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AGENDA
FACILITIES AND PROPERTY COMMITTEE
Wednesday, September 25, 2019
10:10 a.m.

Louisiana Purchase Room 1-100
Claiborne Building, 1st Floor
1201 North Third Street
Baton Rouge, LA 70802

- I. Call to Order
- II. Roll Call
- III. Consent Agenda
 - A. Small Capital Projects Report
 1. LSU A&M: East Campus Apartments Building # 4 Roof Repairs
 2. SELU: Sims Memorial Library Chiller Replacement
 3. SELU: Tinsley Hall Interior Modifications
 - B. 3rd Party Projects Report
 1. La Tech: Woodward Hall Renovation
 2. ULM: New Student Amphitheater
- IV. P3 Project: LSU-S Student Housing Acquisition
- V. DNR Revolving Loan Program: La Tech Energy Efficiency Projects
- VI. Other Business
 - A. Facilities tours
- VII. Adjournment

Committee Members: Darren Mire, Chair, Collis Temple III, Vice Chair, Blake David, Randy Ewing, William Jewell, Gerald Theunissen, Felix Weill, Louisiana Community and Technical College System Representative, Louisiana State University System Representative, Southern University System Representative and University of Louisiana System Representative

Executive Summary

Facilities and Property September 25, 2019

III. A. Consent Agenda (Small Capital Projects Report)

In accordance with the Facilities Policy, small capital project proposals are reviewed by staff and approved where appropriate, and thereafter, reported at the next meeting of the Facilities and Property Committee. Pursuant to R.S. 39:128, BoR staff may approve small capital projects internally ranging from \$175,000 to \$1,000,000 and report to the Board during a subsequent meeting.

Staff approved the following small capital projects since the previous report:

1. Louisiana State University and A&M College: East Campus Apartments Building # 4 Roof Repairs – Baton Rouge, LA

There are numerous leaks on the existing roof of Louisiana State University and A&M College's (LSU A&M) East Campus Apartment Building # 4 at roof intersections, valleys, and overhangs as well as some visible damage to the wood framing (including wood trusses) and decking. This project will remove the existing tile roof and membrane down to the deck and repair and replace the damaged trusses, framing, decking, soffits, and fascia. The project scope also includes the installation of new flashings, waterproof membranes and tile materials. New vinyl covered fascia and vented soffit materials will be installed as required. The project repairs approximately 7,370 square feet (SF) of roofing area at a cost of \$36/SF for a total cost of \$265,320. The project will be funded with auxiliary revenues.

2. Southeastern Louisiana University: Sims Memorial Library Chiller Replacement – Hammond, LA

This project will replace the chiller in Southeastern Louisiana University's (SELU) Sims Memorial Library. The project scope involves the removal of the existing chiller, installation of a new unit, and any other minor improvements necessary to tie the new chiller in to the facility. The total project cost is \$400,000 and will be funded with operational funds.

3. Southeastern Louisiana University: Tinsley Hall Interior Modifications – Hammond, LA

This project will renovate existing interior space within SELU's Tinsley Hall to provide for expanded tutoring resources and create a student academic center. The project scope includes interior demolition of existing walls, new wall construction, and installation of new finishes. The project renovates approximately 15,174 SF of space at a cost of \$21.42/SF for a total project cost of \$325,000. The project will be funded with operational funds.

B. Consent Agenda (3rd Party Project Report)

In accordance with the revisions made to the Facilities Policy during the October 25, 2017 meeting of the Board of Regents, 3rd party project proposals are reviewed by staff and approved

where appropriate, and thereafter, reported at the next meeting of the Facilities and Property Committee. Pursuant to the revised policy, BoR staff may approve 3rd party projects funded without the issuance of debt similar to the small capital project approval process.

Staff approved the following 3rd party projects since the previous report:

1. Louisiana Tech University: Woodward Hall Renovation – Ruston, LA

The University of Louisiana System Board of Supervisors (ULS), on behalf of the Louisiana Tech University (La Tech), submitted a 3rd party project for the purpose of renovating existing space in La Tech’s Woodward Hall known as the IDEA Place. The interior space is in need of modernization and reconfiguration in order to demonstrate modern science, technology, education, and mathematics (STEM) education techniques. The IDEA Place space was designed in the 1960s for physical education classes, and with almost no renovation, has been utilized as a science museum and for demonstration of science education. The renovation of this space will address a space shortage at the A.E. Phillips Laboratory School (which is in close proximity to Woodward Hall) and provide a better environment to prepare La Tech students to lead in science and technology education.

The project scope includes improvements to the ventilation systems, building infrastructure, and modifications to meet current code requirements. The total project cost is approximately \$653,000 and will be funded entirely by alumni donations to the La Tech University Foundation. The Foundation will lease the space in Woodward Hall for the purpose of renovating the space. Upon completion of the construction, the improvements will be donated to La Tech.

2. University of Louisiana - Monroe: School of Construction Management Entryway Addition – Monroe, LA

The ULS, on behalf of the University of Louisiana – Monroe (ULM), submitted a second 3rd party project for the purpose of constructing a new student amphitheater on the ULM campus. ULM will enter a grounds and facilities lease for the land with ULM Facilities, Inc. (ULMFI) who will be responsible for construction of the new amphitheater. Upon completion of the project, ULMFI will donate the improvements back to ULM.

The project scope involves the construction of a new student amphitheater on the banks of Bayou DeSiard, north of the University Library. The total project cost is approximately \$1.3M and will be funded entirely by student fees and self-generated revenues. ULM will not incur any debt as a result of the project.

The Senior Staff recommends the Facilities and Property Committee approve the consent agenda for the small capital and 3rd party projects report as presented.

IV. P3 Project: Louisiana State University – Shreveport Student Housing Acquisition

The Louisiana State University Board of Supervisors, on behalf of Louisiana State University Shreveport (LSU-S), submitted a public-private partnership project for the purpose of acquiring and updating the existing student housing on the LSU-S campus. To provide context for this project, in 1992 LSU executed a ground lease and related agreements for a

private company to construct and operate student housing apartments on the LSU-S campus. For a variety of reasons, the housing has never been very successful with an average occupancy rate of 76% since opening. An enrollment management consultant engaged by LSU-S reported that the existing apartments are the single biggest drag on LSU-S' efforts to increase enrollment. In short, it is critical to the future of LSU-S that it provide a satisfying, enriching residential life experience as an option for its students.

There are 14 years left on the ground lease with the current owner (Campus Living Villages or CLV). Repeated efforts over the past several years to work with CLV to improve conditions at the apartments have been unsuccessful. Poor internet service, outdated carpet and fixtures, and other problems continue to persist. While LSU-S has no financial liability for the debt associated with the apartments, it also has no tools to require better performance by CLV to improve the student experience. LSU-S Chancellor Dr. Larry Clark and LSU staff have negotiated terms of a buy-out agreement that would have the LSU Real Estate and Facilities Foundation (REFF) pay \$3.25M to CLV to buy out the remaining 14-year term of the ground lease. REFF would also spend approximately \$2M to perform basic repairs and improvements to the property such as installing new internet service, replacing the carpet, and performing other "refresh" type improvements. The REFF will also assist LSU-S in starting a new residential life program to better meet the needs of its students. The REFF is expected to borrow funding for the acquisition and improvements from a national bank through a conventional loan at an anticipated rate of 3-3.5% locked in for 7-10 years.

After the buy-out of CLV, the apartments will be owned and operated similar to the LSU Eunice student housing whereby REFF will own the housing and have a ground lease with LSU for the land. The REFF would have legal responsibility for the operation and management of the apartments, as well as responsibility for the debt-service under the loan agreement for the newly borrowed funds. The REFF will simultaneously enter into a lease-back agreement with LSU under which LSU-S will undertake the obligation to operate and maintain the housing and to pay REFF rent sufficient to cover the debt service and any other operational costs incurred by the REFF and approved by LSU. This transaction will functionally allow LSU-S to take over operation of the on-campus housing which is expected to reduce operating costs significantly by eliminating the management fee and significant personnel overhead charges currently paid for CLV's management. LSU-S will then be responsible for managing the financial and student life functions of the housing, including making room assignments, collecting rents, providing resident assistants, and similar functions. Additionally, LSU-S operation of the housing will allow for greater integration of campus life activities with the residents of the apartments.

The Senior Staff recommends the Facilities and Property Committee approve the P3 project submitted by the Louisiana State University Board of Supervisors, on behalf of Louisiana State University - Shreveport, to acquire and update the existing student housing on campus.

V. Louisiana Department of Natural Resources Revolving Loan Program: Louisiana Tech University Energy Efficiency Projects

In February of 2019 the Louisiana Department of Natural Resources (DNR) announced their 2019 solicitation for the "Louisiana Revolving Loan Fund Program" whereby public entities domiciled in Louisiana may utilize low interest financing (originally provided by the U.S. Department of Energy) for implementing qualified energy efficient upgrades and improvements. The program provides a 2.0% interest loan over 10 years with a 2% one-time administrative fee and

a 0.5% annual loan service fee.

The ULS, on behalf of La Tech, submitted two requests for energy efficient projects on the La Tech campus. The first project involves replacement of two 256-ton single state steam absorption chillers located at A.E. Phillips Laboratory School. The chillers are approaching the end of their life and are experiencing significant mechanical problems. Additionally, the equipment is inefficient and difficult to maintain. The two chillers supply chilled water to A.E. Phillips, Woodward Hall, and the Band Building. This project will install two air-cooled electric chillers and remove the cooling tower serving the absorption chillers. Electric pumps will be replaced with fewer and newer pumps. Controls will also be updated. The total project cost is estimated to be \$1,200,775. Consultant engineers engaged by La Tech determined that the energy savings from the equipment upgrades will cover the debt service and provide annual savings beyond avoided maintenance cost.

The 2nd project involves replacing the existing quartz-halogen and metal halide light fixtures in La Tech's Thomas Assembly Center, the exterior concourse light fixtures and poles as well as the parking area and roadway light fixtures with new, more energy efficient LED lighting. The total project cost is estimated to be \$530,000. Consultant engineers engaged by La Tech determined that the energy savings from the equipment upgrades will cover the debt service and provide annual savings beyond avoided maintenance cost.

After review of each application and a campus visit, DNR approved both applications.

The Senior Staff recommends the Facilities and Property Committee approve the two Louisiana Department of Natural Resources Revolving Loan Program Energy Efficiency projects submitted by the University of Louisiana System Board of Supervisors, on behalf of Louisiana Tech University, to conduct energy efficiency projects related to A.E. Phillips Laboratory School and the Thomas Assembly Center.

VI. Other Business