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FACILITIES AND PROPERTY COMMITTEE

June 19, 2019

The Facilities and Property Committee met on Wednesday, June 19, 2019 at 11:34 a.m. in the Thomas Jefferson Room 1-136 of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Darren Mire called the meeting to order. The roll was called, and a quorum was established.

COMMITTEE MEMBERS PRESENT

Darren Mire, Chair
Blake David
Randy Ewing
Felix Weill
Mary Werner LSU Representative
Mark Romero, ULS Representative
Dr. Leon Tarver, SUS Representative
Vinney St. Blanc, LCTCS Representative

OTHER BOARD MEMBERS PRESENT

Claudia Adley
Robert Levy
Charles McDonald
Wilbert Pryor
Gary Solomon
Jacqueline Wyatt

COMMITTEE MEMBERS ABSENT

Collis Temple, III, Vice Chair

STAFF MEMBERS PRESENT

Chris Herring

Appendix A

Guest List

III. CONSENT AGENDA

Mr. Chris Herring, Assistant Commissioner for Facilities and Planning, reported on the Consent Agenda Small Capital Projects Report containing the small capital projects staff approved since the previous meeting:

A. Small Capital Projects

1. La Tech: Woodward Hall Space Conversion – STEM Classrooms, Ruston, LA -
Louisiana Tech University, Private Donation \$475,000

2. **LSU A&M: East Campus Apartments Building # 9 Roof Repairs, Baton Rouge, LA** - Louisiana State University and A&M College, Auxiliary Revenues \$265,320
3. **LSU A&M: PMAC AHU # 9 Replacement, Baton Rouge, LA** - Louisiana State University and A&M College, Auxiliary Revenues \$490,000
4. **LSU A&M: Vet Med Toilet/Locker Room Renovations, Baton Rouge, LA** - Louisiana State University and A&M College, Self-Generated Revenues \$301,962
5. **ULM: Pecan Grove Improvements, Monroe, LA** - University of Louisiana - Monroe, Facilities Revenues \$450,000

On a motion from Supervisor Tarver, seconded by Regent Weill, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the Small Capital Projects Report as presented in the Consent Agenda.

IV. P3 Project: LSU A&M – Greenhouse District Project Phase 3

The LSU Board of Supervisors submitted a public-private partnership (P3) project on behalf of LSU A&M to construct improvements related to the Greenhouse District Project – Phase 3 (GDP-3). GDP-3 is the next phase of the Nicholson Gateway Project (began in 2016) and is an essential component of LSU’s long-term masterplan for student housing to increase capacity for expected enrollment growth and ultimately replace old and outdated 1960s housing inventory. This project will create 881 new on-campus student beds in two buildings located on the old Greenhouse site near the University Recreation Center as well provide funding for minor renovations to Miller, McVoy, Herget, Broussard Halls and the Acadian Extension.

The GDP-3 project will be developed and constructed by RISE: A Real Estate Company, a national leader in developing student housing under P3 models, and the firm who handled the first two phases of the Nicholson Gateway project. Provident Group – Flagship Properties, LLC (Provident – Flagship), formed by the Provident Resource Group, a Baton Rouge company that is a leader in forming and managing non-profits to facilitate P3 agreements was selected by RISE to provide the required non-profit financing services for the project. Provident – Flagship will enter into a development agreement with RISE to design and construct the project. The estimated project cost is approximately \$83M and will be funded through the issuance of private, tax-exempt bonds through the Louisiana Public Facilities Authority. Repayment of the bonds will be secured by a facilities lease between Provident – Flagship and LSU, whereby LSU leases the constructed improvements and pledges its auxiliary revenues in support of the lease. The debt will be paid off over a 40-year term and upon termination of the lease, ownership of the improvements will revert to LSU. Construction will start in October 2019 for the new residence halls to be open in time for the fall 2021 semester.

The physical operation and maintenance of the facilities will be handled by RISE while LSU will operate the residential life and student-facing components. For example, room assignments

will be handled by LSU's Office of Residential Life, while RISE will handle routine maintenance and repair. The operating and maintenance requirements are detailed in a Facilities Operation and Maintenance Agreement which contains key performance indicators to ensure that the buildings remain in good repair over the 40-year lease term. There will also be regular engineering reviews of all buildings and improvements to ensure they remain in strong condition. LSU is requesting that the Board of Regents (BoR) approve the annual Maintenance Reserve Account (MRA) contribution to be based on an amount at no less than \$385 per bed annually. This is the same amount approved by the BoR for Phases 1 and 2 of the Nicholson Gateway Project in 2016 and 2017.

On a motion from Regent Weill, seconded by Regent David, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the public-private partnership project submitted by the Louisiana State University Board of Supervisors, on behalf of Louisiana State University and A&M College, to construct the Greenhouse District Project – Phase 3 and related improvements with an annual Maintenance Reserve Account contribution of no less than \$385 per bed annually.

V. 3rd Party Project: La Tech Replacement Student Housing and Parking

The University of Louisiana System, on behalf of Louisiana Tech University (La Tech), submitted a traditional 3rd party project to develop and construct approximately 600-700 beds of replacement student housing and develop new parking on the La Tech campus. In the fall 2018 semester, La Tech exceeded their current housing capacity of 2,508 students, and the demand for on-campus housing has been strong as enrollment continues to grow. In furtherance of La Tech's mission to house up to 2,600 undergraduate and graduate students on campus, the institution is committed to improving the quality of residence life on campus. Currently, La Tech has six traditional residence halls that are all over 50 years old. This new housing project will replace three of the older facilities with modern, updated student housing.

The project cost is estimated to be \$50M and will be funded through the issuance of tax-exempt bonds. The debt service will be satisfied from rental payments, parking permit revenues, and other auxiliary revenues if needed. La Tech will work with Innovative Student Facilities, Inc. to design and construct the new housing which will consist of residential suite style housing. The parking component of the project involves constructing or renovating 1,840 parking spaces around campus. This project follows the traditional lease/lease-back structure whereby Innovative Student Facilities, Inc. will lease the completed facilities back to the ULS for university use. Specific construction, demolition, renovation and parking modifications are expected to be phased to meet the needs of the student body throughout the construction period. Construction is scheduled to begin in the spring of 2020 and the housing will be ready for the fall 2021 quarter. La Tech requests that the Board of Regents approve the annual MRA contribution to be based on an amount at no less than \$400 per bed annually.

On a motion from Supervisor Romero, seconded by Regent Ewing, the Facilities and Property Committee unanimously recommended that the Board of Regents approve 3rd party project submitted by the University of Louisiana System Board of Supervisors, on behalf of Louisiana Tech University, to construct replacement student housing and develop new parking on campus with an annual Maintenance Reserve contribution of no less than \$400 per bed annually.

VI. Act 959 Project: River Parishes Community College (RPCC) Glycol Processing Unit

Act 959 of 2003 permits an institution to initiate certain capital projects not exceeding \$5M that are funded with self-generated revenues, auxiliary income, grants, donations, local, or federal funds. The Louisiana Community and Technical College System (LCTCS) Board of Supervisors submitted an Act 959 project on behalf of RPCC to construct a state-of-the-art, fully operational glycol processing unit on the Gonzales campus. RPCC and the RPCC Foundation, in concert with industry partners (primarily BASF, ISC, Shell, Rubicon, Performance Contractors, Emerson, GEO Heat Exchangers, Lift Tech, Entergy, and Methanex) have been working together to have the glycol unit designed and installed. Engineering services and various equipment for the project has been donated, thus the remaining project scope involves the construction of the foundation, purchase of the necessary piping, and construction services to install the unit. The estimated project cost is \$1.8M and will be funded through donations secured by the RPCC Foundation. The total project cost with the in-kind contributions of equipment and engineering services brings the project total closer to \$5M. Neither LCTCS nor RPCC will incur any debt in connection with the project.

On a motion from Regent David, seconded by Regent Ewing, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the Act 959 project submitted by the Louisiana Community and Technical College Board of Supervisors, on behalf of River Parishes Community College, to construct a glycol processing unit on the Gonzales campus.

VII. Other Business

Mr. Herring updated Board members on the final posture of HB 2 that was passed during the 2019 Legislative Session.

There being no further business, the Facilities and Property Committee adjourned at 11:44 a.m.

**GUEST LIST FOR COMMITTEE/BOARD MEETINGS
WEDNESDAY, JUNE 19, 2019**

NAME	AFFILIATION
Tim Stamm	Delgado Community College
Regina Verdin	Fletcher Technical College
Terry McConathy	Louisiana Tech
Johnette Magner	Louisiana Tech
Connie Walton	Grambling State University
Lonnie Leger	LONI
Anna Basel	LSU
Daniel Bouchard	LSU Foundation
Kent Lachney	LSU A
Randall Dupont	LSU A
Stanton McNeely	LAICU
Rene' Cintron	LCTCS
Bonnie Hymel	Pennington Biomedical
Steven Sicarolfi	ULM
Albert Ruiz	ULM
J. Travis McIlwain	Senate
Ty Carlos	LCDA
Taslah Kecah	UNO
Adrienne Fontenot	LCTCS
Jeannine Kahn	UL System
John Crain	SLU
Lori Parker	LSU AG
Titilope Akinsami	SU
Flandus McClinton	SUS
James Ammons	SUS
Bijoy Sahoo	SUBR
Elizabeth Bentley-Smith	OPB
Nan Adams	SLU
Jene' Thomas	SLU Doctoral Student
Erica Calais	UL System
Lillie Murphy	RPCC
Bruce Waguespack	RPCC
Aisha Griffin	BOR
Chris Mestayer	BOR
Safura Sharif	BOR