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BOARD OF REGENTS

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FACILITIES AND PROPERTY COMMITTEE

Wednesday, June 23, 2004

The Facilities and Property Committee met on Wednesday, June 23, 2004 at 1:20 p.m. in the Louisiana Purchase Room of the Claiborne Building, 1201 North Third Street, Baton Rouge, Louisiana. Chair Frances Henry called the meeting to order. The roll was called and a quorum was established.

COMMITTEE MEMBERS PRESENT

Frances Henry, Chair
Stanley J. Jacobs
Robert W. Levy
William A. Oliver
W. Clinton Rasberry, Jr.
Virgil Robinson, Jr.
Walter Guidry, Jr.
Winfred Sibille
John Delaney

OTHER BOARD MEMBERS PRESENT

Scott Brame
Richard E. D'Aquin
Reggie Dupré
Artis L. Terrell, Jr.
Roland M. Toups
Jeraul Mackey

COMMITTEE MEMBERS ABSENT

William D. Blake, Vice Chair
William Clifford Smith
Pat A. Strong
Louis Lambert

STAFF MEMBERS PRESENT

Rich Griswold
Donnie Vandal
Louise Moore

GUESTS PRESENT

Appendix A

SMALL CAPITAL PROJECTS REPORT

Mr. Rich Griswold, Associate Commissioner for Facilities, reported that staff had approved one small capital project costing less than \$350,000 since the previous report:

Southern University and A&M College
Emergency Generator Project
\$160,000 in Other - Federal Funds

After discussion, the Facilities and Property Committee took the following action:

On motion of Supervisor Sibille, seconded by Regent Oliver, the Facilities and Property Committee unanimously recommended that the Board of Regents approve the small capital projects report as presented by staff.

CAPITAL OUTLAY STATUS REPORT

Mr. Griswold provided a status report on House Bill #2 (Capital Outlay.) He indicated that the legislative session had concluded on June 21, 2004 and that numerous amendments to the Bill late in the process were still being reviewed. He itemized the projects recommended by the Board of Regents that had received funding. He also reported that several projects were appropriated that had not been recommended by the Board. Mr. Griswold suggested that any action that might be taken wait until the August meeting. In the interim, he said that he would explore the projects of concern with the management boards and institutions so that the Committee can take specific action.

PROJECTS UTILIZING ALTERNATIVE MEANS OF FINANCING

Dr. Leon Tarver, President of the Southern University System, presented a list of proposed construction projects utilizing alternative means of financing at each of his system's constituent institutions. Projects at Southern University and A&M College include (1) Intramural Sports Facility (\$5,680,719), (2) the restoration of the football field (\$883,667), (3) a Baseball Field House (\$1,009,906), (4) North End Zone Seating and Support Facilities

(\$10,099,057), (5) Facilities Renovations (\$347,155), and (6) Student Housing (\$16,410,967).

Projects at Southern University in New Orleans include (1) Student Housing and Parking (\$6,816,863), and (2) a Food Service Facility (\$315,596) to service the new housing units.

Projects at Southern University in Shreveport include (1) Student Housing (\$6,816,863), (2) a Food Service Facility (\$315,596) to service the new housing units, and (3) the acquisition of existing leased facilities at 610 Texas Avenue (\$1,641,097) in downtown Shreveport. Total cost of construction and related soft costs is approximately \$50,337,486 and the total cost including bond sales and related costs is approximately \$58,000,000. Income to operate the facilities and cover debt service will be generated by the operation of the new facilities plus general fees, fee increases, and use of income from residential housing and other auxiliaries. The bonds will be sold either at a floating rate in the range of 2% or at a fixed rate not to exceed 6%. The term of the financing is 30 years.

With the assistance of Messrs. Tolor White and Curtis Lee and with counsel standing by to reply to any questions, Dr. Tarver indicated that the Southern University Foundation would act in the capacity as the 501(c)(3) corporation for the administration of the project. He outlined the Cooperative Endeavor Agreement: land will be leased to the corporation, the corporation will sell bonds, cause the facilities to be constructed, and lease those facilities back to the Southern University System for the benefit of students at the relevant institutions. Mr. White outlined the project costs and the proposed sources of income to cover those costs. Mr. Lee responded to questions including the schedule for the various projects involved.

After discussion:

On motion of Regent Robinson, seconded by Regent Jacobs,

the Facilities and Property Committee unanimously recommended that the Board of Regents approve the request by the Southern University System to enter into a Cooperative Endeavor Agreement with the Southern University Foundation to construct various facilities at its constituent institutions utilizing alternative means of financing as documented in the project request. Provided that no construction may commence until the Southern University System receives approval in writing from the Commissioner of Higher Education for comprehensive architectural and financial data for the individual projects that comprise the request.

ADJOURNMENT

There being no further business, the June 23, 2004 meeting of the Facilities and Property Committee adjourned at 2:12 p.m.

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