

AGENDA

II. PROPERTY AND FACILITIES COMMITTEE

August 18 and 19, 2005

Board Room

Mr. Francis M. Gowen, Jr., Chair
Mr. Marty J. Chabert, Vice Chair
Mr. Charles V. Cusimano
Mr. Louis J. Lambert
Mrs. Dorothy Reese
Mr. James P. Roy
Mr. Charles S. Weems, III

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Property and Facilities Committee

Item 1: Recommendation to grant preliminary approval to construct student residences on the campus of LSU at Alexandria.

Executive Summary

LSU at Alexandria ("LSUA") desires to obtain student housing on its campus. There is no student housing presently on campus, and preliminary student surveys conducted by LSUA have indicated a strong interest in student residences.

The LSUA Foundation ("Foundation") has offered to assist LSUA by obtaining a market-study to determine the feasibility of such student housing and by soliciting proposals from qualified developers and underwriters with the objective of completing a 250 bed facility by the fall of 2007.

The Foundation or another entity related to the Foundation or an unrelated entity recognized by the LSU Board will seek tax exempt bond financing through a conduit issuer with state-wide issuing authority or other financing arm of the State of Louisiana for the design, construction and equipping of the facilities. Upon completion, the facilities will be leased to the Board of Supervisors for the benefit of LSUA.

The first phase in this project is to (a) obtain a housing market study to be performed by Anderson Strickler, L.L.C., a well respected national educational real estate consultant and (b) dependent upon the favorable results of the market study and the feasibility of the project on the LSUA campus, issue the request for proposals for a design-build team from among the national university housing developers (the "RFP"). LSUA and the Foundation will jointly prepare the RFP, the Foundation will issue the RFP, and LSUA and the Foundation will jointly evaluate the proposals and select the developer. At a later date, LSUA will seek the approval from the Board of Supervisors for the second phase of this project, being the contract with the developer to proceed with the design and construction of the facilities, the lease of the site for this purpose, and the approval of the architectural plans and specifications.

In order to confirm LSUA's intention and to provide the Foundation with the authority to issue the RFP should the Anderson Strickler market study be favorable and the feasibility of the project on the LSUA campus be favorable, LSUA requests that the Board of Supervisors grant preliminary approval of this project and authorize the issuance of the RFP by the Foundation.

Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

"NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby grant preliminary approval for the construction of student residence facilities at LSU at Alexandria and, dependent upon the favorable results of the market study for student housing on the LSU at Alexandria campus and the feasibility of the project on the LSU at Alexandria campus as determined by the President of the LSU System and LSU at Alexandria, the Board of

Supervisors does hereby grant approval for the LSUA Foundation, an organization recognized by this Board, to issue a request for proposals for the purpose of selecting a developer for the design, construction and equipping of the student residence facilities.

BE IT FURTHER RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that, once the requests for proposals have been evaluated, a developer selected, and the feasibility of the project has been determined, LSU at Alexandria will request that the Board of Supervisors authorize a lease of an appropriate site to the LSUA Foundation or another entity related to the Foundation or an unrelated entity recognized by this Board, which approval shall be contingent upon approval of the project costs and financing and the plans and specifications for the proposed construction.”

Property and Facilities Committee

Item 2: Recommendation to approve the lease of lands at UNO for the construction of student residence facilities and a leaseback of the facilities to LSU Board of Supervisors for operation and maintenance.

Executive Summary

At its meeting of April 1, 2005, the Board gave preliminary approval for the construction of residence facilities on the UNO Campus and approved the issuance of a request for proposals by the University of New Orleans Research & Technology Foundation, Inc. ("Foundation") for a design build firm. The Foundation and UNO jointly prepared the RFP. The Foundation issued the RFP and received six competitive proposals from national student housing developers. The proposals were reviewed by a University Committee and the Foundation staff, and American Campus Communities was unanimously selected to design, construct and equip the student residence facilities on a turn-key basis. The Foundation concurred in the selection. American Campus Communities met the requirements of the RFP and proposed the most functional and attractive design and also the lowest price. The RFP required compliance with the University design standards in general and for steel frame and brick or masonry construction in particular.

Since the new 749 bed complex will provide updated housing to the UNO Campus and will serve to replace the 612 bed complex of Bienville Hall constructed in the 1960's, UNO is confident that the demand for the new complex will be sufficient to cover the lease payments. These assumptions were supported by an Anderson Strickler (national college and university real estate analyst) study. Since the demand for the facilities was adequate and the University desired to operate the complex itself, the lease of the completed facilities to the Board from the Foundation provides the maximum benefit to UNO.

The methodology chosen for the transaction is the most common method for construction of privatized housing projects by colleges and universities in the U.S. because it provides the following benefits:

- Competition among the very active and highly competitive student housing development firms at the national level;
- Involvement of the selected expert national student housing design-build firm to develop the project;
- A guaranteed maximum price, developer-at-risk contract that provides penalties for failure to complete the housing (developer responsible for providing substitute housing);
- Tax exempt, fixed rate financing through the LPFA at the lowest possible rates because of the strength in the financial markets of the Board's lease; and
- Operation of the facility by the University and all revenues from the facility flowing to the University to support its services and programs, i.e., no sharing of any net revenues with a developer/operator.

UNO now seeks approval from the Board of Supervisors for the second phase of this project, i.e.,

- Lease of the property on the UNO Campus to the Foundation for the purposes of construction of the student housing complex (“Ground Lease”).
- The project design and site plan (“Plans and Specifications”).
- The Foundation contracting with American Campus Communities for the design, construction and equipping of the student housing complex.
- The encumbering of the complex by the Foundation entering into a loan agreement with the Louisiana Public Facilities Authority to obtain the proceeds of the revenue bonds issued by the LPFA to finance the project.
- The leasing by the Board of the completed student housing complex and the leaseback of the property from the Foundation (“Facilities Lease”) for the benefit of UNO

The proposed cost of this project is 35,000,000, and the Foundation is seeking approval from the LPFA to issue bonds to finance this project. The rent stream will service the Foundation’s debt obligation under the bonds.

Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

“NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize William L. Jenkins, President of the Louisiana State University System, or his designee, to negotiate and enter into (a) a ground lease for approximately 6.5 acres of land on the University of New Orleans campus to the University of New Orleans Research and Technology Foundation, Inc., for a period of forty (40) years, for the purpose of designing, constructing, furnishing and equipping student residence facilities at the University of New Orleans, and (b) upon the completion of said facilities, a lease of the land and the facilities from the Foundation to the Board of Supervisors, for the benefit of the University of New Orleans.

BE IT FURTHER RESOLVED that the project design and the site plan attached to the ground lease to the Foundation are hereby approved.

BE IT FURTHER RESOLVED that William L. Jenkins, President, or his designee, be and he is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to execute and deliver any and all documents, certificates and other instruments required in connection with the issuance of any revenue bonds to finance the construction of the student housing facilities and to include in such documents, certificates and other instruments such terms and conditions as he may deem wise and in the best interest of the Board of Supervisors.

BE IT FURTHER RESOLVED that Williams L. Jenkins, President, or his designee, be and he is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in the agreements authorized hereby such terms and conditions as he may deem wise and in the best interest of the Board of Supervisors.”

Property and Facilities Committee

Item 3: Recommendation to approve the 2006 Five-Year Capital Outlay Budget Request and First Year
Prioritized Categories for the Louisiana State University System

“NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that the following list of projects to be submitted to the Division of Administration in accordance with Act 14 of the 1980 Session of the Louisiana Legislature is approved and,

BE IT FURTHER RESOLVED that William L. Jenkins, President of the Louisiana State University System, be and he is hereby authorized to make adjustments as necessary in this request as circumstances dictate, including technical corrections, increasing or decreasing the amount requested for individual projects by not more than twenty percent (20%) of the amount approved in this resolution, combining or renaming projects and/or changing sources of funds and to add self-generated projects with individual project costs of less than \$1 million without further approval by the Board, provided, however, that such project additions be reported to the Board.

LOUISIANA STATE UNIVERSITY SYSTEM

**CAPITAL OUTLAY NEEDS
 2006 – 2007 THROUGH 2010 – 2011**

<u>CAMPUS</u>	<u>PROJECT</u>	<u>COST</u>
<u>LSU</u>		
E	Veterinary Medicine Roof Replacement & Facility Repairs	\$ 5,000,000
SG	Student Union Additions & Renovations	\$ 48,850,000 ^a
SG	Parking Facilities	\$ 22,600,000 ^b
SG	New Alex Box Stadium	\$ 23,500,000 ^c
SG	Laville Honors College Renovations & Additions	\$ 24,375,000 ^d
SG	Residential College One	\$ 28,814,666 ^e
SG	Kirby Smith Hall Renovations & Additions	\$ 27,400,000 ^f
SG	Athletic Facilities & Enhancements	\$ 15,000,000
SG	University Laboratory School, Renovation & Classroom Addition	\$ 5,000,000
SG	Residential Life – Code Upgrades	\$ 4,500,000
1	College of Engineering – Engineering Lab Annex	\$ 1,508,961 ^g
2	Choppin Hall Annex – Chemistry Laboratory Building	\$ 13,045,000 ^h
3	College of Engineering – Engineering Shop (Art Dept.)	\$ 9,409,959 ⁱ
4	College of Engineering – Chemical Engineering Building (SG/GOB)	\$ 23,823,343 ^j
5	Business Education Complex (50%SG / 50%GOB)	\$ 60,000,000
6	Howe-Russell Renovation	\$ 14,941,000
7	Atkinson Hall Renovation	\$ 11,660,000
8	Prescott Hall Renovation	\$ 8,475,000
9	Choppin Hall Renovation	\$ 25,062,000
10	Allen Hall Renovation	\$ 9,837,000
11	Veterinary Medicine Large Equipment Replacement	\$ 2,500,000
12	Science & Instruction Building	\$ 25,000,000
13	H.P. Long Renovations	\$ 13,500,000
14	Energy, Coast & Environment Annex	\$ 34,000,000

15	CEBA, Renovations & Additions	\$ 39,000,000
16	Math and Lecture Hall	\$ 26,500,000

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<u>CAMPUS</u>	<u>PROJECT</u>	<u>COST</u>
<u>LSU continued</u>		
17	Center for Computing and Technology	\$ 35,000,000
18	Library Remote Storage Facility	\$ 2,000,000
19	Student Services Building	\$ 12,150,000
20	Human Ecology Addition	\$ 4,050,000
21	Foster Hall Renovation	\$ 13,500,000
22	Homeland Security Complex	\$ 1,750,000
23	Veterinary Medicine – Biomedical Research	\$ 1,850,000
24	Pleasant Hall Renovation	\$ 850,000
25	Foster Hall Addition	\$ 1,200,000
	Total	\$ 595,651,929

- a. Request includes the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- b. Request includes the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- c. Request is for the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- d. Request is for the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- e. Plus \$31,700,000 funded in Act 2 of 2004 for planning and partial construction.
- f. Request includes the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- g. Plus \$2,987,900 funded in Act 26 of 2005 for planning and construction.
- h. Plus \$1,750,000 funded in Act 26 of 2005 for planning. Request includes \$280,000 appropriated in Act 26 of 2005 but not funded as of this date.
- i. Plus \$256,000 funded in Act 26 of 2005 for planning.
- j. Plus \$881,000 funded in Act 26 of 2005 for planning.

LSU AGRICULTURAL CENTER

SG	EBR Parish Cooperative Extension Service Office Building	\$ 1,200,000
SG	Audubon Sugar Institute Bioprocessing & Milling Facilities	\$ 5,000,000 ^a
SG	Dairy Teaching/Research Facilities Relocation	\$ 5,000,000 ^b
SG	Hammond Experiment Station Office	\$ 500,000
1	Animal & Food Science Facilities Renov. & Modern. – Ph I	\$ 4,725,000 ^c
2	Animal & Food Science Facilities Renov. & Modern. – Ph II	\$ 11,581,000 ^d
3	Animal & Food Science Facilities Renov. & Modern. – Ph III	\$ 9,300,000
4	Animal & Food Science Facilities Renov. & Modern. – Ph IV	\$ 6,450,000
5	Biological & Agricultural Engineering Building	\$ 9,800,000
6	Greenhouse Facilities Relocation & Departmental Renov.	\$ 10,000,000
7	Research Support Facilities/Solid Waste Mgmt. Facilities	\$ 1,760,000
8	Shop & Storage Buildings Replacement	\$ 780,000
9	Distance Learning Center & Regional Office	\$ 900,000
10	Animal & Food Science Facilities Renov. & Modern. – Ph V	\$ 5,650,000
11	Parker Coliseum Renovations	\$ 20,040,000

12	4H Educational Center		\$ 15,000,000
		Total	\$ 107,686,000

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- a. Request is for the amount appropriated in Act 26 of 2005 payable from Federal Funds for planning, construction and equipment but not funded as of this date.
- b. Request is for the amount appropriated in Act 26 of 2005 payable from Federal Funds for planning, construction and equipment but not funded as of this date.
- c. Plus \$300,000 funded in Act 22 of 2001 for planning; \$975,000 funded in Act 2 of 2004 for planning of Phase II and the Ag Center Master Plan. Request includes \$3,700,000 appropriated in Act 26 of 2005 but not funded as of this date.
- d. Request includes the amount appropriated in Act 26 of 2005 but not funded as of this date.

LSU AT ALEXANDRIA

E	Bolton Library Water Damage & Mold Remediation	\$ 315,000 ^a
E	Elevated Water & Ground Tanks	\$ 671,000
SG	Renovations & Additions to the Student Center	\$ 2,117,180 ^b
SG	New Student Housing	\$ 9,112,500
1	Multi Purpose Academic Center	\$ 13,700,837 ^c
2	Library Flooring Asbestos Abatement & General Renovation	\$ 738,000
3	Education Building	\$ 5,829,192
4	Phase One Campus Parking	\$ 5,496,000
5	Drainage Outfall Improvements	\$ 892,500
6	Network & Telephone Cabling Infrastructure	\$ 2,040,000
	Total	\$ 40,912,209

- a. Request includes the amount appropriated in Act 26 of 2005 for planning and construction but not funded as of this date.
- b. Request is for the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.
- c. Plus \$950,000 funded in Act 26 of 2005 for planning. Request includes the amount appropriated in Act 26 of 2005 for construction & equipment but not funded as of this date.

LSU AT EUNICE

1	Classroom/Community Education Building	\$ 8,566,106 ^a
2	Science Building Renovation	\$ 5,886,000
3	Physical Plant/Central Receiving Facility	\$ 2,500,000
	Total	\$ 16,952,106

- a. Request includes \$630,000 appropriated in Act 26 of 2005 for planning but not funded as of this date.

<u>CAMPUS</u>	<u>PROJECT</u>	<u>COST</u>
<u>LSU IN SHREVEPORT</u>		
SG	Student Recreation Center & University Center Renovation	\$ 8,100,000 ^a
1	Land Acquisition	\$ 3,917,000
2	Bronson Hall Renovation	\$ 7,502,716
3	Student Intramural - Athletic Facilities	\$ 1,942,120
4	Radio Station Building (SG/GOB)	\$ 1,235,000
5	College of Ed. Human Development Building	\$ 9,390,000
6	Drainage Canal Improvements & Development	\$ 5,400,000
7	Mass Communications, Fine Arts & Performing Arts Building	\$ 47,100,000
8	Science Lab. & Red River Watershed Management Institute Bldg.	\$ 12,520,000
9	Special Events Center	\$ 43,200,000
	Total	\$ 140,306,836

- a. Request is for the amount appropriated in Act 26 of 2005 payable from Revenue Bonds for planning and construction but not funded as of this date.

UNIVERSITY OF NEW ORLEANS

E	HTHW Emergency Distribution System Phase II	\$ 2,482,800 ^a
E	Electrical System Upgrade	\$ 4,355,080 ^b
SG	New Student Union	\$ 53,044,000 ^c
SG	Campus Parking Facilities	\$ 1,143,000 ^d
SG	Campus Parking Garage	\$ 13,361,200
SG	Affinity Housing	\$ 14,375,000
SG	Building 16 Renovation	\$ 2,220,960
1	Library 4 th Floor Completion Information Resource Center	\$ 4,854,393 ^e
2	New Fine Arts Building	\$ 15,350,000
3	Science Building Renovations	\$ 12,343,168
4	Business Administration Building Renovations	\$ 9,278,788
5	Acquisition of Land and Improvements	\$ 4,218,240
6	Central Utilities Plant Additions/Improvements	\$ 16,270,000
7	Liberal Arts Building Renovations	\$ 10,600,000
8	Student Housing Demolition	\$ 2,000,000
9	Student Services Building Renovation (former UC)	\$ 14,800,000
10	Information Technology Building	\$ 20,167,406
11	Administration & Annex Building Renovations	\$ 5,034,604
12	Education Building Renovation	\$ 8,808,472
	Total	\$ 214,707,111

- a. Plus \$2,595,000 funded in Act 2 of 2004 for planning and partial construction.
- b. Plus \$1,835,000 funded in Act 26 of 2005 for planning and partial construction.
- c. Request includes the amount appropriated in Act 26 of 2005 payable from self-generated revenues for planning and construction but not funded as of this date.
- d. Request includes the amount appropriated in Act 26 of 2005 for planning and construction payable from Revenue Bonds but not funded as of this date.

e. Plus \$270,000 funded in Act 2 of 2004 for planning.

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<u>CAMPUS</u>	<u>PROJECT</u>	<u>COST</u>
<u>LSU HEALTH SCIENCES CENTER – NEW ORLEANS</u>		
1	Dental School HVAC & Electrical Infrastructure Project	\$ 3,408,000
2	Renovation of Medical School Building	\$ 3,525,305
3	Medical School Education/Research Building	\$ 67,586,069
	Total	\$ 74,519,374
<u>LSU HEALTH SCIENCES CENTER – SHREVEPORT</u>		
E	Replacement of Functionally Obsolete Hospital Equipment	\$ 6,467,658
1	Hospital Diagnostic Support Service Renovation	\$ 10,480,695
2	Intensive Care Modernization	\$ 15,643,075
3	Rehabilitation and Nephrology Units	\$ 5,388,500
4	Comprehensive Care Center (E.A. Conway)	\$ 5,247,750
5	Clinical & Research Institute	\$ 58,000,000
6	Warehouse Relocation	\$ 3,000,000
7	Neuroscience Center (Hospital Expansion)	\$ 19,000,000
8	Library Expansion	\$ 2,400,000
	Total	\$ 125,627,678
<u>PENNINGTON BIOMEDICAL RESEARCH CENTER</u>		
1	Infrastructure Upgrade Projects	\$ 5,547,831
2	Expansion of Comparative Biology Building	\$ 16,156,800
3	New Clinic Research Building	\$ 21,059,528
4	Construct New Implement Storage & Grounds Maint. Bldg.	\$ 1,020,600
	Total	\$ 43,784,759
<u>LIFE SAFETY PROJECTS</u>		
	LSU Health Sciences Center, New Orleans	\$ 1,480,000
	LSU Health Sciences Center, Shreveport	\$ 1,400,400
	Total	\$ 2,880,400

MAJOR REPAIRS

LSU Health Sciences Center, New Orleans	\$ 5,802,000
LSU Health Sciences Center, Shreveport	<u>\$ 20,311,000</u>
Total	\$ 26,113,000

AMERICAN WITH DISABILITIES ACT PROJECTS

LSU Health Sciences Center, New Orleans	\$ 6,280,000
LSU Health Sciences Center, Shreveport	<u>\$ 1,815,000</u>
Total	\$ 8,095,000

TOTAL OF ALL CAMPUSES **\$ 1,397,236,402**