

AGENDA

II. PROPERTY AND FACILITIES COMMITTEE

July 7 and 8, 2005

Conference Center (G-221)
LSU Health Sciences Center in Shreveport

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 acknowledge that the Multi-Purpose Academic Center at Louisiana State University at Alexandria is in general compliance with the Campus Design Guidelines

Executive Summary

The new three-story Multi-Purpose Academic Center will provide approximately 80,000 square feet of classroom, office and support space for the Departments of Arts, English, Humanities, Mathematics, and Behavioral & Social Sciences. The project will also include a Black Box Theater and a 350 seat auditorium.

The estimated cost of construction is approximately \$9,900,000. The architectural firm of Ashe, Broussard & Weinzettle will present the project to the Board of Supervisors.

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 acknowledge that the Multi-Purpose Academic Center to be constructed at Louisiana State University at Alexandria is in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the Assistant Vice President and University Architect, or his designee.

BE IT FURTHER RESOLVED that any substantial changes in project design or budget will be brought back to the Board for approval.”

Property and Facilities Committee

Item 2: Recommendation to terminate the October 29, 1975 lease with St. Tammany Parish, transfer the ownership and management of the livestock facilities to the Parish, including the improvements to the facilities currently under construction, and reserve annual use of the facilities for events to be organized and conducted by the LSU Agricultural Center

Executive Summary

Since October 29, 1975, the LSU Agricultural Center has leased the property and managed the two buildings owned by LSU at the St. Tammany Parish Fairgrounds in Covington, Louisiana. Throughout the years, certain additional buildings have been erected on the property which are not owned by the LSU Ag Center. The transfer of Ag Center buildings to St. Tammany Parish will better facilitate coordination of maintenance and operation for all parties.

Currently, construction of a new livestock show facility is underway at the Fairgrounds. There are additional capital outlay needs for the facility and St. Tammany Parish would be in a better position to fund the expansion of the facility with ownership of the building. In order to alleviate the confusion over maintenance and upkeep for these facilities, as well as to ensure the responsibility for the facilities, LSU Ag Center would terminate the October 29, 1975 lease upon written notice to the Parish, in which event, under the terms of the lease, all improvements at the St. Tammany Parish Fairgrounds would revert to St. Tammany Parish. This would occur upon the conclusion of the current construction of improvements. The anticipated completion of construction is July 2005.

In consideration for the termination of the lease and subsequent transfer, LSU Ag Center would reserve annual use of the St. Tammany Parish Fairgrounds for the following Ag Center events at no cost to the Ag Center, namely:

- 1) St. Tammany Parish 4-H/FFA Parish Livestock Show
- 2) Southeast District Livestock Show
- 3) Northshore Spring Garden Show
- 4) St. Tammany 4-H Achievement Day
- 5) St. Tammany 4-H Camp (pick-up/drop-off only)
- 6) St. Tammany 4-H Pet Show
- 7) Swine Project Selection
- 8) Master Horseman Activities
- 9) Regional Short-Course Training
- 10) Other events as mutually agreed to by both parties

It is the intent of the LSU Ag Center that general services for these events, such as utilities, trash pick-up, etc., be provided by St. Tammany Parish at no cost to the Ag Center.

LSU Ag Center requests that the Board approve the termination of the October 29, 1975 lease and the transfer of the ownership and management of the facilities of the St. Tammany Parish Fairgrounds to St. Tammany Parish and allow the LSU Ag Center to reserve the facilities for annual use of specifically planned events.

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 terminate the October 29, 1975 lease with the St. Tammany Parish Police Jury, in which event all improvements at the St. Tammany Parish Fairgrounds would revert in ownership to St. Tammany Parish, and to negotiate and execute any ancillary agreements between the Board of Supervisors and St. Tammany Parish deemed necessary to effect this resolution.

BE IT FURTHER RESOLVED that said 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 reserve the St. Tammany Parish Fairgrounds for annual use by the LSU Ag Center for specifically named events and whatever other planned events the parties deem appropriate at no cost to the LSU Ag Center.

BE IT FURTHER RESOLVED that said 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 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 amend the February 24, 1997 lease with Compass Group USA, Inc., through its Chartwells Division, for the operation of dining services at Louisiana State University and Agricultural and Mechanical College

Executive Summary

In 1995, LSU engaged Fessel International to create a Dining Master Plan for the University. This plan determined that significant deficiencies existed in many areas including facilities and dining program options. Based on this information, LSU determined that it needed to evaluate what services the private sector could provide to the University. LSU issued a Request for Proposal (RFP) for Dining Services in 1996.

The University received three responses to the RFP and began negotiations with Compass Group USA, Inc. (Chartwells), the company who submitted the most advantageous proposal. In February 1997, the LSU Board of Supervisors approved a ten year Lease Agreement with Chartwells which provided the University with significant modifications to its aging facility infrastructure including improvements totaling \$5 million. A large percentage of these improvements were completed in the dining locations in the LSU Union.

Over the last eight years, Chartwells has made significant improvements and updates to the dining program. Some of these modifications include:

- Adding an Executive Chef and chef stations for display cooking in the dining halls
- Improving meal plan options by expanding service hours in the dining halls to provide continuous service from 7:00 a.m. – 9:00 p.m.
- Moving weekend meal plan service to the LSU Union which increased participation by more than 70,000 meals served per year
- Adding new dining concepts including Blimpies, Sushi, PJ's Coffee, CC's, Starbucks, and the Tsunami Restaurant in the Shaw Center for the Arts
- Adding new national and regional brands to the dining halls including Campbells, Kraft, Heinz, Edie's Ice Cream, Tony Chachere's, and Community Coffee
- Improving customer satisfaction scores by 12% to 15% over the last three years

In 2004, the University worked with Chartwells to update the Dining Master Plan and ensure compliance with the LSU Facilities Master Plan. H. David Porter and Associates prepared the plan.

LSU and Chartwells began discussions in 2004 regarding an extension to the current Lease Agreement which will expire in February, 2007. Based on these negotiations and consistent with the 2004 Dining Master Plan and the LSU Facilities Master Plan, LSU is requesting approval to extend the Lease Agreement by approximately fifteen years to June 30, 2022. The extension would provide the following benefits to the University:

- Require Chartwells to expend an additional \$13.4 million or a total of \$15.1 million on LSU dining facilities with more than \$10 million committed to the complete renovation of two dining halls. Each dining hall would have a convenience store option which would allow for expanded late night dining service to residential students.
- Create new dining locations in Middleton Library, the Design Building, CEBA, and Johnston Hall
- Provide improvements and expand offerings in existing locations such as the LSU Union and Foster Café
- Create an ongoing reserve fund for future improvements and replacement of equipment over the remainder of the term of the lease
- Provide commissions to the University which are similar to the commission

percentages in the original Lease Agreement.

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Chartwells has agreed to competitively bid contracts for all leasehold improvements and equipment with three quotes from vendors and obtain LSU's prior written approval of the contracts for the construction of those improvements and the acquisition of equipment.

Substantial investment will be made in the dining areas on the LSU campus, with \$5,461,156 in Lavoie Dining Hall; \$4,840,388 in the Pentagon Dining Hall; and \$3,282,320 in the LSU Union.

The outcomes achieved by the Third Amendment are consistent with LSU's Flagship Agenda and will help the University provide quality ancillary services and facilities that assist with the recruitment and retention of students. LSU requests that the Board approve the Third Amendment to the Lease Agreement, extending the term to June 30, 2022, in consideration of substantial improvements to the dining services on the LSU campus within the term.

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 enter into a Third Amendment to Lease Agreement, whereby the Board does amend the term of the February 24, 1997, lease with Compass Group USA, Inc. through its Chartwells Division, to and through June 30, 2022, in consideration of leasehold improvements made to the dining services on the campus of Louisiana State University and Agricultural and Mechanical College.

BE IT FURTHER RESOLVED that William L. Jenkins, President, or his designee, is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in the agreement 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 4: Recommendation to authorize a lease of space from LSU Health Sciences Foundation in Shreveport to house the Department of Oral and Maxillofacial Surgery and support staff for use by LSU Health Sciences Center in Shreveport

Executive Summary

LSU Health Sciences Center Shreveport is lacking sufficient facilities for providing services to its patient, faculty, staff, and visitors with regard to its program for oral and maxillofacial surgery and for supporting its academic pursuits for its faculty and students in this area. The LSU Health Sciences Foundation in Shreveport owns a parcel of land upon which it will construct, with donated funds from an outside source, a one story, 11,194 square foot medical and office facility on lands with sufficient parking to provide the needed facilities for the Department of Oral and Maxillofacial Surgery and supporting staff. The facility will cost approximately \$1.8 million and will provide a state-of-the-art facility for the department and its staff.

The Board of Supervisors, on behalf of LSU Health Sciences Center Shreveport seeks to lease the facilities for a term not to exceed 10 years, with three ten-year options to renew, and for a rental fee not to exceed a fair market rental per square foot. The landlord will pay all taxes, insurance, and will be responsible for all maintenance and repairs including but not limited to the roofing systems, heating and air conditioning systems, plumbing systems (including plumbing fixtures), sewerage disposal systems (including septic tanks) and electrical systems. At the end of the term, as extended, the Foundation will donate the building and land to the Board of Supervisors.

This lease may need regulatory approvals, including but not limited to approval by the Division of Administration pursuant to R.S. 39:1643, et seq..

Recommendation

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

“NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that William L. Jenkins, President of the LSU System, or his designee, is authorized by and empowered for and on behalf of the Board of Supervisors to negotiate, enter into and execute a lease with LSU Health Sciences Foundation in Shreveport, as the lessor, of the building located on a tract of land in the Northeast quarter of Section 11 and Northwest quarter of Section 12, Township 17 North, Range 14 West, Caddo Parish, Louisiana, at the physical address of 2730 Linwood Avenue, Shreveport, Louisiana, for the purpose of providing housing for the Department of Oral and Maxillofacial Surgery and its support staff at Louisiana State University Health Sciences Center in Shreveport,

BE IT FURTHER RESOLVED that William L. Jenkins, President of the LSU System, 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 said lease agreement any and all provisions and stipulations, including rental fee, that he deems wise and in the best interest of the Board of Supervisors, to approve the plans and specifications for the proposed improvements to the tract of land and building to be leased to the Board, and to take whatever action, with advice of counsel, that may be necessary to consummate this transaction, including but not limited to any and all regulatory approvals.

BE IT FURTHER RESOLVED that any and all lawful acts done and performed by William L. Jenkins, President of the LSU System, or his designee, on behalf of the Board of Supervisors of Louisiana State

University and Agricultural and Mechanical College in consideration of the authority hereby granted be, and the same are hereby ratified and confirmed.”