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# Agenda

## Facilities and Property

Wednesday, March 26, 2025  
11:45 AM

Claiborne Building, 1st Floor ▪ Louisiana Purchase Room 1–100  
1201 N. Third St. ▪ Baton Rouge, LA 70802

- I. Call to Order
- II. Roll Call
- III. Consent Agenda
  - A. Small Capital Projects Report
    - 1. LSU AG: Sugar Mill Modification and Repairs
    - 2. LSU A&M: East Campus Apartments Waterproofing
    - 3. LSU A&M: Innovation Park Building 3000 First Floor Renovations
    - 4. LSU A&M: Student Union Air Handler Units 2.4 and 2.5 Replacement
    - 5. LSU-S: Boat Garage
    - 6. PBRC: Installation of New Tunnel Washer, Dump Station, and Bedding Dispenser
    - 7. SOWELA-Lamar Salter: CDL Training Pad
- IV. Lease Approval: LSUA Multi-Family Housing
- V. Land Acquisition: LSU HSCNO CEA
- VI. Other Business
- VII. Adjournment

Committee Members: Phillip R. May Jr., Chair; Collis B. Temple III, Vice Chair; David J. Aubrey; Ted H. Glaser III; Darren G. Mire; Christy Oliver Reeves; Terri P. Sterling; LCTC System Representative; LSU System Representative; SU System Representative; UL System Representative  
Staff: Chris Herring, Associate Commissioner for Facilities Planning & Emergency Management

## **AGENDA ITEM III.**

### **Consent Agenda**

#### **A. Small Capital Projects Report**

In accordance with the Board of Regents' Facilities Policy, small capital project proposals are reviewed by staff, approved where appropriate, and thereafter reported at the next meeting of the Facilities and Property Committee. Pursuant to R.S. 39:128, Board of Regents (BOR) staff may internally approve small capital projects ranging from \$175,000 to \$1,000,000 and report these approvals to the Board during a subsequent meeting.

All projects were approved by their respective systems or management boards and submitted for consideration. Staff approved the following small capital projects since the previous report:

##### **1. Louisiana State University Agricultural Center (LSU AG): Sugar Mill Modification and Repairs – St. Gabriel, LA**

The LSU AG Center's Audubon Sugar Institute has a four-roller milling tandem that was obtained through a 2012 federal grant to produce juice for the manufacture of biofuels. The equipment was originally designed to accommodate many different feedstocks. Since the completion of the grant, the equipment was modified to perform better with sugarcane billets, but additional modifications are required. This project will make enhancements to the milling tandem's capacity for processing and discharging materials as well as modifications to the instrumentation. **The total project cost of \$275,000 will be funded with an appropriation the LSU AG Center received during the 2024 Regular Legislative Session for research equipment modernization.**

##### **2. Louisiana State University and A&M College (LSU): East Campus Apartments Waterproofing – Baton Rouge, LA**

Water intrusion has been found in buildings located within LSU's East Campus Apartments due to deterioration of the current window glazing. This project will mitigate the issue related for seven buildings within the complex. The project scope involves the removal, disposal, and replacement of the window sealant for buildings eight through fourteen. **The total project cost of \$175,255 will be funded with auxiliary revenues.**

##### **3. Louisiana State University and A&M College: Innovation Park Building 3000 First Floor Renovations – Baton Rouge, LA**

The first floor within LSU's Innovation Park Building 3000 is in disrepair and requires renovation to optimally facilitate operations. The project scope includes selective demolition, environmental abatement, installation of new finishes, new integrated assembly systems, interior glass walls, folding partitions, LED lighting, HVAC, power distribution, data pathways, and cabling. **The project renovates approximately 3,145 square feet (SF) of space at a cost of \$249.28/SF, for a total project cost of \$784,000. The project will be funded with self-**

generated revenues derived from lease and service revenues generated by the Innovation Park.

**4. Louisiana State University and A&M College: Student Union Air Handler Units (AHU) 2.4 and 2.5 Replacements –Baton Rouge, LA**

AHUs numbered 2.4 and 2.5 within LSU's Student Union are near the end of their useful life. This project will replace the existing 38,700 cubic feet per minute (CFM) AHU and 21,250 CFM AHU serving the large ballroom. The project scope involves installation of new AHUs, variable frequency drives, and controls. The existing duct work, piping, electrical, and supports will also be modified as required to connect the new units. **The total project cost of \$800,000 will be funded with auxiliary revenues.**

**5. Louisiana State University – Shreveport (LSUS): Boat Garage – Shreveport, LA**

This project will provide a shed for shelter and storage for the LSUS fishing team. The project scope involves design of the shed, including the foundation, structural, and necessary electrical followed by construction of the building. **The total project cost of \$275,000 will be funded with a combination of foundation funding (\$50,000) and tuition and fee revenues (\$225,000).**

**6. Pennington Biomedical Research Center (PBRC): Installation of New Tunnel Washer, Dump Station, and Bedding Dispenser – Baton Rouge, LA**

PBRC's existing tunnel washer is fifteen years old and requires constant maintenance. The existing unit is no longer manufactured so it is now more cost-effective to purchase new equipment. The project scope includes the purchase and installation of a new tunnel washer, dump station, and bedding dispenser for the Comparative Biology area of the facility. **The total project cost of \$400,000 will be funded with operational funds.**

**7. SOWELA Technical Community College (SOWELA): Lamar Salter Campus Commercial Driver's License (CDL) Training Pad – Leesville, LA**

SOWELA's Lamar Salter campus currently does not have a location onsite for students to train for CDL licensure, and a pad will have to be built for the institution's CDL program to begin. This project will install a seven-inch thick, 5,000 PSI concrete training pad. **The project creates approximately 10,838 SF of pad space at a cost of \$21.22/SF, for a total project cost of \$230,000. The project will be funded through a Rapid Response grant provided by the Louisiana Department of Economic Development.**

**STAFF RECOMMENDATION**

Senior Staff recommends approval of the consent agenda, including the small capital projects report, as presented.

## **AGENDA ITEM IV.**

### **Lease Approval: Louisiana State University – Alexandria (LSUA) Multi-Family Housing**

The LSU Board of Supervisors, on behalf of LSUA, submitted a lease agreement for the purpose of constructing and operating multi-family housing on the site of the current LSUA golf course. This project is a hybrid housing model and will be considered private housing rather than LSUA housing; the housing will simply be located on the LSUA campus. While the units will be open to tenants with no connection to LSUA, priorities and incentives will be offered to LSUA students, faculty, and staff. The primary purpose of the project is to spur development and increase the amenities available near LSUA which will improve the institution's recruitment and retention of high-quality students, faculty, and staff.

The ground lease agreement establishes a long-term arrangement between LSUA and Durand Construction, LLC for a period of fifty years, with an option to renew for a second term of forty-nine years, for 11.5 acres located on the north edge of LSUA's campus near Highway 3170 (currently the LSUA golf course). The agreement requires Durand Construction to commence substantial construction within twelve months of the agreement's effective date. Design and project plans must receive prior approval from LSUA to ensure compliance with university standards, local laws, and regulations. Durand Construction is obligated to maintain the premises and refresh or renovate the property significantly by the fortieth year of the lease. Due to the responsibility imposed upon Durand Construction for maintenance and upkeep of the housing over the lease term, LSUA requests a waiver from the maintenance reserve fund typically required on traditional third-party housing projects. All improvements made to the premises will revert to LSUA upon the expiration or termination of the lease.

The new housing will consist of approximately 176 two-bedroom units, and through the lease agreement, Durand Construction is required to provide favorable treatment, which may include reduced rental rates or priority leasing, to LSUA students, faculty, and staff. While the project will benefit the LSUA community, the broader community will also benefit from the development and increased commercial opportunities the housing seeks to create in the area.

### **STAFF RECOMMENDATION**

**Senior Staff recommends approval of the lease agreement submitted by the Louisiana State University Board of Supervisors, on behalf of Louisiana State University - Alexandria, for the purpose of construction and operation of multi-family housing on the current golf course location and a waiver of the maintenance reserve requirement.**

## AGENDA ITEM V.

### **Land Acquisition: Louisiana State Health Sciences Center New Orleans (LSU HSCNO) Cooperative Endeavor Agreement (CEA)**

The LSU Board of Supervisors, on behalf of LSU HSCNO, submitted a CEA for approval authorizing LSU HSCNO to acquire seven property parcels (the “Property”) from the LSU Health Foundation (LSUHF). Several years ago, at the request of LSU HSCNO, LSUHF acquired the Property within the block in New Orleans bounded by Tulane Avenue, Claiborne Avenue, Poydras Street, and Galvez Avenue. The Property is located immediately adjacent to the LSU HSCNO campus and is suitable for the future expansion needs of the campus or property development that would further the university’s mission.

LSUHF acquired the Property with commercial real estate loans obtained from private financial institutions, on which loans LSUHF has made regular payments since acquisition. LSUHF also incurred closing costs, legal fees, and other expenses related to acquiring and maintaining the Property (“Property Acquisition Costs”). Subsequent to acquisition of the Property, LSU HSCNO and LSUHF determined that LSUHF will direct its primary focus to fundraising for the benefit of LSU HSCNO. The continued debt service and operational expenses associated with the Property require LSUHF to divert resources that would be better used for development efforts. Since the Property was originally acquired for the benefit of LSU HSCNO, both entities desire for the institution to purchase the parcels from the foundation.

LSUHF obtained an appraisal of the Property in January 2025, showing that the current fair market value of the Property is less than the Property Acquisition Costs. LSU and the foundation agree that the benefits LSU HSCNO will receive from purchasing the Property for the Property Acquisition Costs, thus freeing up the resources of LSUHF to focus fully on development efforts for the benefit of LSU HSCNO, will be greater than the difference between the current fair market value of the Property and the Property Acquisition Costs.

**The Property Acquisition Costs for the Property total \$5,147,007, and LSU HSCNO intends to use surplus funds within its current budget for the purchase.** The appraisal expressed a fair market value of the Property of \$3.035M, a difference of \$2,112,007. LSU and LSUHF believe, and expect, that the development efforts which can and will be undertaken once the foundation is no longer burdened with the debt service and other costs associated with the Property, will be more than the difference between the appraised fair market value and the Property Acquisition Costs. For context, the excess payment is substantially less than the approximately \$8M-\$10M per year of expenditures made by LSUHF for the benefit of LSU HSCNO. In FY23, LSUHF provided \$8,435,149 in direct and in-kind support to the institution and \$10,880,900 in FY24.

LSU anticipates the benefits of purchasing the Property to be threefold:

- Provide much-needed room for the potential growth of the LSU HSCNO campus.
- Allow LSU to control the Property for future development by LSU.
- Allow LSUHF to expand its fundraising capabilities, thus increasing private funding in support of LSU HSCNO, with the use of LSUHF funds it receives for the purchase

price and the freeing up of LSUHF funds used to service the debt incurred for the acquisition of the Property..

### **STAFF RECOMMENDATION**

**Senior Staff recommends approval of the cooperative endeavor agreement submitted by the Louisiana State University Board of Supervisors, on behalf of Louisiana State University Health Sciences Center New Orleans, for the purpose of acquiring seven property parcels immediately adjacent to campus.**