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April 25, 2007

Mr. Alphonso Jackson  
Secretary, U.S. Department of Housing  
and Urban Development  
451 7<sup>th</sup> Street SW, Room 10000  
Washington, DC 20410

Mr. R. James Nicholson  
Secretary, U.S. Department  
of Veterans Affairs  
810 Vermont Ave. NW  
Washington, DC 20420

Dear Secretary Jackson and Secretary Nicholson:

Let us first thank you both for your personal commitments, and the commitments of your respective departments, to the swift and successful recovery of Louisiana from the most crippling disasters in our nation's history.

We are writing today to urge Secretary Jackson to immediately approve Louisiana's Action Plan Amendment 3 to Action Plan 2 (APA3), which provides the necessary funding for land acquisition and initial construction costs for the building of a new academic medical center in downtown New Orleans. We also urge Secretary Nicholson to accept the state's subsequent purchase of land for the medical center as Louisiana's commitment to the LSU-VA hospital collaboration, and to state unequivocally that the VA will be our partner in locating its new facility on this site, as together we build an exciting and unprecedented medical complex to serve our citizens and advance our recovery.

As you both know, the proposed LSU-VA medical centers will anchor the emerging biosciences and medical corridor in downtown New Orleans. The joint venture represents a recovery project that has no peer.

The Unified New Orleans Plan, a comprehensive guide to high priority recovery programs and projects to repair and rebuild the city over the next decade, highlights the significance of the proposed teaching hospital to the recovery of downtown New Orleans. The Plan identifies 91 programs or projects that promote the city's recovery; the downtown medical center and the restoration of affordable housing stock are the only two given perfect scores based on their value to recovery and breadth of impact on the region.

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The Louisiana Recovery Authority has consistently recognized the importance of the hospital to the region's revival. During our negotiations with Chairman Powell for additional Community Development Block Grant allocations and the subsequent development of our action plans, the LRA has maintained a commitment to reserving \$300 million for the new facility. That commitment translated into action when the LRA board, Governor Blanco and the Louisiana Legislature approved the allocation of \$300 million in CDBG funds via APA3.

The opportunity to build the new LSU teaching hospital in conjunction with the planned VA medical center is one of the factors driving support for the project. Secretary Nicholson, we congratulate you and your staff for the foresight you have shown in pursuing a partnership with LSU that will yield considerable benefit for taxpayers and patients for decades to come.

Regrettably, we have heard questions raised about the status of that partnership in recent weeks. Let us reiterate that Governor Blanco's submission of APA3, with overwhelming legislative support, confirms the state's full commitment to the joint medical center project.

The proposal outlined in APA3 divides the \$300 million CDBG allocation into two phases for state expenditure.

An initial allocation of \$74 million is designated for land acquisition and architectural and engineering design. The state is poised to commence land acquisition as soon as HUD approves the proposal.

The remaining \$226 million, for completion of design work and construction start-up, will be reserved until the Louisiana State Office of Facility Planning and Control (OPFC) has undertaken the following steps, the first two of which have been done:

1. Completed the business plan and feasibility study for the new medical center;
2. Submitted the business plan to the LRA board for review; and
3. Received approval of the business plan by the Joint Legislative Committee on the Budget and the full legislature.

As you are aware, state policymakers are engaged in a very appropriate debate about the business plan produced by OPFC. The LRA will continue to be an active participant in this debate, and we strongly believe that this discussion is as important to our state's future as the new medical center is to the recovery of the New Orleans region.

It is critical, however, to understand the nature of the debate. It is not a debate about whether to build a new academic medical center in downtown New Orleans or about whether to partner with the VA. The decisions to build a hospital and collaborate with the VA have been settled by the actions of the Governor and the Legislature, and they have tremendous public support.

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Rather, the ongoing debate is about how the state should deliver and pay for health care for uninsured citizens and how that might influence the size and scope of the proposed university hospital in New Orleans. Because the closed Charity Hospital has long been the primary source of care for the uninsured, the new medical center's business plan—and its projections of bed size, payer mix and scope of services—are important factors to consider as formal design work on the hospital takes place over the next several months.

But this very healthy debate should not be interpreted by HUD as uncertainty about whether the state intends for \$300 million in CDBG funds be used for a new hospital. Nor should it be interpreted by the VA as representing any hesitation regarding the joint venture. Instead, the debate represents the very important public discussion regarding how we build an efficient and effective hospital for our citizens, community and state.

So let me reiterate what Governor Blanco and the Louisiana Legislature have stated by their actions: Louisiana is committed to the building of a new academic medical center in downtown New Orleans and to the LSU-VA partnership.

Now we ask that each of you do your part to move this process forward—Secretary Jackson by immediately approving APA3, and Secretary Nicholson by stating clearly the VA's intent to be our partner in downtown New Orleans.

Thank you for your attention to this important component of the recovery. We look forward to continuing our work together on behalf of the citizens of Louisiana.

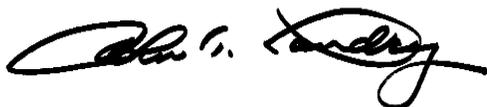
Sincerely,



Norman C. Francis  
Chairman



Kim Boyle  
Chair, Health Care Committee



John T. Landry  
Chair, Infrastructure Task Force



Donna Fraiche  
Chair, Long-Term Community Planning Task Force