

Charity Hospital Redevelopment Project

LSU Board of Supervisors Meeting

January 25, 2019

Table of Contents

1. ULI Study Overview
2. LSU REFF Board of Directors
3. Project Management Committee Members
4. Process Overview
5. 1532 Tulane Partners, Inc. Proposal
6. Predevelopment Agreement Highlights
 - a. Due Diligence Period
 - b. Final Lease Agreement Key Terms
 - c. Approvals

ULI Study Overview

- In 2017, the REFF retained the services of ULI to explore the future of the former Charity Hospital Building.
- The Urban Land Institute (“ULI”) Advisory Services Program brings in planning and real estate experts from around the country to provide consultative services gratis on a variety of land use issues.
- ULI reviewed building history, interviewed over 75 stakeholders, analyzed the market, and built pro formas
- Ultimately, the study assessed both the building and the neighborhood. Key recommendations included:
 - The Charity Hospital Building must remain in place.
 - An RFQ/RFP process should be the vehicle(s) for the building’s reuse.
 - The process should be inclusive, equitable, and transparent.
 - The project and the neighborhood would benefit from an “Economic Development District” for the neighborhood surrounding the building and leverage tax increment financing (TIF) to support this and other projects within the District.
 - Reuse should encompass financial feasibility and stewardship.
 - Reuse should encompass public use, community benefit, improved connectivity, partnership and collaboration, high-quality design and construction, and strategic planning.

LSU REFF Board of Directors

Voting Members Elected by LSU Foundation Board of Directors:

- **Karen DeBlieux** • New Orleans, Louisiana
- **Lee Griffin** • Baton Rouge, Louisiana
- **James E. Maurin** • Covington, Louisiana
– Immediate Past Chairman
- **Ronald Sholes** • New Orleans, Louisiana

Voting Members nominated by LSU President and elected by LSU Foundation Board of Directors:

- **Gary P. Graphia** • Baton Rouge, Louisiana
- **W. Clinton Rasberry Jr.** • Shreveport, Louisiana
- **Robert M. Stuart Jr.** • Baton Rouge, Louisiana
– Chairman

Non-Voting, Ex-Officio Members:

- **Clarence Cazalot Jr.** • Houston, Texas
- **Daniel T. Layzell** • Baton Rouge, Louisiana
- **Tony Lombardo, P.E.** • Baton Rouge, Louisiana

Officers

- **J. Bryan Benchoff** • Baton Rouge, Louisiana
– Executive Director
- **Leu Anne Greco** • Baton Rouge, Louisiana
– Secretary
- **Kate Spikes** • Baton Rouge, Louisiana
– Treasurer

Project Management Committee Members

State of Louisiana: Jay Dardenne

LSU Foundation: Rob Stuart, Gary LaBorde

LSU Real Estate Facilities Foundation: Gary Graphia, Teri Fontenot

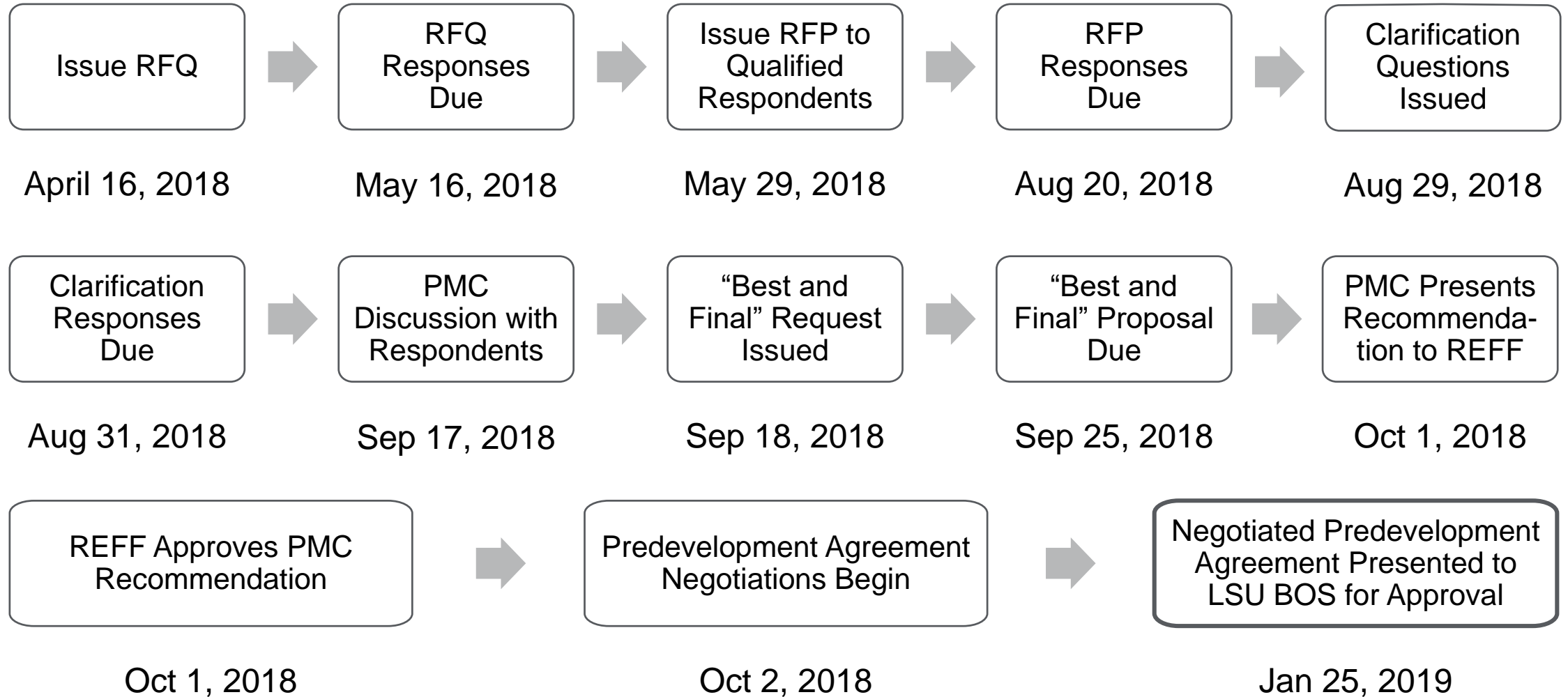
LSU Health Foundation: Matt Altier

LSU Health Sciences Center: Dr. Larry Hollier, Jerry Jones, Ed Murray, John Harman

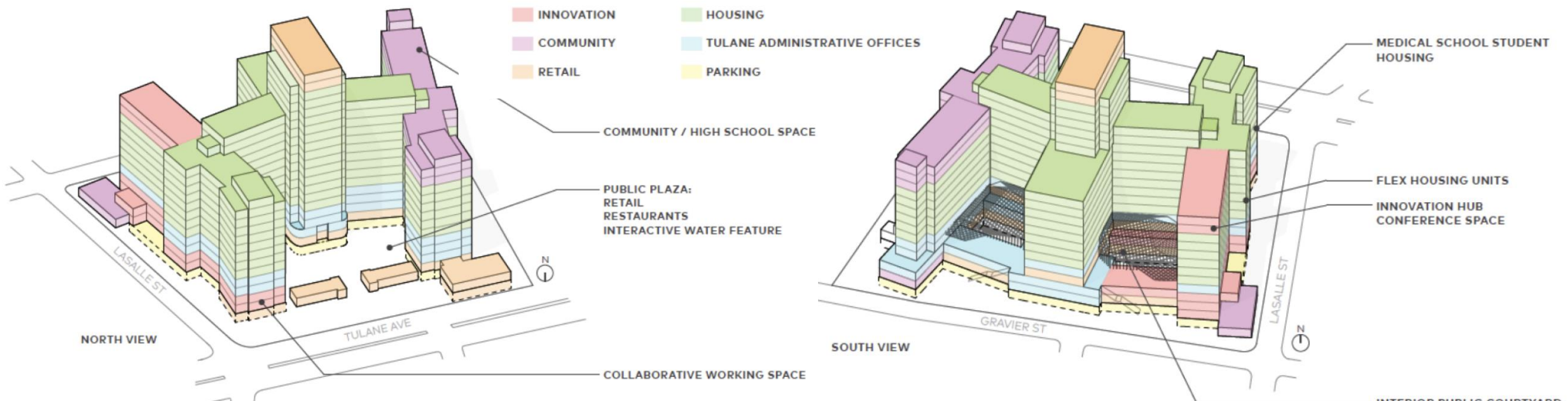
LSU System: Dan Layzell, Tony Lombardo, Patrick Martin

New Orleans Community: Dan Foley, Ravi Sangisetty, Ron Sholes

Process Overview



1532 Tulane Partners, Inc. Proposal



PROGRAM	MANAGED BY	SIZE	LOCATION	REVENUE PRODUCING
Office	Tulane University	175,000 SF	levels 2-4	✓
Housing	Triumph Housing Management	465,075 SF	levels 5-18	✓
Innovation	Land as Art, LLC	66,425 SF	levels 1-3, 11-13	✓
Education	Tulane University, Charter programs	15,900 SF	levels 12-13	✓
Community	TBD (Third-Party Management)	81,000 SF	level 1	
Retail	TBD (Third-Party Management)	46,175 SF	levels 1 + 3	✓
Parking	TBD (Third-Party Management)	86,950 SF	basement/lower level	✓

Predevelopment Agreement Highlights: Due Diligence Period

1. Upon execution of PDA, Developer will pay a \$100,000 non-refundable deposit to REFF.
2. Initial Due Diligence is 6 months. Developer can request up to 2 additional, 3-month periods. Developer must pay additional, non-refundable \$50,000 deposit for each additional periods.
3. REFF and LSU to provide prompt and ready access to Developer and its contractors.
4. Developer has right to terminate or not close if due diligence uncovers Title or Environmental Defects, subject to loss of deposit.
5. Developer is entirely at own risk during Due Diligence. If a final lease agreement is not completed for any reason, neither LSU nor REFF have any financial obligations to Developer.
6. Developer will complete Preliminary Plans during Due Diligence, and Code Review Firm, LSU, and FP&C must approve during same Period.
7. Closing must take place within 30 days after the completion of the Due Diligence. LSU and REFF must take every reasonable effort to obtain required approvals, including the State (Division of Administration).
8. Under no circumstances is REFF, LSU, or the State liable to Developer for its costs during proposal or due diligence period.

Predevelopment Agreement Highlights: Final Lease Agreement Key Terms

1. Developer will pay \$11,850,000 as up-front capitalized lease payment. Negotiations continue as to whether this will be a single lump-sum payment or split into two payments upon approval by LSU of certain aspects of Developers plans and specifications for the project.
2. Annual rent of \$250,000.
3. Lease term of 99 years.
4. State review of all plans and specifications.
5. If final approval of plans and specifications not obtained one (1) year from closing, Developer can terminate without penalty, but will not receive refund of any amounts already paid.
6. Developer to adhere to significant commitments to Diversity, Inclusion, and Equity made in its Proposal.
7. Developer to indemnify, defend, and hold harmless REFF, LSU, and State for all potential liability related to construction, occupancy, and operation of the building. Developer to maintain specified level of insurance sufficient to protect REFF, LSU, and State.
8. Assignments require reasonable consent by REFF and LSU.

Predevelopment Agreement Highlights: Approvals

1. REFF (or its LLC) is the signing party to the Predevelopment Agreement, not LSU nor the State.
2. Leases subject to approval by REFF, LSU, and State. REFF to use “every reasonable effort” to obtain.
3. Plans and Specifications to be reviewed by a third party Code Review Firm engaged by REFF at Developer’s expense, making recommendations to LSU and FP&C, who must approve the Preliminary Plans. Review will be for code compliance only, except for very small number of areas mutually agreed by Developer, REFF, LSU, and FP&C, including key structural, exterior appearance, and historical aspects of the building to review for aesthetic appearance, impact on historical components, and engineering soundness.
4. Preliminary Plans to be reviewed as above only by Code Review Firm, LSU, and FP&C. Final Plans and Specifications to be reviewed by same plus state Fire Marshal and state Department of Health and Hospitals. No other bodies will be required to approve Preliminary or final Plans and Specifications.
5. Timelines will be established to ensure prompt review.
6. No other approvals will be required except as mutually agreed by Developer, REFF, LSU, and State.