

LSU Health considers expansion at Federal City

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Federal City in Algiers on Tuesday, May 12, 2015. (Photo by Chris Granger, Nola.com | The Times-Picayune)

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It's been about six months since the LSU Health Foundation struck a deal to take over a fitness center at [Federal City](#), the former military base site in [Algiers](#) where redevelopment has struggled to gain momentum since it was put in local hands five years ago. That could be changing, as LSU is considering a larger presence on the 156-acre campus.

The next step involves adding a physical therapy center to complement what's now LSU Health Fitness, said state Sen. Troy Carter, who chairs the Algiers Development District. The nonprofit took over ownership of the Federal City site in 2013.

Over time, a primary care clinic or other medical facilities could land at Federal City, said Matt Altier, LSU Health Foundation president and CEO.

"We've been touring most of the available buildings down there and brainstorming. We're just keeping all of our options open at this point," Altier said.

Gov. [John Bel Edwards](#) will join Carter and LSU Health representatives on Friday to officially mark the takeover of the fitness center. Additional plans are expected to be detailed then.

Talks with LSU Health Foundation have been ongoing while the Algiers Development District was exiting an agreement with Vista Louisiana LLC, the second master developer it selected to provide an overall blueprint for large-scale plans at Federal City. A deal was struck with the developer in March 2015, and seven months later the ADD board voted to back out of it.



Another Federal City development deal stalls

The vision for the Federal City site in Algiers is blurry again now that agencies overseeing the site want to walk away from the developer chosen for the 156-acre campus.

The issue between the two parties involved whether the developer had the financing needed to move forward its plans for residential, commercial and community elements. Vista Louisiana insisted it did and sued to prevent the district from walking away from their deal.

Carter said Tuesday a settlement has been reached in the case, which Vista Louisiana attorney Andrew Kramer confirmed. Both said a confidentiality agreement prevented them from discussing details of the settlement, although Carter said he was "very, very pleased" with the outcome.

Before Vista Louisiana, the Algiers Development District had worked with the joint venture HRI/EEC to flesh out the Federal City campus. That arrangement fizzled in 2014 with little to show after six years when the two parties couldn't agree on matter such as who would pay the utility bills.

In addition to talks with the LSU Health Foundation, Carter said the district has also made infrastructure improvements at Federal City, ranging from new street lights to water and sewage tie-ins. The chairman also wants the [New Orleans Police Department](#) to replace the Fourth District headquarters building already on campus, and he said architects have been directed to redesign the main entrance to Federal City on General Meyer Avenue.

"A lot of people still think this is a military base, and a lot of that has to do with that entrance," Carter said, suggesting a new design that would be more inviting to the community.

The headquarters of the U.S. Marine Corps Reserves is the main tenant on the Federal City campus. Its building houses some 1,300 members of the military and civilian contractors.

Louisiana put up \$150 million to create Federal City and keep the [Marine Corps Support Facility](#) in Algiers when the Department of Defense was going through a round of base realignments and closures in 2005. The incentive kept the military from moving the Marines to the Naval Air Station-Joint Reserve Base in Belle Chasse. But promises of 10,000 jobs and a thriving neighborhood with homes and businesses has failed to materialize. Additional development has been limited to a parking structure with small restaurant and retail clients on the ground floor, an auditorium that doubles as a community center, and a small hotel. The New Orleans Military/Maritime Academy, a charter high school, also calls the former base home.

Carter said a survey has been completed of the unused buildings at Federal City to determine which ones have historic and functional value. The development district will put money into those that can be restored.

The LSU Health Foundation and Algiers Development District have entered into a cooperative endeavor agreement for the fitness center. The two entities will share revenues from the venture to offset operating costs, according to Greg Beuerman, an ADD spokesman. Carter said cost of maintaining the fitness center and restoring other properties at Federal City will be exceeded by the economic benefits to the district and residents of Algiers.

Correction: *This story was updated to include the correct name of the fitness center.*