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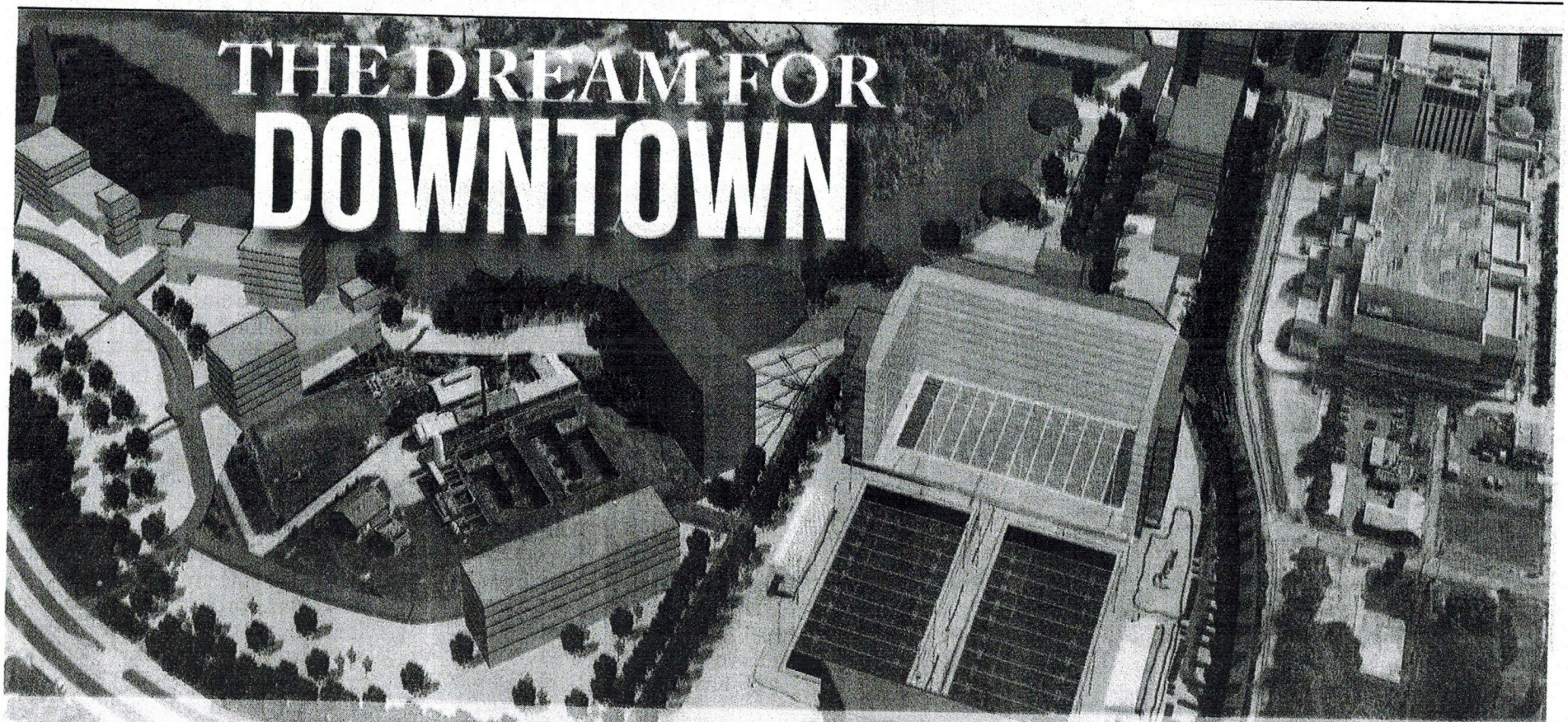

GDC reveals more of its plans for $1B Cross Bayou development

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"A wise person recently asked me, 'Why did the pharaohs build the pyramids? Because the whole society was focused on achieving a goal. It gave them something to do!'"

To Larry English, one of the partners of Gateway Development Consortium, that sums up the effort and benefit of what his group is trying to do with a 63-acre section of land just north of downtown Shreveport.

Gateway Development Consortium (GDC) is comprised of locals Paul Pratt, Theron Jackson, Rickey Hall and Curtis Joseph, with English and Daron West, both of whom have roots in Shreveport, running point nationally. The group envisioned a $1 billion public-private project to turn a polluted, empty, carved up piece of land along the Red River into a transformative development called Cross Bayou Point.

English said although the team wasn't ready to go public last year, they opted for transparency and discussed what little they had at that time. Since then, he said, they've been putting together a diverse team of local and national developers and design/build professionals, all working to build political consensus to craft a project that makes business sense for all parties involved.

"There is tremendous momentum behind this project," English said. "Cross Bayou isn't here to 'save downtown Shreveport.' Cross Bayou can be that ignition that ignites everything."

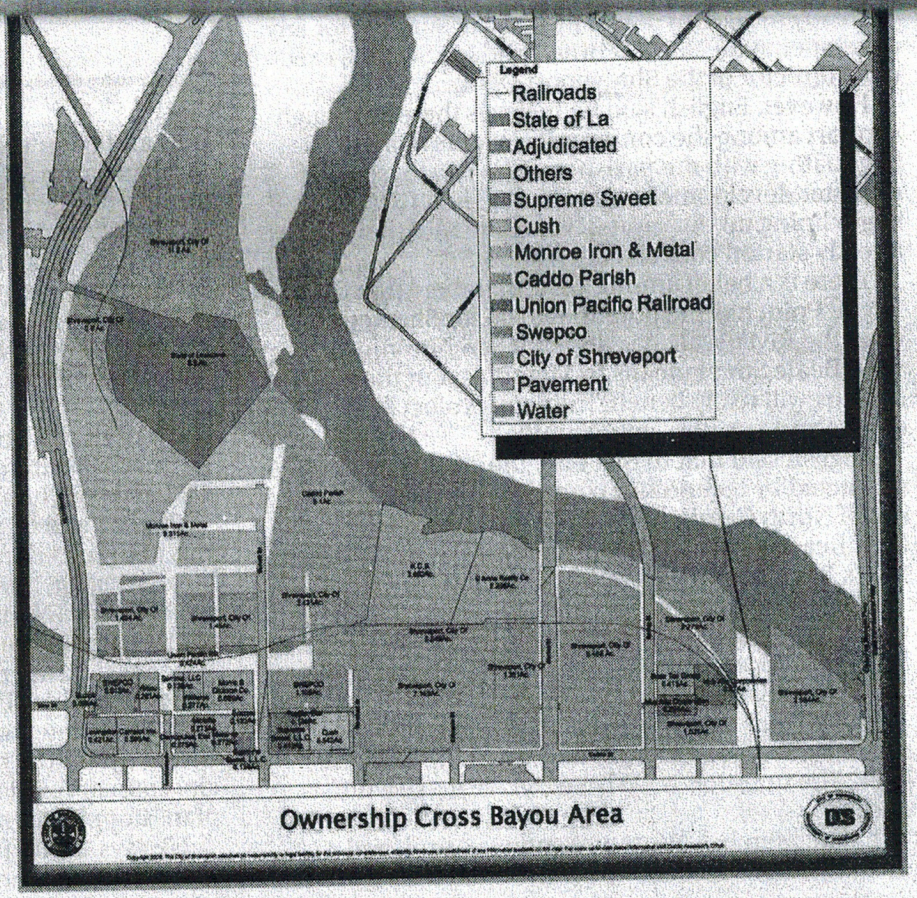
The project includes now, as it did a year ago, a new state office complex to replace the outdated Caddo Parish Courthouse, a school centered around STEM, a multi-use sports facility, and 500 homes. The project breaks down as $91.8M for a state office complex, $187.5M for a new criminal justice complex, $78.6M worth of housing, $40.2M to build a STEM-based school, and $19.2M to build the multi-use sports facility.

GDC has broken the project down into two phases, the first of which they say could be shovel-ready this year. But in order to do that, they are asking for approximately $50 million in public money to start the project. English says the return will be $450 million in private development once the foundation is quite literally laid for Cross Bayou Point.

The public dollars would go towards cleaning up the brownfield, the polluted land, assembling the disparate parcels of land into one unit, and building infrastructure in the ground.

One major hurdle for the project is that the land is divided up among the City of Shreveport, Caddo Parish, State of Louisiana, Union Pacific Railroad, SWEPCO, and several others. While another obstacle is that other officials have been doubtful about the amount of cleanup needed on the brownfield and what it would officially cost. English is confident that with enough political capital, the land can be assembled, and that GDC is capable of the brownfield remediation.

He noted that the "game changer" for the project is that the site was designated an Opportunity Zone (OZ). OZs were federally designed to provide tax incentives to investors who fund business in underserved communities. Investors can defer paying taxes on capital gains that are invested in Qualified Opportunity Funds that are in turn invested in distressed areas, like the Cross Bayou region of Shreveport.



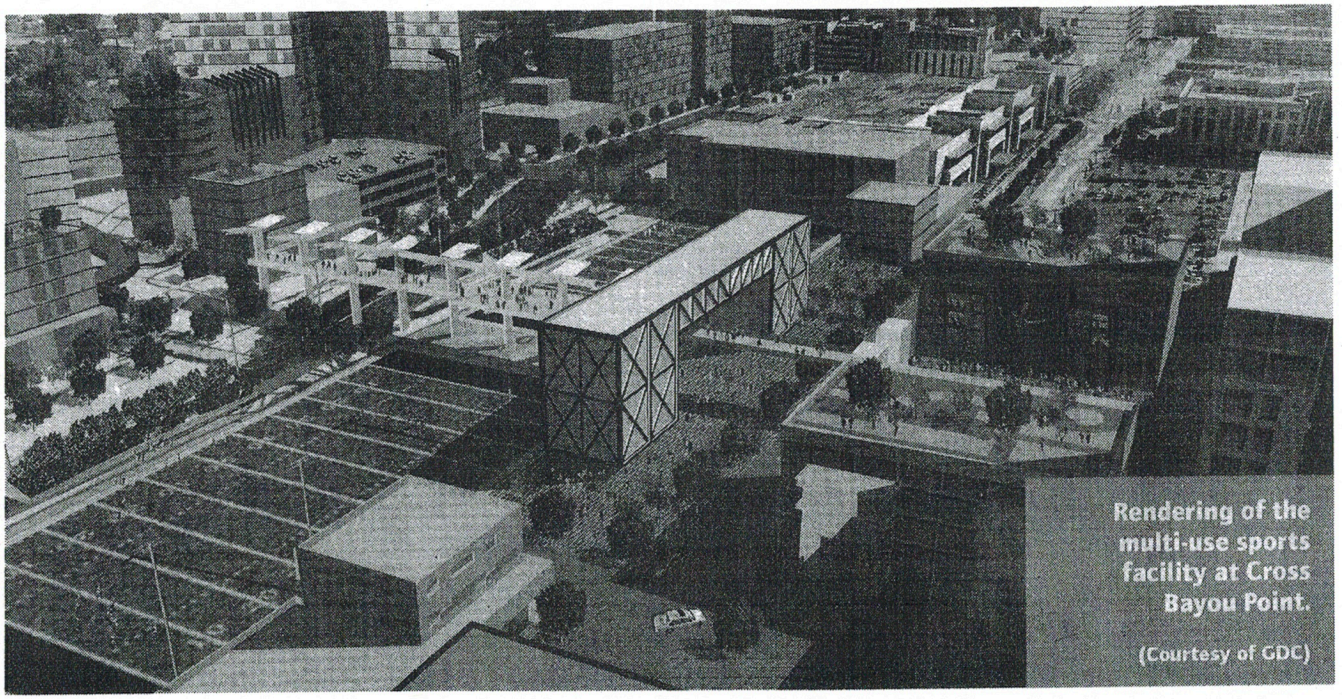
As a result of the designation and their project, English said GDC was invited to the White House for a briefing regarding OZ and to talk about the project.

"We are one of, if not the, largest project in the country that could be shovel-ready this year to start receiving funds as an Opportunity Zone," he said.

Back home, English said the group has received support from the Shreveport-Bossier African American Chamber of Commerce and the Greater Shreveport Chamber of Commerce.

The Caddo Parish Commission also issued at its March 21 meeting a resolution to enter into a non-binding discussion about the development that "shall not be construed as the Parish of Caddo committing any endorsement or

COVERSTORY



Rendering of the multi-use sports facility at Cross Bayou Point.

(Courtesy of GDC)

funding of the project." That followed a non-binding endorsement of the project from the Shreveport City Council last May, which then Mayor Ollie Tyler was not supportive of at the time.

The Shreveport Downtown Development Authority has been in support of redeveloping Cross Bayou, but has stopped short of supporting this particular project.

"The DDA is supportive of the goal of common-sense development of Cross Bayou and has shared with the city of Shreveport our hope that the city will acquire additional property there. My board is not yet ready to sign on in any position of support for any developer at the current time," said Liz Swaine, executive director of the Shreveport DDA.

However, English said he believes there is enough support among the community leaders to start negotiating with the parish and the city to execute

Public Investment $46,786,044

Private Investment $417,571,999

CROSS BAYOU PROPOSED BUDGET SUMMARY

• Phase 1 Site Acquisition and Development	$46,786,044*
• Phase 2 New State Office Building	$91,814,514
• Phase 2 New Justice Center	$187,557,520
• Phase 2 500 Units Mixed Income Housing	$78,648,316
• Phase 3 Stem High School	$40,283,654
• Phase 4 Multi-Use Sports Complex	$19,267,995
Total	**$464,358,043**

*Not including site acquisition costs or fees

port and I don't want to be. It's very important that local government start taking advantage of the energy

BREAKING DOWN THE PIECES OF THE DEVELOPMENT

The Cross Bayou Point project consists of a new state office building, a new criminal justice complex, a STEM-based school, a multi-use sports facility, and 500 homes.

■ State office complex & criminal justice complex — Although there is no official support from the state, English said GDC met with Gov. John Bel Edwards during Washington Mardi Gras and he "loves the project" and is open to leasing a new municipal complex that is designed, financed and built by GDC.

English said the current criminal justice complex, AKA the courthouse downtown, is old and out of date. He said he believes there is enough support on the Caddo Parish Commission to push for a new facility, which would allow the old courthouse to be renovated into a Civil Rights/Civil War museum and residential lofts.

"We have met with people and who want to build a new Civil Rights museum and have proposed that they go before the parish and see if the parish would donate that building for a new Civil Rights/Civil War museum. They could then work with a developer to turn the top floors into condos and have a stream of revenue coming in. So you have on two acres of green space in the middle of downtown with this museum with condos," said English.

■ Sports complex — The complex would not only be available to Caddo Parish

a master development agreement. Then GDC will begin lining up the capital, which he said they "have already started conversations about."

There is a belief among GDC members that Cross Bayou Point has the potential to do for Shreveport what the River Walk has done for San Antonio or be what Beale Street means to Memphis. But they say citizens will really benefit from the project in the form of jobs and business opportunities.

English said that to that end, the group has been contacted by technology company, Nucleaus, based out of North Carolina. The group wants to relocate their headquarters to Shreveport and GDC is hoping Cross Bayou Point will be their landing spot.

CEO David Giambruno told the Caddo Parish Commission at its March 21 meeting that they are looking to locate somewhere where they can have a "massive splash effect."

"We're looking for a place to grow," said Giambruno. "It's about jobs. It's our ability to help and give back. The question is, 'Where can we make a difference?'"

In late March, GDC representatives brokered a meeting with Nucleaus and Shreveport Mayor Adrian Perkins.

"The fact that this city elected a 33-year-old Harvard lawyer is incredible," English said. "Watching him engage some of the top tech people in the world, and then passionately pitch to them that (they) should come to Shreveport? I was proud as an African American, I was proud as a citizen, I was proud as someone who has grown up in this city."

That comes after English noted the group has been contacted by five other tech startups about locating in their planned development. He noted that Cross Bayou Point is becoming the de facto economic development tool for the City of Shreveport, but in the same breath, said he doesn't want to be the head of business development.

"While I'm excited to help the city, I'm not the economic development person for the City of Shreve-

English said that sense of urgency is developing as the project is providing that rallying point for the business and political communities in the form of a transformative project.

"Now leading this city are some of the youngest, most dynamic leaders in its history. This project is about the future. This is an intergenerational project. Many of us will not be here to see its conclusion. It warms my heart to know that we have this group of leaders here," he said.

English and GDC are acutely aware their project was announced from the ashes of a failed pitch by former Mayor Tyler to use $30 million of the city's riverfront development fund to build a 3,500-seat sports complex, anchored by the New Orleans Pelicans G-League minor league basketball affiliate. The plan required $100 million private investment from Corporate Realty, an Alabama-based real estate company, for the remainder of the development. The city council voted down using the city's money for the plan, stopping it in its tracks.

He says GDC's far more ambitious and wide-ranging project is something that is long overdue. He and other members have told BIZ. that the city thinks too small, believing it isn't worthy of an investment the scale of Cross Bayou Point.

"We've got to develop the physical and intellectual infrastructure to do projects of this scale. A lot of the big financial institutions and people who finance projects of this scale, their starting point is $1 billion. You can't get a conversation with them if you're not operating at that scale," English said.

He said that mindset will only change once the area restores some faith in itself.

"We just need a win," English laughed.

Citizens can view information about the project, including cost breakdowns and studies used to shape and drive the project at crossbayoupointproject.com.

open to using for high school athletic events, but it would serve as a potential attractor for the New Orleans Saints NFL franchise training camp.

"We think if the city and parish leadership went to the Saints and pitched them, they would still consider relocating their training camp to the multi-purpose sports facility," said English. "Under the scenario, if the Saints are practicing six weeks out the year, that's 10,000 to 15,000 people who will come watch them. You have a large contingent of people coming into downtown and that spills out into area restaurants, hotels, etc."

"If you've got a stadium that meets the Saints requirements, why wouldn't the schools want to play their games in downtown Shreveport? Now you have a whole other group of people spending their Friday nights during football season in downtown Shreveport," he added.

■ Housing — English said phase I of the project would include 500 homes — 30 percent affordable, 30 luxury and the remaining 40 percent would be market rate. It would be set up as 25 units per acre.

"So, we're talking density," he said.

GDC also has plans for another 4,500 houses over the next 10 years.