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Member

BOARD OF REGENTS

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FACILITIES AND PROPERTY COMMITTEE

June 23, 2010

The Facilities and Property Committee met on Wednesday, June 23, 2010 at 11:35 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Vice-Chair Victor T. Stelly called the meeting to order. The roll was called and a quorum was established.

COMMITTEE MEMBERS PRESENT

Victor T. Stelly, Vice Chair
Richard A. D'Aquin
Maurice C. Durbin
Robert W. Levy
Joseph C. Wiley
Demetrius Sumner
Walter Guidry
Winfred Sibille
Stevie Smith

COMMITTEE MEMBERS ABSENT

W. Clinton Rasberry, Jr., Chair
Roland M. Toups
LSU Representative

OTHER BOARD MEMBERS PRESENT

Charlotte A. Bollinger
Scott O. Brame
Donna G. Klein
Ingrid T. Labat
Mary Ellen Roy
Artis L. Terrell, Jr.

STAFF MEMBERS PRESENT

Rich Griswold
Louise Moore

GUESTS PRESENT

College Begins in Preschool

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:

Self-Generated Auxiliary Funds

Tiger Park - Training Room Addition and Ticket Booth - Louisiana State University
and A&M College \$425,000

Self-Assessed Student Fees

Park Place Apartment Parking - Louisiana Tech University
\$475,000

After discussion:

On motion of Regent D'Aquin, seconded by Regent Wiley, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the Small Capital Projects Report as presented by staff.

CAPITAL OUTLAY STATUS REPORT

Staff updated the Facilities and Property Committee on the status of House Bill No. 2 (the Capital Outlay bill). Mr. Griswold indicated that with the end of the session on June 21, 2010, the bill had been acted upon by the legislature and sent to the Governor for his consideration. Again, significant P-1 funding amounting to \$233 million was included for postsecondary education. Most of that was re-authorization of previously approved funding. Staff's assessment was that the administration was honoring commitments made on projects initiated and underway, but were initiating very few new projects. A status report was provided outlining the

current posture of the bill relative to the FY 2010-2011 Capital Outlay Budget Recommendation approved by the Board last October.

Staff also asked Mr. Lonnie Leger, representing LONI, to update the Committee on the status of federal funding to expand the statewide fiber optic cabling system. He indicated that approximately \$84 million was being provided for cable to some of the lesser served areas of the state. Although the project is considered capital outlay, it will be handled more like recent stimulus funded projects or FEMA projects under a blanket approval at the state Facility Planning and Control level.

PROJECTS UTILIZING ALTERNATIVE MEANS OF FINANCING

Staff presented a project to construct a Student Recreation Sports Complex at Nicholls State University. Dr. Nick Bruno, Vice President for Finance for the University of Louisiana System, reiterated the financing structure for projects that utilize alternative means of financing. Nicholls President Stephen T. Hulbert provided detailed information about the project. Miss Brittany Taraba, SGA president for Nicholls State University, spoke eloquently in revealing the students' perspective on the need for the project on campus. Mr. Mike Davis provided details of construction. The project provides for a 63,000 GSF building which includes basketball courts, fitness and aerobic areas, dressing rooms, racket ball courts, and other spaces for recreational activities. Also included are landscaping, parking, and outdoor fields. The facility is to be constructed on recently acquired land adjacent to the main campus and close to residential accommodations.

The project involves the leasing of the land to the Nicholls Facilities Corp, a 501(c)(3) corporation established to facilitate such projects to the benefit of the institution. That entity will administer the financing and construction process and upon completion, will lease the facility

back to the institution for its use. The facility will pay that leaseback from self-assessed student fees until the debt is retired. Interest rate on the financing is anticipated to be 5.72 % for a term not to exceed 31 years. Total cost of the project is estimated at \$17,716,930. Because some fees have already been collected, bonds sold will be limited to \$12,500,000. In general, the project has been downsized in deference to difficult economic times.

Students continue to enthusiastically support this facility despite the fact that other educational cost may continue to rise. It will undoubtedly attract and aid in retaining students to the institution. In addition, the bond market has improved, and contractor prices which increased dramatically in the post-Katrina era have abated.

After discussion:

On motion of Regent Levy, seconded by Regent D'Aquin, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the project for the Student Recreation Sports Complex at Nicholls State University utilizing alternative means of financing. The project will construct a 63,000 GSF building and related exterior work and is estimated to cost \$17,716,930.

INTERIM EMERGENCY BOARD REQUEST

Staff presented a request from the LSU System for consideration of their proposal to seek IEB approval to alter the scope of an existing project, the Renovation of the Engineering Laboratory Annex Building at LSU and A&M College. As originally confected nearly ten years ago, the project did not include reroofing. The project bid, and fortunately, came in under the budget. Meanwhile, the ten years has taken its toll on the roof of the building, and now, LSU is requesting that the scope of the project be updated to permit reroofing. The Interim Emergency Board is the appropriate avenue for

making this change in project scope according to Facility Planning and Control. The work is expected to cost a total of \$570,000 from funding already available in the project.

After discussion:

On motion of Regent Levy, seconded by Regent Wiley, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the LSU System request to seek approval from the Interim Emergency Board for a scope change on the project to renovate the Engineering Laboratory Annex at LSU and A&M College. The change in scope would permit reroofing of the existing building, something not deemed necessary when the project was initiated ten years ago. Funding in the amount of \$570,000 is available within the existing project funding structure due to lower than anticipated bids on other aspects of the project.

ADJOURNMENT

There being no further business, the Facilities and Property Committee was adjourned at 12:48 p.m.

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