



BioDistrict TIF Request

Presentation to the Mid City Neighborhood
Organization

January 2022



Clearing Up Misperceptions

- **NO NEW TAXES OR TAX INCREASES.** Tax Increment Financing is **NOT** a new tax or a tax increase. No one - no citizen or business - will pay any more in taxes.
- **NO EXPROPRIATION** - The BioDistrict has never planned to expropriate property, and is **prohibited from expropriating** in the CEA.
- **Oversight and accountability from the City and City Council are enshrined in CEA.** The City Council **MUST** approve the BioDistrict's Master Plan in Year 1 and every 5th year afterward. The City Council must approve the BioDistrict's Budget before any TIF funds can be spent each year..The CEA includes a clause allowing the Council to terminate the CEA.
- **The BioDistrict will always be led by a supermajority of New Orleanians -** The Board's makeup is inherently & statutorily dominated by New Orleanians.
- **A PILOT (payment in lieu of taxes) must be in place** with the City before the BioDistrict can develop property that was previously subject to property taxes so that the City can retain revenues for critical services.



TIF Proposal

A TIF will allow this area to realize its potential.

- If the ordinance and CEA approving Tax Increment Financing (TIF) with the BioDistrict are approved, **the City will share with the BioDistrict a portion of the new sales tax growth in the district.** If there is new sales tax growth, the BioDistrict will receive that portion of incremental sales tax based on a 2 percent local sales tax rate. If there is no new sales tax growth, then the BioDistrict will not receive any funding and the City will not receive any new funding either. **All sales tax up to the current baseline would continue to be retained by the City, plus a portion of new growth.**
- **No businesses or residents in the district will pay more in taxes. This proposal is not a change in taxes or tax rates for any taxpayer.**
- **To ensure oversight of the revenue, the New Orleans City Council must approve the BioDistrict's budget annually before any TIF funds may be spent.**
- All BioDistrict members are subject to the provisions of the Louisiana Code of Ethics and must comply with all conflicts of interest and self-dealing prohibitions.
- The CEA makes clear that the BioDistrict must comply with the City's land use, zoning, master planning, neighborhood participation, and historic requirements, as is required by law.
- 2020 local sales tax collections in the BioDistrict were \$11M in 2020. As this was about 20% lower than prior to the pandemic, the BioDistrict has proposed a cap in annual revenue from the TIF at 125% of the amounts projected by Dr. Jim Richardson's study of potential TIF revenues in the BioDistrict.



Our Vision

New Orleans as a leader for health research and treatment

- Health care, economic development, higher education, business, and nonprofit leaders are working collaboratively to harness expertise, assets and opportunities to position New Orleans as a global center of excellence in healthcare and research specialties (e.g. neurodegenerative diseases)
- Using the Texas Medical Center in Houston, which began development 70 years ago, as a model for capitalizing on geographic proximity and a concentration of resources, we believe that with the right investments, the BioDistrict can serve as the physical hub for a job-creating, medical center of excellence.



Our Vision (continued)

A dynamic, inclusive, job creating district

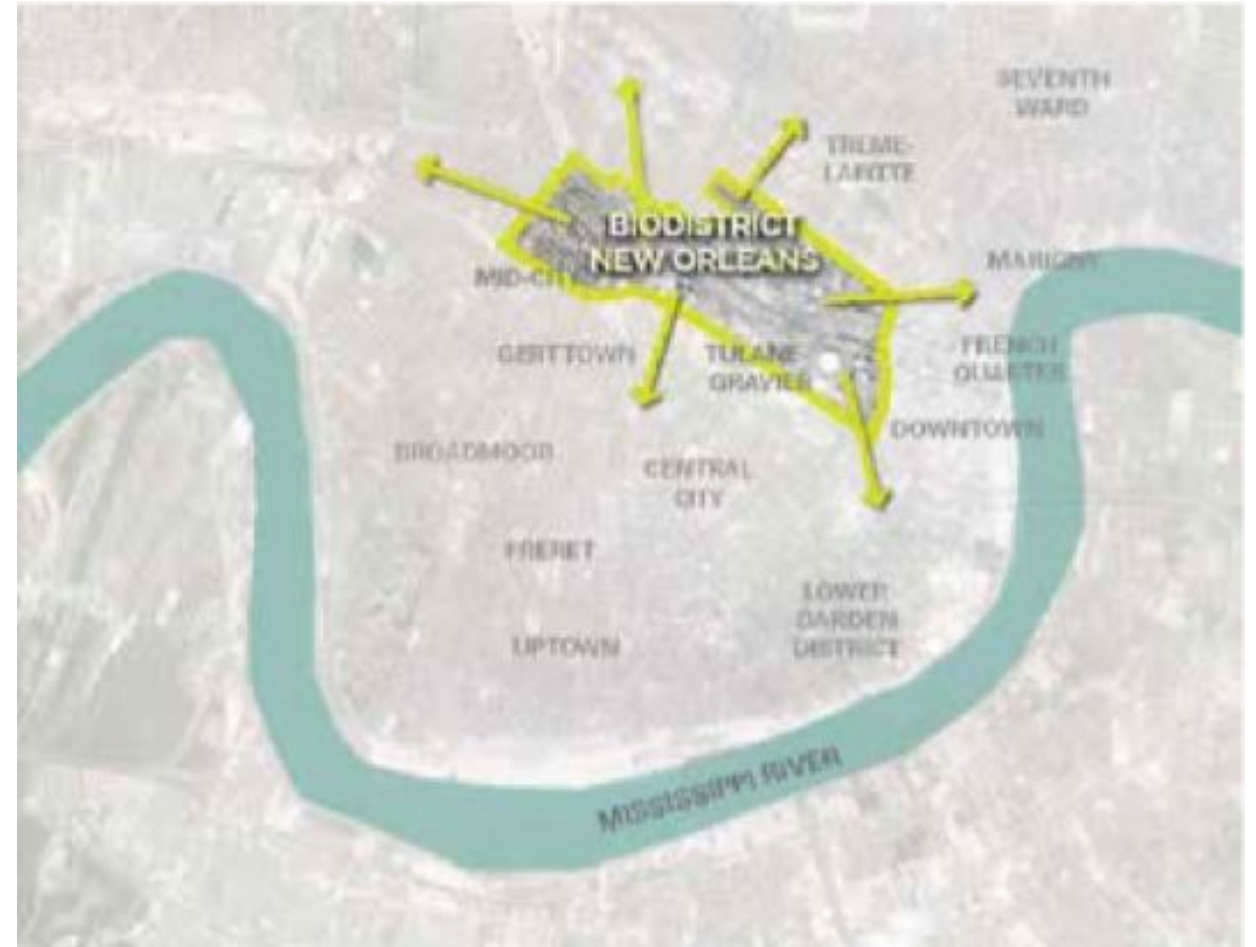
- The BioDistrict will be a hub for healthcare industry anchors, world class research, biotech startups, and small businesses. The job-creating potential of an innovation district guides the economic development strategy for the BioDistrict.
- We can create a model for equity and economic inclusion, including small business creation and local hiring and training to increase the wealth of residents in the region.
- The BioDistrict will be a walkable, active, vibrant, mixed-use, mixed income community where residents and visitors come to “Live, Work, Play, and Heal.”



BioDistrict Overview

Created in Spring 2005 by the Legislature

- **The BioDistrict New Orleans, established in Spring 2005, is a state-created economic development district** that is charged with the responsibility of growing both the programmatic and physical development components of the biosciences sector of the New Orleans economy.
- The BioDistrict board is comprised of appointees of state and local government, higher education, and business leaders. The Governor, Mayor, and legislators representing the BioDistrict all appoint board members. Representatives from Delgado, LSU, Tulane, and Xavier and LED serve as ex-officio members.



The Potential of the BioDistrict

Investment needed to realize opportunity

- Strategic plans conducted by the BioDistrict Board and the Greater New Orleans Foundation (GNOF) have highlighted the need for investment in this area.
- The [BioDistrict's strategic plan](#), updated in 2016, highlighted key investment opportunities.
- In 2018, at the invitation of LSU Real Estate and Facilities Foundation (LSU REFF), GNOF led a [strategic planning process](#) to support the development of a dynamic, job creating, and equitable innovation district in the neighborhood surrounding the former Charity Hospital.
- While the BioDistrict had some one-time appropriations in the early years of its existence, including approximately \$2M for the strategic plan, it has not realized its potential due to lack of a consistent funding source.





Building Blocks for Success

With the right support, the BioDistrict is primed to unlock economic potential.

Build Back Better EDA Regional Challenge Grant

Phase 1- The BioDistrict is part of a consortium that was awarded a \$500,000 planning grant on December 13. This grant allows the consortium to compete for Phase 2 of the Challenge, which will ultimately award 20-30 regional coalitions between \$25 and \$75 million to implement 3-8 projects that support an industry sector.

Over \$2.5 billion invested in state of the art facilities, including:

- University Medical Center
- VA Hospital
- Tulane Hospital
- New Orleans BioInnovation Center
- Louisiana Cancer Research Center
- LSU Medical School
- Tulane Medical School
- Delgado School of Nursing
- Xavier University
- Ochsner Administrative Offices (1000+ jobs) at Benson Tower



But Lack of Investment and Longstanding Barriers are Major Challenges for Growth Potential

Blight, drainage, transit, & other issues persist

- Strategic investment, a highly trained and robust workforce, and access to capital for early stage, growing bio companies is lacking.
- The geographic area surrounding Charity Hospital and the old VA has been stalled by blight and is suffering from lack of investment.
- Through the strategic planning process, several major barriers were identified that are preventing the BioDistrict from becoming a hub for economic growth and revitalization.
- These barriers include blight, drainage challenges, lack of transit amenities, and lack of workforce housing.



Investment Priorities for the BioDistrict

Priorities will address strategic barriers to growth and innovation.

- When considering projects to fund in the BioDistrict, **the BioDistrict will focus TIF resources on investments in assets that will produce jobs in the life sciences and biotechnology sectors.**
- Build Back Better EDA Regional Challenge Grant Phase 1- The BioDistrict is part of a consortium that was awarded a \$500,000 planning grant on December 13. This grant allows the consortium to compete for Phase 2 of the Challenge, which will ultimately award 20-30 regional coalitions between \$25 and \$100 million to implement 3-8 projects that support an industry sector.
- TIF funding may be available to match federal or local funds for projects.
- The BioDistrict Board, in partnership with the City and State, will leverage additional sources of revenue (e.g. federal dollars from the American Rescue Plan) to fund projects that address other barriers identified in the strategic planning process, including but not limited to blight, transit, workforce housing, quality of life, and workforce training.



Boundary Adjustments Under Consideration



The BioDistrict encompasses approximately 1200 acres adjacent to downtown New Orleans. This Strategic Action Plan emphasizes a Key Development Area approach, concentrating development efforts into five specific areas of the District, as shown in the colored areas above.

Supportive Partners



Appendix A

BioDistrict Board of Directors



Appendix A - BioDistrict Board of Directors

Structure of Board is modeled after standard boards for economic development districts.

The Board of Directors is composed of fifteen members:

- The president of the Louisiana State University System or designee;
- The president of Tulane University or designee;
- The president of Xavier University or designee;
- The chancellor of Delgado Community College or designee;
- The Mayor or designee;
- The Mayor appoints three members from nominees submitted by Greater New Orleans, Inc., New Orleans Chamber of Commerce and New Orleans Business Council;
- The governor appoints four members, at least two of which must be residents of Orleans Parish;
- The secretary of the Department of Economic Development or designee; and
- State representatives and senators for the districts that overlap the boundaries of BioDistrict New Orleans appoint two members who reside within the boundaries of BioDistrict New Orleans.



Appendix A - BioDistrict Board of Directors

Current Board Members



Andy Kopplin, Chair of the BioDistrict Board and President and CEO of the Greater New Orleans Foundation



Sharon Courtney, Vice President of Government Affairs, Tulane University



Judith Dangerfield, founding owner of Metro-Source and Board Chair of Ujamaa EDC



Blake Stanfill, Vice Chair of the BioDistrict Board and Director of Growth, trepwise



Dr. Lowry Curley, Chief Executive Officer of Axo Sim



Harold Gaspard, Dean of the School of Allied Health, Delgado Community College



Alison Bordelon, Treasurer of the BioDistrict Board and Project Director at the Louisiana Community & Technical College System



Dr. Lavon Bostanian Professor of Pharmaceutics, Xavier University



Michael Hecht, President and CEO of Greater New Orleans, Inc.



Appendix A - BioDistrict Board of Directors

Current Board Members (cont'd)



Nicole Honoree,
Assistant Vice Chancellor
for Economic Development
and Strategic Initiatives,
LSU Health Sciences
Center



Roger Ogden,
Ogden Development



Brad Lambert,
Deputy Secretary,
Louisiana Economic
Development



Charlotte Parent,
Vice President of
Business
Development,
University Medical
Center



Appendix B

Investment Priorities and Proposed Projects



TIF Funding Focused on Attracting Biosciences & Addressing Barriers

Challenges to creating a thriving biosciences sector

The BioDistrict proposes utilizing TIF funding to fund projects that will directly grow a thriving biosciences sector, and for which there are not other sources of funding available:

- **Challenge:** Lack of access to capital for early stage biosciences companies is preventing companies from staying and growing in the BioDistrict and New Orleans in general.
 - **Solution: Establish matching fund program for companies who have received federal Small Business Innovation Research and Small Business Technology Transfer grants**
- **Challenge:** A highly trained, robust, inclusive workforce is needed to spur economic growth and job creation.
 - **Solution: Establish a fund to provide forgivable tuition loans, fellowships and revenue for improved programs at academic institutions, and fund short-term, certificated workforce training sought by employers looking to hire trained workers for jobs in biotech and life sciences companies and institutions.**
- **Challenge:** The New Orleans BioInnovation Center (NOBIC) provides early stage companies with access to customized commercialization services, premier facilities, and a comprehensive support network. However, lack of sustained funding is putting federal matching dollars and operations and maintenance at risk.
 - **Solution: Provide program support for NOBIC**

Long-term vision: Establish a commercial life sciences campus with wet lab facilities so that biotechnology and life sciences companies who are growing past NOBIC's capacity can continue to thrive in the BioDistrict.

Additional Priorities to Address Barriers

Placemaking challenges

Given the expected influx of federal funding, the BioDistrict will work with City and State leaders to leverage dollars in the area that address priorities and barriers to growth.

- **Challenge:** Flooding and drainage issues, along with lack of a public park space with programming that can serve as a community hub, present threats to the area.
 - **Solution: Transform of Duncan Plaza, the largest green space in the area**
- **Challenge:** Blight throughout the BioDistrict is preventing investment.
 - **Solution: Establish a façade renewal program on key thoroughfares**
- **Challenge:** Lack of street lighting, pedestrian walkways, and lack of other quality of life amenities are preventing the neighborhood from becoming a walkable, thriving BioDistrict.
 - **Solution: Street lighting and quality of life infrastructure**

Sources - Funding sources include federal funds from the American Rescue Plan, infrastructure legislation, appropriations legislation, and other revenue sources.

Additional Context

- The BioDistrict board is committed to following the City's requirements for the Disadvantaged Business Enterprise (DBE) program when working with contractors and vendors.

Additional Priorities to Address Barriers

Challenges to equitable and inclusive growth

Given the expected influx of federal funding, the BioDistrict will work with City and State leaders to maximize investments in the area that address priorities and barriers to growth.

- **Challenge:** While the RTA is planning to construct a Transit Hub near the District, additional bus shelters are needed to improve access to jobs and rider experience.
 - **Solution: Improved transit amenities**
- **Challenge:** Lack of affordable housing in the BioDistrict and in New Orleans generally is a well documented challenge, and was a top issue identified as part of the strategic planning process.
 - **Solution: Gap financing for workforce housing near medical campuses**
- **Challenge:** Encampments of people experiencing homelessness around the Claiborne overpass are a concern for creating a safe, thriving BioDistrict.
 - **Solution: Support and services for people experiencing homelessness**

Sources - Funding sources include federal funds from the American Rescue Plan, infrastructure legislation, appropriations legislation, and other revenue sources.

Additional Context

- The BioDistrict board is committed to following the City's requirements for the Disadvantaged Business Enterprise (DBE) program when working with contractors and vendors.



Establish Matching Fund for Bio Companies

Provides access to capital for early stage companies

Estimated cost - \$300K annually

- The TIF will fund a matching grant program for companies who have received funding through the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs.
- These federal programs encourage small businesses to engage in research and development with the potential for commercialization. Twenty-five percent of funds will be specifically designated for HBCUs to enhance technology transfer programs.
- LSU, Tulane, and Xavier all partner with companies who are recipients of SBIR and STTR grants. However, Louisiana traditionally has low success rates in securing the grants. Matching funds demonstrate university commitment, making applications for SBIR and STTR more competitive.



Establish Matching Fund to Ensure Trained Workforce

Provide forgivable loans, fellowships, and funding for programming

Estimated cost - \$250K annually

- The TIF will fund a grant program to enhance and ensure a robust, inclusive, highly trained workforce, specifically focused on:
 - Forgivable tuition loans
 - Fellowships
 - Advanced training programs at academic institutions
- 50% of the funding for fellowships and forgivable loans will be earmarked for minority students enrolled at the universities within the BioDistrict.
- The TIF will fund short-term, certificated workforce training sought by employers looking to hire trained workers for jobs in biotech and life sciences companies and institutions.



Provide Program Support for NOBIC

A proven track record of success

Estimated cost - \$750K annually for 5 years

- The New Orleans BioInnovation Center (NOBIC), empowers Louisiana innovators to create successful biotech businesses by providing them with access to customized commercialization services, premier facilities, and a comprehensive support network. NOBIC's \$40M building, which is paid for, is currently at 95% capacity.
- TIF funds will address deferred maintenance and provide matching funds to draw down federal funds.
- NOBIC has a track record of success:
 - AxoSim, led by Dr. Lowry Curley, developed proprietary technologies that empower scientists from leading biopharmaceutical companies to predict how the human nervous system will respond to therapies much earlier in the drug development process. The company is currently a tenant in NOBIC.
 - Obatala Sciences, led by Dr. Trivia Frazier, is a biotech company that offers research enabling products and brain power to scientists in industry and academia with the goal of advancing tissue engineering and regenerative medicine. Obatala recently graduated from NOBIC.



Long-Term Vision - Commercial Life Sciences Campus

Life sciences campus with wet lab facilities

Estimated cost: \$TBD

- Wet lab rental space equipped to house biotech and life sciences businesses is an integral asset needed to help retain homegrown and existing bio businesses in Louisiana. Commercial life sciences campuses (similar to North Carolina's [Research Triangle Park](#)) are also key to attracting more businesses, facilitating collaboration between the private sector and local research institutions, and play a part in securing corporate partnerships from the world's largest corporations focused on bio and innovation endeavors.
- Such facilities do not currently exist in the New Orleans region, which leaves startups formed at NOBIC with limited options for future growth without leaving the area.
- The region's (and state's) bio industry ecosystem is not big enough to justify investment from life sciences real estate developers. **Therefore, it is up to local leadership to make the investment in its own commercial campus to support local and regional bio industry enterprises, as well as attract more to the area.**

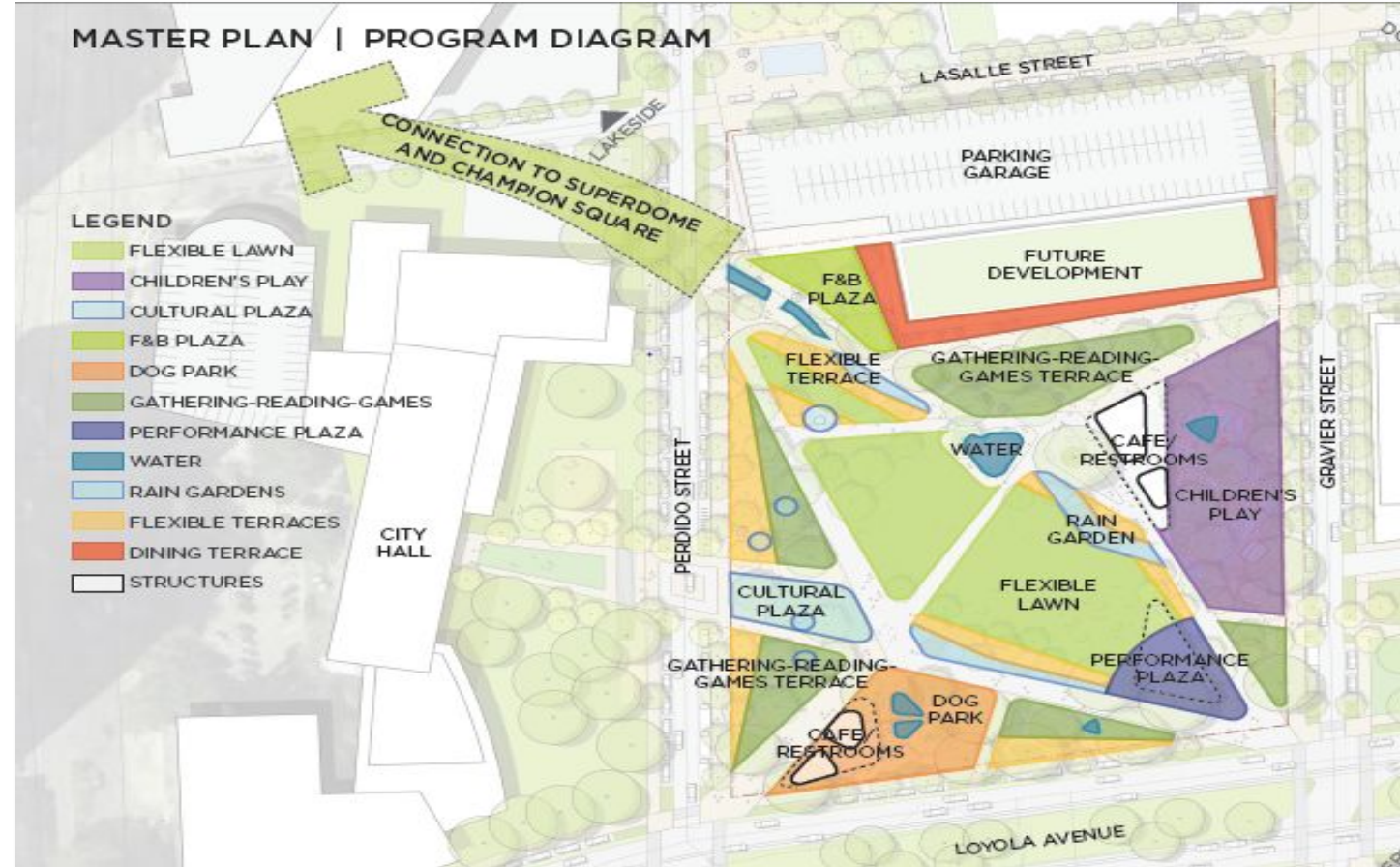


Improve Drainage and Revitalize Duncan Plaza

Improved stormwater drainage and programming

Estimated cost - \$250K annually

- The City of New Orleans and the Downtown Development District, with support from Tulane University and the Greater New Orleans Foundation, are partnering on an effort to transform Duncan Plaza, a green space currently across the street from City Hall, into a world-class public space for New Orleans residents and visitors.
- Included in this park will be a game-changing stormwater management system that is critical to reducing flooding, including at the LSU Health Science Center.
- The BioDistrict will also work with other partners to implement additional drainage improvements in the downtown area, including along the Claiborne Corridor and around the old VA hospital.

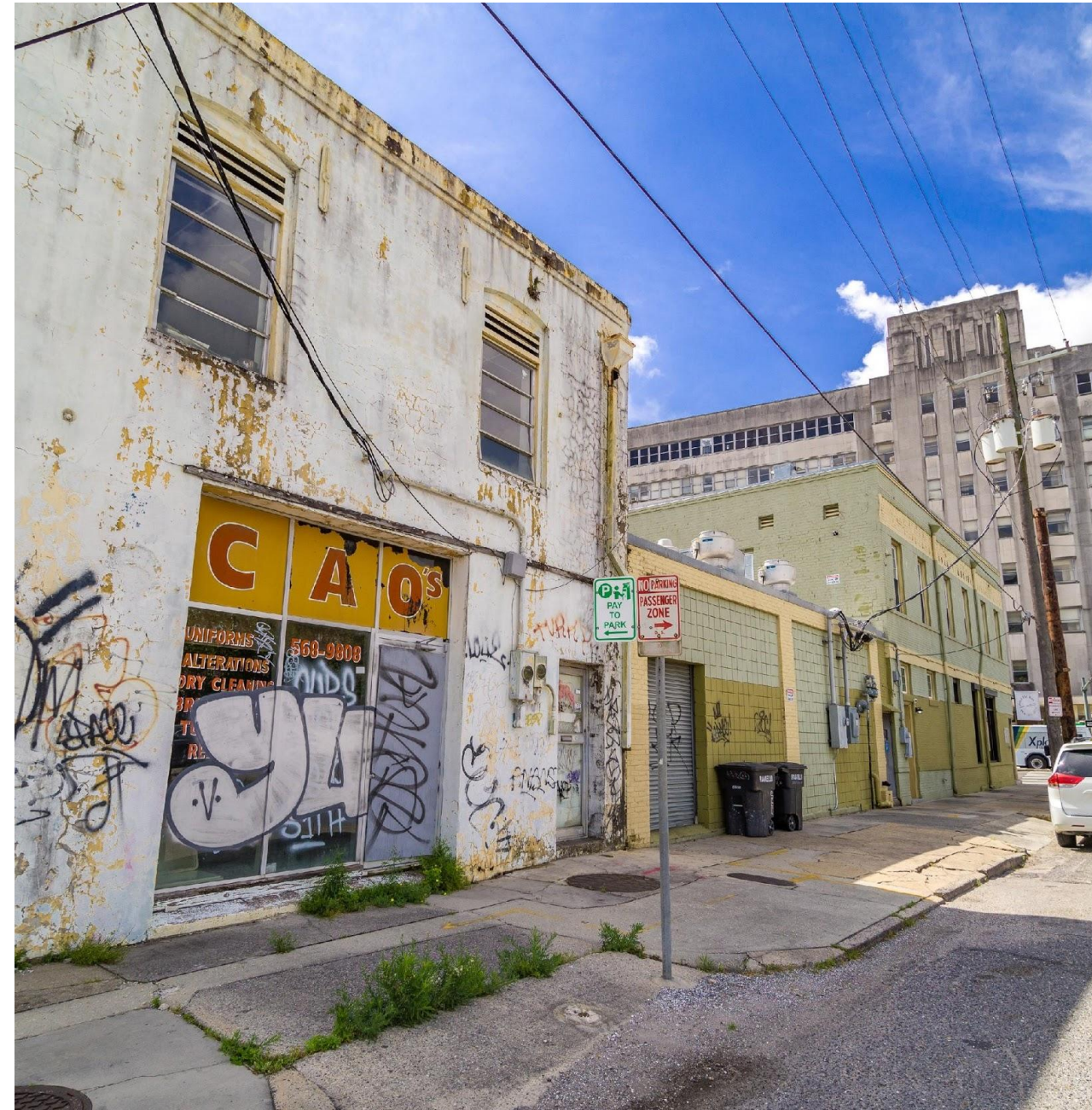


Establish Façade Renewal Program

Will address blight in the BioDistrict

Estimated cost: \$1.5M over two years

- Establish a 3:1 façade renewal grant program to incent commercial property and small business owners to revitalize store fronts and exteriors along targeted commercial corridors.
- Examples of improvements include painting, exterior renovations, signage repair, and lighting.
- Key Thoroughfares include Canal St., Tulane Ave, Earhart Blvd, Claiborne Ave., Broad Street, Broad St., and Dr. Norman C. Francis Pkwy.
- Modeled after Façade Renew, which is credited with revitalizing Oretha Castle Haley in Central City.



Implement Quality of Life Infrastructure

Will create a well lit, safe, walkable BioDistrict

Estimated cost - \$1M (\$750K matching funds + \$250K for upgrades across the district.)

- Fund quality of life infrastructure improvements in the BioDistrict, including:
 - Street lighting
 - Sidewalk paving
 - Pedestrian bump outs
 - Bike paths
 - Additional beautification needs
- The BioDistrict Board will work with Ujamaa, a local economic development corporation working to transform the Claiborne Corridor, to match a federal Economic Development Administration (EDA grant). This revenue will fund needed stormwater infrastructure and other infrastructure needs.



Build Improved Transit Amenities

Will increase access to jobs and improve rider experience

Estimated cost - \$25K per shelter and installation

- New and improved pedestrian and transit amenities including building and maintaining bus stops and shelters are needed to allow workers to get to and from jobs in the BioDistrict easily.
- The BioDistrict will work with the RTA to support these projects, particularly construction of bus shelters.



Provide Funding for Workforce Housing

Will improve access to jobs and address housing critical challenge

Estimated cost - \$1M

- Provide a set amount of funds as gap financing for the development of workforce housing located in the BioDistrict.
- The BioDistrict is committed to this housing remaining permanently affordable.



Provide Services for People Experiencing Homelessness

Will foster a safe, thriving BioDistrict

Estimated cost: \$TBD (potential source: federal revenue)

- Provide supportive services and sheltering for people experiencing homelessness in the BioDistrict and at the recently expanded low barrier shelter.



GREATER NEW ORLEANS FOUNDATION



www.gnof.org

Center for Philanthropy
919 St. Charles Avenue
New Orleans, Louisiana 70130

Phone: (504) 598-4663

Fax: (504) 598-4676

  @GNOfoundation |  @greaterneworleansfoundation