

Baton Rouge Area Foundation

Triple Bottom Line Investment

Philosophy

The Baton Rouge Area Foundation's (the Foundation) mission related or triple bottom line investments originate from our commitment to philanthropy. We believe that, in addition to being a donor services organization, charitable foundations should use their portfolio in ways that make programmatic impact. The Foundation invests in its real estate portfolio to achieve social benefits while minimizing environmental impact.

History and Existing Investments

The Foundation started on the journey toward mission investing in 1997 when the organization felt compelled to take action to stop the increasing economic divide in Baton Rouge. The Foundation discovered that the principles of new urbanism could be used to transform the city's decaying downtown into a place that could integrate people from all walks of life. A partnership was formed with the City of Baton Rouge, the State of Louisiana, and the Foundation to oversee a master plan for the abandoned city center using heavy public engagement. Plans were already underway to consolidate state agencies in a Capitol Park

complex, bringing 3,000 state employees to downtown. Also, plans to expand the Centroplex Arena into a convention center and the Louisiana Arts and Science Center's addition of a planetarium space theater contributed to the growth and economic progress in downtown. Duany-Plater Zyberk and Company was hired to develop the master plan using heavy public engagement. At the center of the plan, Duany-Plater Zyberk fashioned an arts center that would include performing arts, gallery space, a museum, dance studio, and more. The Foundation partnered with Louisiana State University and the State to make this plan come to life. The \$55 million arts mecca, called the Shaw Center, opened in 2005.

To maximize the efforts to restore downtown, Commercial Properties Realty Trust, the Foundation's real estate portfolio purchased and renovated the abandoned Capitol House Hotel into the Hilton Capitol Center. Commercial Properties combined its own capital with tax credits and bank financing to create a \$65 million hotel that had previously sat empty for 20 years. The hotel opened in 2006.

Almost simultaneously to the renovations of the Hilton Capital Center, Commercial Properties purchased Bon Carre Shopping Center, an abandoned one million square foot shopping mall that had become a breeding ground for crime, and transformed it into a technology, research, and business hub with over 30 companies and more than 5,000 employees.

Total Assets as of 12/31/07: \$531,000,000

Mission Investments as of 12/31/07: \$92,800,000

Hilton Capital Center - \$64,300,000

Bon Carre Business Center - \$28,500,000 (51% ownership)

Mission Investments 17% of Total Assets

Mission Investments on the Horizon

Iberville at Interstate 540/401

Commercial Properties Realty Trust is working on a traditional neighborhood development in Raleigh, North Carolina. Iberville will be a 400 acre village that will blend housing, shops, offices, parks, and two schools. The community will include workforce housing and be constructed to respond to environmental challenges concerning the consumption of energy and water. When fully built, the new town will represent \$1.6 billion.

St. Bernard Housing Project

Two years ago, the Foundation teamed up with the Fore! Kids Foundation and Columbia Residential to revitalize the St. Bernard Housing Project, adjacent to New Orleans City Park. The St. Bernard Housing Project was a HUD subsidized housing community that was completely submerged by floodwaters for over 20 days after hurricane Katrina. Since then, the area consisting of over 1,300 public housing units and two public schools sits vacant. Similarly, the New Orleans City Park's 18-hole golf courses and other recreational facilities were badly damaged. To research models to transform these devastated areas, the Foundation and the For!Kids Foundation visited East Lake community in Atlanta, a mixed-income community that

uses a golf course as a training vehicle for children and as an ongoing funding source. After viewing East Lake's success, the partners founded the Bayou District Foundation to manage the redevelopment that will provide subsidized and market rate, new charter schools, and recreational facilities. The Bayou District Foundation is currently in the planning process. Once the master plans are complete, the Foundation, through its real estate portfolio, will develop the retail assets of this mixed use, mixed income community. Commercial Properties capital investment to construct the retail will be \$20,000,000.