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BOARD OF REGENTS

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FACILITIES AND PROPERTY COMMITTEE

September 25, 2019

The Facilities and Property Committee met on Wednesday, September 25, 2019 at 10:04 a.m. in the Louisiana Purchase Room 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
Collis Temple, III, Vice Chair
Blake David
William Jewell
Gerald Theunissen
Felix Weill
Mary Werner, LSU Representative
Lola Dunahoe, ULS Representative
Willie Mount, LCTCS Representative

OTHER BOARD MEMBERS PRESENT

Claudia Adley
Marty Chabert
Robert Levy
Charles McDonald
Wilbert Pryor
T. Jay Seale

COMMITTEE MEMBERS ABSENT

Randy Ewing
SUS Representative

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. LSU A&M: East Campus Apartments Building # 4 Roof Repairs, Baton Rouge, LA** - Louisiana State University and A&M College, Auxiliary Revenues \$265,320

2. **SELU: Sims Memorial Library Chiller Replacement, Hammond, LA** - Southeastern Louisiana University, Operational Funds \$400,000
3. **SELU: Tinsley Hall Interior Modification, Hammond, LA** - Southeastern Louisiana University, Operational Funds \$325,000

B. 3rd Party Project

1. **La Tech: Woodward Hall Renovation, Ruston, LA** – Louisiana Tech University, Private Donations \$653,000
2. **ULM: New Student Amphitheater, Monroe, LA** – University of Louisiana – Monroe, Student Fee and Self-Generated Revenues \$1,300,000

On a motion from Regent Temple, seconded by Regent David, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the Small Capital Projects and 3rd Party Project Report as presented in the Consent Agenda.

IV. P3 Project: Louisiana State University – Shreveport 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, replace carpet, and perform 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.

On a motion from Regent Pryor, seconded by Regent Temple, the Facilities and Property Committee unanimously recommended that the Board of Regents 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.

On a motion from Regent Levy, seconded by Regent Weill, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the 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

There being no other business, the Facilities and Property Committee adjourned at 10:08 a.m.

Committee/Board Meetings Wednesday, September 25, 2019

| PLEASE PRINT YOUR NAME | PRINT YOUR AFFILIATION |
|-------------------------------|-------------------------------|
| James W. Robinson | ALFS/ LSOE |
| Matt Lee | LSU |
| Bonnie Hymel | Pennington Biomedical |
| Greg Handel | Northwestern |
| John Crain | SLU |
| Alberto Ruiz | ULM |
| | |

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|-------------------|--------------------------|
| Edward Peters | LSUHSC-New Orleans |
| Peggy Wolfe | McNeese State University |
| Patrick Mensah | Southern University |
| Gloria Thomas | LSU |
| Ellen Palmintier | Tulane University |
| Lashonda Franklin | Southern University |
| Bijoy K. Sahoo | Southern University |
| Anna Bartel | LSU |
| Derrick Angeloz | LSU FPO |
| Sattaria Dilks | McNeese State University |
| Jeannine Kahn | UL System |
| B. Godfrey III | |
| Jenee Slocum | LSU |