panel estimates the project would require a public subsidy of at least \$65 million to make it financially viable. Under this scenario, the balance of the space could be made available for public benefit functions (e.g., educational and workforce development or museum uses) that are unable to pay market rates.

Additional market-rate tenancy, such as retail or technology companies, could improve the financial viability and reduce the need for public subsidy.

### **Scenario 2: Municipal Consolidation with Multifamily Residential**

The second scenario builds on the first, envisioning consolidated municipal functions and civil courts but including a market-rate housing component. This would expand upon the 68 percent office use and generate a stream of residential lease payments to improve the project economics. Adding in a market-rate residential element could increase the overall building utilization to 97 percent, and

## Project Costs for Scenarios 1 and 2

<b>Cost summary</b>	<b>Scenario 1</b>	<b>Scenario 2</b>
Hard costs and contingency	\$155,962,379	\$155,962,379
Soft costs and contingency	17,670,145	17,670,145
Tenant improvements (TI) and contingency	108,414,572	88,963,464
Developer fee	3,899,059	3,899,059
Community benefit budget	0	1,109,826
<b>Total uses</b>	<b>\$285,946,155</b>	<b>\$267,604,873</b>
<b>Funding sources</b>		
Senior debt	\$136,159,068	\$185,588,243
Federal historic tax credits	19,963,184	19,963,184
State historic tax credits	19,963,184	19,963,184
Sponsor cash	42,891,923	40,140,731
Deferred developer fee	1,949,530	1,949,530
<i>Funding gap</i>	<i>\$65,019,265</i>	<i>0</i>
<b>Total sources</b>	<b>\$285,946,155</b>	<b>\$267,604,873</b>
<b>Costs</b>		
<b>Development cost estimates</b>		
Total usable square footage	1,015,942	1,015,942
Total rentable square footage	921,342	921,342
Renovation cost/square foot	\$300	\$300
<b>Tenant improvement costs*</b>		
Public service offices	\$48,795,152	\$48,795,152
Specialty space—courtrooms	\$7,000,000	\$7,000,000
Allowance for remaining space	\$34,550,325	\$33,168,312
<b>Subtotal TI</b>	<b>\$90,345,477</b>	<b>\$88,963,464</b>
TI contingency	\$18,069,095	\$17,792,693
<b>Total TI and contingency</b>	<b>\$108,414,572</b>	<b>\$106,756,157</b>
<b>Revenue potential, assuming gross leases</b>		
Gross rent per square foot—City Hall	\$25.00	\$25.00
Real estate tax	—	—
Operating expenses (per sq ft)	\$8.00	\$8.00
Net operating income (NOI) (per sq ft)	\$17.00	\$17.00
Available square feet	414,604	414,604
Occupancy	100%	100%
Square feet leased	414,604	414,604
NOI	\$7,048,266	\$7,048,266

\*Tenant improvement costs for scenarios 1 and 2 are based on the following assumptions: public service offices—609,939 square feet at \$80 per square foot; specialty space (courtrooms)—35,000 square feet at \$200 per square foot. For scenario 1, allowance for remaining space—276,403 square feet at \$125 per square foot; for scenario 2, multifamily residential—276,403 square feet at \$120 per square foot.

<b>Revenue potential, assuming gross leases (cont.)</b>	<b>Scenario 1</b>	<b>Scenario 2</b>
Gross rent per square foot—courts	\$25.00	\$25.00
Real estate tax	–	–
Operating expenses (per sq ft)	\$8.00	\$8.00
NOI (per sq ft)	\$17.00	\$17.00
Available square feet	230,336	230,336
Occupancy	100%	100%
Square feet leased	230,336	230,336
NOI	\$3,915,704	\$3,915,704
Gross rent per square foot—vacant space	–	\$18.00
Real estate tax	–	–
Utility assistance/allowance (per sq ft)	–	\$2.00
NOI (per sq ft)	–	\$16.00
Available square feet	276,403	276,403
Square feet leased	–	90%
Square feet leased	–	248,762
NOI	–	\$3,980,197
Total square feet leased	644,939	893,702
Overall occupancy	70%	97%
<b>Total NOI</b>	<b>\$10,963,970</b>	<b>\$14,944,167</b>
Amortization	30 years	30 years
Interest rate	5%	5%
Term	30 years	30 years
Debt service coverage (DSC) ratio	1.25	1.25
Maximum annual debt service	\$8,771,176	\$11,955,334
Maximum principal value—DSC	\$136,159,068	\$185,588,243
Maximum loan-to-cost (LTC) ratio	0.9	0.9
Maximum principal value—LTC	\$257,351,540	\$240,844,385
<b>Maximum debt (lesser of DSC/LTC)</b>	<b>\$136,159,068</b>	<b>\$185,588,243</b>
<b>Net operating income</b>	<b>\$10,963,970</b>	<b>\$14,944,167</b>
Debt service	–\$8,771,176	–\$11,955,334
Deferred developer fee	–\$389,906	–\$389,906
<b>Cash available for distribution</b>	<b>\$1,802,888</b>	<b>\$2,598,928</b>
Simple cash-on-cash return, years 1–5	4.2%	6.5%
Simple cash-on-cash return, after year 5	5.11%	7.45%

Sources: Norman Dong, FD Stonewater; Brandon Hill, Fusion Advisory Services/ULI.



## Project Costs for Scenario 3

### Cost summary

Hard costs and contingency	\$155,962,379
Soft costs and contingency	17,670,145
Tenant improvements (TI)	81,707,360
Developer fee	3,899,059
Community benefit budget	—
<b>Total uses</b>	<b>\$259,238,943</b>

### Funding sources

Senior debt	\$128,046,426
Federal historic tax credits	19,963,184
State historic tax credits	19,963,184
Sponsor cash	38,885,841
Deferred developer fee	1,949,530
<i>Funding gap</i>	<i>\$50,430,777</i>
<b>Total sources</b>	<b>\$259,238,943</b>

### Costs

#### Development cost estimates

Total usable square footage	1,015,942
Total rentable square footage	921,342
Renovation cost/square foot	\$300

Tenant improvement costs	Square feet	Cost per sq ft	Total
Commercial office space—standard	721,342	\$80	\$57,707,360
Commercial office space—high end	100,000	\$200	\$20,000,000
Commercial office space—basic	100,000	\$40	\$4,000,000

#### Subtotal TI

TI contingency	\$16,341,472
<b>Total TI and contingency</b>	<b>\$98,048,832</b>

### Revenue potential, assuming gross leases

Gross rent per square foot—City Hall	\$25.00
Real estate tax	—
Operating expenses (per sq ft)	\$8.00
Net operating income (NOI) (per sq ft)	\$22.00
Available square feet	100,000
Occupancy	68%
Square feet leased	68,000
NOI	\$1,496,000

**Revenue potential, assuming gross leases (cont.)**

Gross rent per square foot—courts	\$30.00
Real estate tax	–
Operating expenses (per sq ft)	\$8.00
NOI (per sq ft)	\$22.00
Available square feet	100,000
Occupancy	68%
Square feet leased	68,000
NOI	\$1,496,000
Gross rent per square foot—vacant space	\$15.00
Real estate tax	–
Utility assistance/allowance (per sq ft)	\$8.00
NOI (per sq ft)	\$7.00
Available square feet	100,000
Square feet leased	68%
Square feet leased	68,000
NOI	\$476,000
Total square feet leased	626,513
Overall occupancy	68%
<b>Total NOI</b>	<b>\$10,310,714</b>
Amortization	30 years
Interest rate	5%
Term	30 years
Debt service coverage (DSC) ratio	1.25
Maximum annual debt service	\$8,248,571
Maximum principal value—DSC	\$128,046,426
Maximum loan-to-cost (LTC) ratio	0.9
Maximum principal value—LTC	\$233,315,049
<b>Maximum debt (lesser of DSC/LTC)</b>	<b>\$128,046,426</b>
<b>Net operating income</b>	<b>\$10,310,714</b>
Debt service	–\$8,248,571
Deferred developer fee	–\$389,906
<b>Cash available for distribution</b>	<b>\$1,672,237</b>
Simple cash-on-cash return, years 1–5	4.3%
Simple cash-on-cash return, after year 5	5.30%

Sources: Norman Dong, FD Stonewater; Brandon Hill, Fusion Advisory Services/ULLI.

the amount of public subsidy required could be significantly reduced to nearly zero.

However, this scenario could be risky because, as noted within the “Building Uses and District Links” section, many market-rate multifamily units are currently under development. Instead, strong demand exists for workforce housing for those earning between 80 and 150 percent of area median income. Increasing the number of affordable units would require an increase in public subsidy but would fill a critical need, increase the public benefit and economic competitiveness of the city, and more closely align with the panel’s guiding principles. Low-income housing tax credits and other sources of affordable housing subsidies would be required.

### Scenario 3: Alternatives to Municipal Consolidation and Civil Courts

The final scenario envisioned the building’s reuse if consolidating municipal and civil court functions in the building did not occur or was determined not to be viable. Instead of governmental uses, this space would be tenanted by technology and research and development uses. Assuming a 68 percent occupancy rate, the panel estimates the project would require a public subsidy of at least \$50.4 million to make the project financially viable. Economic development incentives may expand the potential tools and resources to attract firms with high-growth potential.

Like the first scenario, the balance of the space could be made available for public benefit functions (e.g., educational and workforce development or museum uses) that are unable to pay market rates. However, unlike the first scenario, additional market-rate tenancy may be harder to secure because a larger share of initial tenancy is used to ensure a financially feasible project at the outset.

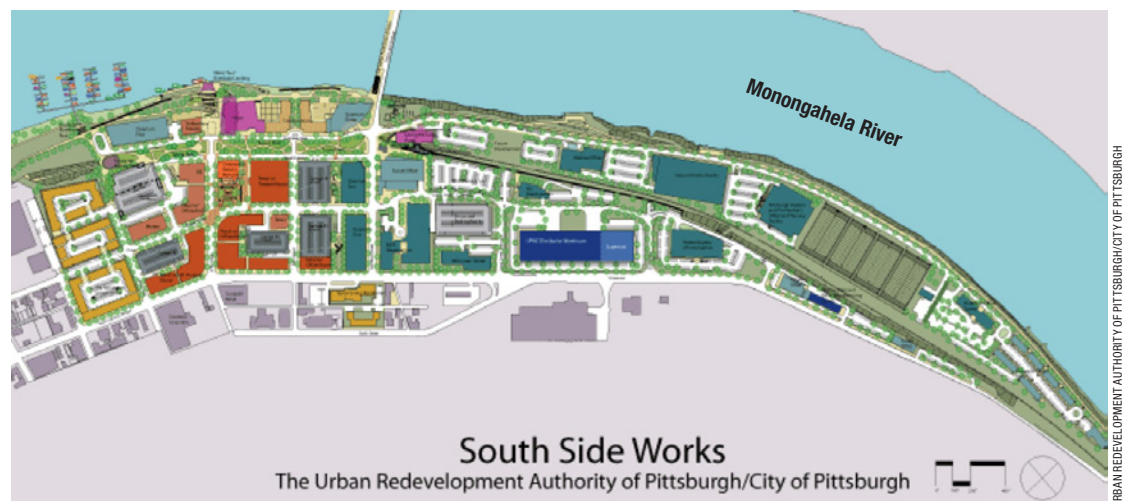
## Focusing on the Neighborhood around Charity Hospital

The panel envisions the adaptive use of Charity Hospital as one part of a parallel effort to revitalize the Charity EDD/TIF District and surrounding neighborhoods. As the CDCC develops a strategic plan for the economic development program for the Charity EDD/TIF District, the panel notes that a variety of financial tools are available to help support this effort.

### Economic Development/TIF Districts

Through interviews, the panel learned the city of New Orleans has more typically used project-based TIF financing tied to a single specific project and led by the developer. The panel believes that the experience of many other cities and best practices have shown that TIF districts are better tools for larger-scale broad-based transformation of communities. Because a districtwide TIF captures a wider tax increment, it provides more capital for community

*The Pittsburgh SouthSide Works mixed-use site master plan has reconnected the neighborhood to the Monongahela River. The project has spurred more than \$701 million in private investment after leveraging nearly \$21 million from a TIF district and about \$128 million in other public investment. This 8:1 investment has helped create more than 2,000 jobs and transformed an abandoned steel mill into an active and vibrant neighborhood.*



transformation, but it also requires impartial oversight—the CDCC—to ensure the capital raised through the EDD/TIF District is directed to projects that have the greatest benefit to the district, which includes the Charity Hospital building.

Multiple peer cities to New Orleans are home to examples where TIF districts have provided critical transformational economic development finance. TIF has been an essential element in the efforts to support local economic development in many cities, such as the following:

- Through the Denver Urban Renewal Authority, TIF has helped finance a number of projects, such as the Stapleton redevelopment, Dahlia Square Shopping Center, and the Pepsi Center site. TIF allows the Denver Urban Renewal Authority to issue and repay redevelopment bonds by using the increment of increased taxes collected within the district after improvements are made.
- In Cincinnati, developers making a large-scale investment that requires substantial public infrastructure improvements may be able to use TIF to offset a portion of those costs. The city has several tax increment districts and in some cases will create a TIF specific to a project. In certain limited circumstances, TIF dollars may be used more broadly for urban redevelopment purposes.

### **Beyond TIFs**

Looking beyond TIF, a variety of additional tax incentives and grant programs are available to the city of New Orleans that can be used to support larger community development investments in the neighborhood around Charity Hospital. Some examples include the following:

- Proceeds from disposition of vacant municipal properties upon relocation to a new facility;
- Potential reprogramming of capital funds for legacy facilities;
- Combination of complementary programs separately planned by multiple institutions or organizations;
- New Markets Tax Credits for specific tenant uses;
- Municipal credit enhancement; and
- Payment in lieu of tax for institutional uses.

# Conclusion: It's Time

**AT THE END OF THE DAY**, things happen because of intentional leadership. Reasons not to act or disagreements about uses always arise. Sometimes, it is safer to “study the issue” or put off decisions to remain with the status quo. Although the status quo might appear to be the safer course in the near term, that choice has increasingly adverse impacts. For Charity Hospital, the building itself is deteriorating. In its current state, the building is a detrimental influence on the community. It is an impediment not only to creating the full potential of new medical facilities and other institutional uses but also to New Orleans's self-realization as a postdisaster community.

Now is a time to reach for the future—to heal, to mend, and to rebuild. It is time to move forward.

To reach the full potential of the Charity Hospital building and a revitalized Charity EDD/TIF District, the panel believes a series of bold decisions is needed. These decisions need to be rooted in the panel's guiding principles that outline a more collaborative, inclusive, and transparent process that could serve as a global model for equitable development. New leadership and organizational committees need to be established to develop a strategic plan that reflects the needs of the entire community; they need to be prepared, empowered, and enabled to act quickly. Finally, a credible and financially feasible development plan needs to be developed for the Charity Hospital building. This panel presented three development scenarios which in and of themselves have potential, but ensuring a thorough review of a pool of qualified national and international development teams is critical.

None of this happens without leadership. Although various parts of this plan can and should be delegated to different partners, the initial steps—the creation of the RFQ/RFP organizational committee, the formation of the CDCC, and the shaping of a strategic plan that brings together the various city of New Orleans constituencies—need an individual with the force of personality, a respect of the community, and an entrepreneurial spirit to lead and convene the organization. Clearly the chair of the LSU REFF is leading the rehab of Charity Hospital building. The panel suggests that he, or another nominee he suggests, promptly convene the member organizations identified in the “Process and Leadership” section.

This organization—the CDCC—will need to adopt and reflect the idea that success is better achieved together rather than separately. The panel's fervent hope is that this panel report is a call to action to both dream big and implement this vision.

# Appendix: Redevelopment Cost Estimates

## Land

Square feet	0
Cost per square foot	\$0.00
Interest rate	5.00%

## Building information

Total square feet	1,015,942
Basement	94,600
Rentable square feet	921,342

## Acquisition

Land	\$0	\$0
Building		
<b>Total acquisition</b>	<b>\$0</b>	<b>\$0</b>

Hard costs to cold dark shell	Cost per sq ft	Total cost
Demolition	\$25.00	\$25,398,550
Fire protection	10.00	10,159,420
Chillers and fans	20.00	20,318,840
Electrical service only	7.00	7,111,594
Elevators	3.26	3,000,000
Elevator lobbies	3.00	2,250,000
Boilers, hot water	10.00	10,159,420
Restrooms (40 multifamily units, \$100,000 per unit)	3.94	4,000,000
Main lobby	1.48	1,500,000
Plumbing	7.50	7,619,565
Entry/landscape	5.00	473,000
Roofs	20.00	20,318,840
Exterior repairs/replacements	30.00	3,047,826
Replace windows—3,000 @ \$2,500 ea	7.38	7,500,000
Energy conservation—insulation walls and roof	7.00	7,111,594
Environmental assessment	0.15	150,000
<b>Shell subtotal</b>	<b>\$127.93</b>	<b>\$129,968,649</b>
Hard-cost contingency	25.59	25,993,730
<b>Total hard costs</b>	<b>\$153.52</b>	<b>\$155,962,379</b>

<b>Soft costs</b>	<b>Cost per sq ft</b>	<b>Total cost</b>
Arch/structural, MEP, and civil (shell)	\$4.00	\$4,063,768
Environmental	4.92	5,000,000
Legal (acquisition)	2.46	2,500,000
Developer marketing expense	0.98	1,000,000
Legal expenses (lease)	0.49	500,000
Commissions (third party) gross	2.95	3,000,000
<b>Subtotal soft costs</b>	<b>\$15.81</b>	<b>\$16,063,768</b>
Soft-cost contingency	1.58	1,606,377
<b>Total soft costs</b>	<b>\$17.39</b>	<b>\$17,670,145</b>
<b>Total hard and soft costs to cold dark shell (usable space)</b>		<b>\$173,632,524</b>

Sources: Norman Dong, FD Stonewater; Brandon Hill, Fusion Advisory Services; John Walsh, TIG/ULI.

# About the Panel

## John Walsh

*Panel Chair*  
*Dallas, Texas*

Walsh is the chief executive officer and a founder of TIG, a real estate holding company established to advise, manage, operate, lease, and develop real estate investments for institutions, individuals, corporations, and companies. Since its founding, the company has grown the managed or leased portfolio from 1.8 million square feet to 14.1 million square feet in Dallas, San Antonio, Austin, and Memphis. In that time, TIG has developed more than 2 million square feet and has been instrumental in the acquisition of over 10 million square feet on behalf of its clients.

Before starting TIG, Walsh spent 17 years with Trammell Crow Company in various leasing, development, and senior management roles. During his tenure as development partner for the northwest Dallas area market at Trammell Crow, he developed almost 5 million square feet of industrial, office, and service center space.

A Dallas native, Walsh has served as chairman, director, and trustee of various business, civic, and charitable organizations, including Trammell Crow Employees Profit Sharing Trust, Valwood Improvement Authority, Carrollton Zoning Ordinance Board, Texas Commerce Bank, Farmers Branch Business Chamber of Commerce, Valwood Park Federal Credit Union, the North Texas District Council of ULI, and Sky Ranch Youth Camp.

Walsh is a member of the Texas state bar, with a law degree from Texas Tech University School of Law. He earned his undergraduate degree from the University of Texas, Arlington.

## Carlton Brown

*Panel Vice Chair*  
*New York, New York*

As a principal at Direct Invest, Brown is focused on developing strategies to bring capital markets to disinvested communities to invest in the development of sustainable restorative human settlements. He sees investment in sustainable human settlement as the most important strategy for stemming climate change, adapting to climate change, and creating resilient and equitable communities.

This strategy of sustainable restorative development addresses human social, economic, and cultural development while at the same time preserving environmental resources for future generations while returning a market rate of return for investors. Whereas many believe these are contradictory objectives, Brown's work has continuously pointed the way forward.

Before there was a U.S. Green Building Council with a focus on green housing, Brown was exploring these strategies in the development of low-carbon-footprint affordable housing in economically devastated communities of Brooklyn, New York, and developing mixed-income condominiums in Harlem that were heated and cooled by geothermal extraction and injection. This triple-bottom-line approach has continued to demonstrate that you can do good while doing well.

Brown is spearheading Direct Investment's initiative in helping community-based organizations mine value from their underused real estate assets via sustainable development strategies. The deployment of cost-effective sustainable development practices contributes to bringing value to all markets in which the firm is working. Brown has had a long-term focus for much of his career on



developing strategies for creating sustainable restorative human settlement that heals the physical human fabric of communities.

He has been leading Direct Invest in its explorations of strategies to develop “closed loop” triple-bottom-line developments in the “developed northern hemisphere” and in rural sub-Saharan Africa. The closed loop developments Direct Invest pursues address strategies for adapting to climate change, reducing climate impacts from human settlement and creating communities in which all people can be self-actualized and share equitably in economic benefits.

## Norman Dong

*Washington, D.C.*

Dong is the former commissioner for the U.S. General Services Administration, Public Buildings Service. As a managing director at FD Stonewater, he plays a leading role within the firm’s third-party advisory and principal development platforms with a primary focus on federal government transactions. During his tenure as commissioner for GSA’s Public Buildings Service, Dong led the asset management, design, construction, leasing, building management, and disposal of almost 374 million square feet of federal real estate.

His professional experience also includes serving as acting controller at the Office of Management and Budget, chief financial officer for the Federal Emergency Management Administration, city administrator/deputy mayor for operations in the District of Columbia, and vice president at ACS State and Local Solutions.

Dong received a bachelor of arts in history from Yale University and a master’s in public policy from the John F. Kennedy School of Government at Harvard. He is a Fellow of the National Academy of Public Administration and serves on the board of trustees at the Edmund Burke School in Washington, D.C.

## Brandon Hill

*Birmingham, Alabama*

Founder and president of Fusion Advisory Services, Hill was recently named by the *Birmingham Business Journal* as one of the “top 5 must-follow real estate execs” in the area and was profiled by *B-Metro Magazine* in its recent feature “NEXT: A new generation of young people are pouring their hearts into Birmingham and making this a better city for all of us.”

Through Fusion’s economic development consultancy and tax credit brokerage, Hill provides advice and capital to projects in the southeast, with a focus on underserved states and rural areas. These projects often use federal, state, and local incentives and have high community impact that would otherwise be unavailable, such as job creation, rehabilitation of historic buildings, increased access to fresh food, and provision of social, medical, and educational services. Through specialization in public/private financing with multiple layers of complex financing, in the last two years Hill has arranged over \$10 million in combined tax credit equity and bridge funding in Alabama alone, and currently represents a pipeline of over \$50 million such transactions in three states.

Before founding Fusion, Hill spent over ten years in public accounting and consulting providing professional services for PricewaterhouseCoopers, Ernst & Young, and Fortune 1,000 corporations across the United States, Canada, and Europe, in the fields of insurance, banking, real estate investment, health care, higher education, and manufacturing. After having resided in New York and Austin, and spending extended stints in Toronto, Memphis, and Atlanta during his career, Hill decided in 2012 to plant roots in Birmingham by founding Fusion. Since joining the entrepreneurial wave and resurgence of the Magic City, he has been active in the advocacy for and implementation of new economic development programs in Alabama, such as the Alabama New Markets Tax Credit and Alabama Historic Rehabilitation Tax Credit.

Hill is an associate member of ULI and currently serves as chair for mission advancement for ULI Birmingham. His community involvement also includes service as director of local nonprofits YPBirmingham and Bessemer Hall of History, and as a member of the Rotaract Club of Birmingham. Hill holds an International Baccalaureate Diploma from the IBO in Geneva, Switzerland, and a BS in accounting from the University of Alabama.

## Eric Maribojoc

*Arlington, Virginia*

Maribojoc is the executive director of the Center for Real Estate Entrepreneurship at the School of Business of George Mason University in Arlington, Virginia. He is a real estate professional with 23 years of experience in the acquisition, financing, asset management, construction, leasing, repositioning, and sale of multifamily, office, retail, and industrial properties.

He previously worked with private equity groups, most recently with Professors Capital of Solana Beach, California, and has been a principal in over \$200 million in value-added and opportunistic commercial transactions across the country. He has also taught graduate classes in real estate transactions, urban planning and sustainability, real estate principles, and asset management at the Kogod School of Business at American University in Washington, D.C.

He earned his MBA from American University in 1993.

## Tom Murphy

*Pittsburgh, Pennsylvania/Washington, D.C.*

Murphy is a senior resident fellow at the Urban Land Institute and the Klingbeil Family Chair for Urban Development. A former mayor of Pittsburgh, Murphy has extensive experience in urban revitalization—what drives investment and what ensures long-lasting commitment.

Before his appointment as senior resident fellow, Murphy was ULI's Gulf Coast liaison, helping coordinate with the leadership of New Orleans and the public to advance the implementation of rebuilding recommendations made by ULI's Advisory Services panel for Hurricane Katrina in 2005. In addition, he worked with the Louisiana state leadership as well as with leadership in hurricane-damaged areas in Mississippi, Alabama, and Florida to identify areas appropriate for ULI involvement.

During his three terms as the mayor of Pittsburgh, from January 1994 through December 2005, Murphy initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. Murphy led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities and a new convention centre that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties into new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and urban green space.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania State General Assembly House of Representatives. Murphy served in the Peace Corps in Paraguay from 1970 through 1972. He is a 1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School of Government.

He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University. He is an honorary member of the American Society of Landscape Architects; a board member of the Pennsylvania League of Cities and Municipalities; and a board member of the National Rails to Trails Conservancy. He received the 2002 Outstanding Achievement of City Livability Award from the U.S. Conference of Mayors and was selected as the 2001 Pittsburgh Man of the Year Award by Vectors Pittsburgh.

## Liz Ogbu

*Oakland, California*

A designer, urbanist, and social innovator, Ogbu is an expert on social and spatial innovation in challenged urban environments globally. From designing shelters for immigrant day laborers in the United States to a water and health social enterprise for low-income Kenyans, she has a long history of working with communities in need to leverage the power of design to catalyze sustained social impact. Her work blends human-centered design research methodologies, architecture and creative placemaking practices, cross-disciplinary design thinking frameworks, and social justice and innovation agendas.

She is founder and principal of Studio O, a multidisciplinary design and innovation firm. She is also an adjunct faculty member at the University of California, Berkeley, and Stanford's d.school and was the Visiting Porter Chair in Urban and Environmental Planning at the University of Virginia's School of Architecture during the spring 2017 semester. She also recently completed tenure as the Droga Architect-in-Residence in Australia, investigating urban marginalized populations and community development practices in the country. She has ongoing relationships with New Orleans institutions, including currently serving on the advisory board for the Tulane School of Architecture's Albert and Tina Small Center for Collaborative Design.

Ogbu has written for and been profiled in publications such as the *Boston Globe*, *Metropolis*, *The Atlantic's CityLab*, and the *Journal of Urban Design*. Her projects have been featured in museum exhibitions and received numerous design awards globally. Her additional honors include IDEO.org Global Fellow, Aspen Ideas Scholar, Next City Vanguard, TED speaker, and one of Public Interest Design's Top 100. She earned architecture degrees from Wellesley College and Harvard University.

## Tyrone Rachal

*Atlanta, Georgia*

Rachal is president of Urban Key Capital Partners where he manages all aspects of operations, applying more than 20 years of experience in community development finance, private equity funding, and municipal finance. He previously was founder and president of Atlanta Emerging Markets Inc. This organization is a four-time allocatee with the New Markets Tax Credit program, receiving \$148 million.

In addition, Rachal was managing director of redevelopment for Invest Atlanta, the city of Atlanta's development authority, where he handled tax increment finance and New Markets Tax Credits activity. Before Invest Atlanta, Rachal cofounded Red Rock Global, a minority-owned real estate advisory services business, concentrating its activities in distressed Atlanta communities. Further, he served with Merrill Lynch, advising financial sponsors in the private placement of more than \$7 billion of limited partnership interests to institutional investors. He also provided advisory assistance in mergers and acquisitions, totaling more than \$5 billion of transactions.

Rachal is a Dartmouth College graduate with degrees in economics and government, as well as the University of Chicago Law School and Booth School of Business, receiving his law and master's degrees, respectively. A licensed attorney and real estate broker, Rachal serves on several nonprofit boards.

## Lynn Ross

*Miami, Florida*

Ross is the founder of Spirit for Change Consulting LLC, a boutique consulting firm dedicated to creative solutions for people and places working to serve the common good. She brings over 15 years of experience and passion for housing affordability, city and regional planning, community development, evidence-based policy making and organizational change. Most recently, she directed the

\$40 million Community and National Initiatives program at the John S. and James L. Knight Foundation where she led a national team focused expanding talent, opportunity, and engagement in the 26 communities where the Knight brothers once published newspapers.

Before Knight Foundation, Ross served as the deputy assistant secretary for policy development in the Office of Policy Development and Research at the U.S. Department of Housing and Urban Development (HUD). Appointed by President Obama, Ross led a 23-member team focused on research, budget analysis, and policy development. During her tenure, she led the update of HUD's strategic research plan and helped create the Prosperity Playbook initiative and the resulting online toolkit to support economic mobility.

Dedicated to serving mission-driven organizations, Ross has deep experience in the field, including past leadership roles at the ULI Terwilliger Center for Housing, National Housing Conference and Center for Housing Policy, and American Planning Association. Throughout her career, she has demonstrated skill in cultivating talent, building teams in complex organizations, transforming programs for greater impact, expanding funding sources and partnerships, and improving operational efficiency.

A frequent speaker and award-winning author, Ross holds a master's of regional planning from Cornell University and a BS in community and regional planning from Iowa State University. She was honored by Iowa State University with the 2009 Design Achievement Award and the 2016 Outstanding Young Alumni Award.

## Melani Smith

*Los Angeles, California*

Smith has 20 years of experience in urban planning, following nearly ten years in marketing for architecture/engineering firms. Currently, she is a planning consultant, and an adjunct faculty member in the Price School of Policy at the University of Southern California, where she teaches in the sustainable land use concentration. She is also currently completing an Encore Gen2Gen Fellowship at Playworks in southern California. As a member of that nonprofit leadership team, she is working to ensure the long-term viability of inclusive, healthy play at southern California Playworks schools. She is also expanding Playworks' strategic partnerships with allied professional organizations.

Smith engages in numerous civic and professional activities including co-chairing the Central City Association's Downtown 2030 Committee in Los Angeles and being a longtime active member of the Downtown Breakfast Club. She is also an Urban Land Institute member and is serving as a member of the ULI Los Angeles Advisory Board, vice chair of the Sustainability Committee, focused on Healthy Corridors, and has just been appointed to be a member of the national Health Leaders cohort.

Much of her career has been focused on building and leading vision-driven urban design and planning practices in southern California, most recently in her nearly 12 years at Meléndrez in downtown Los Angeles, as principal and president. Before Meléndrez, she was appointed to the board and led the Governmental and Design Teams at the Planning Center (now Placeworks), in Costa Mesa, California. She has a BA in history from UCLA and a master's in urban and regional planning from UC Irvine.



# A ULI Advisory Services Panel Report



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