

Request for Qualifications
Former Charity Hospital Building
Addendum #2 - May 11, 2018

This addendum serves to provide additional information, additive to the RFQ, that JLL and the REFF feel may be helpful to potential Respondents as they solidify their teams and assemble Qualifications Packages. The below information comes from numerous discussions JLL has held with the market, the State of Louisiana, the City of New Orleans, local community and economic development organizations, and other sources.

Opportunity Zones

Opportunity Zones were created by Congress as part of the Tax Cuts and Jobs Act of 2017. The goal of Opportunity Zones is to spur long-term investment in communities throughout the country. New investments in Opportunity Zones can receive preferential tax treatment. Specifically, investors are eligible to receive a temporary tax deferral and other benefits when they rollover unrealized capital gains into Opportunity Funds for a minimum of five years. The Opportunity Funds are then reinvested into property within the Zone. For more information, please visit <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>

Louisiana Governor John Bel Edwards submitted approximately 150 potential Opportunity Zones throughout the State. The former Charity Hospital building is within one of these Opportunity Zones. While these have not yet been approved by the US Department of the Treasury, the State anticipates that all will be approved in short order, including the one that includes the former Charity Hospital building. This represents a significant opportunity for the repositioning of the former Charity Hospital building, adding yet another “tool to the toolbox” of financing vehicles that may be used toward the Project.

Team Formation

As noted in the RFQ, Respondents shall be evaluated based on the breadth and depth of their teams (Submission Outline #4). In addition, Respondents are responsible for demonstrating that the adaptive reuse of the former Charity Hospital building will be performed in an equitable manner (Submission Outline #5). One approach Respondents can use to meet these requirements is by partnering with the many qualified, local organizations present in New Orleans that would be valuable members of any project team. Respondents are encouraged to review recent City and State procurements relative to Certified Diverse Suppliers, Disadvantaged Business Enterprises, and similar requirements therein to understand generally the goals and objectives of the REFF.

Respondents can refer to City and State resources that list qualified firms. Respondents can also contact potential team members from the team registration list on the procurement website, which can be accessed at <http://www.charityprojectneworleans.com/team-registration-list.html>.

As noted in the RFQ, greater detail and firm commitments will be addressed in the RFP, but these are still important elements to be considered in the Qualifications Package.

Tax Increment Financing District and the Spirit of Charity

As discussed in the RFQ, A key recommendation coming out of the ULI Advisory Services Panel study is the establishment of an Economic Development District (EDD) to leverage tax increment financing (TIF). Potential Respondents are advised that this concept has been well received by executive and legislative branch officials at both the State and the City level, and efforts continue to establish this district to support the revitalization of the former Charity Hospital building and the surrounding neighborhood.