234 Loyola Avenue – The Pythian

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Green Coast Enterprises, LLC, in cooperation with the Crescent City Community Land Trust, proposes the historically appropriate, LEED Certified renovation of the Pythian, a ten-story building in New Orleans into 69 residences for healthcare workers combined with 20,000 square feet of retail space and up to 20,000 square feet of office space for medical and other nonprofit organizations.

234 Loyola Avenue is well-timed and well-located to take advantage of New Orleans’ revival

The Pythian is four blocks from the French Quarter, across Loyola Avenue from the Public Library and Duncan Plaza, and along the new Loyola-St. Claude street car line. The intersection of Loyola and Canal Street two blocks away is a central point in the city with access in all directions. 234 Loyola Avenue is part of the new BioDistrict New Orleans that will bring tens of thousands of employees and residents to the neighborhood, building on the existing Tulane University Medical Center three blocks away.
234 Loyola Avenue has experienced developers

Green Coast Enterprises is a New Orleans-based development and consulting company founded after Hurricane Katrina. We focus on redevelopment in areas in need of community renewal threatened by climate change. Green Coast’s four-building BroadMore complex of offices, retail space and a community health center opened in 2012. Since 2007, Green Coast has helped develop over 1,000 residential units and over 1,000,000 square feet of commercial and residential space.

The Crescent City Community Land Trust (CCCLT) is a citywide non-profit business that supports the long-term, sustainable renewal of New Orleans. CCCLT develops permanently affordable residential and commercial real estate by serving as a bridge between resources, partnerships and projects. CCCLT is a newer organization; however its staff and board have more than a century’s worth of experience in affordable residential and commercial real estate development.

234 Loyola Avenue achieves attractive returns

234 Loyola Avenue is a $36.2 million project, funded with $3.4 million in cash, $5 million in New Markets Tax Credit Equity (15 million of allocation), $11.5 million in Historic Tax Credit equity, and $16.5 million in debt. Current financial models show net operating income between $1.9 million and $2.1 million annually, with senior debt service ratios between 1.86 and 2.06 during NMTC compliance.

234 Loyola Avenue building history

The Pythian building was once home to the Colored Knights of Pythias, which was an organization dedicated to the cultural and economic advancement of African-Americans throughout the South during the Jim Crow era. Commissioned by the chapter president, Samuel Green, it stood as a landmark of what can be accomplished by and for African-Americans in a time of severely restricted opportunity, and for two generations was the center of cultural life for African-Americans in the City. Black professionals who needed to be downtown had their offices here; and the building had a college, a theater, and was an acclaimed site for Jazz. In fact, the Hogan Jazz Archive at Tulane says it is one of the five most important Jazz Landmarks remaining in the City. When the Pythians finally sold the building, it became a hiring office for Higgins Industries, who Eisenhower famously described (in reference to World War II) as the “man who won the War.” The presence of Higgins Industries in New Orleans is the reason that the World War II Museum is located here, and under Higgins management it was the first building in the City post-reconstruction to hire men, women, blacks, and whites for the same job at the same wage.
The Pythian Current Status

Green Coast and CCCLT purchased the building October 2014. To date we have done the following things:

**Historic Tax Credits and Design Team**

- Expanded the Lower Central Business District to include 234 Loyola and its addition
- Obtained Louisiana State and Federal Part 1 and Part 2’s for the structure.
- Conditions from the National Park Service are incorporated into the plans
- Removed the 1957 exterior skin from part of the building to reveal the 1909 exterior, making it a contributing element to the district expansion.
- Retained StudioWTA (design) and Landis Construction, and completed design development.
- Submitted the design to the City of New Orleans for a permit.
- Completed the 95% construction document plan set in Revit. Studio WTA will run clash detection to verify all major subs designs run complimentary of one another to minimize risk in the field.

**Deal Structure and Investment Team**

- Have executed a term sheet with US Bank to serve as the FHTC and NMTC investor.
- Have executed a term sheet with Stonehenge Capital to provide SHTC investment.
- Iberia Bank has committed to being a permanent lender and a bridge lender for the State Historic. They are revising these commitments now to help fill a gap on the project, but expect to be fully committed at a new level in the next several days.
- Have engaged Novogradac to provide modeling to the deal. A revised model can be provided within one week of request.
- Have engaged Coats-Rose to be developer counsel.

**Pre-development and Investment**

- Have invested over $7 million into the project including the acquisition of the building, the removal of the façade, completion of the 95% design set, and pre-leasing of all the commercial spaces.
Tenants

- The commercial portion of the building is fully subscribed.
- Created an entity called Pythian Public Market, LLC to manage 20,000 squarefeet of the building for a market concept. Formed a partnership with GigaChef, LLC who has been involved with the planning and operation of several high profile markets around the country including Gansevoort Market, Barclay’s Center, and the Oracle Arena.
- Finalizing a 3,000 square foot lease with Access Health Louisiana for a federally qualified health clinic on the third floor.
- Finalizing a 3,500 square foot lease with Magnolia Physical Therapy.
- Signed a lease with CCCLT for 7,929 square feet of shared office space.
- Green Coast Realty signed a lease for 1,400 square feet. Green Coast Realty will be the property manager for the building.

The Pythian Investor Ask

We are seeking investors who can provide $15 million in NMTC allocation to the project.
Project Name: The Pythian

Contact Information - Name: Will Bradshaw

Phone: 504-715-1129

Email: Will@GreenCoastEnterprises.com

Title / Role: Project Owner

Name of Borrower / Project Sponsor: GCE 234 Loyola, LLC

Type of Organization (For-profit, non-profit): Borrower for Profit; Companies in partnership include:
Crescent City Community Land Trust – non-profit; Green Coast Enterprises – profit

Type of Project:

- School / Education Facility
- Child Care Facility
- Community Healthcare Facility
- Other Community Facility
- Transit-Oriented Development
- Other Affordable Housing
- Fresh Foods
- Community

- # of Students (current and projected):
- % ELL:
- % Free & Reduced Priced Lunch:
- # of Children:
- # of Patients (annual): at least 6,000 (depending on FQHC size)
- # of Clients (annual):
- # of Housing Units: 69 units at 234 Loyola
- # of Housing Units:
- % WIC Sales (if available):
- % SNAP Sales (if available):
- Other, please note type:

Use of NMTC Financing:

- New Construction
- Rehabilitation Only
- Acquisition & Rehabilitation
- Business Operations

Briefly Describe Program / Service to be offered at the Project Site:

GCE and CCCLT propose the historically appropriate, LEED-certified renovation of 234 Loyola Avenue, a ten-story building in New Orleans, into 69 residences targeted at healthcare workers and 20,000 square feet of retail space 20,000 square feet of office space and medical uses. Through the path-breaking participation of CCCLT, 40% of the residential units in 234 Loyola Avenue will be reserved for residents who earn up to 120% of the New Orleans Area Median Income ($50,500 for individuals; $59,000 for couples). 234 Loyola Avenue has 120 feet of frontage on Loyola Avenue, and 108 feet of frontage on Gravier Street. The ground floor is prime downtown retail space, especially on the Loyola Avenue side, which faces the new streetcar line. We have finalized discussions with several retail tenants. The project will include one and a half floors of
office/commercial space above the retail floors. We are working with an established and experienced Access Health Louisiana, an FQHC, and are also in discussions with a growing, woman-owned chain of physical therapy clinics called Magnolia Physical Therapy that would like to locate near the hospitals.

**Will be program / service be targeted towards low-income persons?**

40% of the residential units in 234 Loyola Avenue will be reserved for residents who earn up to 120% of the New Orleans Area Median Income ($50,500 for individuals; $59,000 for couples).

We are currently working with one of the largest networks in Louisiana to establish an FQHC site at 234 Loyola Avenue.

**Total Project Costs:** $36,225,728

**Size of NMTC financing request (QLICI):** $15,000

**Other Funding Sources and Amounts:**

<table>
<thead>
<tr>
<th>Source</th>
<th>Type</th>
<th>Amount</th>
<th>Status</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owners Equity</td>
<td>Equity</td>
<td>3,399,000</td>
<td>Partially Invested and committed</td>
<td>August 2015</td>
</tr>
<tr>
<td>Iberia Bank</td>
<td>Debt</td>
<td>1,250,000</td>
<td>Obtaining final approval</td>
<td>August 2015</td>
</tr>
<tr>
<td>Federal Historic Tax Credit Partner</td>
<td>Equity</td>
<td>5,753,487</td>
<td>Committed</td>
<td>August 2015</td>
</tr>
<tr>
<td>Louisiana Historic Tax Credit</td>
<td>Equity</td>
<td>5,719,241</td>
<td>Committed</td>
<td>August 2015</td>
</tr>
<tr>
<td>New Markets Tax Credit</td>
<td>Equity</td>
<td>5,031,000</td>
<td>Active discussions</td>
<td>August 2015</td>
</tr>
<tr>
<td>Iberia Bank</td>
<td>Senior Debt</td>
<td>16,250,000</td>
<td>Committed to $15.25 million, obtaining approval on increase</td>
<td>August 2015</td>
</tr>
</tbody>
</table>

**Total Square Footage (Current and Projected):** 134,000 square feet

**Expected Close Date for NMTC Transaction:** August 2015
Potential factors that could impact this close date: Approval of all sources of funding

Construction Completion Target: Fourth Quarter 2016

PROJECT LOCATION

Street Address: 234 Loyola Avenue

City, State, Zip, County: New Orleans, LA, 70112, Orleans

Census Tract (required if street address is not available):

In below table, indicate whether the project location meets any of the following:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Yes</th>
<th>No</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federally designated Brownfields redevelopment area</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Encompassed by a HOPE VI redevelopment plan</td>
<td></td>
<td>X</td>
<td>located within .5 mile of Iberville Redevelopment</td>
</tr>
<tr>
<td>Federally designated medically underserved area</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>State Enterprise zone program or other similar state / local program targeted towards particularly economically distressed communities</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Areas identified as “food deserts” under the HFFI definition (USDA-ERS)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

COMMUNITY IMPACT

1. Job Creation

Temporary FTE Jobs Created\(^1\): 330;

Permanent FTE Jobs Created\(^2\): 36; we expect this number to be significantly underestimated

Permanent FTE Jobs Maintained\(^2\): 104; we expect this number to be underestimated

\(^1\) “Temporary FTE Jobs Created” means a temporary job that is (i) under 24 months in duration; (ii) at least 35 hours per week (multiple part-time job hours can be combined to create a single FTE); and (iii) results from the development of the Project or the financing of the Loan. Examples: construction and predevelopment jobs.

\(^2\) “Permanent FTE Jobs” means a permanent job that is (i) intended to be at least 24 months in duration and (ii) at least 35 hours per week (multiple part-time job hours can be combined to create a single 35-hour FTE).
2. **Quality of Jobs**

Note any specific wage requirements for permanent or temporary jobs due to specific sources of funding, local laws or other project requirements:

None known at this point

**Will the jobs created or maintained offer quality employment opportunities for low income persons?**

Check all the following benefits that apply:

<table>
<thead>
<tr>
<th>Livable Wages</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local recruiting or hiring practices that target low income persons</td>
<td>X</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>X</td>
</tr>
<tr>
<td>Retirement Benefits</td>
<td>Expected</td>
</tr>
<tr>
<td>Job Training</td>
<td>X</td>
</tr>
<tr>
<td>Other</td>
<td>X</td>
</tr>
</tbody>
</table>

Briefly describe the benefits that were selected in the above table (including basis for livable wage calculation):

We are familiar with the hiring and payment practices of our known partners including Magnolia Physical Therapy, Access Health Louisiana, and the Crescent City Community Land Trust. We know that these organizations have a strong commitment to providing the benefits listed above, and that this commitment will continue at this location. Our retail tenant will also focus on economic development for food-based businesses, helping to build opportunities for livable wages in this sector, and the sponsors (85% of the QALIC-B will own 54% or so of the retail tenant) will have an ongoing interest in the business’ operation, so our commitment to these areas will be continued through our active participation.

3. **Minority / Women-Owned Participants**

Describe the extent to which the Project will support women / minority-owned or women/ minority-controlled businesses:

- [ ] Borrower
- [ ] Project Sponsor
- [ ] Developer
- [ ] Sub-contractor
- [X] Tenant (business or school leadership)
- [X] Other (describe)

**Briefly describe:**

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3 “Livable Wage” means the minimum wage necessary for an individual to meet basic needs, including housing, nutrition, daily living expenses and other incidentals such as clothing for an extended period of time.
A local, woman-owned physical therapy business has committed to opening in the space. The commercial and residential leasing agent is a female owned business and is in process of becoming a local DBE. We seek to include minority owned businesses wherever possible.

4. **Flexible Lease Rates**

   If the project involves leasing the property to other, non-related businesses, describe whether the tenant businesses will receive rent reductions or a right to purchase the property:

   A portion of the office leases will be rented out to small scale non-profits, under a master lease to the Crescent City Community Land Trust. Through this arrangement, we are offering a downtown location with intrinsic amenities that these small, 1-3 person non-profits will not be able to afford in this market without such an arrangement. In addition, we anticipate that the FQHC will pay $1 per square foot per year in rent, and we are finalizing this lease now.

5. **Housing Units** Complete this section only if there is a housing component to the Project.

   **Number of units:** 69 units at 234 Loyola

   **For-sale or Rental:** rental

   If rental, note the percentage of gross income to be derived from the residential rental revenue:

   52%

   **Describe target market:**

   Just over 20% of the units will be set-aside for workforce housing earning 80% of AMI or less. Just under 20% of the units will be set-aside for workforce housing for people earning up to 120% of the AMI or less. Households earning between 60 and 120% of the area median income are the plurality of the downtown workforce, yet, they make too much to live in LIHTC supported units and too little to afford the market units downtown. We are trying to hit that underserved group through the private participation of the Crescent City Community Land Trust, which is the largest effort in the country to bring shared equity real estate models to scale. This is their seminal effort to date, and their flagship project. The remainder of the units will be market rate.

   **Number of units for persons at or below 80% Median Family Income:**

   More than 20% of the units will be reserved for people earning up to 80% AMI.

   **Is Project is in an area of high housing need (i.e., high concentration of vacancies and foreclosures)? If so, briefly describe:**
The project is not in an area with a high number of vacancies and foreclosures. The opposite problem is true. Demand is so strong in this area, that the downtown workforce is mostly not able to access housing, which is why we developed our leasing strategy. On the low-end, most of the downtown workforce earns too much to qualify for LIHTC-supported or other subsidized units, and they cannot afford most of the market-rate units. We are targeting the space in between with our building, providing housing for people in an income band from $30,000 - $120,000 per year that are mostly not served by current housing options. Our partner, Crescent City Community Land Trust, is providing significant private and philanthropic capital to ensure that this is done, and they represent the most significant effort in the country to take shared equity models to scale. Their supporters (who are indirectly supporting this project) include: the Ford Foundation, the Greater New Orleans Foundation, the Kellogg Foundation, and many more.

**Will the project include principles of smart growth or transit-oriented development? If so, briefly describe:**

Yes, 234 Loyola is located downtown and in walking distance to roughly 100,000 jobs and many major attractions including: the Mercedes-Benz Superdome, the Smoothie King Center, the French Quarter, the New Orleans riverfront park, the Audubon Aquarium, Armstrong Park, the New Orleans Theater District, the Mahalia Jackson Theater, several hundred restaurants, and the Audubon Insectarium.

The recently developed Loyola Avenue streetcar runs in front of 234 Loyola; this streetcar line will soon double its distance due to a TIGER grant. In addition, 234 Loyola has two bus routes on the same block and seventeen bus lines within three blocks of the building.

**Will the housing portion be financed via the NMTC financing or another source?**

Yes. Given the cash flow from residential uses, we can treat the entire building as commercial for NMTC purposes, and we are not seeking LIHTC or other specialized housing financing for the residential portion.

6. **Environmental Impact**

**Will the project include environmental remediation or other green components? If so, briefly describe:**

Yes: Like all of our projects, 234 Loyola Avenue will be conceived, designed and constructed from the bottom up with sustainability in mind, and that starts with performing the necessary environmental remediation to make the building safe. Our Phase 1 environmental study was performed to determine what items need remediation. We found some small areas of asbestos flooring and lead paint that will be remediated. After removing these hazards, we will focus on renovating the building to LEED and Enterprise Green Communities standards. As part of that, it is Green Coast Enterprises model project for the Federal
Better Buildings Program, which is seeking to help reduce the energy burden in buildings by 20%. Green Coast Realty is an award winning partner in that national effort.

234 Loyola Avenue will demonstrate national and international best practice for healthy indoor environments. The building will integrate ambitious indoor environmental quality (IEQ) standards from the beginning of the design process. IEQ efforts will include the pursuit of innovative strategies to improve indoor air quality, natural ventilation, non-toxic and hypo-allergenic materials, daylighting, and acoustics.

234 Loyola Avenue will add to a healthy, walkable, transit-accessible urban neighborhood. It is across the street from the main branch of the public library along New Orleans’ newest trolley line, one block from the resurgent theater district, four blocks from Louis Armstrong Park and the Municipal Auditorium, and just a 10-minute walk to the Louisiana Superdome and New Orleans Arena, home of the New Orleans Saints and Pelicans [né Hornets]. Our base building plans and leasing strategy also place a large emphasis on being bike friendly. We plan to incorporate bike repair into the services offered our tenants and arranged by our building manager, and to have significant bike storage and a bike shower integrated into the building. This will be the first building in New Orleans that we believe will directly market to bicyclists as part of our building brand.

**Will the project meet LEED or other green standards? If so, please note:**

Yes. Targeting LEED Gold certification and Enterprise Green Communities.

**Will the project support the production or distribution of renewable energy resources? If so, briefly describe:**

We have not made a final determination on this.

7. **Other Community Impacts**

Note whether the project is expected to encourage additional public or private investment (beyond this project) in the surrounding area:

Crescent City Community Land Trust’s involvement in the project will bring long-term affordability for this development. We believe it will be the largest commercial land trust project in the nation. With its’ success, more projects will develop in New Orleans and in strong markets to create a strong mixed income communities.

The renovation of 234 Loyola will help to revitalize the blocks surrounding it; bringing back a vibrant community of residents and businesses into the vacant buildings on the block.
We are also working with some of the adjacent building owners to share resources between each other and responsibility for revitalizing amenities that will benefit the neighborhood. We believe that this spirit of community will help ease the burden and encourage building owners to proceed into construction in the area.

**Note other meaningful community impacts as a result of the Project (i.e., other funding sources, community board support, community letters):**

This project has strong support of local government officials, the Downtown Development District, the State Historic Preservation Officer and the National Park Service.

**Briefly describe why this project needs NMTCs:**

With the assistance of the New Market Tax Credit program, we can provide permanently affordable units in a luxury market. We hope to use the NMTC to help support the needs of working families in this neighborhood and the surrounding neighborhoods and to help grow local business opportunities.

8. **Demonstrated Support of Local Community**

**Indicate support of local community for this project:**

The project has the strong support of the local community. The City Councilmember from the district is an enthusiastic supporter. While the neighborhood does not have a neighborhood residents' association, the Downtown Development District takes on that role in this part of New Orleans, and they are extremely supportive. We will follow up with letters from them reflecting their support and interest.

**Indicate how this project contributes to the other local and regional community development efforts:**

This project will be the first large scale application of the community land trust approach in New Orleans and Louisiana. Through the participation of the Crescent City Community Land Trust a portion of the residential rental units will be offered at affordable (below-market) rates initially and throughout the life of the building. Likewise, a portion of the commercial (office) space will be leased at below-market rates to make it possible for medical and/or other non-profit organizations to operate in this strategic location. This project takes full advantage of the recently completed trolley line and existing public transit services available at this location, complementing local and regional efforts to reduce dependence upon automobiles, reduce pollution and improve air quality.