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FACILITIES AND PROPERTY COMMITTEE
June 27, 2012

The Facilities and Property Committee met on Wednesday, June 27, 2012 at 9:37 a.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Robert J. Bruno called the meeting to order. The roll was called and a quorum was established.

COMMITTEE MEMBERS PRESENT

Robert J. Bruno, Chair
Charlotte A. Bollinger
Joseph P. Farr
Chris D. Gorman
Roy O. Martin III
Matthew Jewell
W. Clinton Rasberry, Jr., Vice Chair
Stevie Smith, LCTCS Board
Bobby Yarborough, LSU Board
Ann Smith, Southern Board

OTHER BOARD MEMBERS PRESENT

Scott Ballard
Donna Klein
Robert W. Levy
Albert D. Sam, II
Harold M. Stokes
Joseph C. Wiley

COMMITTEE MEMBER ABSENT

ULS Representative

STAFF MEMBERS PRESENT

Barbara Goodson
Chris Herring

GUESTS PRESENT

Appendix A

CONSENT AGENDA

Ms. Barbara Goodson, Associate Commissioner for Finance, presented a consent agenda that reported staff approval of the following small capital projects costing less than \$500,000 since the previous report:

Auxiliary Funds

- a. LSU and A&M PMAC Concession Stand Renovation – Level 1 Southeast Entry – Louisiana State University and A&M College \$200,000

The senior staff recommended approval of the Small Capital Projects Report as presented in the Consent Agenda.

On motion of Regent Rasberry, seconded by Regent Jewell, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the Small Capital Projects Report as presented in the Consent Agenda.

FY 2012-2013 CAPITAL OUTLAY BUDGET RECOMMENDATION STATUS REPORT

Staff reported on the status of the FY 2012-2013 Capital Outlay Budget Recommendation approved by the Facilities and Property Committee and Board of Regents last October. The 2012 Legislative Session has concluded, and therefore the report shows the projects appropriated for postsecondary education this year. No action was necessary by the Facilities and Property Committee.

AMENDMENTS TO FY 2012-2013 CAPITAL OUTLAY BUDGET RECOMMENDATION

Staff next presented a request for consideration of a project to permit the refinancing of existing debt relevant to the housing units at Southern University in Shreveport. A program directed at HBCU=s was recently amended to include public as well as private institutions, making low interest financing available. This will permit the institution to buy out a higher interest loan from the 501(c)(3) corporation that now owns the facilities and leases them for use to

the institution. With the savings to be generated, the institution may be able to build more housing, a small parking garage adjacent to the downtown campus, or a day care facility. Such projects would be subject to future review and approval. Action by the Committee and BOR is conditional upon approval by the Southern Board of Supervisors at their upcoming meeting.

Next, staff presented a project to refinance the existing housing units at Southern University in New Orleans. Chancellor Victor Ukpolo reported that through a process of negotiation, 2/3 of the original \$44 million loan may be forgiven by the federal government. The remaining 1/3 would be refinanced through the sale of revenue bonds. This process would remove the federal government from the project and place the housing complex in a financially viable posture going forward. Action by the Committee and BOR is conditional upon approval by the Southern Board of Supervisors at their upcoming meeting.

The senior staff recommended approval of the projects as presented.

On a motion of Regent Rasberry, seconded by Regent Martin, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the request from Southern University in Shreveport to permit the refinancing of the existing loan on their housing units using financing through an HBCU federal program and to approve the request from Southern University in New Orleans to permit the refinancing of the existing loan on their housing units financing through the sale of revenue bonds.

Committee members expressed excitement over the two approved projects. Upon a question as to the status of the project at Southern University in New Orleans, Dr. Victor Ukpolo stated he prefers to discuss the situation at a later date.

ACT 959 PROJECTS

Staff presented a request for consideration of a renovation project scope and cost increase at the Louisiana State University Health Sciences Center in Shreveport. The project, to be performed under the provisions of Act 959 of 2003, involves the renovation of patient rooms in the 4th floor G/J

wings and had been previously approved by the Board of Regents at \$1,200,000. After further evaluation, scope increases will require a cost increase to \$2,220,000, with funding still utilizing professional services billing as its source.

The senior staff recommended reapproval of the project.

On motion of Regent Farr, seconded by Regent Rasberry, the Facilities and Property Committee unanimously recommends that the Board of Regents reapprove the project at the Louisiana State University Health Sciences Center in Shreveport to renovate portions of the 4th floor G/J wings under the provisions of Act 959. The project was previously approved, however, the cost is now estimated at \$2,220,000.

Staff next presented a request for consideration of another renovation project at the Louisiana State University Health Sciences Center in Shreveport, quite similar and yet distinct from the project indicated above. The project involves the renovation of patient rooms in the 6th floor G/J wings, utilizing the provisions of Act 959 of 2003. The project is estimated to cost \$3,340,000, and again, will utilize professional services billing as its source.

The senior staff recommended approval of the project.

On motion of Regent Rasberry, seconded by Regent Gorman, the Facilities and Property Committee unanimously recommends that the Board of Regents approve the project at the Louisiana State University Health Sciences Center in Shreveport to renovate portions of the 6th floor G/J wings under the provisions of Act 959. The project cost is estimated at \$3,340,000.

OTHER BUSINESS

Regent Bruno recognized Dr. John Crain, President of Southeastern Louisiana University, for usage of solar technology on the campus in Hammond.

ADJOURNMENT

There being no further business, the Facilities and Property Committee adjourned at 9:50 a.m.