

AGENDA

IV. PROPERTY AND FACILITIES COMMITTEE

April 14 and 15, 2005

Board Room

Mr. Francis M. Gowen, Jr., Chair  
Mr. Marty J. Chabert, Vice Chair  
Mr. Charles V. Cusimano  
Mr. Louis J. Lambert  
Mrs. Dorothy Reese  
Mr. James P. Roy  
Mr. Charles S. Weems, III

<u>Agenda Items</u>	<u>Page</u>
1. Recommendation to amend a cooperative endeavor agreement between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and the Ouachita Parish Police Jury to include additional acreage for the Green Oaks Juvenile Detention Facility at E. A. Conway Medical Center, Monroe, Louisiana.....	2-11
2. Recommendation to authorize the execution of an Interagency Lease Agreement with the Department of Health and Hospitals for the construction of a public health laboratory and to approve the architectural plans .....	12-32
3. Recommendation to grant preliminary approval to construct residence facilities on the University of New Orleans campus.....	33-35
4. Recommendation to approve a Bond Resolution authorizing the issuance of the Board's not to exceed \$47,500,000 Auxiliary Revenue and Refunding Bonds, Series 2005 in one or more series for the purpose of providing funds to (i) finance the planning, acquisition, construction, and equipping of an elementary school classroom addition for the University Laboratory School on the Baton Rouge campus, including any necessary renovations related thereto, (ii) refund the Board's outstanding Auxiliary Revenue Bonds, Series 1996 and Series 1997, (iii) pay the premium for a reserve fund insurance policy or surety bond, and (iv) pay the costs and expenditures associated therewith, all for the benefit of the University, and to provide for other matters with respect thereto.....	36-

167

- **Due to the volume of Item No. 4 (the Bond Resolution) copies of the Tenth Supplemental Resolution can be obtained from the Board Office.**

**Agenda Items continued**

- 5. Recommendation to amend the 2005 – 2006 Capital Outlay Budget Request for LSU Health Sciences Center New Orleans adopted by the Board of Supervisors on August 20, 2004..... 168-170
- 6. Private tennis center at University of New Orleans presented for information only – no action to be taken by the Board..... 171-205

Item 1: Recommendation to amend a cooperative endeavor agreement between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and the Ouachita Parish Police Jury to include additional acreage for the Green Oaks Juvenile Detention Facility at E. A. Conway Medical Center, Monroe, Louisiana.

### Executive Summary

On March 8, 1996, the Louisiana Health Care Authority, the Department of Health and Hospitals, the State of Louisiana through the Division of Administration, and the Ouachita Parish Police Jury entered into a Cooperative Endeavor Agreement for a fifty year term commencing June 3, 1996, granting to the Ouachita Parish Police Jury the use and occupancy of a four acre tract of land for the construction and operation of a juvenile detention facility at the E. A. Conway Medical Center at Monroe, Louisiana.

On April 17, 1998, the Board authorized amending the Cooperative Endeavor Agreement to add an additional 0.188 acre to the four acres in order to accommodate the construction of the Juvenile Courtroom Building at this site. The construction of the Juvenile Courtroom Building necessitated additional parking and the Ouachita Parish Police Jury seeks an additional .369 acre for this purpose.

The Ouachita Parish Police Jury operates the Green Oaks Juvenile Detention Center in Monroe with the assistance of an Operational Committee made up of local judges, prosecutors, and other representatives of the juvenile justice system. The Operational Committee has recommended the construction of a Juvenile Justice Administration Building adjacent to the present Juvenile Court Building, which would house the various offices and programs involved in the juvenile justice system. Presently, these offices are located in governmental buildings around Ouachita Parish. Centralizing the programs will improve their effectiveness and accessibility to the public. The construction of the proposed Administration Building would necessitate amending the Cooperative Endeavor Agreement to add an additional 0.810 acre tract to the acreage already committed to the project.

LSU Health Sciences Center in Shreveport requests that the Board of Supervisors approve a second amendment to the March 8, 1996, Cooperative Endeavor Agreement to add the .369 acre to accommodate the additional parking required for the operation of the Juvenile Courtroom Building and the additional 0.810 acre tract for the construction of the proposed Administration Building at the Green Oaks Juvenile Detention Facility at the E. A. Conway Medical Center in Monroe.

### Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

**“NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize William L. Jenkins, President of the Louisiana State University System, or his designee, to enter into and execute a second amendment to the March 8, 1996, Cooperative Endeavor Agreement with the Ouachita Parish Police Jury to incorporate an additional .369 acre tract and an additional 0.810 acre tract, which will be added to the 4.188 acres already committed to the Green Oaks Juvenile Detention Center project on the E. A. Conway Medical Center property in Monroe, Louisiana, provided, however, the term of said second amendment shall run concurrently with the term of the March 8, 1996, Cooperative Endeavor Agreement.

**BE IT FURTHER RESOLVED** that William L. Jenkins, President of the Louisiana State University

System, or his designee, is authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in the second amendment to the March 8, 1996, Cooperative Endeavor Agreement with the Ouachita Parish Police Jury such terms and conditions that he may deem wise and in the best interest of the Board of Supervisors and to review and approve the plans and specifications for the improvements to be constructed at the Green Oaks Juvenile Detention Center site.”

-3-

Property and Facilities Committee

Item 2: Recommendation to authorize the execution of an Interagency Lease Agreement with the Department of Health and Hospitals for the construction of a public health laboratory and to approve the

## architectural plans

### Executive Summary

The Department of Health and Hospitals has requested the opportunity to construct its public health laboratory consisting of 70,000 square feet with a construction cost estimate of \$16,870,000 on the LSU Health Sciences Center property in New Orleans. The building will be located in the New Orleans medical complex adjacent to LSU facilities and is expected to offer numerous benefits to LSU, particularly for students and faculty of the School of Public Health and other LSU allied health schools through collaborative agreements with the DHH Office of Public Health.

The proposed Lease is for a term of fifty (50) years, which term will be renewable with the consent of both parties up through January 31, 2104. The annual rent is a nominal amount of Ten Dollars and 00/100 (\$10.00) per year. DHH will be responsible for constructing the building, maintaining the building, and operating the building during the term of the Lease. At the conclusion of the Lease, at LSU's option, the building can either be demolished at the expense of DHH or transferred to LSU.

The architectural firm of Crump Wilson, in association with Barron and Toups, will present the architectural plans to the Board.

### Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

**“NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize William L. Jenkins, President of the Louisiana State University System, to execute an Interagency Lease Agreement by the Board of Supervisors of LSU to Department of Health and Hospitals for the construction of a public health laboratory on the immovable property described on Exhibit “A” attached hereto, said Interagency Lease Agreement to contain such terms and conditions as President Jenkins deems to be in the best interest of the LSU Board of Supervisors.

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the architectural plans for the Department of Health and Hospitals Public Health Laboratory and hereby delegates the approval of the detailed plans and specifications to the Assistant Vice President and University Architect, or his designee.”

### Property and Facilities Committee

Item 3: Recommendation to grant preliminary approval to construct residence facilities on the University of New Orleans campus.

## Executive Summary

The University of New Orleans (“UNO”) desires to update and slightly expand its student housing. Currently 600 students reside in Bienville Hall, the high-rise dormitory erected in the late 1960’s. The facilities are outdated and UNO’s intention is to replace Bienville Hall with an updated complex.

The University of New Orleans Research and Technology Foundation, Inc. (“Foundation”) has offered to assist the University by soliciting proposals and arranging for the financing, construction, and equipping of residence facilities on the UNO Campus, with the objective of providing approximately 750 beds by the Fall of 2006. The Foundation has financed and constructed the UNO Research and Technology Park and the UNO/Avondale Maritime Technology Center and operates in excess of 800,000 square feet of University-related real estate projects.

The demand for the facilities is supported by a housing market study performed by Anderson Strickler, L.L.C., a well-respected national educational real estate consultant. UNO’s preference is to lease the completed facilities from the Foundation and to operate the facilities with its own staff. The Foundation will seek tax exempt bond financing through the LPFA for the development, design, construction, and equipping of the facilities. Upon completion, the Foundation will lease the facilities to the Board of Supervisors for the benefit of UNO. At that point, UNO will be responsible for the operation and maintenance of the facilities.

The first phase in this project is the issuance of a request for proposals by the Foundation for a design-build firm from among the national university housing developers. UNO and the Foundation are jointly preparing the RFP and will jointly evaluate the proposals and select the developer. At a later date, UNO will seek the approval from the Board of Supervisors for the second phase of this project, being the contract with the design-build firm to proceed with the design and construction of the facilities, the lease of the site to the Foundation for this purpose, and approval of the architectural plans.

In order to confirm the University’s intention and to provide the Foundation with the authority to issue the RFP, UNO requests that the Board of Supervisors grant preliminary approval of this project and authorize the issuance of the RFP by the Foundation.

## Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

**“NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby grant preliminary approval to construct residence facilities at the University of New Orleans and the issuance of a request for proposals by the University of New Orleans Research and Technology Foundation, Inc., for the purpose the selecting a design-build firm for the design and construction of the residence facilities.

**BE IT FURTHER RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that once the requests for proposals have been evaluated and a design-build firm selected, and the feasibility of the project has been determined, the University of New Orleans will request that the Board of Supervisors authorize a lease of an appropriate site to the Foundation, contingent

upon the President's approval of the project costs and financing and the plans and specifications for the proposed construction."

#### Property and Facilities Committee

Item 4: Recommendation to approve a Bond Resolution authorizing the issuance of the Board's not to exceed \$47,500,000 Auxiliary Revenue and Refunding Bonds, Series 2005 in one or more series for the purpose of providing funds to (i) finance the planning, acquisition, construction, and equipping of an elementary school classroom addition for the University Laboratory School on the Baton Rouge campus, including any necessary renovations related thereto, (ii) refund the Board's outstanding Auxiliary Revenue Bonds, Series 1996 and Series 1997, (iii) pay the premium for a reserve fund insurance policy or surety bond,

and (iv) pay the costs and expenditures associated therewith, all for the benefit of the University, and to provide for other matters with respect thereto.

### Executive Summary

At its March 4, 2005 meeting, the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") adopted a resolution (the "Preliminary Resolution") granting preliminary approval to the issuance of its Auxiliary Revenue and Refunding Bonds, Series 2005 (the "Series 2005 Bonds") in an aggregate principal amount not to exceed \$47,500,000, at a rate or rates of interest not to exceed eight percent (8%) per annum with respect to fixed rate bonds and twelve percent (12%) per annum with respect to variable rate bonds and for a term not to exceed 30 years for the purpose of providing funds to (i) finance the planning, acquisition, construction, and equipping of an elementary school classroom addition for the University Laboratory School on the Baton Rouge campus, including any necessary renovations related thereto (the "Project"), (ii) refund the Board's outstanding Auxiliary Revenue Bonds, Series 1996 and Series 1997, (iii) pay the premium for a reserve fund insurance policy and surety bond, and (iv) pay the costs of issuance of the Series 2005 Bonds. Furthermore, the issuance of the Series 2005 Bonds was unanimously approved by the Louisiana State Bond Commission (the "Commission") on March 17, 2005.

The Series 2005 Bonds will be secured by and payable solely from revenues derived by the University from Auxiliary Revenues (as defined in the General Bond Resolution, as amended).

The Board, in the Preliminary Resolution, further authorized the preparation of a Tenth Supplemental Resolution (the "Tenth Supplemental Resolution") to be adopted by the Board prior to the issuance of the Series 2005 Bonds in connection with matters relating to the Series 2005 Bonds and the issuance thereof. The Tenth Supplemental Resolution provides for the issuance of the Series 2005 Bonds in two series. The Series 2005A Bonds will be issued at fixed interest rates and the Series 2005B Bonds at a variable interest rate, all as described in said Tenth Supplemental Resolution. The Tenth Supplemental Resolution is being presented to the Board for adoption in substantially final form. The further details of the Series 2005 Bonds (Including, without limitation, the maturity and the rate or rates of interest) will be fixed by the Tenth Supplemental Resolution, but cannot be completed until the Series 2005 Bonds are actually priced in the marketplace.

In addition, the University has not yet selected an insurer for the Series 2005 Bonds. In the event the University determines that it would be economically advantageous to the Board, the Series 2005 Bonds will be entitled to the benefit of a municipal bond insurance policy to be issued by a bond insurer to be selected. The bond insurance would give the Series 2005 Bonds a "AAA" rating. The bond insurer may also provide a debt service reserve fund surety bond, if required, to be used in lieu of a cash deposit to the debt service reserve fund for the Series 2005 Bonds. The provisions of the Tenth Supplemental Resolution relating to the bond insurer and its requirements with respect to the Series 2005 Bonds are subject to change.

To achieve maximum interest rate savings resulting from the refunding, the Series 2005B Bonds are expected to be issued as variable rate demand bonds and swapped to a fixed interest rate pursuant to an interest rate swap agreement to be entered into by the University with a swap provider selected from proposals received by the University. Morgan Keegan & Company, Inc. has been retained by the University as interest rate swap advisor for this purpose. The University expects to achieve a lower overall interest rate by

Page 2 of Item 4

swapping the variable rate to a synthetic fixed rate than it would receive by issuing fixed rate bonds under current market conditions. The Series 2005B Bonds would also be entitled to the benefit of a letter of credit or other liquidity facility from a liquidity provider to be selected by the University.

In the event the refunding of the Series 1996 Bonds and Series 1997 Bonds as fixed rate Bonds or variable rate Bonds (utilizing a swap transaction) does not produce sufficient interest savings to the University, the University will issue one series of Series 2005 Bonds as fixed rate securities solely to finance the Project.



The University asks that the Board delegate to an Authorized Board Representative (as defined in the Tenth Supplemental Resolution) the authority to approve the final pricing details of the Series 2005 Bonds, as well as the selection of the bond insurer, swap provider, the liquidity provider and, if required, the provider of a debt service reserve surety bond. Attached hereto as Exhibit A is a list of potential bond insurers, liquidity providers and swap providers from which the Authorized Board Representative will select based upon the advice of the Underwriter and Swap Advisor to the University.

#### Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

**“NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the “Board”) that:

Section 1. The Board has been advised that its Auxiliary Revenue and Refunding Bonds, Series 2005 are expected to be issued in two series involving the issuance of (i) Auxiliary Revenue and Refunding Bonds, Series 2005A Bonds (the “Series 2005A Bonds”) at fixed interest rates, not to exceed 8% per annum, and (ii) Auxiliary Revenue and Refunding Bonds, Series 2005B (the “Series 2005B Bonds”) as variable rate demand bonds, at a variable rate of interest not to exceed 12% per annum, and desires to authorize the issuance of said Series 2005A Bonds and Series 2005B Bonds.

Section 2. The Board does hereby approve and adopt the attached Tenth Supplemental Resolution (the “Tenth Supplemental Resolution”) relating to the issuance of the Board’s Auxiliary Revenue and Refunding Bonds, Series 2005A and Auxiliary Revenue and Refunding Bonds, Series 2005B in an aggregate principal amount not to exceed \$47,500,000 (collectively, the “Series 2005 Bonds”), and does hereby authorize the execution and delivery by the Chairman or Vice Chairman and the Secretary of the Board of the Tenth Supplemental Resolution and does hereby authorize said officers or an Authorized Board Representative (defined in the Tenth Supplemental Resolution as the Chairman, the Vice Chairman, the Secretary and each officer of the Board and the Vice Chancellor for Finance and Administrative Services and Comptroller for the University, or the President and the Executive Vice President of the LSU System and any other Person designated in writing to the Trustee by the Chairman or Vice Chairman of the Board, the President and the Executive Vice President of the LSU System, or designated by a resolution of the Board) to execute such documents or certificates as set forth in the Tenth Supplemental Resolution and such other documents or certificates necessary in connection with the issuance or the marketing of the Series 2005 Bonds and all other transactions incident thereto, including, without limitation, the selection of a bond insurer, liquidity provider, swap provider, and, if required, a provider of a debt service reserve fund surety bond, with such changes and modifications which are deemed in the best interest of the Board by an Authorized Board Representative, including, without limitation, such changes as are required by the underwriter of the Series 2005 Bonds and by the pricing of the Series 2005 Bonds, and does hereby ratify all prior actions taken on its behalf by University officials in furtherance of this transaction.

Page 3 of Item 4

Section 3. The Board hereby authorizes the marketing, pricing, and delivery of the Series 2005 Bonds; provided that the final terms of such Series 2005 Bonds shall meet the following conditions:

- (i) Principal Amount – Not to exceed \$47,500,000;
- (ii) Maturity – Not to exceed 30 years; and
- (iii) Net Interest Rate – Not to exceed 8.0% per annum for fixed rate Series 2005A Bonds and not to exceed 12.0% per annum for variable rate demand Series 2005B Bonds.”

Property and Facilities Committee

Item 5: Recommendation to amend the 2005 – 2006 Capital Outlay Budget Request for LSU Health Sciences Center New Orleans adopted by the Board of Supervisors on August 20, 2004

Executive Summary

At its August 20, 2004 meeting, the LSU Board of Supervisors approved the 2005 – 2006 Capital Outlay Budget Request and First Year Prioritized Categories for the Louisiana State University System. The Health Sciences Center – New Orleans has requested that the Board amend the capital outlay budget request by adding the Clinical Sciences Building Laboratory Exhaust System Remediation in the amount of

\$1,408,274.

Recommendation

It is recommended that the LSU Board of Supervisors adopt the following resolution:

**“NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College that the 2005 – 2006 Capital Outlay Budget Request and First Year Prioritized Categories for the Louisiana State University System be amended to include the below listed project:

**LSU Health Sciences Center – New Orleans**  
**Category – Emergency**

**Clinical Sciences Building Laboratory Exhaust System Remediation**

**\$1,408,274 – General Obligation Bonds”**

Property and Facilities Committee

Item 6: Private tennis center at University of New Orleans presented for information only – no action to be taken by the Board

