

PROPERTY & FACILITIES COMMITTEE MEETING
TRANSCRIPT
OCTOBER 22, 2019

Jimmie Woods: Good Evening. We're going to go ahead and get the meeting started. First of all, let me thank you for joining us this evening. My name is Jimmie Woods and I'm the chairman of the property and facilities committee for LSU Board of Supervisors. I'm joined here by some of my fellow board members, and at this time on I'm going to ask Nicole to do a roll call.

Nicole Griffith: Mr. Woods [here]
Mr. Brown [here]
Mr. Brazzel [here]
Mr. Moore [here]
Mr. Starns [here]

Jimmie Woods: Thank you. When we started this project, we committed as a board to be very transparent, open access to the public as we went through this process. Tonight, we're having just an informational meeting. We're going to actually vote to move this project forward on this Friday in Baton Rouge. We thought it was important to have the developer and his team come tonight to give us an update in terms of where they are and how we're proceeding with the project. Having said that, I'll ask the leader of the development team to come forward now. Thank you.

Joseph Stebbins: Hello? Actually can everybody hear me without the, um...

Jimmie Woods: Joseph, you can take it off if you'd like.

Joseph Stebbins: Is that better? Oh, okay. I'm Joseph Stebbins with 1532 Tulane Partners. We were the developer that was chosen in the RFQ and the RFP process for this project. We are working closely with, LSU staff and LSU attorneys on finalizing the lease. I think we've got final lease docs out Monday, I want to say for everything. I brought with us the architectural team and I think we'll give a quick overview of where the project is and where we are. Joseph, you want to start?

Joseph St. Martin: I'm good with that. Yes, good afternoon everyone. My name is Joseph St. Martin. I'm one of the project managers for 1532 Tulane Partners and I'd like to thank everyone for coming out this afternoon. We'd like to take this opportunity just to give everyone an update of the project and let everyone know what our vision is and how we plan to move forward on the project. Just to give you an update what we've done since the last meeting that was held here on February 18th is we have executed the pre-development agreement between LSU and 1532 Tulane Partners. During that process since February, we've been doing our due diligence phase of the project. We're proud to say that we've done our title and survey work. The draft title and survey is complete and we're in the process of getting that finalized and approved with the city right now. We've done all of our phase one environmental reports, as Joseph's explained, we've been going back and forth with LSU and we're proud to say that we've got the lease documents finalized. And as Mr. Woods said, we're hoping to go before the board on this coming Friday with the approval and recommendation of the lease documents.

As you know, there's the Charity Hospital is a historic building. We have an historic consultant that's been working on a project with us. We've completed the part one phase of the project and, we're now moving into the part two phase of the historic evaluation.

When 1532 Tulane was selected for this project one of the commitments that they made was to make sure that there was inclusion, at the equity as well as the construction and professional services side of the project. And we're very proud to say that we have two local DV [diverse] investors that are working with our fund manager to be part of the equity inclusion into this project and we're very excited to have them part of the team and they are not only going to be a part of this project, but we're hoping that through this relationship that we fostered with the fund managers, that they'll be able to participate in equity investments throughout the country. As I stated, we've been very committed to the diversity inclusion and a project since February. We've had four procurements that we've held and we're very proud to say that all four of those procurements selected, DBE, MBE, or WBE firms to be the primes and leads on those contracts. So, to date we've procured our architecture and engineering firm is William Architects as the local architecture firm and BNIM is the national support. Julien Engineering, DBE is our structural engineering firm, WDG, also a local DBE. All in from we'll be providing our mechanical, electrical and plumbing engineering. We retain Hammerman and Ghana to serve as our program and construction manager for the entire development. We've also selected Gulf South, the beta group as our geo tech and material testing firms through the construction process. We went through a procurement process in conjunction with LSU and REFF [the LSU Real Estate and Facilities Foundation], and that was a selection that involved both local and national firms. And we're proud to say that we selected NANO, which is a local WBE firm. We've retained Start Smart In House diversity program compliance. Again, diversity and inclusion is very important to us. So we want to make sure that we had in house support to ensure that all of our compliance goals were being met throughout the duration of the project.

The general construction group is the McDonnell Group, but that was part of the initial procurement process and we're proud to say that they're now being supported with Tishman as local support as well and the demolition and abatement process. Now that we're moving forward with the lease documents we procured we put out an RFQ for four firms that we shortlisted and other four firms, three of them have a strong local participation and minority inclusion included in their plans as well. As far as schedule, what we've completed since the pre-development execution of the pre-development agreement, we've done a what's called a point cloud scan and we're proud to say is actually the largest that's ever been done. We basically hired a firm that came in and did a 3-D scan of the entire facility, interior and exterior and the quality and level of that scan file computer folks that are out there, it's about eight terabytes in size. And that equates to a very, very large data file that literally at any point we can drop a note in a building and we have a full 360 degree record of what the condition of the building was at that scan. So, from a historic standpoint, it gives us a great documentation of what the building was. And for our design team, it gives us better than from an architecture standpoint, better than ever as built conditions of what the building was. We completed that in May of 2019. We're now in a process of taking that data

and actually creating as-built documents, which the architects are using as the backgrounds to develop the designs. We expected demolition and abatement designed to be completed in late fall. Our architecture firm has been working on that for the last couple of months and we expect that to be completed in late fall.

The historic tax credit design our consulting is working on that and we expect for those designs to be finished sometime the winter of 2020. The exterior envelope design core designing tenant improvement designs will subsequently be completed and went to 2020 and fall of 2020. As far as construction, we had an outreach meeting, about a month and a half ago and which we had over 75 companies and individuals attend. As part of our outreach, we wanted to make sure that the local community was prepared and was aware of the upcoming project. We've also been in communication with those individuals that attended that meeting. So as the demolition contract comes up, we've got a way to reach the local community to know that there are opportunities that are coming. We expect the demolition and abatement project of the scope of work to start in late fall somewhere.

Hopefully, mid-December or late December. But we'd like to get that started before the end of the year. And our exterior, we've broken a project up into three different phases. The first phase being the envelope construction where we're going to re-pin and address the exterior panels and make sure that everything's attached and in here to the building well and we're going to be doing evaluations of the exterior skin to make sure that we can keep the building water tight. For the completion of construction. We expect the core construction to start in fall of 2020. Once the designs had been completed and then are attended build out improvements to start and winter 2020. Again, you know, we're committed to our local involvement in a project and ensuring that there's local involvement at the construction level, professional service as well as the equity involvement. And then our overall plan for the development continues to include the commercial office space, retail space, residential as well as an innovation hub. And at this point I'll turn the presentation over to Mark Heck with our design team.

Mark Heck:

Thank you Joe. This is a statement from Yoel Sherigan, who's one of the development partners out in New York. This speaks to the innovation that's focused on in the spirit of charity development in charity hospital as we see it. So, we look at this as a future design for equity and opportunity at the spirit of charity discussions that we attended over the summer equity was a big piece of what came up. Joseph spoke to how equity is addressed in the actual project on both the construction engineering investment level. We see it as an opportunity for members of the society across whole. You know, New Orleans is a diverse community and we want this to be a building for everyone within the community. And so the idea is that ideas will start within this building and this innovation hub can then grow throughout the city, then out the state, then across the whole country and eventually across the world making this a hub for innovation.

For ideas that grow just outside of New Orleans. We're taking a phased approach. You'll notice this diagram doesn't look very different than what we presented the last few times. That's because we had the same vision that we had prior. The project starts with Charity Hospital, which we'll go over the program of after this. Then we're looking at the laundry power plant block as being the main hub of

innovation for the district. Buildings 1C that's Butterworth and Hutchinson. Those will be used as construction offices and engineering offices throughout the duration of the project. After that point, they can be turned over as general office spaces for general lease, a building 2A we're looking at being a mental health services and homeless services as well as SRO's and then the connecting LNM building behind being low income housing. So the vision is that people can get off the streets, get support, get into apartments, and then continue to grow and become larger members of society that can have a permanent home and not just be placed outside.

Then building three's the building we're sitting in today. We've spoken to community partners as being a community outsource. We've spoken to YMCA. They want to have a downtown presence again and they've shown interest in being a partner in the development of this building going forward. Here you'll see updated programming documents for the main charity hospital. Again, this, these have changed in square footages here and there and placement of floor by floor, but generally the program remains the same. Retail spread across the first two floors. An anchor tenant taking most of the East of the building, a co-working space on the middle floors, residential on the upper floors, an early learning childhood center on the first floor and a community high school on the upper floors. There's also a fitness center where the rooftop pool and basketball court and residential comes up through the historic residential dormitories that were charity hospital dormitories.

Prior here you can see the 3D stacking diagrams, showing how the program comes together and how we delineate who has what space and kind of access control for that. Again, community outreach is a big part of this project. The development team has set up or is planning to set up an office in the Hutchinson and Butterworth buildings for community outreach where anyone from the community can come in and receive information on the project and learn about opportunities that come with the construction process. Here are some images of what we envisioned the completed building being as, as an incubator for the greater community and a host of innovation. Here's a courtyard where we're looking at adding retail to bring people into the building that wants to serve the community. This is the front courtyard and how we plan to re envision, kind of reinvigorating that space and reactivating it. And then here's the backside of the building along Gravier adjacent to the laundry block where we see creating again an innovation hub and creating a cross the street reference between the two. So thank you very much.

Joseph Stebbins:

So, some of the things that are, also going on is, we are, working closely, like Joe said with the, historic credit investors and the local equity investors and the national equity investors to get this job closed and funded and moving down the tracks quickly, to meet the, aggressive deadlines that LSU needs and that the city needs to get this building that's been vacant since Katrina, back into commerce, and being supportive of the city and the area. It's obviously been a drain of this whole area since then and I think it'll be a great benefit to get it back online, obviously. We are looking and construction will probably run about three years from the time we finished demolition is the anticipated schedule. We're looking to have tenants in and the building operating as quickly as possible. It will most likely

still be under construction in some form or fashion when we open it just because it's a million square feet, and then as we move from side to side across that.

I'd like to thank also my team for coming out. I know we're all, we all have been doing a lot of work lately trying to get this project moving and, I'm very glad to see everybody here working to get it done. I guess just, yeah. [Asked to speak into the mic.] Oh, I'm sorry. I was just thanking my team for being here. Does anybody have any questions? Does a board or anybody have any specific questions about the program or the project that I can help with? Okay.

Wayne Brown: Well, would you speak to the residential component?

Joseph Stebbins: Yeah. Okay. So the, the project itself has - I've been working with Andronico since I guess the beginning - we have a workforce affordability component in the main building itself, as well as market rate units. And then, we put the affordable components along with mental health and, SRO components, by Claiborne. There's some financing issues that make low income housing tax credits take a very long time to get closed, so putting those kinds of components into the main building its self would have slowed our closing considerably, but we still are committed to providing an equitable...

Wayne Brown: Excuse me, I'm having difficulty hearing you.

Joseph Stebbins: I'm sorry. We are still committed to providing affordable housing components that at the levels we originally committed to. Actually I think were slightly higher in percentages because we reducing the number of units in the main building. Just because of the layout of the building, you're working in an existing framework and so it doesn't, we are not quite up to it, but I think we had 462 units in the main building. I think we're down to about 390 or so now, but the other components in the other building haven't changed, so it'll actually probably increase our affordability percentages. So looking forward to moving through all that process as we, as we go on with the project.

Wayne Brown: What kind of rental rates are you anticipating charging for the apartments for the different sizes?

Joseph Stebbins: Oh, they, we are, they range anywhere from, well across the whole project we'll have some deeply affordable units in the Dibert building and in the L & M building, so those could go down to a few hundred dollars or less depending on income. And then in the main building, they range anywhere from about 9 to 1100 [dollars] up to some of the, obviously some that the penthouse units would be considerably more. I think they range up past 3000 [dollars], but there's a full, a full spectrum. We're not, we're not shooting for, I don't think, I don't think it makes good economic sense to plan on everything renting for a crazy, high amount because I think that market's pretty well saturated here. Obviously we'll have some of the units that will be higher end, but we're really working a good portion of the units are in that workforce bandwidth.

Jimmie Woods: Comments Rémy?

Mr. Sylvan, would you come forward at this time?

Thank you, Mr. Stebbins.

Vincent Sylvan: Good evening. My name is Vincent Sylvan. I have the pleasure of moderating public comment section of this afternoon's meeting. For those of you who are familiar with the process we normally use, we're going probably do it a little, well, we are going to do it a little bit different because the audience seems to be a bit light. I also understand that there wasn't anyone who signed up for any public comment, which was a part of the process. So, we generally going to go ahead and open the floor and give you three minutes in which to make some comments of suggestions or some recommendations. I have my time keeper in the back. That's normally for those of you in the audience, but really he's going to actually be directing it to me so I know when to ask you to bring your comments to a close. And at this point in time the floor is open and we're going to recognize the first hand that goes up.

Janet Hayes: I'm not going to come all the way over here and say nothing. Janet Hayes, Healing Minds NOLA been following this project since the closure of Charity Hospital. I don't know that I want to get into that right now, but what I'm wondering about is when Charity Hospital closed, there were 128 psych beds, 50 crisis stabilization beds. We were promised a full replacement hospital with University Medical Center. Clearly, we didn't get that. So what I'm asking, what I'm here to find out is where the psychiatric beds? Where are the residential treatment facilities? Where is the housing for people with serious mental illnesses, not mental health disorders, people that need onsite support? Is that going to be provided in this building? And if not, are you okay with the outdoor asylum that you've created that lives on the streets of New Orleans every day downtown? They're not going anywhere. We say that, oh, well we're going to have this new neighborhood with Charity Hospitals and we are all equitable and it's going to, you know, influence the entire world apparently. But you know, you're not dealing with, there's this core problem right under your nose and it's not going to go away. So why can't we build structures and you know, and care facilities that can absorb this population that we see on the street that we say that we can't have in a facility because of the nimbyism. They're already there. We have outdoor asylum. We don't have outdoor asylum nimbyism. We only have indoor treatment and care NIMBY-ism so I mean, again, if we're not going to reuse this building to provide what was lost, where are y'all going to provide for what was lost? What's the plan for that?

Vincent Sylvan: Somebody from the team going to address that?

Joseph Stebbins: Again, I, I agree with her. There is a, a great need to deal with the, the homeless and the mental illness and the mental health crisis that is going on. That's one of the reasons we, targeted, the Dibert and the L&M building specifically, for some of that, is it going to be enough? No. I think that there is going to be a - there's going to be a need throughout the city to deal with that issue. We are - we have got plans and are working on, funding sources to help with that in our structure and are more than willing to have, you know, help where we can other places. But it's not going to be a problem I think that is easily solved and quickly solved. Like Janet saying, but it's one that I think the city is facing and is trying to deal with. But it's going to take more than just us to fix it.

- Vincent Sylvan: And perhaps it's not going to be solved solely by this project I would think.
- Joseph Stebbins: Correct.
- Vincent Sylvan: Any other public comments, suggestions, recommendations? Hearing none, Chairman Woods, I'm turning this session back over to you.
- Jimmie Woods: Okay. Thank you very much Mr. Sylvan. At this time I like to first of all, thank the members of the LSU staff that are here tonight, the Real Estate [& Facilities] Foundation and the development team. We made a commitment to the public when we started this process and we're living up to that commitment. I think the composition of the development team, the contractors, the professionals that are involved really look like the city of New Orleans and that was important too to the leadership of this board. And we are joined here tonight by the chairman of the board, Madame Chair, Ms. Mary Werner. And Mary, we want to thank you for making your way from Lake Charles to be here with us tonight and I want to ask you to say some words to the group as well. Thank you.
- Mary Werner: Thank you Mr. Woods. It's a pleasure to be here with y'all tonight and I want to echo the chairman's comments and that, we're very pleased that the development of this project, the team does resemble the city of New Orleans. We've taken this project on with a great amount of sincerity and deliberation as to what would best serve not only this district, this area of New Orleans, but also the city and the state. The legacy left behind by Big Charity is one that will never be forgotten. And I have to say I'm grateful for the team at LSU, the Real Estate [& Facilities] Foundation, as well as the team that's come together to put together this plan to help us move this project forward after so many years. It will be a remarkable accomplishment that will stand as a testament to private investment and the public university and the state working together to make this happen. I want to thank Mr. Woods for his very strong chairmanship and leading us through this process, this is not been an easy one. I've kind of come in as you know, the chair changes every year, so this has been going on through different chairman at the board. But I'm very pleased to be able to be in this seat as we move this forward finally for the city of New Orleans and for this community. So, thank you Jimmie for all your work and this committee for their work.
- Jimmie Woods: Thank you. Thank you very much. And again, as a part of our commitment, the board members you see here tonight are from across the state of Louisiana and I'm asking them to just introduce themselves and what part of the state they're from please.
- James Moore: James Moore from Monroe.
- Richard Brazzel: Ricky Brazzel, Alexandria.
- Mary Werner: Mary Werner, Lake Charles
- Wayne Brown: Wayne Brown, Shreveport Bossier.
- Rémy Starns: I'm Rémy Starns and I live in Metairie.

Jimmie Woods:

Thank you. Thank you very much. If there are no further questions at this time, Madame Chair, I think we could adjourn this meeting. Again, we're going to meet on Friday, October 25th in Baton Rouge at LSU, at our regular board meeting where we will be making, taking a vote on this particular item. Thank you for your time. Thank you for being here tonight and we'll see you on Friday. Thank you very much.