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Grant Herlitz
President

March 10, 2015

Re: Proposal – 2 Canal Redevelopment, LLC

Dear Members of the Selection Committee,

On behalf of The Howard Hughes Corporation (HHC), I am pleased to inform you of our recent decision to pursue a joint venture with 2 Canal Redevelopment, LLC regarding their 2 Canal Street redevelopment submission, based on several factors, including -

- *Belief in the Team* - The 2 Canal Redevelopment, LLC team, which is comprised of Joe Jaeger, Darryl Berger, Roger Ogden and Dr. Norman Francis, is a group of exceptional New Orleans leaders whose track record of community engagement, civic involvement and business acumen is well-known. This group of leaders, working in conjunction with Hilton Hotels and their Conrad brand, has put forth a compelling concept for the project.
- *Expertise and Prior Long Term Investments on the Riverfront* - As a member of this team, The Howard Hughes Corporation would bring its own unique insights, expertise and passion for excellence to the strategic planning, execution and operational phases of the redevelopment. The Howard Hughes Corporation, through its holdings in The Outlet Collection at Riverwalk, is already a significant member of the New Orleans business community, having spent more than \$80 million on the transformation of the Riverwalk. Sitting adjacent to the 2 Canal Street site, we opened as the nation's first outlet center in a downtown setting to great fanfare and 99% leased. This accomplishment was achieved by working closely with key stakeholders, including the City, Convention Center, Port of New Orleans, Hilton, the hospitality industry and others.
- *Commitment to the Area* - We firmly believe that the New Orleans riverfront, including the World Trade Center building, is one of the best redevelopment sites in New Orleans. Our commitment to the long term revitalization of the area is one of the primary reasons HHC invested in updates to Spanish Plaza while working on The Outlet Collection at Riverwalk. In addition to transforming the World Trade Center building into a world-class Conrad Hotel & Luxury Residence, the 2 Canal Redevelopment, LLC proposal demonstrates exciting potential for the Tricentennial celebration areas that surround the site. Spanish Plaza is uniquely positioned to serve as the cultural heart of the redevelopment and play a key role in the upcoming Tricentennial celebration serving as a gathering place for visitors as well as for those who call New Orleans home. Of particular importance is achieving the long held civic aspiration to open the visibility of the river and Spanish Plaza at Canal St., and to enhance flow of pedestrian traffic

from Canal St. to the Spanish Plaza and to the river's edge. Of course the visibility from Poydras St. is similarly critical. A re-imagination of Spanish Plaza and a thoughtful approach to the accessibility and connectivity of the riverfront and the rest of the city via Canal and Poydras Streets are important aspects to the design and planning of the overall project.

- *HHC is already a Significant Stakeholder with Additional Property Rights in the Area* – As you may know, The Howard Hughes Corporation already has significant property rights beyond The Outlet Collection at Riverwalk on both the upriver and downriver sides of the 2 Canal Street site. HHC and the 2 Canal Redevelopment, LLC team intend to collaborate with the City, Hilton and others to create a final vision that aligns the interests of all key stakeholders. We intend to help unlock the value of this real estate, creating an exceptional riverfront experience for locals and visitors while preserving our property rights.
- *Ability to Invest* – The Howard Hughes Corporation is a publicly-traded real estate company with a market capitalization of nearly \$6 billion and has one of the largest development pipelines in the industry. Given our desire to expand our footprint in New Orleans, we are already conducting discussions with 2 Canal Redevelopment, LLC to become a partner and investor in the project.

As a neighboring property owner with a vested interest in the area, it is our view that the vision and collaborative spirit of 2 Canal Redevelopment, LLC to work alongside other stakeholders, including the Convention Center, Hilton and the City to create a powerful, transformative development will ultimately deliver the most successful project. The site represents immense economic development potential, and we look forward to working with the team to drive for the best possible solution that will serve the City, its citizens and visitors to New Orleans.

Best Regards,

Grant Herlitz
President

cc: Joe Jaeger
Darryl Berger
Roger Ogden
Dr. Norman Francis
Mark Bulmash
Jim McCaffrey