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FACILITIES AND PROPERTY COMMITTEE

Wednesday, May 26, 2004

The Facilities and Property Committee met on Wednesday, May 26, 2004 at 10:20 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Frances Henry called the meeting to order. The roll was called and a quorum was established.

COMMITTEE MEMBERS PRESENT

Frances Henry, Chair
William D. Blake, Vice Chair
Stanley J. Jacobs
William A. Oliver
W. Clinton Rasberry, Jr.
Virgil Robinson, Jr.
William Clifford Smith
Walter Guidry, Jr.
Jimmy Long
John Delaney

OTHER BOARD MEMBERS PRESENT

Scott Brame
Richard E. D'Aquin
Artis L. Terrell, Jr.

COMMITTEE MEMBERS ABSENT

Robert W. Levy
Pat A. Strong
Louis Lambert

STAFF MEMBERS PRESENT

Rich Griswold
Donnie Vandal
Louise Moore

GUESTS PRESENT

Appendix A

SMALL CAPITAL PROJECTS REPORT

Mr. Rich Griswold, Associate Commissioner for Facilities, reported that staff had approved six small capital projects costing less than \$350,000 since the previous report on April 22, 2004:

Louisiana State University and A&M College

Burden Oak Parking Lot - (Reapproval)
\$343,400 in Auxiliary Funds

Northwestern State University

Dorm Room Smoke Detectors
\$175,000 from Other - Self-Generated Funds

Resident/Commuter Lot Overlay Project
\$225,000 from Vehicle Registration Fees

Installation of Water, Sewer, Fire Protection for Development of Organizational Row
\$225,000 from Land Sale

Delgado Community College

Communication Department Relocation
\$172,000 in State Funds

Relocation of IT Department to Building 10
\$346,000 from State Funds

After discussion, the Facilities and Property Committee took the following action:

On a motion of Regent Robinson, seconded by Regent Smith, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the small capital projects report as presented by staff.

CAPITAL OUTLAY STATUS REPORT

Mr. Donnie Vandal, Deputy Commissioner for Administration, discussed an article in the May 25, 2004 issue of The Advocate concerning Louisiana's bond debt limits. He indicated the administration may seek to increase the statutory limits in future years to provide more funding for

needed projects.

Mr. Griswold provided a status report on House Bill #2 (Capital Outlay.) He indicated that the bill had been reported with amendments out of the House Ways and Means Committee on Thursday, May 20, 2004, and out of the House Appropriations Committee on May 25, 2004. His status report highlighted the changes that affect post-secondary education projects.

AMENDMENTS TO CAPITAL OUTLAY BUDGET RECOMMENDATION for FY 2004-

2005

Mr. Griswold informed the Committee that the University of Louisiana System had, on behalf of the University of Louisiana at Monroe, requested that the Renovation of Sandal Hall be combined with the Academic Services Renovation project. Combining the projects would provide a “one stop student services complex.” The combined project would increase in cost by \$500,000 from Self-Generated sources over the cost of the Sandal Hall Renovation project alone.

After discussion:

On motion of Regent Oliver, seconded by Regent Blake, the Facilities and Property Committee unanimously recommended that the Board of Regents amend its FY 2004-2005 Capital Outlay Budget Recommendation to combine the Renovation of Sandal Hall and the Academic Services Center Renovation at the University of Louisiana in Monroe. The new budget for the project is \$8,830,000 including \$500,000 provided by the institution from Self-Generated sources.

Mr. Griswold reported that the Southern University System had requested an amendment for the budget of the Cultural and Heritage Center to be built on the campus of Southern University and A&M College. He indicated that input from the Harding Boulevard Improvement project and State Historic Preservation interests had resulted in a cost escalation from \$1,296,000 to \$2,500,000.

However, additional self-generated funding had been identified to cover that increase.

After discussion:

On motion of Regent Blake, seconded by Regent Rasberry, the Facilities and Property Committee unanimously recommended that the Board of Regents amend its FY 2004-2005 Capital Outlay Budget Recommendation to increase the budget of the Cultural and Heritage Center at Southern University and A&M College from \$1,296,000 to \$2,500,000, utilizing self-generated funding sources.

PROJECTS UTILIZING ALTERNATIVE MEANS OF FINANCING

Next, staff presented a request by the University of Louisiana System that would combine two previously approved projects for the purpose of funding only. The 3rd party housing project at the University of Louisiana in Monroe, approved by the Board at \$63,500,000 in February 2004, and the Student Union Renovation, included in the FY 2004-2005 Capital Outlay Budget Recommendation at \$4,489,560, would be financed together, saving an estimated \$150,000.

After discussion:

On motion of Regent Blake, seconded by Regent Oliver, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the request to combine, for the purpose of financing only, the projects to construct housing utilizing alternative means of financing and to Renovate the Student Union Building on the campus of the University of Louisiana in Monroe.

ACT 959 PROJECTS

Staff presented two projects to be constructed under the provisions of Act 959 of 2003:

Louisiana State University and A&M College
Student Health Center Second Floor Renovation
\$575,000 from Self-Generated Funds

Warehouse and Drive/Parking Infrastructure

\$760,000 from Self-Generated Funds

After discussion:

On motion of Regent Robinson, seconded by Regent Rasberry, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the Act 959 projects as presented by staff.

LEASES

Mr. Griswold made a brief presentation on the use of statistical data relating to institutional utilization of classroom and laboratory space as a mechanism for determining which institutions have sufficient space, or those that need additional space.

Then, Mr. Griswold presented a request by the Louisiana Community and Technical College System to enter into a lease with A & T Enterprises, Inc. on behalf of River Parishes Community College for up to 12,000 GSF of additional classroom and office space on campus. He reiterated the terms of the original and subsequent lease, and indicated the new lease would be executed under the same terms and provisions. The one year costs that must be added to the operating budget of the institution amount to \$140,000 for the rental of the new building, approximately \$60,000 to operate the space, and \$218,364 for movable equipment. Trailing years would cost in the area of \$200,000 per year for rent and operations.

Mr. Vandal indicated that a source of funding had been identified for the first half year. Since the facility will not be ready for occupancy until half-way through FY 2004-2005, the institution agreed that funding in the amounts of \$70,000 for rent, \$30,000 for operation of the space, and \$125,000 for movable equipment would suffice.

Mr. Griswold said he had twice visited the campus to view conditions first hand during his evaluation of the project and observed a need for additional space. He continued by presenting statistical data to support the need for additional space.

After discussion:

On motion of Regent Rasberry, seconded by Regent Robinson, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the lease of up to 12,000 GSF of new classroom and office space at River Parishes Community College from A & T Enterprises, Inc., utilizing the same terms and conditions as in the original 1999 lease for the institution.

Staff presented a request by the Louisiana Community and Technical College System to lease four acres of waterfront property, including 200 linear feet fronting Bayou Boeuf for use by the Young Memorial Technical College campus of the Louisiana Technical College. The institution's Marine Operations Department currently conducts thirty-one Coast Guard related courses, with three more pending approval in Washington, D. C. The lease with the H B Young Foundation will cost \$25,000 per year for a term of five years, renewable for additional five-year terms with rental increasing \$5,000 for each additional term. The Foundation has agreed to donate \$200,000 for the construction of a bulkhead on the shoreline.

After discussion,

On motion of Regent Rasberry, seconded by Regent Jacobs, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the leasing of approximately four acres of property with 200 linear feet fronting Bayou Boeuf from the H B Young Foundation at a cost of \$25,000 per year for a term of five years with options to renew for additional five-year terms for use in Marine Operations education by the Young Memorial Technical College campus of the Louisiana Technical College. Approval is based on the provision that the H B Young Foundation donate \$200,000 to bulkhead the shoreline.

The Louisiana State University System, on behalf of Louisiana State University at Alexandria, has requested that it lease the LSU-A Bookstore to Follett Higher Education Group, Inc. for the

purpose of outsourcing the operation of the bookstore. The lease involves 4,527 GSF that will be improved by Follett for their operations at a cost of \$175,000. The term of the lease is for five years with one option to renew for an additional five years. Follett will pay the larger of an annual base rent of \$150,000 for years one through five, and \$175,000 for years six through ten, or 9.2% of gross sales up to \$1,500,000, plus 9.7% of gross sales from \$1,500,000 to \$3,000,000, plus 10.2% of gross sales in excess of \$3,000,000. Follett will provide a bookstore management trainee and student intern program for LSU-A students and pay \$10,000 toward the cost of bookstore related hardware associated with LSU-A's future one-card system.

After discussion:

On motion of Regent Oliver, seconded by Regent Blake, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the request by the Louisiana State University System to lease 4,527 GSF of space at LSU at Alexandria to Follett Higher Education Group, Inc., provided that Follett make improvements at a cost of approximately \$175,000 and operate the premises as a bookstore. Term of the lease is for five years, renewable for one additional five year term. Follet will pay rental amounting to the larger of \$150,000 for years one through five and \$175,000 for years six through ten, or 9.2% of gross sales up to \$1,500,000, plus 9.7% of gross sales from \$1,500,000 to \$3,000,000, plus 10.2% of gross sales in excess of \$3,000,000, and other minor considerations identified by contract. Approval by the Board of Regents is contingent upon approval by the Louisiana State University Board of Supervisors at a subsequent meeting.

ADJOURNMENT

There being no further business, the May 26, 2004 meeting of the Facilities and Property Committee adjourned at 11:05 a.m.