



November 24, 2009

Governor Bobby Jindal
P.O. Box 94004
Baton Rouge, LA 70804

Dear Governor Jindal:

The Foundation for Historical Louisiana (FHL) thanks the Commission on Streamlining Government for recommending an independent analysis of the best way to build new hospitals in New Orleans. FHL fully supports creating a world-class medical complex in New Orleans and applauds the Commission for wanting to consider alternatives that could save the state much money and time.

The medical and financial landscape has changed since Louisiana State University and the U.S. Department of Veterans Affairs devised plans for hospital complexes that would cost more than \$2 billion in federal and state money. The nation has experienced the economic downturn, the state faces a huge budget deficit, and national healthcare reform will undermine the business plan of the LSU-centered project. The state and VA plans were also formed without the benefit of the better alternative presented last year by the FHL/RMJM Hillier Charity Hospital Feasibility Study.

A prudent plan for opening these badly needed hospitals quickly and economically – and spending a planned \$1.2 billion by the state – requires an open and fair consideration of alternatives. The Streamlining Commission has provided an opportunity to do this for the first time. We support its recommendation for an independent analysis, and urge that the study be funded and launched soon.

An independent analysis should include not only the comparison of costs associated with the construction, the operating budget and business plan, but a true cost-benefit analysis that includes the value of time – especially if one alternative can be completed much faster. It should examine operating cost of the temporary facilities, sustainability, energy usage, tax credits, the cost of borrowing money, etc. What is the financial benefit of getting jobs back faster, healthcare back faster, promoting the bioscience district years sooner? What does the faster return of a first-class teaching hospital, research, the revitalization of downtown New Orleans, and saving over 250 homes and businesses currently slated for demolition actually mean to the recovery of New Orleans and the state?

What truly creates a world class medical facility is the human capital. We must invest in the faculty, the staff, the research, and the technology to compete as a world class medical center. Is this cost included?

During the Commission hearing on November 17, the administration repeatedly argued that there was no need for an independent analysis since four or five studies had already been done. This was a misrepresentation.

Facility Planning and Control itself made it very clear when we began the FHL / RMJM Hillier Study that our study was the first and only one to look at the possibility of reusing Charity Hospital. All other studies were “damage assessments” – to determine how much money FEMA would pay. In an email dated May 5, 2008 Mark Moses of Facility Planning wrote: “You had expressed some concern last week that we (Blitch Knevel Architects) were not

performing any structural analysis of Charity. I explained that they were only supposed to consider “storm related” damages in their work of course...” To compare the Charity Hospital Feasibility Study to these narrow damage assessments is a distortion.

FHL followed the charge it received in HCR 89 from the 2006 Legislature “to assess the condition of the facility and evaluate its potential uses as a location from which medical services may be offered.” FHL raised \$600,000 in private funds necessary for a study of this magnitude. We hired RMJM Hillier after an extensive, nationwide bid process, the 7th largest architecture firm in the world, specialists in designing new buildings for healthcare. Our team, including nationally recognized experts such as Robert Silman Associates and GBG, determined that Charity was structurally sound and eminently suited for a 21st century state-of-the-art hospital. We went beyond the scope of the resolution and demonstrated how the LSU programming needs for their new hospital portion of the proposed complex could easily be incorporated into Charity’s 1,000,000 square foot irreplaceable limestone shell.

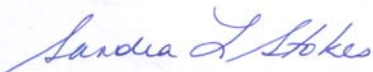
RMJM Hillier also found that putting a modern cutting-edge hospital inside the gutted Charity shell could be done years faster and with much less expense than LSU’s proposed new construction. The cost estimates in the study were peer reviewed, and again reevaluated prior to the January 2009 hearing before the House Appropriations Committee to account for any changes in costs since the study. The cost savings, including the use of historic preservation tax credits, amount to \$283 million dollars, 34% of the project cost.

The FHL/RMJM Hillier Study has been applauded across the nation in magazines such as *Healthcare Design*, November 2009 issue, and *Architectural Record*, June 2009. A full chapter of an upcoming book entitled *Innovations in Hospital Architecture* will be devoted to the FHL / RMJM Hillier Study as the best example of state-of-the-art, urban design strategies of healthcare architecture. Attached are a few letters of support for the FHL/RMJM Hillier plan to reuse Charity Hospital, including one from Perkins+Will, the number one healthcare designer in the nation. Louisiana has the opportunity to be a leader.

The FHL / RMJM Hillier Study has been criticized for not designing the complete medical complex. In compliance with HCR 89, the study addressed the Charity Hospital building. Provided with funding, the Foundation for Historical Louisiana would welcome the opportunity to hire an independent firm to assess the many large vacant buildings and lots surrounding Charity Hospital as cost-effective locations for the entire medical campus. This could create an urban, truly world-class complex that is synergistic with Tulane, LSU, the VA, and all of the institutions in the medical district.

FHL is prepared to assist the independent cost-benefit analysis in any way.

Sincerely,



Sandra L. Stokes
Executive Vice Chair
(225) 445-3800

cc: Governor Bobby Jindal
Members of the Government Streamlining Commission
Members of the Louisiana State Senate
Members of the Louisiana House of Representatives
Alan Levine, Secretary, Department of Health and Hospitals