

## Executive Summary

### **Facilities and Property October 26, 2017**

#### **Agenda Item VI.A**

#### **1. Consent Agenda (Small Capital Project Report)**

In accordance with the Facilities Policy, small capital project proposals are reviewed by staff and approved where appropriate, and thereafter, reported at the next meeting of the Facilities and Property Committee. Pursuant to R.S. 39:128, BoR staff may approve small capital projects internally ranging from \$175,000 to \$1,000,000 without seeking further approval of the Board or Facility Planning & Control (FP&C).

Staff approved the following small capital projects since the previous report:

**a. Louisiana State University and A&M College: Natatorium Toilet Suite Renovations – Baton Rouge, LA**

The existing public and team locker rooms in the LSU Natatorium are in disrepair. As such, the project scope includes the demolition of existing finishes, installation of new plumbing, electrical fixtures, HVAC grilles, and new finishes throughout. The project renovates approximately 2,645 SF of space at a cost of \$113.42/SF for a total project cost of approximately \$300,000. The project will be funded with auxiliary revenues.

**b. Louisiana State University and A&M College: School of Veterinary Medicine Annex 193A – Cage Washer Renovations – Baton Rouge, LA**

The existing Cage Washer in LSU's School of Veterinary Medicine is over thirty years old and operates in an inefficient manner. The project scope includes the replacement of the existing Cage Washer for the LSU School of Veterinary Medicine's Hansen Disease Research Program (HDRP) as well as updating the finishes within the room. The project scope also involves installation of new equipment, updating the ceiling, installation of new LED electrical fixtures, replacement of HVAC grilles, new methyl methacrylate (MMA) flooring, and the creation of a new opening in the concrete masonry unit (CMU) block wall to facilitate intake to the new Cage Washer. The project will renovate approximately 512 SF at a cost of \$214.84/SF for a total construction cost of approximately \$110,000. The new equipment costs \$165,000. The project total, including the new equipment, will be \$275,000 and will be funded with operational funds.

**c. Louisiana State University and A&M College: Tiger Field Improvements 2017 – Baton Rouge, LA**

Field renovations to LSU's Tiger Field (women's softball) will improve playability and decrease downtime due to rain events. The project scope includes improvements to subsurface drainage, an increased sand profile, replacement of the infield and outfield surfaces as well as the warning track, and installation of a new irrigation system. The total project cost is approximately \$400,000 and will be funded with auxiliary revenues.

**d. Louisiana State University and A&M College: Welcome Center Renovations – Baton Rouge, LA**

The LSU Welcome Center project will upgrade the facility to bring the Welcome Center up to campus standards. The project scope involves interior renovations to include a new welcome desk, refreshment counter, installation of new carpet, new paint, installation of digital and interactive displays, new digital signage, graphics, lighting, along with exterior painting and cleaning. The project renovates approximately 1,500 SF at a cost of \$233.33/SF for a total project cost of approximately \$350,000. The project will be funded with operational funds.

**e. Louisiana State University Agricultural Center: Warehouse Renovation for Food Incubator Bottling Line – Baton Rouge, LA**

The food incubator clientele has outgrown the existing location, and additional clients are being turned away due to a lack of sufficiently sized facilities. The project scope includes the renovation of an existing warehouse to accommodate a larger bottling line as well as the installation of new equipment. The new equipment will be provided through an Office of Community Development grant. The project renovates approximately 4,236 SF at a cost of \$116.86/SF for a total project cost of approximately \$495,000. The project will be funded with self-generated revenues.

**The Senior Staff recommends the Facilities and Property Committee approve the consent agenda for the small capital projects report as presented.**

**2. Facilities & Property Policy Revision: Section 1.2.19**

The BoR frequently receives 3<sup>rd</sup> party projects that are simple in nature and typically involve the replacement of athletic facility surfaces, replacement of athletics related scoreboards and digital sound systems, along with minor facility renovations. Projects of this type do not issue debt to finance project delivery. A key component of this type of 3<sup>rd</sup> party project relates to project financing and the fact that these projects are typically done utilizing private donations, grant funding, etc. (i.e. funds are on hand when the project is initiated). These projects are usually time sensitive in terms of the targeted completion dates, and the start date can be delayed while awaiting BoR approval.

BoR staff recommends revising the BoR Facilities & Property (F&P) Policy to provide for approval of this type of project as a staff function - similar to the approval process for small capital projects. 3<sup>rd</sup> party projects approved via the revised F&P Policy would be reported back to the Board under the Consent Agenda during a subsequent Board meeting after the initial staff approval.

While a black and white definition for a qualifying 3<sup>rd</sup> party project does not exist for the revised policy, the criteria for approval will be determined by the funding source utilized, financing structure, and the type of MRA fund required (if applicable). Revising the F&P Policy to allow for staff approval of these types of 3<sup>rd</sup> party projects will expedite the delivery of said projects and institutions will no longer have to wait on an upcoming Board meeting to replace the artificial turf on the baseball infield, replace the scoreboard in the football stadium, etc.

Projects for which an institution and management board will be issuing debt to fund the project, and/or projects whereby an institution requests a reduction to the Maintenance Reserve Account (MRA) will continue to require Board approval.

**The Senior Staff recommends that the Facilities and Property Committee approve the revision to Section 1.2.19 of the Board of Regents Facilities & Property Policy.**

### **3. Board of Regents FY2018-19 Capital Outlay Budget Recommendation**

Due to very few projects moving forward during the FY2017-18 funding cycle, the Board of Regents' FY2018-19 Capital Outlay Budget Recommendation (C.O. Rec.) will use the project list submitted for the FY2017-18 cycle as a starting basis. There were few changes year to year with the exception of a few new emergency projects. For FY2018-19 there continues to be a focus on emergency projects, Major Repairs/Deferred Maintenance, the renovation of existing space, and infrastructure improvement projects. However, there are a few requests for new construction under the "5 Year Plan" category as there are instances now where building a new facility is more economical than renovating an existing facility. With better economic times the goal is to construct certain new facilities. The need for new facilities on various campuses are based on the current condition of existing buildings, an institution's master plan, and/or enrollment increases for a school as a whole or within various academic offerings. For the time being and as during the previous year, the renovation of existing space and adaptive reuse of facilities through functional modifications, infrastructure improvements, and mechanical/electrical/HVAC system upgrades remain viable in light of deteriorating facilities/systems across all campuses.

Chris Herring and Matt Adams conducted site visits to many institutions between August and late October. In addition to BoR staff and members, there was a great turnout from staff at the various management boards and legislators from an institution's local. The increased exposure allows for legislators to gain a better understanding of an institution's capital outlay needs and see first-hand the condition of facilities in their districts. The site visits again validated the need to maintain Higher Education's current facilities. Roofing system repairs and replacements continue to be a dire need across the state. The BoR will again seek funding for roofing and Major Repair/Deferred Maintenance needs in the current submission.

As required by law, institutions submitted project requests through their respective management boards who in turn prioritized the projects among all member institutions and forwarded the system request to staff. In addition, eCORTS documents were prepared and submitted by each system electronically for each project contained within their capital outlay request. Staff began with the projects recommended last year in order to maintain consistency from year to year, then modified the C.O. Rec. to update for any new or completed projects, etc. In some instances priorities changed, resulting in projects appearing lower in the BoR prioritization compared to FY2017-18 C.O. Rec., or projects were simply no longer requested by the management boards. The full BoR FY2018-19 C.O. Rec. is attached separately with this Executive Summary.

The BoR's FY2018-19 C. O. Rec. will be loaded separately in the Division of Administration's (DOA) electronic system and sent to the Office of Facility Planning and Control (FP&C) by the November 1<sup>st</sup> deadline.

**The Senior Staff recommends the Facilities and Property Committee approve the Board of Regents FY2018-2019 Capital Outlay Budget Recommendation as presented.**