



### Former Charity Hospital Building Proposal Abstract

Item	1532 Tulane Partners	HRI Properties/Iris Development
<b>1. Cover Letter</b>	Present	Present
<b>2. Table of Contents</b>	Present	Present
<b>3. Team</b>	Firms in <i>italics</i> are DBE	Firms in <i>italics</i> are DBE
<u>Primary Team Members</u>		
Lead Developer	1532 Tulane Partners, Inc. (Entity formed by El-Ad US Holdings and CCNO Development)	HRI Properties
Co-Developer		<i>Iris Development Company</i>
Community Outreach	<i>Hawthorne Agency</i>	<i>DMM &amp; Associates</i>
Lead Architect	bnim	HCI Architecture
Other Architect	John C. Williams Architects	
Construction Manager		HCI Construction <i>J.C. Patin CAG</i>
General Contractor	The McDonnel Group	Woodward Tishman, A Joint Venture
Property Manager	Triumph Housing Management (housing only) 1532 Tulane Partners and Affiliates	HRI Management
Legal Counsel		Elkins, PLC
<u>Financial Partners/Advisers</u>		
Bond Financing	Walker Dunlop	
Financing	Carlton Group	Stonehenge Capital Company
Historic Tax Credits	Tax Credit Capital	National Trust Community Investment Corporation
LIHTC	<i>Hopkins Development Group</i>	RBC Capital Markets
NMTC		Capital One
<u>Other Consultants/Advisers</u>		
Affordable Housing Design	<i>Volume Zero</i>	
Biomedical Facilities Planning		Facility Logix
Biomedical Architectural Design		Ewing Cole
Civil Engineering	<i>Julien Engineering</i>	<i>ILSI Engineering</i>

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Energy Consulting		Building Science Innovators Ice Energy
Historic Architecture	Koch & Wilson	<i>Clio Associates</i>
Housing Consultant	<i>Key Realty</i>	
Innovation Hub Experience Designer	Land as Art	
Landscape	<i>Dana Brown &amp; Associates</i>	
MEP Engineering	<i>WDG</i>	<i>Square Button</i> Johnson Controls (Smart City component) <i>W.I.S.E/WISP - LA (Smart City component)</i> <i>Cox Communication (Smart City component)</i>
Retail Developer		Stirling Properties JCH Properties Creative Alliance of New Orleans
Structural Engineering	<i>Julien Engineering</i>	Woodward Engineering
Traffic Planning		Hall Planning and Engineering
Urban Planning		Baque Hoffman Studio
Water Management		Waggoner & Ball Architects
<b>4. Diversity, Inclusion, Equity</b>	<p>Overview:</p> <p>1532 Tulane plans to meet or exceed the following City of New Orleans goals:</p> <ul style="list-style-type: none"> <li>▪ 35% utilization of DBE</li> <li>▪ 50% utilization of businesses that are locally owned and controlled</li> <li>▪ DBE among project ownership group encouraged</li> <li>▪ 40% of all work hours completed by Louisiana workers performed by local workers</li> <li>▪ 20% of local workers DBE as part of HIRE NOLA</li> <li>▪ 20% apprentices should be disadvantaged local workers (if using apprentices)</li> </ul>	<p>Overview:</p> <p>The summary below has been inserted by JLL in what are the likely appropriate sections.</p> <p>HRI’s proposal notes affordable housing and community amenities as elements of its equity plan. While these are important aspects to equitable and accessible real estate and community development, these do not directly meet the requirements of the RFP and are ultimately present in both proposals.</p>
<b>Community Outreach Plan</b>	<p>Led by Hawthorne Agency. Includes:</p> <ol style="list-style-type: none"> <li>1) Strategic communications effort through a) research, b) messaging, and c) core outreach tools. Outreach tools will include editorial board meetings, print media, electronic media, social media, graphic design, websites, community and stakeholder events, a persistent telephone information line, public</li> </ol>	<p>HRI and DMM Associates will lead:</p> <ol style="list-style-type: none"> <li>1) Community Benefits Agreements tied to NMTC funding that will included standards and requirements for affordable housing, living wage job creation, DBE minimums, and also implement a first source hiring policy targeting low- and moderate-income residents.</li> <li>2) Workforce development through partnerships with Delgado, YouthForce NOLA, Goodwill, the Foundation</li> </ol>

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	<p>open house sessions, pop-up information stations, and an advisory committee</p> <ol style="list-style-type: none"> <li>2) Tracking outreach effectiveness through a) baseline telephone survey, b) mobile survey, and c) annual tracking surveys. Three-year period total</li> <li>3) Measuring economic and other impacts of outreach and construction efforts</li> </ol>	<p>for Louisiana, and many others (HRI provided commitment letters from many of these organizations)</p> <ol style="list-style-type: none"> <li>3) Resource sharing for DBE capacity (likely more applicable for Construction below)</li> <li>4) Global tourism initiatives that result in local economic development; however, unclear if there is a formal plan or partnership in place</li> </ol>
<b>Project Ownership and Investment</b>	<ul style="list-style-type: none"> <li>▪ Hopkins Development Group will have majority ownership of LIHTC equity component.</li> <li>▪ Project will contain affordable for-sale housing units, and 1532 will retain a home ownership counseling firm to work with current tenants (not yet retained).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Notes that Iris Development is at the sponsorship level with HRI. Both firms will likely bring in fees.</li> </ul>
<b>Construction</b>	<p>The McDonnell Group will ensure compliance with DBE goals through the following:</p> <ol style="list-style-type: none"> <li>1) Aggressive outreach through community meetings, advertisements, notification to organizations, etc.</li> <li>2) Targeted bid solicitation, forwarding construction drawings to organizations and clearly outlining opportunities/scopes of work to aid to companies identifying opportunities to participate</li> <li>3) Project labor agreements to ensure participation, and implementing a construction apprenticeship plan with guidance from GNO AFL-CIO</li> <li>4) Cash flow assistance to firms that may not have financial capacity to acquire materials</li> <li>5) Equal opportunity measures, including ensuring and equal working environment for all employees</li> </ol>	<p>Woodward Tishman and DMM &amp; Associates will ensure compliance with DBE goals through the following:</p> <ol style="list-style-type: none"> <li>1) Adopting and adhering to the City’s goal of 35% DBE participation</li> <li>2) An aggressive outreach plan, DBE certified firm listings, buyout process and schedule, and ongoing construction monitoring by Woodward Tishman</li> <li>3) Weekly site visits by DMM &amp; Associates</li> <li>4) Technology-driven approach to monitoring that includes: <ol style="list-style-type: none"> <li>a. Monthly status report</li> <li>b. Analytics such as contracting trends, goal achievements, payment history, etc.</li> <li>c. DBE Participation and DBE Utilization Reports</li> <li>d. Subcontractor profiles</li> <li>e. Certifying DBE’s</li> </ol> </li> </ol>
<b>Asset and Facility Management</b>	<p>Hawthorne Agency will facilitate:</p> <ol style="list-style-type: none"> <li>1) Aggressive outreach</li> <li>2) Coordination with Small Business Exchange to identify qualified, local, DBE firms</li> <li>3) General opportunities for education and workforce development</li> </ol>	<p>In clarification questions, advises that ongoing partnerships during operations would be outlined in the CBA.</p>
<b>5. Project Programming</b>	<p>Proposal includes use of Laundry as “Phase 1-B” to include an Innovation Center expansion as well as a</p>	<p>HRI Provides three scenarios. The first scenario assumes the City is a tenant. The seconds scenario assumes that, if the City</p>

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	<p>future Tulane University research facility. Phase 1-B is not included in the development budget, pro forma, or financial offer.</p> <p>Also includes Butterworth as “Phase 1-C,” though this is not included in the program, development budget, schedule, pro forma, or financial offer.</p>	<p>is not a tenant, Tulane or United Way will become a tenant. The third scenario assumes that, if both the City and Tulane/United Way fail to materialize, then Charity is 100% redeveloped as housing.</p> <p>In their clarification questions, HRI noted that City Hall may need between 300k-400k SF pending a full needs assessment.</p> <p>HRI’s proposal also relies on a ~400,000 square foot retail-anchored development across the street from Charity to generated \$40 million in TIF funding. More detail is provided below under “Non REFF- or State-Owned Property.”</p>		
<b>Development Program</b>		<i>Scenario 1</i>	<i>Scenario 2</i>	<i>Scenario 3</i>
City Hall		440,000 SF		
Courts				
Other Office Tenant	175,000 SF		Present (no SF)	
Housing				
<i>Housing (Market Rate)</i>	<i>311,975 SF</i>	<i>119,580 SF</i>	<i>162,185 SF</i>	<i>269,870 SF</i>
<i>Housing (Workforce/Affordable)</i>	<i>50,325 SF</i>	<i>102,266 SF</i>	<i>128,770 SF</i>	<i>218,033 SF</i>
<i>Housing (Subsidized)</i>	<i>42,500 SF</i>	<i>22,108 SF</i>	<i>33,415 SF</i>	<i>45,937 SF</i>
Housing (Total)	465,075 SF	243,954 SF	324,370 SF	533,840 SF
Retail	46,175 SF	17,800 SF	62,000 SF	
Parking	86,950 SF	40,000 SF		
Other Uses				
Innovation	66,425 SF			
Education	15,900 SF			
Community	81,000 SF			
<b>Tenant, Renter, Operator Commitments</b>	<p>Provided commitment letters for the following:</p> <ul style="list-style-type: none"> <li>▪ Tulane (Office)</li> <li>▪ Triumph Housing Management (Housing; manager only and not a “tenant”)</li> <li>▪ Innovation (Land as Art LLC)</li> <li>▪ Education (Tulane, Charter programs)</li> </ul> <p><i>No commitments for community space, retail, or parking</i></p>	<p>Provided commitment letters for the following:</p> <ul style="list-style-type: none"> <li>▪ Tulane (Office)</li> <li>▪ United Way (Office)</li> <li>▪ Historic New Orleans Foundation (Museum)</li> <li>▪ Pythian Market (Grocery)</li> <li>▪ Audubon Primary Academy (Education)</li> </ul> <p><i>No commitments from City or other retail space</i></p>		
<b>Other Elements</b>	<p>Discusses the following:</p> <ul style="list-style-type: none"> <li>▪ Will honor all easements, including Entergy</li> </ul>	<p>Offered in-depth discussion about the market and how luxury apartments and hospitality would not be feasible.</p>		

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	<ul style="list-style-type: none"> <li>▪ Provides consideration for public open space and connectivity through pedestrian circulation</li> <li>▪ General comments about consideration for streetscapes elements</li> <li>▪ Site grading will remain “as is”</li> <li>▪ Parking will provided in lower level</li> </ul>	Also discusses innovation and consideration related to water management, traffic planning, “Smart Building”/”Smart City” energy efficiency solutions, an energy plan, parking, and connecting to the Enwave thermal chilled water loop. With the exception of the last item, these elements are discussed at the district level and are not specific to Charity itself.		
<b>Non REFF- or State-Controlled Property</b>	Proposal includes Laundry as Phase 1-B. Includes a number of other properties in later phases, but not part of formal proposal. Does not discuss contingencies specifically related to the Laundry.	HRI’s proposal relies on TIF generating from sales taxes that result from developing 382,000 square feet of retail and 82 apartments directly across Tulane Avenue from Charity.		
<b>6. Project Schedule and Phasing</b>	Project initiation October 2018. Occupancy begins February 2021. Does not provide discussion of risks and contingencies as requested, other than noting how limited public financing will mitigate risk.	Project initiation October 2018. City Hall and Phase 1 residential occupancy in December 2021. Provides detail behind certain elements of construction, but does not provide discussion of risks and contingencies as requested.		
<b>7. Development Budget and Phasing Plan</b>				
<b>Development Budget</b>	Total: \$245 million	Total: \$349 million to \$380 million		
<b>Financing Plan and Uses</b>		Scenario 1	Scenario 2	Scenario 3
<u>Sources</u>				
Permanent Loan	\$95,000,000	\$34,700,000	NA	\$77,600,000
GP Equity	\$29,622,340	\$0	NA	\$0
Deferred Developer Fee	\$15,445,233 (in the form of a note @ 5.5% and 10 years)	\$2,220,853	NA	\$7,011,664
Tax Credits (All)			NA	
Federal LIHTC	<i>Not Disclosed</i>	\$63,749,560	NA	\$95,624,340
Federal HTC	<i>Not Disclosed</i>	\$68,786,440	NA	\$62,333,011
State HTC	<i>Not Disclosed</i>	\$59,060,483	NA	\$53,525,938
NMTC	\$0	\$19,422,000	NA	\$12,909,000
Tax Credits (Total)	\$79,932,701	\$211,018,483	NA	\$224,392,289
Tax-Exempt Bonds (non-TIF)	\$25,100,080	\$0	NA	\$0
Tenant Prepaid Rent	\$0	\$91,680,000	NA	\$0
TIF	\$0	\$40,000,000	NA	\$40,000,000
<b>Total Sources</b>	<b>\$245,100,354</b>	<b>\$379,619,336</b>	<b>NA</b>	<b>\$349,003,953</b>
<u>Uses (using ULI structure)</u>				
Hard Costs and Contingency	\$168,997,923	\$251,443,578	NA	\$301,723,678
Soft Costs and Contingency	\$15,547,696	\$47,489,436	NA	\$40,140,987
Tenant Improvements	\$22,622,992	\$6,210,200	NA	\$2,255,300
Developer Fee	\$25,488,744	\$36,849,074	NA	\$33,278,518

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Other Uses (“community benefit budget” in ULI study)	\$12,443,000	\$7,011,664	NA	\$2,220,853
<b>Total Uses</b>	<b>\$245,100,354</b>	<b>\$379,619,336</b>	<b>NA</b>	<b>\$349,003,953</b>
<b>8. Asset and Facility Management</b>				
<b>Operations</b>	Provides discussion for lease-up and operations plan for each program component, including a discussion of managing disparate program components. Discussion includes retail, housing, office space used by Tulane, innovation hub, educational uses, and provides discussion about management of uses in Laundry.	<p>Provides discussions for operation of residential portions, particularly lease-up as it pertains to the affordable housing components and ensuring that tenancy aligns with expectations for LIHTC-funded housing.</p> <p>Notes that letters of support secured for retail spaces, including The Historic New Orleans Collection to curate a museum, and letters of support for grocery and other uses.</p> <p>Notes that in the event Phase 3 is used for biomedical research, will require significant work to secure tenants. Members of the team are in place to effect these activities should this program be pursued.</p> <p>In clarification questions, notes that the lease for City Hall would be coterminous with the ground sublease, or 99 years. No other discussion regarding operations of City Hall provided.</p> <p>Does not directly address management of disparate program components.</p>		
<b>Maintenance</b>	Provides some discussion of long term maintenance.	Provides in depth discussion of a Property Maintenance Plan that would be put in place for all aspects of the building.		
<b>9. Due Diligence</b>	Requests a 6-month due diligence period, extendable in 3-6-month periods based on findings. Offers detailed exploration of how that time will be used. Does not offer any hard or soft money deposits.	Requests a 12-month due diligence period. Offers detailed exploration of how that time will be used. Offers an earnest money deposit of \$100,000.		
<b>10. Documentation</b>	Provided	Provided		