

## Agenda Item VI.

### Facilities and Property Executive Summary February 17, 2014

#### VI. A. Project Utilizing Alternative Means of Financing and Lease Request

The Louisiana State University (LSU) System requested consideration of a lease on behalf of Louisiana State University and A&M College for the construction of the LSU Foundation Building on the northwest corner of Nicholson and Skip Bertman Drives. The property will be leased to Foundation Office Building, LLC (FOB LLC), which will design, construct, furnish, equip, operate, and maintain, at its sole expense, the newly constructed LSU Foundation Building and related improvements. The estimated cost of the project and improvements, including design and construction, is \$12,000,000, all of which will be paid by FOB LLC using private donations and financing. Up to \$4,000,000 will be financed via a ten-year conventional loan. If the project is approved by the Board of Regents, work is scheduled to commence by June 15, 2014 and is scheduled for completion no later than June 15, 2016. The new facility will consist of approximately 35,000 SF of office space and related improvements. The lease will be in effect for an initial term of 40 years, with two separate and successive options to renew the lease. The first such renewal term will be for a period of 30 years and the second renewal term for a period of 25 years, for a total of 99 years.

**Senior staff recommends that the Board of Regent approve the lease between the LSU System and Foundation Office Building, LLC for the purpose of construction of the new LSU Foundation Building.**

#### VI. B. Major Repair Fund Re-Allocations

During the January meeting, staff received Board approval to reallocate Major Repair (MR) funds to new projects not currently authorized under Act 27 of 2006 [SUPP A7 2008]. Projects added to this appropriation require both Board and Joint Legislative Committee on the Budget (JLCB) approval. The Division of Administration, through the office of Facility Planning and Control (FP&C), is working with BOR Facilities staff to utilize funds from prior year MR appropriations by the end of the fiscal year. Due to time constraints in bringing projects to the Board, and subsequently the JLCB, staff requests that the Commissioner of Higher Education, or Chair of the Board, be authorized to submit future MR project additions to Act 27 of 2006 [SUPP A7 2008] and bring such projects for ratification by the Board at the next Board meeting. All projects submitted to FP&C for JLCB consideration must qualify as a MR project, and FP&C must be in agreement with the proposed project addition. This will facilitate submission of project additions to the JLCB in enough time to get projects under contract by the end of the fiscal year.

**Senior staff recommends that the Board of Regents authorize the Commissioner of Higher Education or the Chair of the Board to submit future Major Repair project additions to Act 27 of 2006 [SUPP A7 2008] to Facility Planning and Control for approval by the Joint Legislative Committee on the Budget prior to the end of the fiscal year and bring such projects for ratification by the Board at the next Board meeting.**

### **VI. C. Interim Emergency Board Request – LSU Agricultural Center**

The LSU System submitted a request to petition the Interim Emergency Board for a project scope change on behalf of the LSU Agricultural Center’s Livestock Education Facility project no. 19-607-11-01, Part I. The LSU Agricultural Center requests the location of the facility be changed from a new facility on Ben Hur Road to the existing John M. Parker Coliseum and connected livestock facilities. The scope change will allow for renovation and repurposing of the existing space in order to keep project cost within the available funding. Some new construction and expansion may be required.

**Senior staff recommends that the Board of Regents approve the request from the LSU System, on behalf of the LSU Agricultural Center, to petition the Interim Emergency Board for a project scope change on the Center’s Livestock Education Facility (Project No. 19-607-11-01, Part 1).**