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Victor T. Stelly
Harold M. Stokes
Roland M. Toups
Joseph C. Wiley
Demetrius Sumner, Student
Member

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FACILITIES AND PROPERTY COMMITTEE

October 27, 2010

The Board of Regents, acting as a committee of the whole, addressed the agenda of the Facilities and Property Committee on Wednesday, October 27, 2010 at 2:15 p.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Facilities and Property Committee Chair W. Clinton Rasberry, Jr. called the meeting to order. Roll had been called for the committee of the whole and a quorum was acknowledged..

BOARD MEMBERS PRESENT

W. Clinton Rasberry, Jr. Chair
Victor T. Stelly, Vice Chair
Charlotte A. Bollinger
Scott Brame
Richard A. D'Aquin
Maurice C. Durbin
Donna G. Klein

Ingrid T. Labat
Robert W. Levy
Mary Ellen Roy
Harold M. Stokes
Roland M. Toups

BOARD MEMBERS ABSENT

Robert J. Bruno
Artis L. Terrell, Jr.
Joseph C. Wiley
Demetrius Sumner

STAFF MEMBERS PRESENT

Rich Griswold

GUESTS PRESENT

Appendix A

SMALL CAPITAL PROJECTS REPORT

Mr. Rich Griswold, Associate Commissioner for Facilities, reported that staff had approved the following small capital projects costing less than \$500,000 since the last report:

From ORM (Office of Risk Management) Funds:

LSU Ag Center Iberia Research Station, Hurricane Gustav Repairs - Louisiana State University Agricultural Center \$200,000 from ORM (Office of Risk Management).

From Auxiliary Funding:

College of Engineering Chevron Visualization Lab - Louisiana State University and A&M College \$200,700 from auxiliary funds.

Grace King Hall Roof Project for Residential Life - Louisiana State University and A&M College \$195,000 from auxiliary funds.

Kirby Smith Hall Select Demolition Project - Louisiana State University and A&M College \$435,000 from auxiliary funds.

Taylor Hall Bathroom Renovations - Louisiana State University and A&M College \$370,000 from auxiliary funds

Highland Hall Bathroom Renovations - Louisiana State University and A&M College \$390,000 from auxiliary funds.

Highland Hall Roof Replacement - Louisiana State University and A&M College \$400,000 from auxiliary funds.

Beauregard Hall Bathroom Renovations - Louisiana State University and A&M College \$370,000 from auxiliary funds.

Herget Hall Roof Replacement - Louisiana State University and A&M College \$413,000 from auxiliary funds.

From Other Funds:

Sea Grant BiValve Hatchery: Operations Center Construction - Louisiana State University and A&M College

\$280,000 from other funds (cash from grant cost recovery).

From Private Donations:

Lab School Band and Choir Renovations - Louisiana State University and A&M College

\$425,000 from private donations.

From Building Use Fees:

Peltier Hall - Lobby and Entrance Way Renovations - Nicholls State University

\$310,000 from Building Use Fee.

Pursley Hall DDC Control System - Southeastern Louisiana University

\$394,000 from Building Use Fee.

From State Funds:

Purchase and Resurface Downtown Parking Lot - Southern University at Shreveport

\$300,000 from State funds.

After discussion:

On motion of Regent Klein, seconded by Regent Stelly, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, unanimously approved the Small Capital Projects Report as presented by staff.

FY 2011-2012 CAPITAL OUTLAY BUDGET RECOMMENDATION

Staff presented its recommendation for the FY 2011-2012 Capital Outlay Budget Recommendation. It indicated that it had downsized the scope of the request in response to state budget concerns, and had emphasized the development of community and technical colleges in response to the shift in the educational process in that direction. Staff acknowledged that there is general understanding regarding the motivation for this approach to capital outlay at this time among the systems and institutions.

Staff indicated that last year, the recommendation had dropped from a first year request of approximately \$620 million and a total funding implication of \$1.4 billion down to a first year request of \$524 million with total implication of \$1.2 billion. This year, the request is further reduced to a first year amount of \$399 million, and total implication of \$598 million, a reduction of approximately 50%.

After discussion:

On motion of Regent D'Aquin, seconded by Regent Labat, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, **unanimously approved the FY 2011-2012 Capital Outlay Budget Recommendation as presented by staff.**

ACT 971 PROJECTS

Staff presented accounting sheets for seven institutions having funding remaining unexpended and unencumbered from FY 2009-2010 operating budgets. The institutions include Grambling State University (\$221,237), Northwestern State University (\$2,375), Southeastern Louisiana University (\$5,892), the University of Louisiana at Monroe (\$10,348), Southern University and A&M College (\$10,750), the Southern University Law Center (\$85,807), and Southern University in New Orleans (\$125,849). Staff indicated that funding from previous years not utilized was carried forward into the current year, and that the intended projects appeared to be in order. In addition, the GRAD act may override Act 971.

After discussion:

On motion of Regent Durbin, seconded by Regent D'Aquin, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, **unanimously approved the Act 971 projects as submitted by staff.**

INTERIM EMERGENCY BOARD REQUESTS

Staff presented five requests from institutions to seek funding for various emergency projects from the IEB (Interim Emergency Board). The projects are as follows:

Baton Rouge Community College - Replacement of the deteriorated roof at the Frazier campus of Baton Rouge Community College. Existing roof has outlived its useful life and leaks. Cost is estimated at \$480,000.

Grambling State University - Correction of water intrusion deficiencies at the library. Project will also be submitted in capital outlay. Ankle deep water in the lower floor is clearly unacceptable. Initial costs are estimated at \$200,000.

Louisiana Technical College Lafayette Campus - Replacement of the HVAC system. This project will be submitted in capital outlay in case IEB funding does not materialize. This system could fail at any time, and would close the campus completely. Cost is estimated at \$2,606,000.

Nicholls State University - Replacement of the elevator and elevator shaft at Guidry Stadium. Involves safety violations and structural issues. Engineering analyses indicate significant cracking of the concrete block outer shell and possible deterioration of the structural steel frame within the shell. Cost is estimated at \$1,300,000.

Louisiana State University at Alexandria - Replacement of fiberoptic cabling and relate equipment throughout the campus. The existing system was installed by campus personnel in the 90's. Relevant equipment was last purchased in 2004-05 but beginning in 2011, the manufacturer (CISCO) will stop supporting system switches of that vintage. IP v6 will introduce a new addressing structure but current equipment will not support that system. Campus cable network layout is from one building to the next rather than emanating from a central hub to each building, another shortcoming. Cost is estimated at \$2,582,640.

After discussion:

On motion of Regent Stokes, seconded by Regent Stelly, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, unanimously approved the request by five institutions to seek IEB (Interim Emergency Board) funding for emergency projects as presented by staff.

PROJECT UTILIZING ALTERNATIVE MEANS OF FINANCING

The University of Louisiana System requested consideration of a project to provide its students new, modern residential life facilities at the University of Louisiana at Lafayette. Dr. E. Joseph Savoie, President of the UL Lafayette, presented information on the project. Ambling Corporation, the housing services provider selected by the institution and corporation to carry out the project, was represented by Mr. Jeremy Doss. They indicated the project is to be multi-phased and will provide a new housing complex, a parking garage, the demolition of old substandard housing, and the construction of an additional housing complex. Also included in the project is the refinancing of existing housing to take advantage of historically low interest rates. The project follows the traditional lease-leaseback model in that it will lease property and existing relevant facilities to a 501(c)(3) corporation. The corporation will finance, design, and build the facilities and then lease them back to the institution. Rental income will be use to pay for the leaseback, and the corporation will amortize the debt and operate and maintain the facilities with the income.

The project has the potential to reach a total of \$100 million in cost. President Savoie pointed out that a nationally recognized consulting firm determined the viability of the project, even in the current economy. He continued that existing housing has been singled out nationally as unacceptable, a fact that severely affects recruiting and retention.

Staff confirmed that no state funds are to be used in the project.

After discussion:

On motion of Regent Stokes, seconded by Regent D'Aquin, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, unanimously approved the project for Student Housing Renovations and Expansion at the University of Louisiana at Lafayette. The project is to be performed utilizing alternative means of financing and is projected to cost approximately \$100 million. No state funds are to be used in the project.

ACT 959 PROJECT

Staff presented a request from the Louisiana State University System to update Kirby Smith Hall at Louisiana State University and A&M College. The facility, formerly a high-rise dormitory which in recent years has been partially closed and is no longer used for residential life, will again be pressed into service to house the overflow of students requesting on-campus housing. Staff indicated that the project, estimated to cost approximately \$1,700,000, will renovate the existing 83,270 GSF facility to permit housing until such time as more modern facilities come on line two years from now.

After discussion:

On motion of Regent Levy, seconded by Regent Klein, the Board of Regents, acting as a committee of the whole on behalf of the Facilities and Property Committee, unanimously approved the project to renovate Kirby Smith Hall at LSU and A&M College to provide on-campus housing in response to increased demand and housing shortages. The project is estimated to cost \$1,700,000 and will be performed under the provisions of Act 959 of 2003.

LEASE

Staff presented a request by the Louisiana State University System on behalf of Louisiana State University and A&M College to lease a parcel of land adjacent to the existing blowout school on Gourrier Lane to PERTT Lab, LLC. PERTT is company formed by the LSU Property Foundation. It's purpose is to construct a new 4,000 SF Petroleum Research and Technology Transfer Laboratory which will house equipment used for research on borehole technology and blowout prevention. The project will cost approximately, \$750,000 from private donations.

After discussion:

On motion of Regent Stelly, seconded by Regent D'Aquin, the Board of Regents, acting as a committee of the whole on behalf of the

Facilities and Property Committee, unanimously approved the lease of a parcel of land to PERTT Lab, LLC for the purpose of constructing and operating a 4,000 GSF Petroleum Research and Technology Transfer Laboratory. Cost of the project is estimated at \$750,000 and will come from private donations.

OTHER BUSINESS

ADJOURNMENT

There being no further business, the Facilities and Property Committee was adjourned at 3:10 p.m.

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