

**REVISED**



**Board of Supervisors Committee Meeting  
3810 W. Lakeshore Drive  
Baton Rouge, Louisiana 70808  
Board Room**

**May 6, 2016**

**AUDIT COMMITTEE MEETS AT 9:00AM  
ALL OTHER COMMITTEES MEET AT 10:00AM**

**PUBLIC COMMENT**

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting.  
For additional information see: <http://www.lsu.edu/bos/public-comments.php>

**A. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION  
COMMITTEE**

James W. Moore, Jr., Chairman

1. Request from LSU A&M to Approve Establishment of the Honors Promise Transfer Scholarship
2. Request from LSU Shreveport to Approve the Establishment of an Active Duty Military Family Scholarship Program
3. Request from LSU Shreveport to Approve the Establishment of an International Student Scholarship Program
4. **CONSENT AGENDA**
  - a. Recommendation to Approve Degrees to be Conferred at the 2016 Spring Commencement Exercises
  - b. Recommendation to Approve Degrees to be Conferred at the 2016 Summer Commencement Exercises

**B. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE**

Ronnie Anderson, Chairman

1. Recommendation to Amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors
2. Recommendation to Authorize an Exemption to Cover the FY 2016 Taylor Opportunity Programs for Students (TOPS) Funding Shortfall Absorbed by LSU Campuses
3. LSU First Health Plan Update

**C. PROPERTY AND FACILITIES COMMITTEE**

Rolfe McCollister, Chairman

1. Request from LSU A&M for Final Approval to Complete the First Phase of the Nicholson Gateway Development Project
2. Request from LSU A&M for the Construction for Classroom Expansion & Renovation in the School of Veterinary Medicine under the Provisions of Act 959
3. **CONSENT AGENDA**
  - a. Request from LSU Agricultural Center for a Lease of Property for Solar Farm Development Southeast Research Station, Washington Parish Franklinton, Louisiana
  - b. Request from LSU Agricultural Center for a Right of Way and Servitude Agreement Sweet Potato Research Station, Franklin Parish Chase, Louisiana

**D. AUDIT COMMITTEE**

Stanley Jacobs, Chairman

The Audit Committee will meet at 9:00am in the LSU University Administration Building in Conference Room 112, Baton Rouge. The Committee may go into Executive Session in accordance with the provisions of LA R.S. 42:6.1 A (4).



**Board of Supervisors Meeting  
May 6, 2016**

**Following Committee Meetings**

1. Call to Order and Roll Call
2. Invocation and Pledge of Allegiance
3. Approval of Minutes of the Board Meeting held March 18, 2016
4. Reports from Staff Advisors and Faculty Advisors
5. President's Report
6. Reports to the Board
  - a. FY 2015-2016 3rd Quarter Consolidated Investment Report
  - b. FY 2015-2016 3rd Quarter Consolidated Report on Personnel Actions Not Requiring Board Approval
7. Committee Reports
8. Proposal to consider increasing the term of the Board officers from one to two years
9. Recommendation to approve the 2016-2017 Board of Supervisors Meeting Schedule
10. Chairman's Report
11. Adjournment

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March 18, 2016

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MINUTES

REGULAR BOARD MEETING

March 18, 2016

1. Call to Order and Roll Call

Mr. Ray Lasseigne, Chair, called to order the Regular Meeting of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College in the University Administration Building, Baton Rouge, Louisiana, on March 18, 2016 at 1:50 p.m.

The secretary called the roll.

PRESENT

Mr. Raymond J. Lasseigne  
Chairman  
Mr. Scott A. Angelle  
Mr. Garret "Hank" Danos  
Mr. Jim McCrery  
Mr. J. Stephen Perry

Mr. Scott Ballard  
Chairman-Elect  
Mr. R. Blake Chatelain  
Mr. Rolfe McCollister, Jr.  
Mr. James W. Moore, Jr.  
Mr. Robert "Bobby" Yarborough

ABSENT

Mr. Ronald R. Anderson  
Mr. Stanley J. Jacobs  
Mr. Lee Mallett

Ms. Ann D. Duplessis  
Mr. Jack E. Lawton, Jr.  
Ms. Clare Sanchez

Also present for the meeting were the following: Dr. F. King Alexander, President of LSU; Mr. Tom Skinner, General Counsel; LSU officers and administrators from their respective campuses; faculty representatives; interested citizens and representatives of the news media.

Public Comments

There were five (5) comments registered to address the Board on Agenda Item #9E1: Request from LSU A&M to Approve Employment Contract with Brian Lee, Head Coach Women's Soccer. The list included Mr. Jeffery Roland, Ms. Christina Armistead speaking on behalf of Mr. John Propevi, Mr. Mike Russo speaking on behalf of Mr. Jerry Kennedy, Ms. Judith Schiebout and Mr. Fereydoun Aghazadeh addressed the Board.

2. Invocation and Pledge of Allegiance

Chairman Lasseigne recognized Dr. Joseph Moerschbaecher, Vice Chancellor for Academic Affairs at LSU Health Sciences Center New Orleans, who introduced students and the faculty member addressing the Board.

Lauren A. Roberts gave the Invocation. Jon C. Wall led the Pledge of Allegiance.

Faculty member, Dr. Dean G. Smith, Dean of the School of Public Health at LSU Health Sciences Center New Orleans and Professor of Health Policy and Systems Management, spoke on his commitment to teaching, research and service on the financial aspects of health care and public health.

3. Approval of the Minutes of the Board Meeting held on January 29, 2016

Upon motion of Mr. Chatelain, seconded by Mr. Ballard, the Board voted unanimously to approve the Minutes of the Regular Board Meeting held on January 29, 2016.

4. Revised Personnel Actions Requiring Board Approval

Mr. Tom Skinner, General Counsel, requested approval of the Personnel Actions. He noted the executive staff had reviewed the actions and recommended Board approval.

Upon motion of Mr. Ballard, seconded by Mr. Yarborough, the Board voted unanimously to approve the Revised Personnel Actions as presented. **(Copy of Personnel Actions on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

5. Reports from the Council of Faculty and Staff Advisors

Dr. Kevin Cope, representing the Council of Faculty Advisors, furnished an informational report. The Council of Staff Advisors did not report.

6. President's Report

Dr. F. King Alexander, President of LSU recognized:

Mr. John Woodard, former Student Government President and Student Board Member, now working for Congressman Scalise;

Mr. Zach Faircloth, new Student Body President for AY 2016-17;

Dr. Richard Koubek, Executive Vice President of Academic Affairs and Provost;

Dr. G. E. Ghali, new Interim Chancellor LSU Health Sciences Center Shreveport;

Dr. Victor Yick, Strategic Advisor, LSU Health Sciences Center Shreveport;

Each provided recent activities, awards and contributions regarding respective campuses.

Dr. Alexander commended Dr. Jason Droddy and Dean Cynthia Peterson for their role in putting together the Louisiana Research Summit in New Orleans on February 16, 2016 at University Medical Center. He thanked Dr. Larry Hollier and Dr. Joseph Moerschbaecher for hosting the event and coordinating resources for research from around the state.

Dr. Alexander stated for FY 2016 there is still a \$70 million budget shortfall and for next fiscal year starting July 1<sup>st</sup>, there is an \$800 million deficit. Dr. Alexander stressed he still needs continued support with the budget process going forward. At this time, he still does not know what the shortfall amount will be. He stated he will continue to provide updates, through the web-based budget hub.



7. Reports to the Board

Upon motion by Mr. Yarborough, seconded by Mr. Moore, the Board voted unanimously to accept these reports.

- 7A. FY 2016 1st Quarter Hospital Partnership Report Card (available on LSU Administration website)
- 7B. FY 2016 2nd Quarter Hospital Partnership Report Card (available on LSU Administration website)
- 7C. FY 2016 2nd Quarter Internal Audit Summary Report
- 7D. FY 2016 Semi-Annual Consolidated Financial Report (available on LSU Administration website)
- 7E. 2015 Plan Year End for LSU First Health Plan
- 7F. FY 2016 2nd Quarter Consolidated Report on Personnel Actions Not Requiring Board Approval
- 7G. FY 2016 Louisiana State University Metric Data (available on LSU Administration website)

8. Approval of Consent Items

Chairman Lasseigne offered the following recommendation:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby approve the Consent Agenda items as submitted.

Upon motion of Mr. Chatelain, seconded by Mr. Ballard, the Board voted unanimously to approve the Consent resolutions.

8A. Request from LSU A&M to Approve the Name Change of the LSU Hurricane Center to LSU Center for Resilient Coasts

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to change the name of the LSU Hurricane Center to the LSU Center for Resilient Coasts at LSU A&M.

8B. Request from LSU A&M to Approve Two Degree Name Changes

- i. Change the Master of Science in Accounting to the Master of Accountancy
- ii. Change the B.S. in Animal, Dairy and Poultry Sciences to the B.S. in Animal Sciences

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to change the name of the Master of Science in Accounting to the Master of Accountancy at LSU A&M,

**BE IT FURTHER RESOLVED** that the Board of Supervisors does hereby approve the request to change the name of the Bachelor of Science in Animal, Dairy, and Poultry Sciences to the Bachelor of Science in Animal Sciences at LSU A&M.

8C. Request from LSU A&M to Approve Termination of Two Degree Programs

- i. Bachelor of Science in Business Education
- ii. Bachelor of Arts in Art Education

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to terminate the Bachelor of Science in Business Education at LSU A&M;

**BE IT FURTHER RESOLVED** that the Board of Supervisors does hereby approve the request to terminate the Bachelor of Art in Art Education at LSU A&M.

8D. Request from LSUA to Approve a Letter of Intent for a B.A. in Religious Studies

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the Letter of Intent from LSUA for a Bachelor of Arts in Religious Studies, subject to approval by the Louisiana Board of Regents.

8E. Request from LSU A&M to Approve Establishment of the Graduate Certificate in Teaching and Learning for Veterinary and Healthcare Professionals

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request to establish a Graduate Certificate in Teaching and Learning for Veterinary and Healthcare Professionals at LSU A&M, subject to approval by the Board of Regents.

8F. Request from LSU A&M to Approve the Establishment of Two Endowed Professorships

- i. John W. Dupuy Professorship #2
- ii. Dr. Robert T. "Bob" Justis/T.J. Moran Distinguished Professorship

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors hereby approves the request to establish the John W. Dupuy Professorship #2 in the E. J. Ourso College of Business at LSU A&M;

**BE IT FURTHER RESOLVED** that the Board of Supervisors hereby approves the request to establish the Dr. Robert T. "Bob" Justis / T.J. Moran Distinguished Professorship in the E. J. Ourso College of Business at LSU A&M;

**BE IT FURTHER RESOLVED** that the Chairman of the Board of Supervisors of Louisiana State University and/or the President, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named professorships.

8G. Request from LSU Shreveport to Approve Establishment of Three Endowed Professorships

- i. Wheless, Meadows and Sartor Petroleum Engineering Professorship
- ii. William C. Woolfe Petroleum Engineering Professorship
- iii. Joseph B. Callaway Professorship in Insurance

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors hereby approves the request to establish the Wheless, Meadows and Sartor Petroleum Engineering Professorship at LSUS;

**BE IT FURTHER RESOLVED** that the Board of Supervisors hereby approves the request to establish the William C. Woolfe Petroleum Engineering Professorship at LSUS;

**BE IT FURTHER RESOLVED** that the Board of Supervisors hereby approves the request to establish the Joseph B. Callaway Professorship in Insurance at LSUS;

**BE IT FURTHER RESOLVED** that the Chairman of the Board of Supervisors of Louisiana State University and/or the President, as may be appropriate, are hereby authorized and directed to execute any documents required to obtain the matching gift and otherwise complete the establishment of the above named professorships.

- 8H. Request from LSU A&M to Name Chemical Engineering Laboratory the Oscar and Mary Andras Chemical Engineering Laboratory

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the College of Engineering Laboratory the Oscar and Mary Andras Chemical Engineering Laboratory.

- 8I. Request from LSU A&M to Name the Student Services Office in Patrick F. Taylor Hall the William Brookshire Student Services Office

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the Student Services Office in Patrick F. Taylor Hall the William Brookshire Student Services Office.

- 8J. Request from LSU A&M to Name the Auditorium in Patrick F. Taylor Hall the Roy O. Martin Auditorium

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the auditorium in Patrick F. Taylor Hall the Roy O. Martin Auditorium.

- 8K. Request from LSU A&M to Name a Classroom in the Chemical Engineering Building the Boh Bros. Construction Company Classroom

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of a classroom in the chemical engineering building the Boh Bros. Construction Company Classroom.

- 8L. Request from LSU A&M to Name the College of Engineering Learning Complex the Performance Contractors Construction Management Learning Complex

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the College of Engineering Learning Complex the Performance Contractors Construction Management Learning Complex.

8M. Request from LSU A&M to Name a Classroom in the Law Center in Honor of R. Bruce Macmurdo

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of a classroom in the Law Center in honor of R. Bruce Macmurdo.

8N. Request from LSU A&M to Name a Classroom in the Law Center in Honor of Interim Co-Dean and Professor Cheney C. Joseph, Jr.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of a classroom in the Law Center in honor of Interim Co-Dean and Professor Cheney C. Joseph, Jr.

8O. Request from LSU A&M to Name the Thomas J. Moran and Erin Moran Thrash ABA National Appellate Advocacy Competition Team at the Law Center

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby approve the naming of the Thomas J. Moran and Erin Moran Thrash ABA National Appellate Advocacy Competition Team at the Law Center.

8P. Request from LSU Agricultural Center to Approve a Lease of Property for Production Crops Dean Lee Research Station, Rapides Parish Alexandria, Louisiana

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President, Louisiana State University System, to execute lease agreement(s) with highest responsive and responsible bidder(s) for the purpose of generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

**BE IT FURTHER RESOLVED** that F. King Alexander, President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

8Q. Request from LSU Agricultural Center to Approve a Lease of Property for Production Crops Northeast Research Station, Tensas Parish St. Joseph, Louisiana

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President, Louisiana State University System, to execute lease agreement(s) with highest responsive and responsible bidder(s) for the purpose of generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

**BE IT FURTHER RESOLVED** that F. King Alexander, President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

8R. Request from LSU Agricultural Center to Approve a Lease of Mississippi River Batture Property Central Research Station, East Baton Rouge Parish Baton Rouge, Louisiana

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, does hereby authorize F. King Alexander, President, Louisiana State University System, to execute lease agreement(s) with highest responsive and responsible bidder(s) for the purpose of generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

**BE IT FURTHER RESOLVED** that F. King Alexander, President, Louisiana State University System, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

8S. Request from LSU Shreveport to Approve a Permanent Utility Servitude Agreement with City of Shreveport Caddo Parish, Shreveport, Louisiana

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize that F. King Alexander, in his capacity as President of LSU, to execute the Permanent Utility Servitude Agreement City of Shreveport to install new sewer lines and upgrade the sewer system in Caddo Parish , Shreveport, Louisiana,

**BE IT FURTHER RESOLVED** that F. King Alexander, President of the LSU, or his designee, be and he is hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors to include in the Servitude Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.

9. Committee Reports

A motion was made by Mr. Ballard, seconded by Mr. McCollister, to approve the Committee resolutions that were unanimously approved by the Committees. The Board voted unanimously to approve all Committee resolutions.

9A. Finance, Infrastructure, and Core Development Committee

Mr. Danos, Vice Chairman of the Finance, Infrastructure, and Core Development Committee, reported that the Committee received five (5) requests for Board approval. It is the recommendation of the Committee that the requests receive Board approval.

9A1. Request from LSU A&M to Authorize the Board of Supervisors to Enter into a Multi Media Rights Agreement between LSU and Outfront Media Sports Inc.

Mr. Ballard questioned the difference in the revenue share model with the dollars going into the general fund. Mr. Eddie Nunez, with the Athletic Department, said these funds are used for the athletic budget and help offset some of the operating costs. The new model is a revenue guarantee and increases the amount of revenue that will flow back to the University over the next ten years.

Mr. Chatelain asked Mr. Nunez to go into more detail with the oversight of the new contract versus the old contract. Mr. Nunez noted that in the past the oversight was done solely by athletics. The new oversight now will include routing for review through the Finance & Administrative Services office, the General Counsel and then President Alexander for approval. The new agreement gives LSU additional oversight so that LSU has further information on various exclusive ventures that help Athletics and the University.

Mr. Danos called upon Mr. Nunez to explain how the annual rights fees impact the University. Mr. Nunez stated this is a guarantee that Outfront Media Sports is paying the University. As this amount of revenue share escalates every year it opens up numerous digital inventory of other markets to the University around the United States.

Upon motion of Mr. Ballard, seconded by Mr. Yarborough, the Committee voted unanimously to approve 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 F. King Alexander, President of LSU, or his designee, acting on behalf and in the name of the Board, and in consultation with legal counsel, to execute a Multi-Media Rights Agreement for the benefit of LSU with OUTFRONT Media Sports Inc. and any related document necessary or desirable to accomplish and implement purposes of the Multi-Media Rights Agreement, with all such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU.

9A2. Request from LSU A&M to Authorize the Board of Supervisors to Enter into a Contract with a Private Partner to Manage the LSU Child Care Center

Upon motion of Mr. McCollister, seconded by Mr. Ballard, the Committee voted unanimously to approve 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 Dr. F. King Alexander, President of the Louisiana State University, or his designee, acting on behalf and in the name of the Board, and in consultation with general counsel, to execute an agreement with a partner to lease and operate the LSU Child Care Center as determined by a competitive bid and evaluation process, with all such agreements and documents as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU.

**BE IT FURTHER RESOLVED** that prior to final agreement execution, Dr. F. King Alexander, President of the Louisiana State University and Agricultural and Mechanical College will notify the Board Chair, Chair-Elect, Immediate Past Chair, and the chair of the appropriate Board Committee of the final terms of the Agreement.

9A3. Request from LSU A&M to Amend the Current Cooperative Endeavor Agreement between the LSU Board of Supervisors and the LSU Research and Technology Foundation

Dr. Alexander noted that it is a federal law that all Tech Transfer Funds can only be used for tech revenue purposes.

Mr. McCollister followed up with questions on the increased tech activities, patents filed and investment revenues. He asked when the Board could expect a cumulative report on the successes of the LIFT Program. Mr. Arthur Cooper, CEO of LSU Research and Technology Foundation, who oversees the program, provided information on tech successes and partnerships. Mr. Cooper stated that later in the meeting a presentation was being presented with more details about what LIFT has done.

Upon motion of Mr. Ballard, seconded by Mr. McCollister, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes its President, F. King Alexander, or his designee to execute the Second Amendment to the Cooperative Endeavor Agreement with the LSU Research and Technology Foundation dated July 1, 2014 and any related documents and to make any changes that he deems to be in the best interest of the University.

9A4. Request from LSUA to Approve a Cooperative Endeavor Agreement between the LSU Board of Supervisors and The Academy to Lease Space for Secondary Educational Purposes

Mr. McCollister inquired on how this partnership was originally set up and applauded the innovation.

Mr. Yarborough complimented this program's success. He said it speaks highly of the power of passing on the LSU brand at other LSU campuses.

Mr. Chatelain said at some point for future growth, they need to look at additional areas for expansion.

Upon motion of Mr. McCollister, seconded by Mr. Yarborough, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College hereby authorizes Dr. F. King Alexander, in his capacity as President of LSU, or his designee, acting on behalf of and in the name of the LSU Board of Supervisors, and in consultation with legal counsel, to execute a Cooperative Endeavor Agreement with University Academic of Central Louisiana (UAC), and any related documents necessary or desirable to accomplish and implement the purposes of the Cooperative Endeavor Agreement, with all such agreements and documents, as well as any subsequent amendments or extensions thereto, to contain the terms and conditions, including fees and charges, that the President deems to be in the best interest of LSU.

9A5. Request from LSU A&M for the Establishment of Restricted Accounts for LSU Online

Mr. McCollister said we need to look at a way to market our courses.

Dr. Alexander said we need to make sure we have all the options available for flexibility in the online environment as there are no boundaries in regard to an in-state or out of state students.

Mr. Yarborough called upon Mr. Matt Lee, Provost for Academic Programs and Support Services, to give an overview of the process of setting up the online classes.

Upon motion of Mr. Yarborough, seconded by Mr. Ballard, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "Board") does hereby approve establishing restricted accounts for LSU Online. The funds are to be used exclusively to support and expand existing programs and to create new programs.

9B. Academic and Student Affairs, Achievement and Distinction Committee

Mr. Moore, Chairman of the Academic and Student Affairs, Achievement and Distinction Committee, reported that the Committee received one (1) request for Board approval. It is the recommendation of the Committee that the request receive Board approval.

9B1. Request from LSU A&M to Approve the Full Authorization of the Transformational Technologies and Cyber Research Center

Upon motion of Mr. Chatelain, seconded by Ms. Sanchez, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request for full authorization of the Transformational Technologies and Cyber Research Center from LSU A&M, subject to approval by the Board of Regents.

9C. Property and Facilities Committee

Mr. McCollister, Chairman of the Property and Facilities Committee, reported that the Committee received two (2) presentations. No action taken.

9C1. Capital Projects Update

Mr. Tony Lombardo, Associate Vice President for Facilities & Properties, gave a presentation on the Significant Capital Project. **(Copy of the presentation is on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

9C2. Nicholson Gateway Project Update

Dr. Dan Layzell, LSU VP for Finance & Administration and Mr. Robert Stuart, Jr., Chairperson-Elect LSU Foundation Board of Directors, gave a presentation overview on the LSU Nicholson Gateway Development. **(Copy of the presentation is on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

9D. Research and Economic Development Committee

Mr. McCrery, Chairman of the Research and Economic Development Committee, reported that the Committee received one (1) presentation. No action taken.



9D1. Economic Development: How LSU is Driving Louisiana's Economy

Dr. K. T. Valsaraj, Vice President Research and Economic Development; Mr. Arthur Cooper, Executive Director Louisiana Emerging Technology Center; and Mr. Charles D'Agostino, Executive Director Louisiana Business & Technology Center, gave the presentation on How LSU is Driving Louisiana's Economy. **(Copy of the presentation is on file in the Office of the LSU Board of Supervisors of Louisiana State University)**

9E. Athletic Committee

Mr. Chatelain, Chairman of the Athletic Committee, reported that the Committee received two (2) requests for Board approval. It is the recommendation of the Committee that the requests receive Board approval.

9E1. Request from LSU A&M to Approve Employment Contract with Brian Lee, Head Coach Women's Soccer

Upon motion of Mr. Ballard, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contract amendments for Brian Lee, Head Coach Women's Soccer, and to include in such amendments such terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

9E2. Request from LSU A&M to Approve Employment Contract with Malcolm Cameron, III, Assistant Coach Football/Offensive Coordinator

**RECOMMENDATION:**

Based on the recommendation of the Athletic Director, it is recommended that the Board authorize the President to sign the proposed contract with Malcolm Cameron III.

		Current	Proposed	Change	%	Notes
Basic	Term Ends	3/31/2016	3/31/2019	3 Year	-	a
	Base Salary	\$500,000	\$500,000	-	-	a
	Supplemental Media Comp	\$1,000,000	\$700,000	(\$300,000)	(30%)	b
Incentive	Post-Season (max)	\$115,000	\$125,000	\$10,000	9%	c
	Academic (max)	-	-	-	-	
<b>Total Certain Compensation</b>		<b>\$1,500,000</b>	<b>\$1,200,000</b>	<b>(\$300,000)</b>	<b>(20%)</b>	d

Notes:

- (a) Coach Cameron's previous contract expires on 03/31/2016. The "proposed" amounts are those contained in the proposed contract for Coach Cameron. Automobile payment is up to \$800/month. Club membership is at the option of the Head Coach.
- (b) Supplemental Media Compensation will decrease by \$300,000 for contract year 2016 and in contract year 2017 it increases to \$750,000 and for contract year 2018 it increases to \$800,000.
- (c) As per Schedule A of Coach Cameron's contract, he will receive set amounts for team achievements in SEC and for post season bowl compensation.
- (d) Total Certain Compensation includes all compensation which the coach is contractually guaranteed to receive annually. It does not include the value of any fringe benefits, such as car and cell phone allowances, nor any one- time amounts, such as contract buy-outs or relocation allowances.

Upon motion of Mr. Ballard, seconded by Mr. Moore, the Committee voted unanimously to approve the following resolution:

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College authorizes Dr. F. King Alexander, President, or his designee, to sign the contract with Malcolm Cameron III, and to include such terms and conditions as he, in consultation with the General Counsel, deems to be in the best interests of LSU.

9F. Audit Committee

The Audit Committee did not meet today.

10. Chairman's Report

Chairman Lasseigne called on Mr. Yarborough to give a report on the Medical School Metrics Meeting that was held on February 24, 2016. At that meeting, Mr. Clayton Tellers, Consultant with ECG Management, gave a review of how other medical schools are measuring performance on various measurements. Mr. Yarborough said LSU needs to set up its own set of metrics and benchmarking that will allow the schools over time to show improvement. The next step is to seek a proposal for technical assistance in review of current performance metrics with ECG. Another meeting will be set up with Health Sciences Center New Orleans, Health Sciences Center Shreveport and to facilitate a discussion to develop an agreeable balance scorecard for each institution.

The Chairman announced the next Board of Supervisors meeting will be held in Baton Rouge on May 6, 2016.

11. Adjournment

Chairman Lasseigne asked for a motion to adjourn with no further business before the Board.

Upon motion by Mr. Ballard, seconded by Mr. Yarborough, the meeting was adjourned.

Kay Miller  
Administrative Secretary  
LSU Board of Supervisors

**LSU**  
**Deposit and Collateral Report**  
**For the Quarter Ended March 31, 2016**

Deposits Requiring Posting of Collateral:	Demand Deposit Sweep/MMA Repurchase	Certificates of Deposit	Total Deposits in Financial Institutions	Collateral (1)
<b>LSU A &amp; M and LSU Health New Orleans</b>				
Chase - LSU, Health Plan Premium	\$ 61,606,253		\$ 61,606,253	\$ 103,523,358
Chase-HSCNO	22,659,685	18,600	22,678,285	32,519,588
Capital One - LSU-A	4,789,424		4,789,424	4,539,424
St. Landry Bank - LSU-E	578,452		578,452	500,161
<b>Total</b>	<b>\$ 89,633,814</b>	<b>\$ 18,600</b>	<b>\$ 89,652,414</b>	<b>\$ 141,082,531</b>
<b>LSU Health Shreveport</b>				
US Bank	\$ 4,457		\$ 4,457	\$ 250,000
Regions Bank-EA Conway	1,205,026		1,205,026	1,224,622
Regions Bank-Huey P Long	526,708		526,708	533,056
Regions Bank-Shreveport	72,342,748		72,342,748	76,791,376
Regions Bank-Shreveport Endowment Fds	2,947,817		2,947,817	-
<b>Total</b>	<b>\$ 77,026,756</b>	<b>\$ -</b>	<b>\$ 77,026,756</b>	<b>\$ 78,799,054</b>
<b>LSU HCSD</b>				
JP Morgan Chase (HCSD) & Capital One (WSTMC)	\$ 43,687,283		\$ 43,687,283	\$ 47,154,746
Capital One (MCLNO Trust Fund)	3,844,611		3,844,611	9,913,715
<b>Total</b>	<b>\$ 47,531,894</b>		<b>\$ 47,531,894</b>	<b>\$ 57,068,461</b>
<b>LSU - Shreveport</b>				
Campus Federal Credit Union		\$ 100,200	\$ 100,200	\$ 250,000
Regions Bank				
Capital One (Hibernia National Bank)	3,188,485		3,188,485	10,367,763
<b>Total</b>	<b>\$ 3,188,485</b>	<b>\$ 100,200</b>	<b>\$ 3,288,685</b>	<b>\$ 10,617,763</b>
<b>Total Requiring Collateral</b>	<b>\$ 217,380,949</b>	<b>\$ 118,800</b>	<b>\$ 217,499,749</b>	<b>\$ 287,567,809</b>
<b>Deposits In Trust or Federal Obligations Not Requiring Collateral</b>				
Repo's (Bank of New York)	45,725,618		\$ 45,725,618	
Federated Money Markets	\$ 74,679,939		\$ 74,679,939	
Federated Funds-Treas. Oblig. (2)	24,613		24,613	
<b>Total</b>	<b>\$ 120,430,170</b>	<b>\$ -</b>	<b>\$ 120,430,170</b>	
<b>Total Deposits</b>	<b>\$ 337,811,119</b>	<b>\$ 118,800</b>	<b>\$ 337,929,919</b>	

(1) Collateral amounts include FDIC coverage of \$250,000 on Demand Deposits, \$250,000 on CD's and \$250,000 by the National Credit Union Share Insurance Fund on deposits with Campus Federal Credit Union.

(2) One Group & Federated Funds are no-load, open ended mutual funds investing in U.S. Treasury obligations.

**LSU**  
**Investment Summary**  
**For the Quarter Ended March 31, 2016**

Fund Description	As of 7/1/2015		As of 9/30/2015		As of 12/31/2015		As of 3/31/2016		As of 06/30/2016	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	
<b>Current Funds</b>										
Cash/Sweeps	\$158,813,833	\$218,405,779	\$218,405,779	\$185,396,349	\$185,396,349	\$209,755,946	209,755,946	\$0	\$0	
Money Market Accounts/Repos (A)	\$4,217,458	\$32,879,174	\$32,879,174	\$2,006,905	\$2,006,905	\$15,902,423	\$15,902,423	\$0	\$0	
Certificates of Deposit	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200	\$0	\$0	
Treasury Notes	\$11,524,774	\$11,516,556	\$11,737,749	\$11,516,556	\$11,553,341	\$11,516,556	\$11,942,141	\$0	\$0	
CMO's	\$2,489,821	\$1,678,453	\$1,709,984	\$1,018,555	\$1,029,035	\$801,373	\$807,309	\$0	\$0	
Agency Securities (B)	\$152,423,465	\$122,903,902	\$125,301,315	\$118,626,376	\$119,550,970	\$103,183,623	\$105,589,013	\$0	\$0	
Mortgaged Backed Securities	\$28,725,234	\$38,257,878	\$38,834,689	\$38,877,235	\$38,866,390	\$37,350,391	\$37,727,482	\$0	\$0	
Equity Securities (C)	\$85,784	\$0	\$72,250	\$0	\$73,873	\$0	\$67,335	\$0	\$0	
Bond Mutual Funds	\$43,307,885	\$46,697,531	\$42,782,238	\$46,697,531	\$42,391,868	\$46,697,531	\$44,308,934	\$0	\$0	
Municipal Bonds (E)	\$45,261,960	\$58,956,109	\$57,315,788	\$58,912,619	\$56,729,372	\$58,288,866	\$7,940,270	\$0	\$0	
Corporate Bonds (D)	\$175,272,788	\$198,577,082	\$199,181,217	\$193,792,162	\$192,302,005	\$189,045,187	\$190,055,409	\$0	\$0	
<b>Total</b>	<b>\$622,223,202</b>	<b>\$729,972,664</b>	<b>\$728,320,383</b>	<b>\$656,944,488</b>	<b>\$650,000,308</b>	<b>\$672,642,096</b>	<b>\$674,196,462</b>	<b>\$0</b>	<b>\$0</b>	
<b>Endowment Funds</b>										
Cash/Sweeps	\$2,990,181	\$2,994,095	\$2,994,095	\$2,997,929	\$2,997,929	\$2,999,483	\$2,999,483	\$0	\$0	
Money Market Accounts/Repos (A)	\$0	\$1,278,108	\$1,278,108	\$191,237	\$191,237	\$991,787	\$991,787	\$0	\$0	
Certificates of Deposit	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$0	\$0	
Agency Securities (B)	\$8,250,750	\$7,237,460	\$7,282,324	\$7,237,460	\$7,217,091	\$6,742,960	\$6,727,416	\$0	\$0	
Mortgaged Backed Securities	\$1,552,243	\$1,421,040	\$1,438,710	\$1,421,040	\$1,417,943	\$1,305,162	\$1,315,649	\$0	\$0	
Equity Securities (C)	\$10,476,506	\$6,619,310	\$9,789,443	\$6,619,310	\$10,239,960	\$6,619,310	\$10,319,149	\$0	\$0	
Mutual Funds	\$53,011,507	\$52,360,182	\$53,343,928	\$53,599,631	\$54,987,759	\$53,888,494	\$56,206,331	\$0	\$0	
Municipal Bonds (E)	-	-	\$0	\$756,130	\$754,563	\$756,130	\$776,798	\$0	\$0	
Corporate Bonds (D)	\$6,269,703	\$6,056,740	\$6,258,600	\$6,786,515	\$6,892,445	\$6,786,515	\$7,026,970	\$0	\$0	
<b>Total</b>	<b>\$82,569,490</b>	<b>\$77,985,535</b>	<b>\$82,403,808</b>	<b>\$79,627,852</b>	<b>\$84,717,527</b>	<b>\$80,108,441</b>	<b>\$86,382,183</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Funds</b>										
Cash/Sweeps	\$7,321,696	\$5,786,036	\$5,786,036	\$4,764,576	\$4,764,576	\$4,124,249	\$4,124,249	\$0	\$0	
Money Market Accounts/Repos (A)	\$120,674,103	\$103,803,265	\$103,803,265	\$124,906,219	\$124,906,219	\$104,012,618	\$104,012,618	\$0	\$0	
Treasury Notes	\$3,141,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Agency Securities (B)	\$10,511,900	\$10,248,931	\$10,600,025	\$7,221,095	\$7,552,239	\$7,221,095	\$7,744,447	\$0	\$0	
Equity Securities (C)	\$412,672	\$0	\$368,776	\$0	\$386,632	\$0	\$414,606	\$0	\$0	
US Gov Related Securities	\$40,338	\$35,718	\$35,718	\$31,227	\$31,227	\$24,613	\$24,613	\$0	\$0	
<b>Total</b>	<b>\$142,102,294</b>	<b>\$119,873,950</b>	<b>\$120,593,820</b>	<b>\$136,923,117</b>	<b>\$137,640,893</b>	<b>\$115,382,575</b>	<b>\$116,320,533</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$846,894,986</b>	<b>\$927,832,149</b>	<b>\$931,318,011</b>	<b>\$873,495,457</b>	<b>\$872,358,728</b>	<b>\$868,133,112</b>	<b>\$876,899,178</b>	<b>\$0</b>	<b>\$0</b>	
<b>Deposits in Financial Institutions</b>										
Total Cash/Sweeps/MMA/Repos	\$294,017,271	\$365,146,457	\$365,146,457	\$320,263,215	\$320,263,215	\$337,786,508	\$337,786,506	\$0	\$0	
Total Certificates of Deposit	\$118,800	\$118,800	\$118,800	\$118,800	\$118,800	\$118,800	\$118,800	\$0	\$0	
US Gov Related Securities	\$40,338	\$35,718	\$35,718	\$31,227	\$31,227	\$24,613	\$24,613	\$0	\$0	
<b>Total Deposits</b>	<b>\$294,176,409</b>	<b>\$365,300,975</b>	<b>\$365,300,975</b>	<b>\$320,413,242</b>	<b>\$320,413,242</b>	<b>\$337,929,921</b>	<b>\$337,929,919</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Investments</b>										
Treasury Notes	\$14,666,359	\$11,516,556	\$11,737,749	\$11,516,556	\$11,553,341	\$11,516,556	\$11,942,141	\$0	\$0	
CMO's	\$2,489,821	\$1,678,453	\$1,709,984	\$1,018,555	\$1,029,035	\$801,373	\$807,309	\$0	\$0	
Agency Securities (B)	\$171,186,115	\$140,390,293	\$143,183,664	\$133,084,931	\$134,320,300	\$117,147,678	\$120,060,876	\$0	\$0	
Mortgaged Backed Securities	\$30,277,477	\$39,678,918	\$40,273,399	\$40,298,275	\$40,284,333	\$38,655,553	\$39,043,131	\$0	\$0	
Equity Securities (C)	\$10,974,962	\$6,619,310	\$10,230,469	\$6,619,310	\$10,700,465	\$6,619,310	\$10,801,090	\$0	\$0	
Bond Mutual Funds	\$43,307,885	\$46,697,531	\$42,782,238	\$46,697,531	\$42,391,868	\$46,697,531	\$44,308,934	\$0	\$0	
Mutual Funds	\$53,011,507	\$52,360,182	\$53,343,928	\$53,599,631	\$54,987,759	\$53,888,494	\$56,206,331	\$0	\$0	
Municipal Bonds (E)	\$45,261,960	\$58,956,109	\$57,315,788	\$59,668,749	\$57,483,935	\$59,044,996	\$58,717,068	\$0	\$0	
Corporate Bonds (D)	\$181,542,491	\$204,633,822	\$205,439,817	\$200,578,677	\$199,194,450	\$195,831,702	\$197,082,379	\$0	\$0	
<b>Total Other</b>	<b>\$552,718,577</b>	<b>\$562,531,174</b>	<b>\$566,017,036</b>	<b>\$611,994,834</b>	<b>\$608,674,858</b>	<b>\$588,492,059</b>	<b>\$596,909,529</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$846,894,986</b>	<b>\$927,832,149</b>	<b>\$931,318,011</b>	<b>\$932,408,076</b>	<b>\$929,088,100</b>	<b>\$926,421,980</b>	<b>\$934,839,448</b>	<b>\$0</b>	<b>\$0</b>	
<b>LSU and Related Campuses</b>										
<b>Current Funds</b>										
Cash/Sweeps	\$67,737,029	\$103,417,821	\$103,417,821	\$73,174,288	\$73,174,288	89,633,814	89,633,814	\$0	\$0	
Money Market Accounts/Repos (A)	\$36,563	\$32,378,761	\$32,378,761	1,506,049	1,506,049	15,401,132	15,401,132	\$0	\$0	
Treasury Notes	\$11,524,774	\$11,516,556	\$11,737,749	11,516,556	11,553,341	11,516,556	11,942,141	\$0	\$0	
CMO's	\$2,489,821	\$1,678,453	\$1,709,984	1,018,555	1,029,035	801,373	807,309	\$0	\$0	
Agency Securities (B)	\$147,174,859	\$118,655,209	\$121,056,021	115,377,208	116,342,609	99,718,733	101,337,520	\$0	\$0	
Mortgaged Backed Securities	\$25,636,634	\$35,235,407	\$35,819,130	35,885,453	35,894,688	34,393,492	34,808,372	\$0	\$0	
Equity Securities (C)	\$85,784	\$0	\$72,250	0	73,873	\$0	67,335	\$0	\$0	
Bond Mutual Funds	\$43,307,885	\$46,697,531	\$42,782,238	46,697,531	42,391,868	46,697,531	44,308,934	\$0	\$0	
Municipal Bonds (E)	\$43,012,913	\$56,240,381	\$54,604,966	56,198,426	54,045,607	56,193,182	55,586,448	\$0	\$0	
Corporate Bonds (D)	\$170,766,961	\$194,635,532	\$195,256,517	189,876,307	188,406,258	185,149,488	187,215,749	\$0	\$0	
US Gov Related Securities								\$0	\$0	
<b>Total</b>	<b>\$511,773,223</b>	<b>\$600,455,651</b>	<b>\$598,835,437</b>	<b>\$531,250,373</b>	<b>\$524,417,616</b>	<b>\$539,505,301</b>	<b>\$541,108,754</b>	<b>\$0</b>	<b>\$0</b>	
<b>Endowment Funds</b>										
Money Market Accounts/Repos (A)		\$1,278,108	\$1,278,108	191,237	191,237	991,787	991,787	\$0	\$0	
Certificates of Deposit	\$18,600	\$18,600	\$18,600	18,600	18,600	18,600	18,600	\$0	\$0	
Agency Securities (B)	\$8,250,750	\$7,237,460	\$7,282,324	7,237,460	7,217,091	6,742,960	6,727,416	\$0	\$0	
Mortgaged Backed Securities	\$1,552,243	\$1,421,040	\$1,438,710	1,421,040	1,417,943	1,305,162	1,315,649	\$0	\$0	
Equity Securities (C)	\$10,468,856	\$6,611,660	\$9,777,161	6,611,660	10,227,374	6,611,660	10,304,807	\$0	\$0	
Municipal Bonds				756,130	754,563	756,130	776,798	\$0	\$0	
Corporate Bonds (D)	\$6,269,703	\$6,056,740	\$6,258,600	6,786,515	6,892,445	6,786,515	7,026,970	\$0	\$0	
US Gov Related Securities								\$0	\$0	
<b>Total</b>	<b>\$26,560,152</b>	<b>\$22,623,608</b>	<b>\$26,053,503</b>	<b>\$23,022,642</b>	<b>\$26,719,253</b>	<b>\$23,212,814</b>	<b>\$27,162,027</b>	<b>\$0</b>	<b>\$0</b>	
<b>Other Funds</b>										
Money Market Accounts/Repos (A)	\$93,967,376	\$63,472,950	\$63,472,950	67,932,866	67,932,866	49,832,839	49,832,839	\$0	\$0	
Treasury Notes	\$3,141,585	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Agency Securities (B)	\$10,511,900	\$10,248,931	\$10,600,025	7,221,095	7,552,239	7,221,095	7,744,447	\$0	\$0	
<b>Total</b>	<b>\$107,620,861</b>	<b>\$73,721,881</b>	<b>\$74,072,975</b>	<b>\$75,153,961</b>	<b>\$75,485,105</b>	<b>\$57,053,934</b>	<b>\$57,577,286</b>	<b>\$0</b>	<b>\$0</b>	
<b>Grand Total</b>	<b>\$645,954,236</b>	<b>\$696,801,140</b>	<b>\$698,961,915</b>	<b>\$629,426,976</b>	<b>\$626,621,974</b>	<b>\$619,772,049</b>	<b>\$625,848,067</b>	<b>\$0</b>	<b>\$0</b>	

LSU  
Investment Summary  
For the Quarter Ended March 31, 2016

Fund Description	As of 7/1/2015	As of 9/30/2015		As of 12/31/2015		As of 3/31/2016		As of 06/30/2016	
	Value	Cost	Market Value	Cost	Market Value	Cost	Market Value	Cost	Market Value
<b>LSUHSC Shreveport</b>									
<b>Current Funds</b>									
Cash/Sweeps S.	\$43,481,410	\$67,332,744	\$67,332,744	\$65,907,689	\$65,907,689	\$72,347,205	\$72,347,205		
Cash/Sweeps C.	\$950,118	\$632,182	\$632,182	\$884,411	\$884,411	\$1,205,026	\$1,205,026		
Cash/Sweeps H.	\$1,293,443	\$542,285	\$542,285	\$767,897	\$767,897	\$526,708	\$526,708		
<b>Cash/Sweeps</b>	<b>\$45,724,971</b>	<b>\$68,507,211</b>	<b>\$68,507,211</b>	<b>\$67,559,997</b>	<b>\$67,559,997</b>	<b>\$74,078,939</b>	<b>\$74,078,939</b>	<b>\$0</b>	<b>\$0</b>
Money Market Accounts/Repos (A)	\$2,180,322	\$20	\$20	\$21	\$21	\$20	\$20	\$0	\$0
Agency Securities (B)	\$5,248,606	\$4,248,693	\$4,245,294	\$3,249,168	\$3,208,361	\$3,464,890	\$4,251,493		
Mortgaged Backed Securities (B)	\$3,088,600	\$3,022,471	\$3,015,559	\$2,991,782	\$2,971,702	\$2,956,899	\$2,919,110		
Municipal Bonds (E)	\$2,249,047	\$2,715,728	\$2,710,822	\$2,714,193	\$2,683,765	\$2,095,684	\$2,353,822		
Corporate Bonds (D)	\$4,505,827	\$3,941,550	\$3,924,700	\$3,915,855	\$3,895,747	\$3,895,699	\$2,839,660		
<b>Total</b>	<b>\$62,997,373</b>	<b>\$82,435,673</b>	<b>\$82,403,606</b>	<b>\$80,431,016</b>	<b>\$80,319,593</b>	<b>\$86,492,131</b>	<b>\$86,443,044</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>									
Cash/Sweeps	\$2,938,515	\$2,942,429	\$2,942,429	\$2,946,263	\$2,946,263	\$2,947,817	\$2,947,817		
Equity Securities (C)	\$7,650	\$7,650	\$12,282	\$7,650	\$12,586	\$7,650	\$14,342		
Mutual Funds	\$53,011,507	\$52,360,182	\$53,343,928	\$52,843,501	\$54,233,196	\$53,132,364	\$55,429,533		
<b>Total</b>	<b>\$55,957,672</b>	<b>\$55,310,261</b>	<b>\$56,298,639</b>	<b>\$55,797,414</b>	<b>\$57,192,045</b>	<b>\$56,087,831</b>	<b>\$58,391,692</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$118,955,045</b>	<b>\$137,745,934</b>	<b>\$138,702,245</b>	<b>\$136,228,430</b>	<b>\$137,511,638</b>	<b>\$142,579,962</b>	<b>\$144,834,736</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU HCSD</b>									
<b>Current Funds</b>									
Cash/Sweeps	\$44,347,665	\$44,043,113	\$44,043,113	\$43,496,247	\$43,496,247	\$43,687,283	\$43,687,283		
<b>Total</b>	<b>\$44,347,665</b>	<b>\$44,043,113</b>	<b>\$44,043,113</b>	<b>\$43,496,247</b>	<b>\$43,496,247</b>	<b>\$43,687,283</b>	<b>\$43,687,283</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>									
Cash/Sweeps	\$7,262,974	\$5,506,398	\$5,506,398	\$4,484,938	\$4,484,938	\$3,844,611	\$3,844,611		
Money Market Accounts/Repos (A)	\$26,706,727	\$40,330,315	\$40,330,315	\$56,973,353	\$56,973,353	\$54,179,779	\$54,179,779		
Equity Securities (C)	\$412,672		\$368,776		\$386,632		\$414,606		
US Gov Related Securities	\$40,338	\$35,718	\$35,718	\$31,227	\$31,227	\$24,613	\$24,613		
<b>Total</b>	<b>\$34,422,711</b>	<b>\$45,872,431</b>	<b>\$46,241,207</b>	<b>\$61,489,518</b>	<b>\$61,876,150</b>	<b>\$58,049,003</b>	<b>\$58,463,609</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$78,770,376</b>	<b>\$89,915,544</b>	<b>\$90,284,320</b>	<b>\$104,985,765</b>	<b>\$105,372,397</b>	<b>\$101,736,286</b>	<b>\$102,150,892</b>	<b>\$0</b>	<b>\$0</b>
<b>LSU - Shreveport</b>									
<b>Current Funds *</b>									
Cash/Sweeps	\$1,004,168	\$2,437,634	\$2,437,634	\$1,165,817	\$1,165,817	\$2,355,910	\$2,355,910		
Money Market Accounts/Repos (A)	\$2,000,573	\$500,393	\$500,393	\$500,835	\$500,835	\$501,271	\$501,271		
Certificates of Deposit	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200	\$100,200		
<b>Total</b>	<b>\$3,104,941</b>	<b>\$3,038,227</b>	<b>\$3,038,227</b>	<b>\$1,766,852</b>	<b>\$1,766,852</b>	<b>\$2,957,381</b>	<b>\$2,957,381</b>	<b>\$0</b>	<b>\$0</b>
<b>Endowment Funds</b>									
Cash/Sweeps	\$51,666	\$51,666	\$51,666	\$51,666	\$51,666	\$51,666	\$51,666		
<b>Total</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$51,666</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Funds</b>									
Cash/Sweeps	\$58,722	\$279,638	\$279,638	\$279,638	\$279,638	\$279,638	\$279,638		
<b>Total</b>	<b>\$58,722</b>	<b>\$279,638</b>	<b>\$279,638</b>	<b>\$279,638</b>	<b>\$279,638</b>	<b>\$279,638</b>	<b>\$279,638</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total</b>	<b>\$3,215,329</b>	<b>\$3,369,531</b>	<b>\$3,369,531</b>	<b>\$2,098,156</b>	<b>\$2,098,156</b>	<b>\$3,288,685</b>	<b>\$3,288,685</b>	<b>\$0</b>	<b>\$0</b>
<b>System Total</b>	<b>\$846,894,986</b>	<b>\$927,832,149</b>	<b>\$931,318,011</b>	<b>\$872,739,327</b>	<b>\$871,604,165</b>	<b>\$867,376,982</b>	<b>\$876,122,380</b>	<b>\$0</b>	<b>\$0</b>

\* LSUS has deposited \$4,000,000 with LSU Baton Rouge Campus for investment purposes.

**BENCHMARK NOTES (Example Only)**

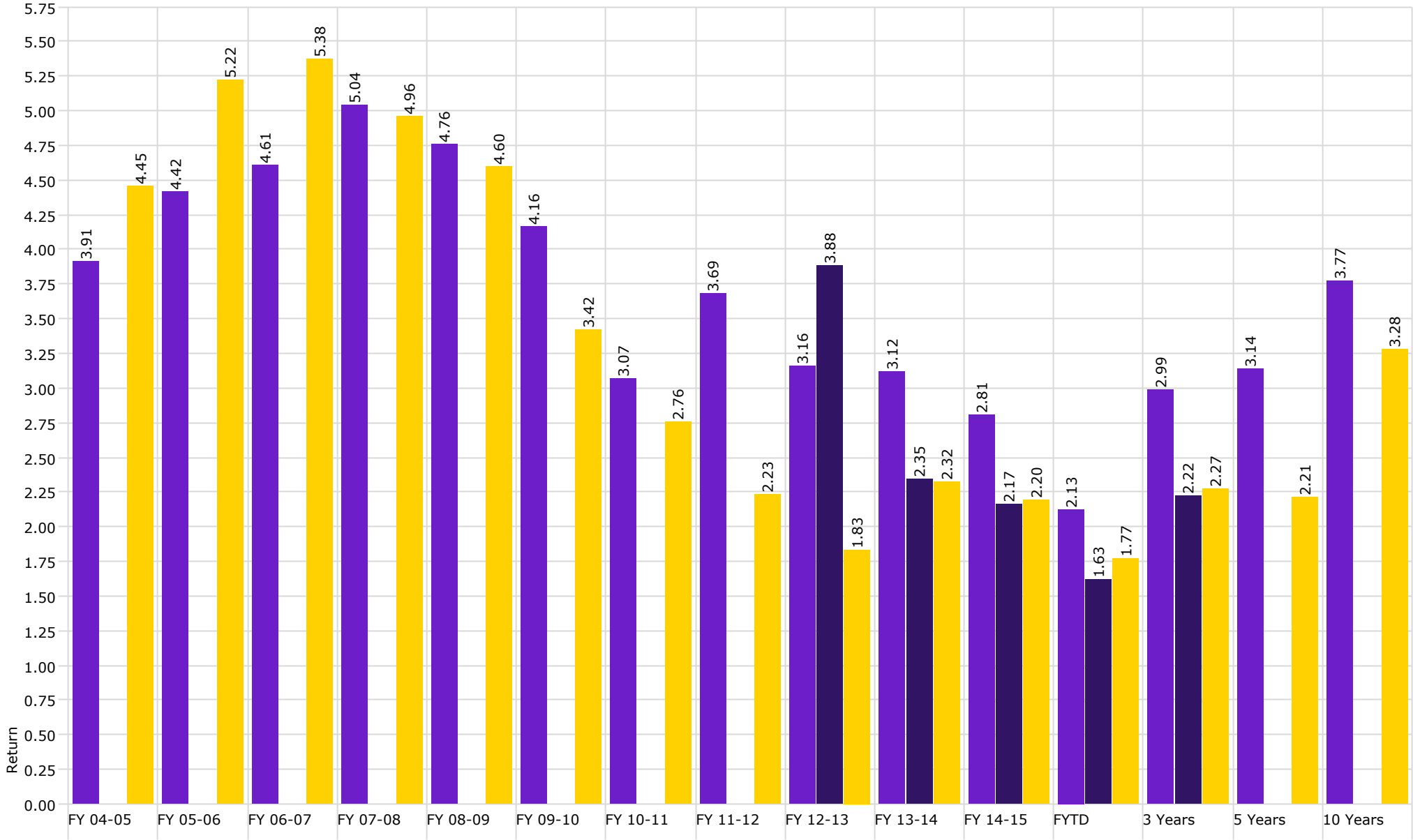
- (A) Benchmarked against 90 day T-Bill
- (B) Benchmarked against Barclay's US Agg Bond TR USD
- (C) US equities benchmarked against Russell 3000 and international against MSCI emerging markets
- (D) Benchmarked against XYZ
- (E) Benchmarked against XYZ

Disclaimer: Pursuant to PM-9, corporate bonds/notes only available for investment beginning 7-1-2011. Louisiana law provides for restrictions on maturity and allocation and may effect benchmark comparisons.



# Investment Management Program Non Endowed Accounts **Realized Yield**

As of 3/31/2016



■ Non Endowed

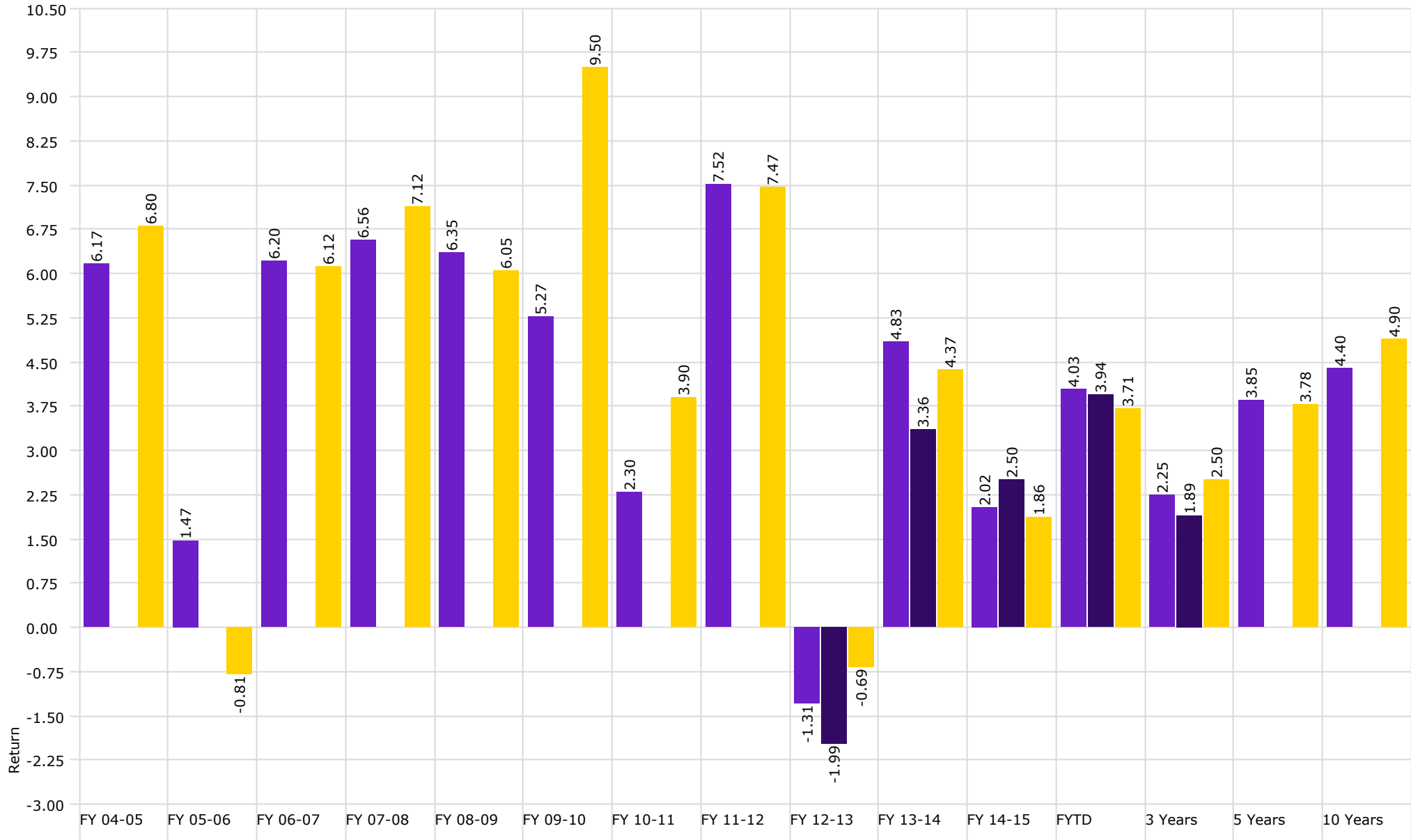
■ Health Plan

■ Barclays Aggregate Bond Index



# Investment Management Program Non Endowed Accounts **Total Return**

As of 3/31/2016



■ Non Endowed

■ Health Plan

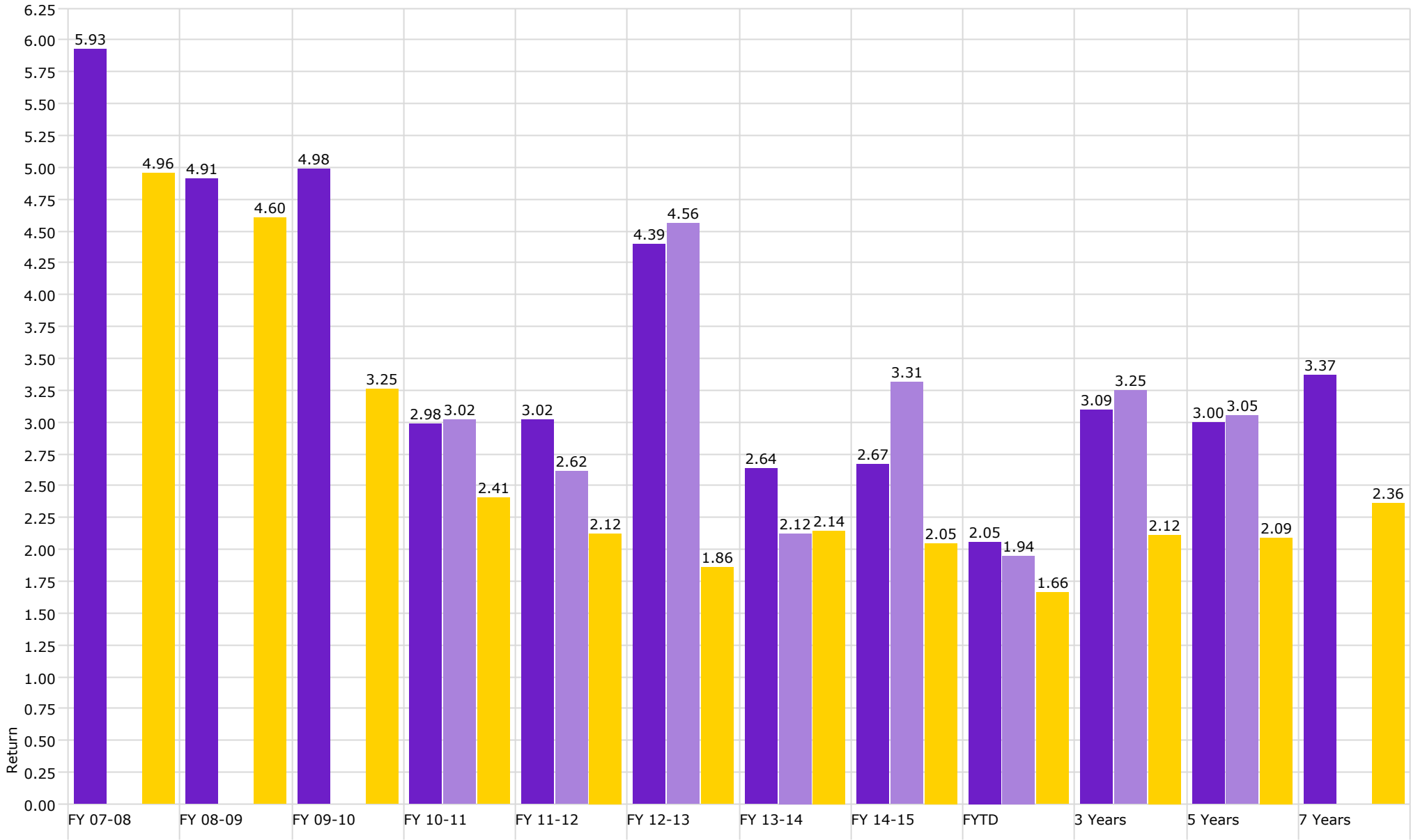
■ Barclays Aggregate Bond Index





# Investment Management Program Endowed Accounts **Realized Yield**

As of 3/31/2016



■ Endowment

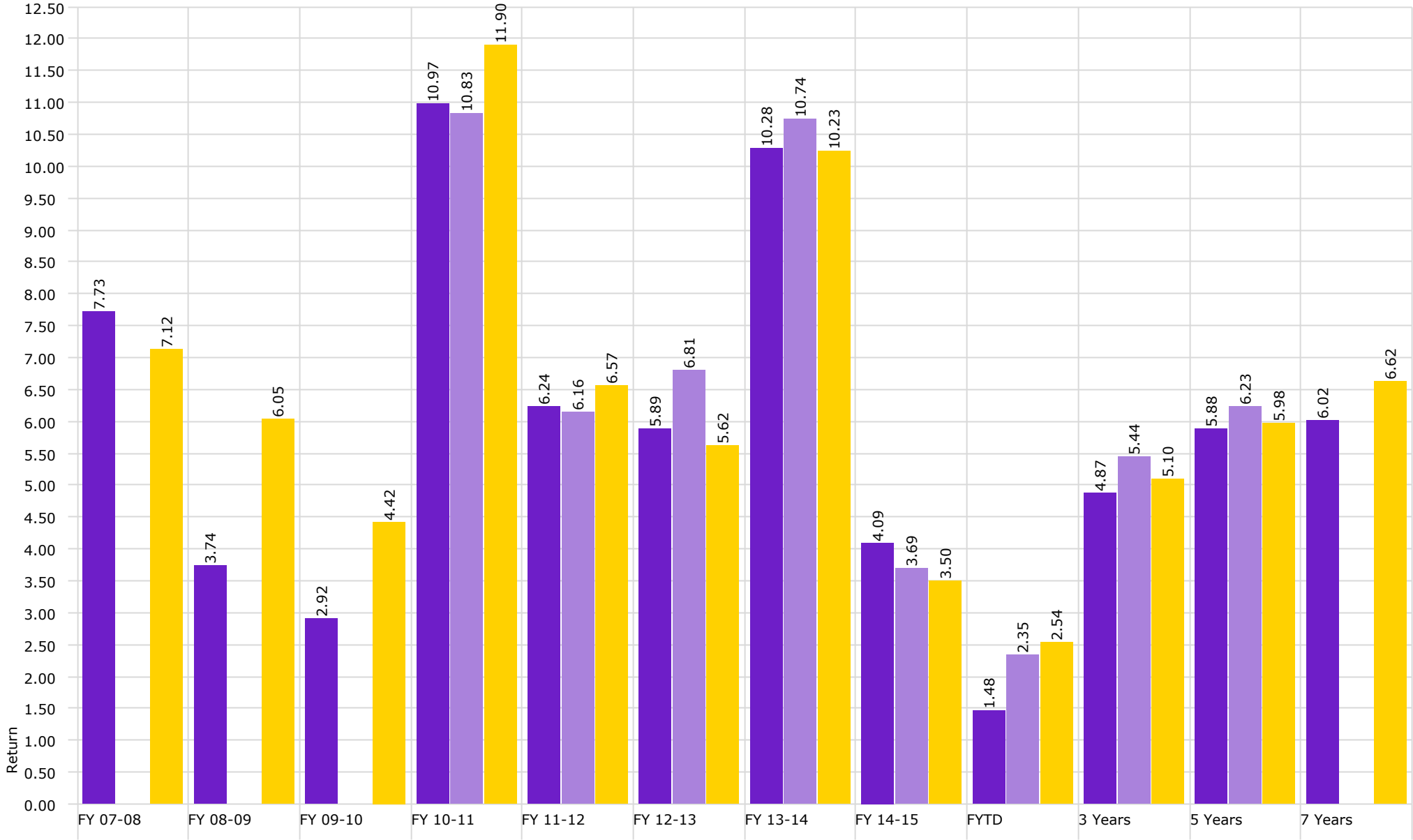
■ Osher

■ Endowed Benchmark



# Investment Management Program Endowed Accounts **Total Return**

As of 3/31/2016



■ Endowment

■ Osher

■ Endowed Benchmark

FY 2015-16 3<sup>rd</sup> Quarter Consolidated Report on  
Personnel Actions Not Requiring Board Approval  
in accordance with the  
Regulations of the Board of Supervisors

May 6, 2016

**Personnel Actions Information Report**  
**Reporting Period: January 1, 2016 - March 31, 2016**

**LSU**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Bongjorni, Kevin	11/11/2015	DESIGNATED PROFESSOR	100	100	69,088	69,088	0	0%	0	0	Honorific
Cheng, Christine Crawford	8/17/2015	ASSISTANT PROFESSOR	100	100	159,347	159,347	0	0%	0	0	Honorific
Gleiberman, Aaron	8/17/2015	INSTRUCTOR	100	100	128,000	128,000	0	0%	0	0	Honorific
Guo, Shengmin	1/7/2016	PROFESSOR	100	100	99,393	99,393	0	0%	0	0	Honorific
Koubek, Richard	12/12/2015	Executive Vice President	100	100	350,000	350,000	0	0%	0	0	Honorific
Koubek, Richard	12/12/2015	Executive Vice President	100	100	350,000	350,000	0	0%	0	0	Honorific
Li, Xin	12/31/2015	ASSOCIATE PROFESSOR	100	100	93,019	93,019	0	0%	0	0	Honorific
Llorens, Jared James	8/17/2015	Director of Academic Area	100	100	127,000	127,000	0	0%	0	0	Honorific
Mathews, Francis N	1/1/2016	Director of School Within	100	100	200,364	200,364	0	0%	0	0	Honorific
Mehraeen, Shahab	1/7/2016	ASSISTANT PROFESSOR	100	100	84,132	84,132	0	0%	0	0	Honorific
Niedrich, Ronald W	8/17/2015	DEPARTMENT HEAD/CHAIRMAN	100	100	158,383	158,383	0	0%	0	0	Honorific
Richardson, James A	8/17/2015	Alumni Professor - Univer	100	100	165,000	165,000	0	0%	0	0	Honorific
Schoegl, Ingmar Michael	1/7/2016	ASSOCIATE PROFESSOR	100	100	90,829	90,829	0	0%	0	0	Honorific
Steiner, Halina	1/7/2016	ASSISTANT PROFESSOR	100	100	60,000	60,000	0	0%	0	0	Honorific
Tsai, Frank Tsung-Chen	1/7/2016	PROFESSOR	100	100	99,720	99,720	0	0%	0	0	Honorific
Becker, Sarah Anna	1/7/2016	ASSOCIATE PROFESSOR	100	100	65,310	70,422	5,112	7.83%	5,112	0	Promotion in Faculty Rank
Caminita, Cristina Mar	1/1/2016	ASSOCIATE LIBRARIAN	100	100	63,000	67,900	4,900	7.78%	4,900	0	Promotion in Faculty Rank
Pucheu-Haston, Cherie	1/1/2016	ASSOCIATE PROFESSOR	100	100	115,005	122,805	7,800	6.78%	7,800	0	Promotion in Faculty Rank
Teruyama, Ryoichi	1/7/2016	ASSOCIATE PROFESSOR	100	100	77,500	83,100	5,600	7.23%	5,600	0	Promotion in Faculty Rank
Yao, Shaomian	1/7/2016	ASSOCIATE PROFESSOR	100	100	76,617	82,182	5,565	7.26%	5,565	0	Promotion in Faculty Rank
Bodie, Graham D	1/7/2016	ASSOCIATE PROFESSOR	100	100	73,861	73,861	0	0%	0	0	Sabbatical Leave Request
Cai, Chunsheng	1/7/2016	DESIGNATED PROFESSOR	100	100	115,925	115,925	0	0%	0	0	Sabbatical Leave Request
Chicoine, David	1/7/2016	ASSOCIATE PROFESSOR	100	100	68,143	68,143	0	0%	0	0	Sabbatical Leave Request
Daniels-Race, Theda M	1/7/2016	PROFESSOR	100	100	122,629	122,629	0	0%	0	0	Sabbatical Leave Request
DeLong, Kristine L	1/7/2016	ASSOCIATE PROFESSOR	100	100	70,937	70,937	0	0%	0	0	Sabbatical Leave Request
Devireddy, Ramachandra	1/7/2016	PROFESSOR	100	100	112,278	112,278	0	0%	0	0	Sabbatical Leave Request
Donovan, Neila J	1/7/2016	ASSOCIATE PROFESSOR	100	100	72,567	72,567	0	0%	0	0	Sabbatical Leave Request
Elder, Bret D	1/7/2016	ASSOCIATE PROFESSOR	100	100	82,293	82,293	0	0%	0	0	Sabbatical Leave Request
Folse, Judith Anne G	1/7/2016	DESIGNATED PROFESSOR	100	100	151,432	151,432	0	0%	0	0	Sabbatical Leave Request
Jarrell, Mark	1/7/2016	PROFESSOR	100	100	187,349	182,349	(5,000)	-2.74%	(5,000)	0	Sabbatical Leave Request
Jin, Tao	1/7/2016	ASSOCIATE PROFESSOR	100	100	65,080	65,080	0	0%	0	0	Sabbatical Leave Request
Kelley, Kelli Scott	8/17/2015	PROFESSOR	100	100	69,000	69,000	0	0%	0	0	Sabbatical Leave Request
Khannous, Touria	1/7/2016	ASSOCIATE PROFESSOR	100	100	63,291	63,291	0	0%	0	0	Sabbatical Leave Request
King, Jeremy W	1/7/2016	ASSOCIATE PROFESSOR	100	100	61,477	61,477	0	0%	0	0	Sabbatical Leave Request
Koptcho, Leslie	1/7/2016	PROFESSOR	100	100	77,150	77,150	0	0%	0	0	Sabbatical Leave Request
Laine, Roger A	1/7/2016	PROFESSOR	100	100	122,783	122,783	0	0%	0	0	Sabbatical Leave Request
Smith, Edward C	1/7/2016	PROFESSOR	100	100	69,000	69,000	0	0%	0	0	Sabbatical Leave Request
Wolshon, Paul B	1/7/2016	DESIGNATED PROFESSOR	100	100	143,222	143,222	0	0%	0	0	Sabbatical Leave Request
Corbett, William R	12/17/2015	Dean of Major Academic Ar	100	100	217,829	237,829	20,000	9.18%	20,000	0	Salary Increase/Expansion or Upgrad

**Pennington Biomedical Research Center**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Stephens, Jacqueline	2/1/2016	Professor	100	100	190,000	200,000	10,000	5.26%	\$0.00	10,000	Added to Administration of BRC Grant

**LSU Eunice**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Phillips, Jerrett D	4/1/2016	Vice Chancellor (Campus)	0	100	0	85,000	85,000	100%	85,000	0	Appointment

**LSU at Shreveport**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Lee, Bridget	1/4/2016	Assistant to the Director, Admissions	0	100	0	30,000	30,000	0%	30,000	0	New hire
Perry, Russ	1/15/2016	Associate Professor	0	100	0	52,000	52,000	0%	52,000	0	New hire
Stanford, David	1/4/2016	Director of Admissions	0	100	0	58,000	58,000	0%	58,000	0	New hire
Wallace, Michael "Brent"	2/15/2016	Executive Director, Cont Ed.	0	100	0	88,000	88,000	0%	0	88,000	New hire
King, Chelsea	1/20/2016	Assistant Director, Rec Sports	0	100	0	37,500	37,500	0%	0	37,500	New hire
Fry, Centennia	1/10/2016	Instructor & Director	100	100	63,000	73,000	10,000	15.87%	0	10,000	Merit increase
Johnson, Cassandra	1/1/2016	Assistant Director, Accounting Services	100	100	41,500	51,500	10,000	24.10%	0	10,000	Salary increase - expansion of duties
Lewis, Marlon	2/5/2016	Interim Director, Facility Services	100	100	50,000	57,000	7,000	14.00%	7,000	0	Interim promotion

LSU at Shreveport						
Retiree Name	LSU Hire Date	Retirement Date	Years of	Current Title	Retirement Title Requested	
Taylor, Raymond E., Ph.D.	8/21/1991	5/15/2016	25	Professor of Marketing	Professor Emeritus, Marketing	
Evans, Debra C., Ph.D.	8/20/1992	5/15/2016	24	Professor of Education	Professor Emeritus, Education	
Gossett, Dalton R., Ph.D.	8/21/1987	8/20/2016	29	Associate Dean, College of Arts and Sciences and Professor of Biological Sciences	Associate Dean, College of Arts and Sciences and Professor Emeritus, Biological Sciences	

**LSU Health Sciences Center - New Orleans**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Garcia,Agustin Caballero Monge	1/1/2016	Charles W. McMillin III and Ri	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Honorific
Peters,Edward S.	1/1/2016	Edward S. Peters, DMD, SM, SM,	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Honorific
Zura,Robert D.	1/1/2016	Robert D'Ambrosia Chair in Ort	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Honorific
Lazarus,Cathy Jane	3/1/2016	ASSOCIATE DEAN OF STUDENT AFFA	5	100	N/A	150,000	150,000	N/A	N/A	N/A	PAY Change in Percent of Effort
Zura,Robert D.	1/5/2016	DEPARTMENT HEAD/CHAIRMAN	5	100	N/A	279,999	279,999	N/A	N/A	N/A	PAY Change in Percent of Effort
Divincenti,Anthony J	3/1/2016	ASSOCIATE DEAN OF MAJOR ACADEM	100	100	156,999	167,000	10,000	6.37%	N/A	N/A	PAY Pay Change Other
Weiss,Jayne S.	1/1/2016	DEPARTMENT HEAD/CHAIRMAN	100	100	234,000	245,000	11,000	4.70%	N/A	N/A	PAY Pay Change Other
Lazarus,Cathy Jane	3/1/2016	ASSOCIATE DEAN OF STUDENT AFFA	100	100	150,000	150,000	N/A	N/A	N/A	N/A	PRO Promotion-Unclass/Admin Duties
Zura,Robert D.	1/5/2016	DEPARTMENT HEAD/CHAIRMAN	100	100	279,999	279,999	N/A	N/A	N/A	N/A	PRO Promotion-Unclass/Admin Duties
Murray,Edwin R.	1/11/2016	VICE CHANCELLOR (CAMPUS)		80	N/A	195,000	195,000	100%	N/A	N/A	HIR Appointment Unclassified
King,Andrew Graeme Stuart	1/1/2016	MacEwan Chair Pediatric Orthop	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Reappointed
Frey,Daniel J	1/22/2016	PROFESSOR	100	100	117,805	117,805	N/A	N/A	N/A	N/A	TER Invol Sep-Other Invol Reason
Martin,David H	1/1/2016		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Emeritus

**LSU Health Sciences Center - Shreveport**

Name	Effective Date	Title	Prev Effort	New Effort	Prev Salary	New Salary	Net Change	% Net Change	Net Change - State Funds	Net Change - Non-State Funds	Transaction
Mccarthy,Kevin J	3/4/2016	DEPARTMENT HEAD/CHAIRMAN	100	100	119,124.72	220,480	101,355.28	85.08%	N/A	N/A	PRO Change to Acting Position Uncl
Marymont,John V.	2/6/2016	DEPARTMENT HEAD/CHAIRMAN	100	100	195,520	195,520	N/A	N/A	N/A	N/A	PAY Change from Acting Position Un
Oglesby,Leisa P	1/1/2016	EXECUTIVE DIRECTOR--MEDICAL SE	100	100	129,740	155,688	25,948	20%	N/A	N/A	PAY Sal Inc-Expan/Upgrade Duties

**PROPOSED**

**2016-2017  
LSU BOARD OF SUPERVISORS MEETING SCHEDULE**

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**Friday, October 21, 2016**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**September 21, 2016**

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**Friday, December 9, 2016**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**November 9, 2016**

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**Friday, January 20, 2017**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

LSU Eunice, 2048 Johnson Highway, Eunice, Louisiana

**Deadline for Submitting Agenda Items:**

**January 2, 2017**

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**Friday, March 17, 2017**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**February 17, 2017**

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**Friday, May 5, 2017**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**April 5, 2017**

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**Friday, June 23, 2017**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**May 23, 2017**

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**Friday, September 8, 2017**

**10:00 a.m. Committee Meetings and ~1:00 p.m. Board Meeting**

Baton Rouge, LSU University Administration Building

**Deadline for Submitting Agenda Items:**

**August 8, 2017**

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# LSU Board of Supervisors Committee Meeting

Board Room  
3810 W. Lakeshore Drive  
Baton Rouge, Louisiana 70808

Friday, 5/6/2016  
9:00 AM - 12:00 PM CT

## PUBLIC COMMENT

Public Comments may be made only (1) when they relate to a matter on the agenda and (2) when individuals desiring to make public comments have registered at least one hour prior to the meeting.

For additional information see: <http://www.lsu.edu/bos/public-comments.php>

### A. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION COMMITTEE (James W. Moore, Jr., Chairman)

#### A. ACADEMIC AND STUDENT AFFAIRS AGENDA - Page 3

**1. Request from LSU A&M to Approve Establishment of the Honors Promise Transfer Scholarship**

*ACADEMIC AFFAIRS Request from Louisiana State University to Approve Establishment of the Honors Promise Transfer Scholarship - Page 4*

**2. Request from LSU Shreveport to Approve the Establishment of an Active Duty Military Family Scholarship Program**

*ACADEMIC AFFAIRS Request from LSUS to Approve Establishment of the Active Duty Military Family Scholarship Program - Page 6*

**3. Request from LSU Shreveport to Approve the Establishment of an International Student Scholarship Program**

*ACADEMIC AFFAIRS Request from LSUS to Approve Establishment of the International Student Scholarship Program - Page 7*

**4. CONSENT AGENDA**

*ACADEMIC CONSENT AGENDA - Page 9*

**a. CONSENT-Recommendation to Approve Degrees to be Conferred at the 2016 Spring Commencement Exercises**

*ACADEMIC AFFAIRS Recommendation to Approve Degrees to be Conferred at the 2016 Spring Commencement Exercises - Page 10*

**b. CONSENT-Recommendation to Approve Degrees to be Conferred at the 2016 Summer Commencement Exercises**

*ACADEMIC AFFAIRS Recommendation to Approve Degrees to be Conferred at the 2016 Summer Commencement Exercises - Page 11*

### B. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT COMMITTEE (Ronnie Anderson, Chairman)

#### B. FINANCE COMMITTEE AGENDA - Page 12

**1. Recommendation to Amend the Bylaws and Regulations of the Louisiana State University and Agricultural and Mechanical College Board of Supervisors**

*FINANCE Proposal to Amend the Bylaws of the Board - Page 13*

*FINANCE Attachment I Revisions for Significant Board Matters -- Final to Board - Page 17*

*FINANCE Attachment II Board Summary of Proposed Bylaws Changes for Board Matters -- Final to Board - Page 25*

**2. Recommendation to Authorize an Exemption to Cover the FY 2016 Taylor Opportunity Programs for Students (TOPS) Funding Shortfall Absorbed by LSU Campuses**

*FINANCE Recommendation to Authorize an Exemption to Cover the FY 2016 TOPS Funding Shortfall - Page 37*

*FINANCE Attachment I - Final Reduction Amounts By Campus - Page 39*

**3. LSU First Health Plan Update Presented By: A.G. Monaco Presentation**

### C. PROPERTY AND FACILITIES COMMITTEE (Rolfe McCollister, Chairman)

#### C. PROPERTY COMMITTEE AGENDA - Page 40

**1. Request from LSU A&M to Authorize the President to Execute Agreements for the Development of Nicholson Gateway**

*PROPERTY A&M Request from LSU AM to Authorize the President to Execute Agreements for Nicholson Gateway - Page 41*

*PROPERTY A&M Attachment A - Schematic Design - Page 57*

*PROPERTY A&M Attachment B - Project Management Committee Report - Page 79*

*PROPERTY A&M Attachment C - RBC Financial Pro Forma - Page 90*

*PROPERTY A&M Attachment D - Projected Timelines - Page 95*

*PROPERTY A&M Attachment E - March 2013 Board Report - Page 97*

*PROPERTY A&M Attachment F - Oct 2014 Board Report - Page 103*

*PROPERTY A&M Attachment G - Intent to Lease Agreement - Page 109*

*PROPERTY A&M Attachment H - Market Analysis from 2012 - Page 119*

*PROPERTY A&M Attachment I - Market Analysis from 2015 - Page 155*

**2. Request from LSU A&M for the Construction for Classroom Expansion & Renovation in the School of Veterinary Medicine under the Provisions of Act 959**

*PROPERTY A&M Request from LSUAM to Approve Construction in Vet Med Under Act 959 - Page 194*

*PROPERTY A&M Attachment I Memo to Alexander for Vet Med Act 959 Capital Construction Project Request - Page 196*

*PROPERTY A&M Attachment II Preliminary Program Forms - Page 197*

**3. CONSENT AGENDA**

*PROPERTY AND FACILITIES CONSENT AGENDA - Page 207*

**a. CONSENT - Request from LSU Agricultural Center for a Lease of Property for Solar Farm Development Southeast Research Station, Washington Parish Franklinton, Louisiana**

*PROPERTY AGCENTER Request from AgCenter to Approve a Lease for Solar Farm Development - Page 208*

*PROPERTY AGCENTER Attachment I Memo to Alexander for Lease of Property Solar Farm Development - Page 211*

*PROPERTY AGCENTER Attachment II AgCenter Solar Farm RFP\_FINAL - Page 212*

*PROPERTY AGCENTER Attachment III Ground Lease Agreement for Solar Energy Generation\_DRAFT & Exhibits - Page 234*

**b. CONSENT - Request from LSU Agricultural Center for a Right of Way and Servitude Agreement Sweet Potato Research Station, Franklin Parish Chase, Louisiana**

*PROPERTY AGCENTER Request from AgCenter to Approve a Right of Way for Sweet Potato Research - Page 275*

*PROPERTY AGCENTER Attachment I Memo to Alexander for Right of Way & Servitude Agreement for Sweet Potato Research Station - Page 277*

*PROPERTY AGCENTER Attachment II Right of Way and Servitude Agreement, Offer Letter, Survey Plat, & Comparable Sales Appraisal - Page 278*

**D. AUDIT COMMITTEE (Stanley Jacobs, Chairman)**

The Audit Committee will meet at 9:00am in the LSU University Administration Building in Conference Room 112, Baton Rouge. The Committee may go into Executive Session in accordance with the provisions of LA R.S. 42:6.1 A (4).



**A. ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND  
DISTINCTION COMMITTEE**



## Request from LSU A&M to Approve Establishment of the Honors Promise Transfer Scholarship

**To:** Members of the Board of Supervisors

**Date:** March 18, 2016

Pursuant to Article VII, Section 8 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

D.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

### 1. Summary of Matter

Louisiana State University Agricultural & Mechanical College (LSU A&M) and Louisiana community colleges are committed to providing more transfer opportunities to Louisiana citizens who want to pursue a bachelor's degree after completion of an associate's degree. These institutions seek to remove economic obstacles that prevent students who are active Phi Theta Kappa (PTK) Honor Society members from transferring to LSU A&M upon completion of an associate's degree. PTK Honor Society members are high-achieving two-year college students who are enrolled in a regionally accredited institution offering an associate degree program, have completed at least 12 hours of coursework that may be applied to an associate degree, and have a cumulative grade point average of at least 3.5. This scholarship will assist LSU A&M in recruiting exceptional academic students from Louisiana community colleges.

Students who are PTK associate's degree graduates can receive an annual scholarship, contingent upon the availability of funds, renewable for up to one (1) year, to LSU A&M upon meeting the criteria outlined in the transfer scholarship agreements. Students who receive an annual scholarship must meet the following criteria: 1) have completed an associate's degree no earlier than fall 2015, 2) be an active PTK member at the time of graduation, 3) have completed a FAFSA, 4) have applied to LSU A&M, 5) be admissible to LSU A&M, 6) enroll full-time at LSU A&M the semester following the completion of their associate's degree, 7) maintain full-time enrollment (for scholarship renewal), and 8) be in good academic standing while enrolled at LSU A&M (for renewal). Students who meet the Honors Promise Transfer Scholarship criteria and LSU A&M admissions requirements will be guaranteed admission to LSU A&M after completing an application.

### 2. Review of Business Plan

LSU A&M will provide scholarships to active PTK Honor Society graduates who meet the criteria on a first-come, first-served basis until available funds are committed. The Honors Promise Transfer Scholarship will be a last dollar scholarship to fill the gap between tuition and mandatory fees and awarded financial aid, with an amount not to exceed \$3,000 annually per student. Funding for the scholarship will come from revenue generated by Louisiana's LSU license plate fees. Funds available for the scholarship will vary over time.

### 3. Review of Documents Related to Referenced Matter

Documents related to the scholarship agreement are in order.

**4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors hereby approves the request to establish the Honors Promise Transfer Scholarship at LSU A&M.

**BE IT FURTHER RESOLVED** that the Chairman of the Board of Supervisors and/or the President, as may be appropriate, are hereby authorized and directed to execute any documents required to complete the establishment of the above named scholarship.



**Request from LSU Shreveport to Approve the Establishment of an Active Duty Military Family Scholarship Program**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

D.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of the Matter**

In Fall 2015, LSU Shreveport (LSUS) was designated as a Governor’s Military and Veteran Friendly Campus by the Board of Regents. In an effort to provide continued support to active duty military personnel and their families, LSUS seeks to establish the Active Duty Military Family Scholarship program. This program will reinforce the LSUS commitment to serve students from military families and support the citizens of Northwest Louisiana, thousands of whom are employed by Barksdale Air Force Base (BAFB).

This scholarship program will assist LSUS in recruiting and retaining the spouse and/or children of active duty U.S. Military personnel by providing funds to cover the cost of non-tuition fees. The scholarship is based on similar scholarship programs at other regional institutions providing opportunities to service members at BAFB and other military bases. The scholarship will not be awarded in addition to any state- or other university-funded scholarship or award, and will exclude fees assessed for online courses.

Students who receive this scholarship must be an incoming full- or part-time undergraduate or graduate student who has been admitted to LSUS, and must provide certification from the Education Office at their respective military base verifying that the parent or spouse is an active duty member of the U.S. Military who is eligible for the Military Assistance Program. Recipients must maintain a 2.0 GPA (undergraduate) or 3.0 GPA (graduate) at LSUS and must complete 12 undergraduate credit hours (undergraduate) or 9 credit hours (graduate) per semester.

**2. Review of Business Plan**

Revenues from increased enrollment of military families will exceed the cost of this scholarship program over the long term. All scholarship recipients will pay full in-state tuition.

**4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Shreveport to establish the Active Duty Military Family Scholarship program.



**Request from LSU Shreveport to Approve the Establishment of an International Student Scholarship Program**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

D.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of the Matter**

The LSU Shreveport (LSUS) Planning Council has established a strategic goal to achieve a critical mass of multi-cultural and international students at LSUS through a new International Student Recruitment and Retention program. With shrinking state funding, LSUS plans to enhance its appeal to international students in order to increase enrollment and self-generated revenues. As part of this recruitment plan, the campus has established an International Office and hired a Director of International Student Experiences. This proposal is to establish an International Student Scholarship program to further strengthen recruitment and retention efforts.

The proposed scholarship program will include an unlimited number of non-resident fee waivers and a limited number of competitive partial scholarships. The number of competitive scholarships (valued at \$1500 or \$1800 each) will be limited to four per cohort, sixteen total per year. The recruitment and scholarship programs have been benchmarked against successful international programs at other universities.

This scholarship program will enable LSUS to establish a critical mass of international students, enhancing the globalization of LSUS classrooms. Because of the urban, metropolitan mission of LSUS, the great majority of students currently enrolled at LSUS will graduate without any study abroad or other meaningful international experiences because of limited opportunities or other financial and life circumstances. The current lack of a critical mass of multi-cultural and international students at LSUS results in graduates who are not well-prepared to enter and thrive in today's multi-cultural workplace. Through the globalization of the LSUS campus, graduates will become better prepared to enter today's culturally-diverse workplace, including in international companies in Northwest Louisiana.

**2. Review of Business Plan**

Increased enrollment of international students will cover the cost of the program over the long term. The majority of international students will pay full in-state tuition, with only a small number receiving the competitive partial scholarship. While LSUS currently has 26 international students enrolled on campus, the campus estimates that with the International Student Scholarship program, international student enrollment will grow at the rate of approximately 30

students per year to a total of around 150 students by year four. The expected additional net revenue by year four is expected to be over \$900,000.

**LSU Shreveport International Student Scholarship Program  
Potential Income vs Cost for FY 2016-2017 through FY 2019-2020**

Fiscal Year	New Students	In-State Tuition	Non-Resident Fees	Eight	Eight	Non Resident Fee Waiver	Net Revenue Increase
				\$1,500 Scholarships	\$1,800 Scholarships		
2016-17	30	205,020	599,644	-12,000	-14,400	-599,644	178,620
2017-18	35	239,190	699,584	-12,000	-14,400	-699,584	212,790
2018-19	40	273,360	799,525	-12,000	-14,400	-799,525	246,960
2019-20	45	307,530	899,465	-12,000	-14,400	-899,465	281,130
<b>TOTALS</b>	<b>150</b>	<b>1,025,100</b>	<b>2,998,218</b>	<b>-48,000</b>	<b>-57,600</b>	<b>-2,998,218</b>	<b>919,500</b>

**4. Certification of Compliance with Article VII, Section 8, Paragraph E of the Bylaws of Louisiana State University Board of Supervisors**

Appropriate certification has been provided by the campus, and this executive report includes all applicable information required by the Bylaws.

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors does hereby approve the request from LSU Shreveport to approve the establishment of the International Student Scholarship program.

**ACADEMIC AND STUDENT AFFAIRS, ACHIEVEMENT AND DISTINCTION  
COMMITTEE  
CONSENT AGENDA**



**Recommendation to Approve Degrees to be Conferred at the 2016 Spring Commencement Exercises**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

**1. Summary of Matter**

The campuses of LSU are seeking approval of degrees to be conferred on candidates meeting degree requirements for graduation commencement exercises (May 9, 12, 13, 15, 19, 20, 27, 28).

LSU	May 13, 2016 8:00 a.m. Maravich Assembly Center All Diploma ceremonies to follow
LSU of Alexandria	May 12, 2016 10:00 a.m. Alexandria Riverfront Center
LSU at Eunice	May 20, 2016 10:00 a.m. HPRE Gymnasium
LSU Health Sciences Center in New Orleans	May 19, 2016 10:00 a.m. Keifer Lakefront Arena UNO
LSU Health Sciences Center in Shreveport	May 28, 2016 10:00 a.m. Centenary Gold Dome
LSU in Shreveport	May 15, 2016 2:00 p.m. CenturyLink Center
LSU School of Veterinary Medicine	May 9, 2016 2:00 p.m. LSU Union Theatre
Paul M. Hebert Law Center	May 27, 2016 10:00 a.m. Baton Rouge River Center

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University does hereby approve the degrees to be conferred on candidates meeting degree requirements for graduation from the campuses of the University at 2016 spring commencement exercises (May 9, 12, 13, 15, 19, 20, 27, 28).





**Recommendation to Approve Degrees to be Conferred at the 2016  
Summer Commencement Exercises**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

**1. Summary of Matter**

The campuses of LSU are seeking approval of degrees to be conferred on candidates meeting degree requirements for graduation commencement exercises (August 5, 8, 9, 10, 13, 24).

LSU	August 5, 2016 9:00 a.m. Maravich Assembly Center
LSU of Alexandria	August 24, 2016 Conferring of Degrees only, No Commencement
LSU at Eunice	August 8, 2016 Conferring of Degrees only, No Commencement
LSU Health Sciences Center in New Orleans	August 13, 2016 Conferring of Degrees only, No Commencement
LSU Health Sciences Center in Shreveport	August 13, 2016 10:00 a.m. Shreveport Convention Center
LSU in Shreveport	August 10, 2016 Conferring of degrees only, No Commencement
LSU School of Veterinary Medicine	No Commencement
Paul M. Hebert Law Center	August 9, 2016 Conferring of Degrees only, No Commencement

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University does hereby approve the degrees to be conferred on candidates meeting degree requirements for graduation from the campuses of the University at 2016 spring commencement exercises (August 5, 8, 9, 10, 13, 24).

**B. FINANCE, INFRASTRUCTURE, AND CORE DEVELOPMENT  
COMMITTEE**



## **Proposal to Amend the Bylaws of the Board Regarding Significant Board Matters and Required Approvals by the Board and the President and Make Related Changes**

To: Members of the Board of Supervisors

Date: May 6, 2016

This is a significant Board matter pursuant to Board Bylaws Articles IX and X, relating to amendments to the Bylaws and Regulations of the Board.

### **1. Summary of Matter**

In late 2012, the LSU Board of Supervisors began the LSU2015 project, a strategic effort to consider and adopt organizational and operational changes to the overall LSU system and all of its campuses to best position the University for success. The Board appointed a 10-member Transition Advisory Team that produced a comprehensive report recommending a flatter organizational model and a streamlined administrative function to reduce costs and speak with one voice to promote LSU's interests. Under the leadership of President F. King Alexander, the University has implemented many of the recommendations contained in that report.

In December 2014, the Board adopted a number of changes to its Bylaws and Regulations regarding personnel matters, and then in June 2015, the Board adopted a number of additional changes affecting the organizational structure of the University. The Transition Advisory Team also recommended amending the Bylaws and Regulations to reduce the number of minor and routine transactions which required Board approval, to allow the Board to focus its attention and energy on the most significant policy and management issues, while allowing routine transactions to be processed and approved more quickly. These proposed revisions to the Board's Bylaws and Regulations are the next step in this on-going process. As required by Article IX of the Bylaws, notice of the proposed revisions was given on April 6, 2016.

#### ***Purpose of Proposed Revisions***

The Transition Advisory Team for LSU2015 recommended that the Board "maintain greater focus on governance and strategic goals." (p. 52) The proposed revisions are intended to reduce the number of relatively minor and routine transactions that must be approved by the Board in order to allow the Board to focus its attention on larger strategic goals and governance issues. The revisions also add increased reporting to the Board to allow it to see broader trends and strategic directions.

The proposed revisions will:

1. Remove most minor and routine items from requiring Board approval;
2. Ensure that major items that have long-term or significant impact on the University and its campuses continue to be reviewed by the Board;
3. Decentralize required reviews and approvals to the lowest level consistent with prudent management;
4. Continue to require centralized record-keeping of any actions affecting title to immovable property;
5. Add regular reporting requirements to provide the Board with context and history of related transactions, as well as actions taken under the authority now being delegated to the President and the Chancellors; and
6. Leave untouched the recent revisions to personnel and technology transfer matters.

### *Summary of Changes*

1. A section on required reports has been added to allow the Board to be aware of actions taken under this newly-delegated authority and to have greater contextual information to assist in its review of matters that still come before the Board;
2. Minor and routine transactions for immovable property can be approved by the President, while ownership changes continue to require Board approval;
3. Smaller, shorter term leases can be approved by the President or the campus; only large area or long term leases (over 5 years, including any renewal terms, or 8 years for agricultural leases) require Board approval;
4. Threshold for Board approval of construction and renovation projects increased from \$500,000 to \$1 million, and language clarified to be consistent with the terminology used in applicable statutes and state regulations;
5. The President is expressly authorized to delegate any Presidential approval authority to one or more University Officers;
6. In a number of areas, the President is authorized to delegate approvals to the Chancellors or other officials by a policy memorandum creating an appropriate review process;
7. For the first time, rules are provided for when amendments to Board-approved agreements must be approved again by the Board and for when additional Board approval is required if projections or estimates substantially change between the time of Board approval and the execution of a contract;
8. The provisions specifying what matters must be approved by the Board and the President are moved to a new section to simplify citations to the relevant rules; and
9. Minor clarifications have been made to the timelines and information required for submissions to the Board and President.

To make citations to the relevant rules easier, what are currently sections 8.D through 8.H are being moved into a new Section 9. This will reduce the number of complex subsections and subparagraphs, and consolidates the rules for what items must be presented to the Board or the President, and the manner in which they must be submitted, into one single section of the Bylaws.

Perhaps the most significant change is the addition of the new reporting requirements. Current requirements provide for the Board to be given information about the specific project or proposal being made, but do not always provide the broader context. For example, if a campus proposes a new degree program, the Board is not currently required to be given information showing how many and what types of new degree programs that campus has made in recent years. Under the proposed revisions, the Board is assured of regularly receiving that broader trend analysis, which will allow it to better consider the strategic implications of the proposals made to it. The following items will be reported to the Board at least twice per year, most likely in February and August. The list will include all items in that category, regardless of who approved them.

- All leases
- All servitudes, grants of mineral rights, timber sales, and transfers of title to immovable property
- All capital improvement projects above a \$175,000 threshold
- All schematic designs
- All design contracts
- All new degree programs

Another significant change is the creation of a routine process for notifying the Board leadership when proposed projects or contracts are altered or amended after Board approval. Currently, either the changes are simply made pursuant to the President's general authority given in the resolution authorizing the project to include such terms and conditions as he deems in LSU's best interests or the matter must be entirely resubmitted to the Board, with concomitant delays. The proposal creates a

formal threshold for the magnitude of changes which may be made without consulting the Board at all, and provides an expedited process that requires Board leadership to review the proposed changes before the President, in consultation with the Board leadership, decides whether the changes are so significant that the changes should be fully reviewed by the Board.

Under this new process, if a project or proposed contract changes more than 20% (for example, if projected construction costs increase from \$10 million to \$15 million or a lease term is extended from 10 years to 15 years), then the President is required to notify the Chair, the Chair-elect, and the chair of the relevant Board committee of the contemplated change. The President, after consulting with the Board leadership, will then decide whether to resubmit the matter to the Board with the revised figures or simply proceed with the project under his broad authority given in the resolution for that matter to include terms and conditions as are in the University's best interests. In addition to the 20% threshold, there is a flat dollar amount threshold of \$5 million to make sure that expensive changes, even to very large projects, are conveyed to the Board.

This process ensures that the Board is made aware of significant changes to projects or contracts it has approved, but provides flexibility to move ahead with those altered projects without undue delay.

### ***Other Changes***

The remaining changes are explained in detail in the attached Detailed Summary. In general, the revised thresholds have been chosen to be consistent with applicable state law and the policies and procedures of other state agencies, such as the Office of Facilities Planning and Control and the Board of Regents.

Please note that the attached proposed revisions are identical to those provided to the Board on April 6, with the exception of one technical edit made at the recommendation of outside counsel. It simply provides that if the President represents in a servitude agreement that he has authority to execute the servitude, other parties are entitled to rely on that representation. Without this, the title lawyers would require a Board resolution for every servitude regardless of the authorizations in the Bylaws and Regulations. This concept was included in the earlier draft, but title counsel recommended that the language be clarified and placed in a separate subsection.

## **2. Fiscal Impact**

There will be no direct fiscal impact associated with adoption of the revisions, though long term reductions in administrative expenses and greater operational efficiencies are expected to result from the streamlined review and approval processes established by the proposed revisions.

## **3. Review of Legal Documents**

The proposed amendments to both the Bylaws and Regulations were prepared by a task force that included the University Office of General Counsel.

## **4. Related Transactions**

If the Board adopts the proposed amendments, changes will be made to Permanent Memoranda issued by the President and Policy Statements adopted by the various University campuses during the next few months to reflect the intent and spirit of the revised Bylaws and Regulations.

### **ATTACHMENTS:**

- I. Proposed Amendments to Bylaws and Regulations
- II. Summary of Proposed Revisions

## RECOMMENDATION

### **Resolution of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College**

**Now, Therefore, Be It Resolved** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby amend the Bylaws and Regulations of the Board as provided in Attachment I, effective immediately.

1 **Proposal to Amend the Bylaws of the Board of Supervisors of Louisiana State University**  
2 **and Agricultural and Mechanical College**

3  
4 **Delete Article 7, Sections 8.D through 8.J**

5  
6 **Insert the following material immediately after Article 7, Section 8.C as a new Section 9.**

7  
8 **Section 9. Matters Requiring Approval by the Board or the President**

9 **A. Matters Requiring Approval by the Board**

10  
11 The following Significant Board Matters shall require approval by the Board,  
12 regardless of any delegations of authority otherwise provided for in these Bylaws or the  
13 Regulations of the Board. Except as set forth herein, no such matter shall be undertaken  
14 or approved by or for any campus or the University without prior review by the President  
15 and appropriate University Officers and express, formal approval by the Board.  
16

- 17 1. **General Rule:** Any matter having a significant or long term impact, directly or  
18 indirectly, on the finances or the academic, educational, research, and service  
19 missions of the University or any of its campuses.
- 20 2. **Transfer of Title to Immovable Property:** The transfer of title or ownership to  
21 any immovable property to or from the Board, whether by sale, assignment,  
22 donation, or other mechanism.
- 23 3. **Lease of Immovable Property:** The lease of any immovable property, as lessee  
24 or lessor, where either:
- 25 (i) the lease is potentially for a term of more than 5 years or, for leases for  
26 agricultural purposes, more than 8 years (include any optional renewal terms  
27 provided for in the lease to calculate the potential term);
- 28 (ii) the lease is for more than 10,000 square feet of building space;
- 29 (iii) the lease is for more than 5 acres of unimproved land for non-agricultural  
30 purposes;
- 31 (iv) the lease is for unimproved land for agricultural purposes and exceeds 50% of  
32 the land of a particular research station or similar facility;
- 33 (v) the anticipated use of the building or land by the lessee would fundamentally  
34 transform the building or land and alter the purposes for which the University can  
35 use it (for example, the lease of farm land for the purpose of constructing a  
36 building on it, or the lease of a building for the purpose of having it demolished);
- 37 (vi) the lease is for the construction or renovation of any fraternity or sorority  
38 house; or
- 39 (vii) the lease raises significant questions of policy, such as privatization of a  
40 major University function, as determined by the President, in consultation with the  
41 Chair and Chair-Elect of the Board and the chair of the relevant Board committee.
- 42 For purposes of these Bylaws, a "lease" shall mean any agreement allowing for  
43 the use or occupancy of building space or land on an exclusive basis for a  
44 continuous term of six (6) months or more or for a term of 11 months or more in  
45 any 12 month period. "Lease" shall not include agreements allowing for  
46 occasional, sporadic, or incidental use or occupancy of building space or land.
- 47 4. **Granting of Mineral Rights or Other Significant Rights in Immovable**  
48 **Property:** Any matter related to the assignment, sale, purchase, transfer, or  
49 donation of mineral rights in immovable property to or from the Board.

- 1           5.     **Capital Improvements:** Any contract or series of related contracts for the  
2           construction, renovation, or other capital improvement of buildings or other  
3           immovable property of the Board where either:  
4           (i) the construction cost is projected to be greater than \$1 million;  
5           (ii) the building or other structure being constructed will exceed 10,000 gross  
6           square feet of space; or  
7           (iii) the use of the land as a result of the proposed construction is inconsistent with  
8           any applicable Master Plan approved by the Board.
- 9           6.     **Schematic Designs:** Exterior elevations of new buildings and of renovations or  
10          construction projects that significantly alter the appearance of the exterior of the  
11          building or other physical structures, where the construction cost is anticipated to  
12          exceed \$1 million.
- 13          7.     **Bonds and Indebtedness:** Issuing any bonds or borrowing funds in any other  
14          manner, whether secured by the pledge of a revenue stream, property of the  
15          Board, or other means.
- 16          8.     **Major Contracts:** Any contract or series of related contracts that either:  
17          (i) requires Board approval pursuant to the Higher Education Procurement Code  
18          adopted by the Board;  
19          (ii) is a Cooperative Endeavor Agreement for which approval by the Joint  
20          Legislative Committee on the Budget is required pursuant to applicable state law,  
21          including but not limited to La. R.S. 39:366.11, and any joint ventures,  
22          partnerships, and similar agreements; or  
23          (iii) raises significant financial, educational, or other policy issues, such as  
24          privatization of a major University function, as determined by the President, in  
25          consultation with the Chair and Chair-Elect of the Board and the chair of the  
26          relevant Board committee.
- 27          9.     **Academic Programs:** Any new academic degree program.
- 28          10.    **Non-Academic Affiliation Agreements:** Any affiliation agreement with a private  
29          non-profit foundation formed to support the programs, facilities, and research and  
30          educational opportunities offered by one or more campuses of the University, or  
31          the University as a whole.
- 32          11.    **Matters related to personnel:**  
33                a.     Appointments and all other personnel actions relating to the President  
34                b.     Appointments and all other personnel actions relating to Head Coaches and  
35                Athletic Directors.  
36                c.     Appointments and all other personnel actions relating to Coaches other than  
37                Head Coaches with a salary of \$250,000 or above.  
38                d.     Appointments, salary increases greater than 15%, salary decreases, and  
39                terminations for Chancellors and for University Officers.  
40                e.     Upon approval by the President of a Personnel Action Approval Policy, and  
41                in conformance with such policy, the President shall have authority to  
42                approve all other actions and to delegate approval to the Chancellors or their  
43                designees.  
44                f.     The Board authorizes and approves the payment of supplemental benefits to  
45                its employees by the support organizations with whom the Board has  
46                affiliation agreements. The supplemental compensation for each employee  
47



1 shall be authorized and approved by the same administrators responsible for  
 2 the other personnel actions relating to that employee, or by the Board for  
 3 employees for whom the Board has reserved final authority.

- 4 g. Except as specifically provided in the Personnel Action Approval Policy  
 5 established by the President, Board approval is not required for personnel  
 6 actions which are governed by the laws and rules promulgated by the  
 7 Department of State Civil Service affecting the Classified Service.

- 8 12. **Other Significant Matters:** Such other matters that are not expressly delegated  
 9 herein or hereafter by the Board to the President or a Chancellor and which  
 10 reasonably should be considered to require Board approval as generally defined  
 11 above, or which the Board hereafter determines to require Board approval.

12 13. **Amendments and Variations:**

- 13 a. Except as provided for in subsection 12.c below, Board Approval is required  
 14 for any significant amendments or modifications to any agreement or project  
 15 for which Board approval is required by this Section 9.A.
- 16 b. For purposes of this subsection, a significant amendment or modification is  
 17 one that either: (i) increases or decreases the dollar value of the agreement  
 18 or project by more than 20% or \$5 million, whichever is less; (ii) extends the  
 19 length (term) of the agreement or project by 20% or causes it to exceed 5  
 20 years; or (iii) substantially alters the risks and benefits of the agreement or  
 21 project to the University.
- 22 c. When a significant amendment or modification to an agreement or project  
 23 already approved by the Board is proposed, the President shall provide  
 24 written notice of the proposed amendment or modification to the Chair and  
 25 Chair-elect of the Board and the chair of the relevant Board committee at  
 26 least 5 business days prior to executing or approving the amendment or  
 27 modification. After this consultation with the Board leadership, the President  
 28 may either (i) execute the amendment or approve the modification or (ii)  
 29 cause the matter to be resubmitted to the Board for additional consideration.  
 30 For example, at one meeting the Board approves a capital improvement  
 31 project with an estimated construction cost of \$10 million. After the approval,  
 32 bids are sought and a construction contract is negotiated. The final  
 33 construction cost increases to \$13 million. Because the increase from  
 34 projected to actual cost was more than 20%, the President would notify the  
 35 Board leadership at least 5 days prior to executing the contract to ensure  
 36 that they were aware of the significant change. The President could then  
 37 either sign the contract or send the matter back to the Board before taking  
 38 action.

39 **B. Matters Requiring Approval by the President**

40  
 41 The following matters shall require approval by the President or a University  
 42 Officer designated by him, regardless of any delegations of authority otherwise provided  
 43 for in these Bylaws or the Regulations of the Board. No such matter shall be undertaken  
 44 or approved by or for any campus or the University without prior review by appropriate  
 45 University Officers and formal approval by the President or a University Officer to whom  
 46 he has expressly delegated such authority in writing.  
 47

- 48 1. **Servitudes:** Agreements to provide servitudes, rights of passage, and similar  
 49 encumbrances to immovable property owned or controlled by the Board. If the  
 50 President, in consultation with the Chair and Chair-Elect and the chair of the  
 51 relevant Board committee, determines that a particular servitude raises significant

- 1 fiscal or policy issues, the President shall cause the matter to be submitted to the  
2 Board for consideration. **Delegation:** The President may, by policy memorandum,  
3 establish a process for review of temporary servitudes and similar rights of use  
4 and approval by the Chancellors or other officials where: (i) the servitude is for a  
5 term that does not exceed 5 years; and (ii) the servitude is for 5 acres of land or  
6 less; provided further that if the temporary servitude or right of use is on land  
7 immediately adjacent to land controlled by another campus, written notice shall be  
8 provided to the adjacent campus at least 15 business days prior to execution.
- 9 2. **Timber and Crop Sales:** The sale of timber, crops, and similar fruits produced on  
10 a parcel of land. **Delegation:** The President may, by policy memorandum,  
11 establish a process for review of such sales and approval by the Chancellors or  
12 other officials.
- 13 3. **Lease of Immovable Property:** The lease of any immovable property, as lessee  
14 or lessor, for which Board approval is not required pursuant to Section 9.A.3.  
15 **Delegation:** The President may, by policy memorandum, establish a process for  
16 review of such leases and approval by the Chancellors or other officials where: (i)  
17 the lease is for a term of 3 years or less or, for leases for agricultural purposes, 5  
18 years or less; (ii) the lease is not being entered into pursuant to the authority of  
19 La. R.S. 17:3361 (the statute authorizing the Board to enter into leases with  
20 fraternities and sororities, non-profits, public bodies, and similar entities); and  
21 either (iii) the lease is for 5,000 square feet of building space or less; or (iv) the  
22 lease is for non-agricultural purposes and does not exceed 3 acres or is for  
23 agricultural purposes and does not exceed 25% of the land of a particular  
24 research station or similar facility.
- 25 4. **Capital Improvements:** Any contract or series of related contracts for the  
26 construction, renovation, or other capital improvement of buildings or other  
27 immovable property of the Board for which Board approval is not required  
28 pursuant to Section 9.A.5. **Delegation:** The President may, by policy  
29 memorandum, establish a process for review of such projects and approval by the  
30 Chancellors or other officials where: (i) the projected construction cost does not  
31 exceed \$175,000; and (ii) the building or other structure being constructed will not  
32 exceed 5,000 gross square feet of space.
- 33 5. **Design Contracts:** Contracts for the design of buildings or other capital  
34 improvements. **Delegation:** The President may, by policy memorandum, establish  
35 a process for review of such design contracts and approval by the Chancellors or  
36 other officials.
- 37 6. **Schematic Designs:** Exterior elevations of new buildings and of renovations or  
38 construction projects that significantly alter the appearance of the exterior of the  
39 building or other physical structures, where Board approval is not required  
40 pursuant to Section 9.A.6, above.
- 41 7. **Major Donations of Movable Property:** Acceptance of any donation of movable  
42 property or a collection of movable property that either: (i) is valued at more than  
43 \$150,000 or (ii) would require maintenance costs exceeding \$50,000  
44 annually. **Delegation:** The President may, by policy memorandum, establish a  
45 process for review of such donations and approval by the Chancellors or other  
46 officials where: (i) the value of the donation does not exceed \$1 million, and (ii) the  
47 maintenance costs do not exceed \$100,000 annually.
- 48 8. **Use Agreements:** Use agreements relating to the granting of rights to any  
49 University or campus property or property rights involving a total of \$100,000 or  
50 more. **Delegation:** The President may, by policy memorandum, establish a  
51 process for review of such use agreements by the Chancellors or other officials  
52 where the agreement does not exceed \$250,000.

- 1           9.     **Restricted Accounts:** Restricting accounts of self-generated revenue, so that the  
2 funds can be maintained in the account from one fiscal year to the next.
- 3           10.    **Debt write-off:** Determining that debts are uncollectible and causing them to be  
4 removed from the financial statements of the University or its campuses.

5           **C.     Required Information for Matters to be Approved by the Board or President**

6           All matters submitted to the President for approval either by him or by the Board  
7 shall be submitted timely by the Chancellor or, for LSU, the President's designee(s), to  
8 the President. The President and officials designated by the President or the University  
9 Officers shall review all such submissions. If Board approval is required, the President  
10 and University Officers designated by the President shall prepare an executive report,  
11 including a recommendation to the Board, regarding the submission. The President and  
12 the University Officers will, in consultation with the Chancellors, prescribe specific  
13 templates and related information requirements for different types of matters. In general,  
14 the following types of information will be required, though specific requirements will vary  
15 based on the nature of the matter:

- 16           1.     A summary of the matter in reasonable detail;
- 17           2.     A full description of the business plan, including a clear statement of the fiscal  
18 impact upon the campus in question and the University;
- 19           3.     Where the success or fiscal feasibility of a proposal depends on estimates or  
20 predictions of future usage of a program, service, or facility, such as the number  
21 of persons expected to use a facility or the number of students expected to enroll  
22 in a program, a description of the data and other factors used to make the  
23 relevant estimates or predictions, and an analysis of the consequences should  
24 the actual usage be substantially higher or lower than predicted or estimated;
- 25           4.     Where applicable, a description of the competitive process that was or will be  
26 followed to set the price or amount of any lease, purchase, or sale or, if no  
27 competitive process was or will be followed, a description of the process used or  
28 to be used to assure that the price or amount is consistent with, or more  
29 advantageous to the University than, the fair market value of the property, goods,  
30 or services being leased, purchased, or sold;
- 31           5.     The legal documents proposed to be entered into by the University;
- 32           6.     A list of all persons and legal entities with an interest in the proposal, including  
33 the names of the University employees responsible for supervising the proposal if  
34 it is approved and the precise legal name, as recorded with the Secretary of  
35 State, of any corporation, LLC, partnership, or other legal entity participating in  
36 the proposal;
- 37           7.     A list of any related existing or contemplated future transactions, whether such  
38 future transactions will be legally required or are merely expected or desired to  
39 occur as a result of the submitted proposal;
- 40           8.     A disclosure of any known relationships between any University employee and  
41 any private contractor or other party to the matter and the steps taken to avoid  
42 any conflicts of interest; if no such contrary disclosure is made, the submission  
43 shall be deemed to constitute an express certification by the individual making  
44 the submission that a reasonable inquiry has been made and no such conflicts of  
45 interest exist;
- 46           9.     For items that must be reported pursuant to subsection F, the submission to the  
47 Board shall contain a hyperlink or web address for the most recent applicable  
48 report;

- 1           10. Any other material the President, the Board, or the Executive Committee  
2 determines will assist in understanding the matter presented;  
3
- 4           11. The act of submission of a matter for approval by the Board or the President shall  
5 include the name of the individual making the submission, and shall constitute a  
6 certification by that individual that the information submitted is complete and  
7 accurate. All officers and employees of the University shall cooperate with the  
8 President and the University Officers in their review of any proposal submitted,  
9 and shall promptly supply any additional information requested.

10           **D. Timing for submission of proposals**

- 11
- 12           1. Except as provided below, all proposals for Significant Board Matters shall be  
13 submitted to the President no less than 15 business days prior to the scheduled  
14 meeting date of the Board or Executive Committee at which action is requested.  
15 In exceptional circumstances, which should be rare, the Chair, in consultation  
16 with the Chair-Elect and the President, may authorize a later submission of a  
17 Significant Board Matter, but in no event should such submission, including all  
18 information required by subsection C, be made less than 5 business days prior to  
19 the meeting of the Board or Executive Committee, or such other period of time  
20 necessary to allow appropriate review, whichever is greater. The President and  
21 University Officers may establish consultation or review requirements that must  
22 be met prior to submission of such matters to the President, and timelines for  
23 such consultations and reviews.
- 24           2. Except as provided below, all proposals for matters which may be approved by  
25 the President without Board action shall be submitted to the President no less  
26 than 10 business days prior to the date by which approval is needed. In  
27 exceptional circumstances, the President may, upon written justification,  
28 authorize in writing later submission of a matter which may be approved by the  
29 President. In exceptional circumstances when a later submission is requested, all  
30 information required by subsection C must be submitted to, and received by, the  
31 President at least 3 business days prior to the date by which approval is needed.  
32 The President and University Officers may establish consultation or review  
33 requirements that must be met prior to submission of such matters to the  
34 President, and timelines for such consultations and reviews
- 35           3. In general, matters requiring approval by the Board should be submitted at the  
36 earliest stage at which the Board can be presented with a reasonably accurate  
37 description of the matter, its likely costs and risks, and its impact on the campus  
38 involved and the University. In some cases, this may involve submission of the  
39 matter before any required Request for Proposals, Invitation to Bid, or other  
40 competitive process is undertaken. In other cases, this requirement may best be  
41 met by submission only after a competitive selection process has occurred but  
42 prior to execution of the relevant contracts or other agreements. The President,  
43 in consultation with the Chair and Chair-Elect of the Board and the chair of the  
44 relevant Board committee, shall determine at what stage a particular matter  
45 should be submitted.
- 46           4. When a major project is contemplated by a campus, such as construction of a  
47 new facility, major renovation of an existing facility, or creation of a new program,  
48 the campus shall notify the President and the appropriate University Officers well  
49 before making a formal submittal of the matter for approval, and prior to making  
50 any public announcement of the project. The President shall, in his discretion,  
51 promptly notify the Chair, the Chair-Elect, the immediate past Chair, and the  
52 chair of the relevant Board committee of the contemplated project. Contemplated

1 major projects should not be pursued to near completion, or announced publicly,  
2 by a campus without this prior notice to and approval of the President.

3  
4 **E. Board Approval of Capital Outlay Requests and Operating Budgets Shall**  
5 **Not Constitute Board Authority to Proceed**

- 6  
7 1. Capital outlay requests need not be submitted in accordance with the procedures  
8 of this Section. Board approval of any capital outlay request or item, or approval  
9 of an operating budget, shall not be considered direct or indirect approval of any  
10 program or action, or authority to anyone to proceed in undertaking such matter,  
11 unless such matter relating to an approved capital outlay is separately and  
12 expressly approved by the Board after full compliance, review, and specific  
13 approval by the Board or President as required by this Section.
- 14 2. Capital outlay prioritization must be approved by the Board or by the Executive  
15 Committee.

16 **F. Reports to the Board**

17 At least twice a year, the President shall provide the following summary reports  
18 to the Board. Each list should be sorted by both campus and, where applicable, whether  
19 the approval was by the Board, the President, or a Chancellor or other official. Unless  
20 otherwise stated, each list should provide the listed information for the three year period  
21 preceding the report. The President and the University Officers will, in consultation with  
22 the Chancellors, prescribe specific templates and related information requirements for  
23 each report.

- 24  
25 1. All leases;
- 26 2. All servitudes, grants of mineral rights, timber sales, and transfers of title to  
27 immovable property;
- 28 3. All capital improvement contracts approved by the Board or the President (does  
29 not require listing of such contracts approved by Chancellors or other officials  
30 under delegation from the President);
- 31 4. All schematic designs (only a list of these is required; the designs themselves  
32 need not be included);
- 33 5. All design contracts;
- 34 6. All new degree programs;
- 35 7. Other items of a similar nature which the President, by Permanent Memorandum  
36 or otherwise, determines would provide strategic insight to the Board and assist  
37 the Board in exercising its authorities and responsibilities.

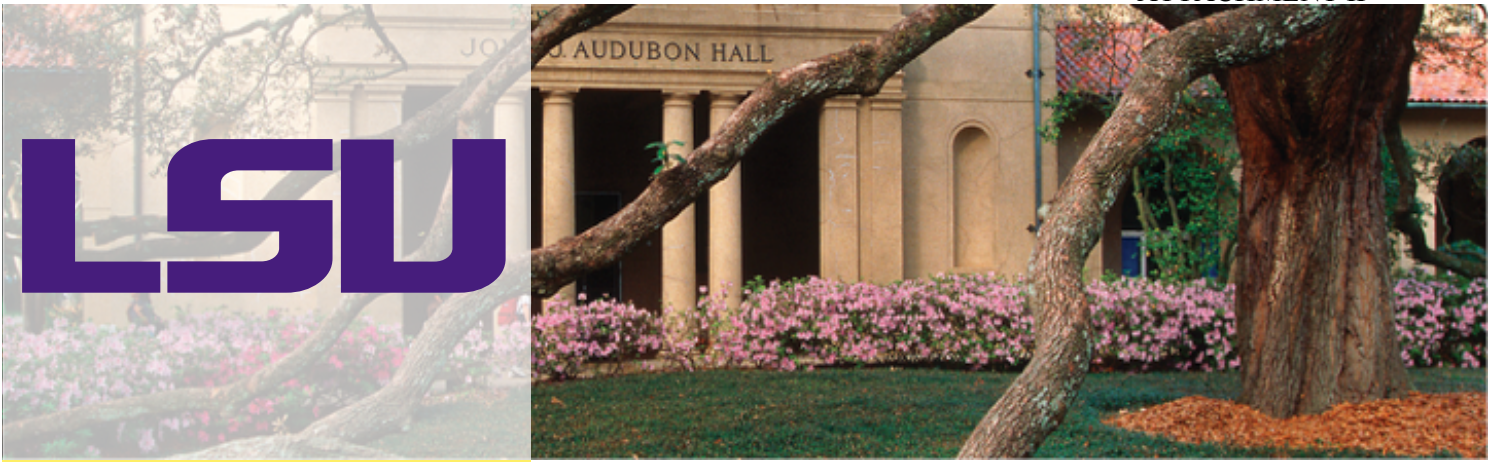
38 **G.** The provisions of this section shall create no rights in third parties. The failure to  
39 follow the procedures set forth herein shall not affect the validity of any Board action. ~~With  
40 regard to agreements or other documents creating servitudes or otherwise affecting title  
41 to immovable property, third parties may rely on any authentic act executed by the  
42 President and included in the property conveyance records, in which the President  
43 asserts that he is duly authorized by the Board, pursuant to these Bylaws, to execute  
44 such agreements or other documents on behalf of the Board.~~

45 **H.** The LSU President is delegated the authority to grant and execute predial  
46 servitude agreements and rights of use or passage, and otherwise to grant similar limited  
47 rights to immovable property. Notwithstanding any other provisions of these Bylaws, with  
48 regard to any agreements or other documents granting predial servitudes or rights of use

1 or passage, or otherwise granting similar limited rights to immovable property, which are  
2 filed in the conveyance records of the Parish in which the immovable property is located,  
3 third-parties may conclusively rely on any act, executed by the LSU President, whether by  
4 authentic act or act under private signature duly acknowledged, in which the President  
5 represents that he is duly authorized by the Board, pursuant to these Bylaws, to execute  
6 such agreements on behalf of the Board. The LSU President may, by authentic act or act  
7 under private signature duly acknowledged, appoint one or more agents to exercise the  
8 rights and authority provided by these Bylaws and this subsection H

9 **H**. All other provisions of the Bylaws, Regulations, permanent memoranda  
10 (including conflicting portions of PM-69) and policy statements, general grants of  
11 authority from the Board to the President or to any Chancellor or other writings in  
12 conflict with this Section are repealed, cancelled or withdrawn.

13 **J**. This section of the Bylaws is effective upon approval by the Board, and  
14 upon such approval the President shall disseminate this new section of the Bylaws  
15 to all Chancellors and deans or equivalents for their review and further  
16 dissemination as appropriate.  
17



## REALIGNMENT TASK FORCE

# Proposed Amendments to Board Bylaws Regarding Significant Board Matters

Prepared for the  
LSU Board of Supervisors

*Pursuant to Article IX of the Bylaws, notice is hereby given that proposed amendments to the Bylaws and the Regulations of the Board of Supervisors will be presented for consideration at the Board's regularly scheduled meeting on May 6, 2016. The proposed amendments are shown in the attached document. An Executive Summary and a Detailed Summary are also provided for convenience in understanding the proposed amendments, but the summaries do not form any part of the Bylaws or Regulations.*

LOVE PURPLE  
LIVE GOLD

April 6, 2016

April 6, 2016

Summary of Proposed Bylaws Revisions

## **Executive Summary of Proposed Revisions to LSU Board Bylaws and Regulations**

### ***History***

Prior to 2005, the Board's Bylaws were largely silent about what types of actions required approval by the Board and what could be approved by the President or the Chancellors. As a result, there were no cohesive policies and a very large number of minor and routine matters were regularly sent to the Board for formal approval. This made it difficult for the Board to focus on major policy decisions that would have a significant impact on the University or its campuses. It also caused campuses to experience unnecessary delays of routine projects in order to wait for the next available Board meeting for formal, often perfunctory approval.

In 2005, a section of the Bylaws devoted to "Significant Board Matters" was adopted, with substantial amendments in 2008. This amendment to the Bylaws attempted, for the first time, to provide a comprehensive listing of what items required approval by the Board and what could be approved at lower levels. This reduced, but did not eliminate, the number of minor and routine transactions coming to the Board and helped provide adequate time and review of more significant transactions so that Board members could better understand the decisions they were being asked to make.

Under the leadership of President Alexander and in furtherance of several recommendations by the LSU2015 Transition Advisory Team, further streamlining has occurred, particularly in the areas of Human Resources and Technology Transfer.

### ***Purpose of Proposed Revisions***

Due to the broad phrasing of several of the requirements for Board approval, a number of routine, relatively minor transactions continue to require Board approval. For example, Board approval is required for all matters involving immovable property, even for routine grants of servitudes to allow utility lines to be run across a piece of property, or the routine sale of timber from timber lands. Further, a number of the dollar thresholds were initially selected to match up with state law or Board of Regents policies, and those laws or policies have since changed. The overall goals of the proposed revisions are to:

1. Remove most minor and routine items from requiring Board approval;
2. Ensure that major items that have long-term or significant impact on the University and its campuses continue to be reviewed by the Board;
3. Decentralize required reviews and approvals to the lowest level consistent with prudent management;
4. Continue to require centralized record keeping of any actions affecting title to immovable property;



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## Summary of Proposed Bylaws Revisions

5. Add regular reporting requirements to provide the Board with context and history of related transactions, as well as actions taken under the authority now being delegated to the President and the Chancellors; and
6. Leave untouched the recent revisions to human resource and technology transfer matters.

**Summary of Changes**

The basic changes are summarized here:

1. Minor and routine transactions for immovable property can be approved by the President, while ownership changes continue to require Board approval;
2. Smaller, shorter term leases can be approved by the President or the campus; only large area or long term leases (over 5 years, including any renewal terms, or 8 years for agricultural leases) require Board approval;
3. Threshold for Board approval of construction and renovation projects increased from \$500,000 to \$1 million, and language clarified to be consistent with the terminology used in applicable statutes and state regulations;
4. The President is expressly authorized to delegate any Presidential approval authority to one or more University Officers;
5. In a number of areas, the President is authorized to further delegate approvals to the Chancellors or other officials by a policy memorandum creating an appropriate review process;
6. For the first time, rules are provided for when amendments to Board-approved agreements must be approved again by the Board and for when additional Board approval is required if projections or estimates substantially change between the time of Board approval and the execution of a contract;
7. The provisions specifying what matters must be approved by the Board and the President are moved to a new section to simplify citations to the relevant rules;
8. A section on required reports has been added to allow the Board to be aware of actions taken under this newly-delegated authority and to have greater contextual information to assist in its review of matters that still come before the Board; and
9. Minor clarifications have been made to the timelines and information required for submissions to the Board and President.

To make citations to the relevant rules easier, what are currently sections 8.D through 8.H are being moved into a new Section 9. This will reduce the number of complex subsections and subparagraphs, and consolidates the rules for what items must be presented to the Board or the President, and the manner in which they must be submitted, into one single section of the Bylaws.

*Note that no changes have been made to the Personnel and the Technology Transfer provisions, as those have recently been addressed by the Board.*

## Detailed Summary of Proposed Revisions to LSU Board Bylaws and Regulations

### 1. Immovable Property

- Art. 7, sec. 8.D.2.a. The **current rule** requires Board approval for any matter related to the “assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property” owned by the Board. This includes all leases, except for leases of 5,000 square feet or less of office space (which must be approved by the President).
- The **proposed rule** (Section 9.A.2-4) requires Board approval only of:
  - Transfer of title to immovable property
  - Granting of mineral rights
  - Leases that: (i) are for more than 5 years (including any renewal terms, or 8 years for leases for agricultural purposes), (ii) are for more than 10,000 square feet of office space, (iii) are for non-agricultural purposes and involve more than 5 acres of unimproved land, (iv) are for agricultural purposes and involve for more than 50% of an existing research facility property, (v) would fundamentally transform the building or land and alter the uses of the property, (vi) are for fraternity or sorority houses, or (vii) are otherwise raise significant policy issues (such as privatizing a major university function).
- The **proposed rule** (Section 9.B.1-3) requires approval by the President of the following:
  - Servitudes and similar agreements
  - Timber and crop sales
  - Leases that don’t require Board approval
- The **proposed rule** (Section 9.B.1-3) allows the President to delegate approval to the Chancellors, subject to a review process created by policy memorandum, of the following:
  - Temporary servitudes (such as construction servitudes) that are 5 years or less and are for 5 acres of land or less

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Summary of Proposed Bylaws Revisions

- Timber and crop sales
- Leases that: (i) are for 3 years or less (5 years for agricultural purposes), (ii) do not rely on the authority of La. R.S. 17:3361, and either (iii) are for 5,000 sf of building space or less, (iv) is for non-agricultural purposes and does not exceed 3 acres or is for agricultural purposes and does not exceed 25% of the land of a particular research facility.
- *Any rights involving immovable property need to be centrally recorded so that there are comprehensive files of the Board's property and any encumbrances placed on the property. But many immovable property transactions are minor and routine, and thus should be approved at levels below the Board.*
- *This allows, but does not require, the President to delegate most routine transactions involving immovable property to the campus level, while ensuring that even minor transactions are reported to the office responsible for keeping track of the Board's property.*
- *According to the Ag Center, timber sales and leasing of University land for farming bring in only relatively small amounts of money and are very routine uses for Ag Center property.*
- *R.S. 17:3361 is a statute specifically authorizing the Board to lease land for a variety of purposes, including construction of fraternity and sorority houses, churches, and other structures under certain conditions. It provides a simpler path for leasing land owned by LSU than the statutes applicable to leasing land owned by other State agencies.*
- *A comprehensive list of all matters affecting immovable property, whether approved by the Board, the President, or a Chancellor, will be reported to the Board at least twice per year.*

## 2. Capital Improvement Projects

- Art. 7, sec. 8.D.2.b. The **current rule** requires Board approval for any contracts relating to the design, construction, repair, or renovation of any building involving a total of \$350,000 or more, with the President required to approve such contracts that are between \$125,000 and \$350,000.
- The **proposed rule** (Section 9.A.5) removes the requirement for Board approval of design contracts, and increases the threshold. Board approval will be required for construction contracts that:
  - Have a total construction cost greater than \$1 million;
  - Will exceed 10,000 gross square feet of space; or

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## Summary of Proposed Bylaws Revisions

- Are inconsistent with a Master Plan previously approved by the Board; and
- Schematic design of any construction projects over \$1 million.
- The **proposed rule** (Section 9.B.4-6) requires approval by the President for:
  - Construction or renovation projects that do not require Board approval
  - Design contracts
- The **proposed rule** (Section 9.B.4-6) allows the President to delegate approval to the Chancellors, subject to a review process created by policy memorandum, of the following:
  - Construction and renovation projects that do not exceed \$175,000 and less than 5,000 gross square feet of space
  - Design contracts
- *The \$1 million threshold is consistent with state law requiring state reviews and approvals for projects exceeding that amount.*
- *The \$175,000 threshold for delegation to the Chancellors is consistent with Board of Regents rules; any capital improvement project with construction costs greater than \$175,000 must be approved by Regents, and so should be approved by the President.*
- *Design contracts will no longer require Board approval, as design contracts are more in the nature of project planning rather than a long-term commitment of University resources.*
- *Historically, schematic designs and elevations have been sent to the Board for approval even though the current Bylaws do not require them to be. This causes delays for some projects. The proposed rule will move that approval to the President or even lower levels, while ensuring that an appropriate preview process is followed.*
- *Note that Board of Regents approval is required for small capital projects greater than \$175,000 and less than \$1 million. The proposed rule will allow projects that still need Regents approval to bypass the LSU Board approval process but must still be reviewed and approved by the President. This is recommended because the Regents thresholds are simply too low and already cause inefficiencies.*

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Summary of Proposed Bylaws Revisions

- *A comprehensive list of all capital improvement projects above the \$175,000 threshold, whether approved by the Board or the President, will be reported to the Board at least twice per year.*

### 3. Major Contracts and Cooperative Endeavors

- Art. 7, sec. 8.D.2.c, d, e, and f. The **current rule** requires Board approval for (c) any contracts for major software systems involving \$500,000 or more, (d) any contracts granting rights to use any University property involving \$100,000 per year or more, or \$150,000 in a 2-year period, (e) are for construction or lease of a fraternity or sorority house, and (f) cooperative endeavor agreements, joint ventures, and similar arrangements.
- The **proposed rule** (Section 9.A.7) both narrows and expands the relevant provisions. The new provisions apply to any kind of contract meeting the relevant threshold, which has been expanded to ensure that the Board reviews projects having a truly significant impact on the University. Board approval will be required for any contract that:
  - Requires approval by the Board pursuant to the Higher Education Procurement Code;
  - Is a cooperative endeavor agreement, joint venture, or similar agreement; or
  - Raises significant financial or policy issues, such as privatization of a major University function, as determined by the President in consultation with the Board leadership.
- The **proposed rule** (Section 9.B.8) requires approval by the President, rather than the Board, of agreements granting rights to use any University property, and changes the threshold from \$100,000 annually to \$100,000 total.
- The **proposed rule** (Section 9.B.8) allows the President to delegate approval to the Chancellors, subject to a review process created by policy memorandum, of use agreements involving a total of \$250,000 or less.
  - *Approval of construction or lease agreements related to fraternity and sorority houses are covered under the provisions related to Capital Improvements and Leases.*

#### 4. Bonds, restricted accounts, major donations, and other financial matters

- Currently, no rule expressly requires Board approval for the University to issues bonds; Board approval is sought both under the general clause for significant board matters and because of legal requirements for the bonds. The **proposed rules** (Section 9.A.6) expressly require Board approval for the issuance of bonds and other indebtedness, simply to be as comprehensive as possible in listing items needing Board approval.
- Currently, Board approval is sought to allow for certain self-generated accounts to roll over funds from one fiscal year to the next, even though there is no express requirement to do so in the current Bylaws. These roll-over accounts allow self-funded operations (such as the Vet School's animal hospital or the student housing auxiliary) to establish modest reserves necessary for smooth and consistent operation of these self-funded operations. The **proposed rule** (section 9.B.9) authorizes the President to approve the designation of certain accounts as restricted for this purpose. This does not apply to state general fund appropriations and any other funds that are required by law to be returned to the state treasury if not spent during the fiscal year for which they were appropriated.
- Currently, every year the Board passes a resolution authorizing the University to write-off certain debt, essentially removing them from our accounting statements. In practice, this does not mean that LSU no longer seeks to collect the debt, simply that the debt is no longer listed as an asset of the University. The Board's annual resolution has no impact on the collectability of the debt and merely authorizes an accounting entry. The **proposed rule** (Sec. 9.B.10) authorizes the President to determine that the debts are uncollectible and remove them from the University's financial statements. LSU never gives up on collecting these debts; for example, even if a former student's debt is written off the financial statements, that student cannot obtain a transcript until the debt is paid.
- Currently (Art. 7, sec. 8.D.g), Board approval is required to accept any donation of immovable property or movable property in an amount greater than \$125,000. Under the **proposed rule** (Sec. 9.A.2), Board approval will still be required for donations of immovable property, but only approval by the President will be required for donations of movable property, and then only when either: (i) the movable property is valued at

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more than \$150,000 or (ii) would require maintenance costs of \$50,000 or more annually (Sec. 9.B.7). The President is authorized to further delegate approval for any such donations where: (i) the value is less than \$1 million and (ii) the maintenance costs do not exceed \$100,000 annually.

## 5. Other matters still requiring Board approval

- Art. 7, sec. 8.D.5.a. The current rule requires Board approval for the creation of any new degree program. The proposed rule (Sec. 9.A.8) maintains this requirement.
- Art. 7, sec. 8.D.5.b. The current rule requires Board approval of “non-academic affiliation agreements.” The proposed rule clarifies that this requires Board approval of affiliation agreements with the various foundations formed to support the University. There has been confusion over the precise meaning of the current language.
- Art. 7, sec. 8.D.1. The current general rule requires Board approval of “Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the University or any of its campuses or divisions.” The proposed rule (Sec. 9.A.1) retains the same substance, but attempts to improve the language: “Any matter having a significant or long term impact, directly or indirectly, on the finances or the academic, educational, research, and service missions of the University or any of its campuses.”

## 6. Amendments and Variations

- Currently, there are no specific rules requiring amendments to Board-approved contracts to go to the Board for approval, nor are there any requirements for projects to be resubmitted to the Board for approval if there are major changes in the projected costs. As a matter of practice, major substantive amendments have been sent back to the Board, while minor amendments have been signed by the President pursuant to the general authority delegated by the Board in its approval of the contract.
- The proposed rule (Sec. 9.A.12) provides a more consistent basis for making such determinations. Under the proposed rule, the key factor is a change of more than 20% in either the dollar value of a contract or the length of a contract term. As an additional safeguard, any change of \$5 million or more in the dollar value of a contract also triggers the threshold,

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to ensure review of major changes to very large contracts. There is also a catch-all provision requiring approval if the amendment “substantially alters the risks and benefits to the University.” This applies both to amendments to Board-approved contracts and to changes in estimated project costs that come to light when contracts are prepared. The 20% threshold is consistent with Board of Regents and State Office of Facility Planning rules and practices.

- To allow flexibility to ensure adequate oversight while not delaying crucial projects, a formal vote is not absolutely required. When a contract amendment or project variation meeting the 20% or \$5 million threshold is proposed, the President must consult with the Board Chair, Chair-elect, and chair of the relevant Board committee at least 5 days prior to signing a contract at the new, increased rate. The President, after that consultation, then determines whether Board approval will be required or not. This allows for expedited approval of crucial projects where there is no real disagreement, while protecting the Board’s prerogative to review major changes when necessary.

## **7. Required Information for Submissions to Board and President**

- Only minor changes have been made to what was Section 8.E (and is now Section 9.C).
- The title has been changed to more accurately reflect the content.
- The language of the introductory paragraph has been clarified to provide the President and University Officers with more flexibility to tailor the submission requirements in light of the nature of the particular matter being submitted. For example, academic affairs items do not require the same types of information as a lease or a major contract would.
- A paragraph has been added to require the relevant semi-annual reports to be made available to the Board with each submission.
- The three unnumbered paragraphs at the end of this section, relating to the certification that proposals are complete and accurate, have been placed in a new subsection (Sec. 9.C.10), and some sentences have been eliminated to reduce verbiage and focus on the essential requirements.



## 8. Timing for submission of proposals

- Only minor changes have been made to what was Section 8.F on when proposals must be submitted (now Section 9.D).
- The title has been changed to more accurately reflect the content.
- Subparagraph 1 was changed in June 2015 to reduce the deadline for submittal of Board items to 15 business days before the Board meeting. The proposed rule keeps this 15 day time period, and adds a sentence clarifying that the President and University Officers can establish consultation and review processes that must be met prior to such formal submissions. This is to ensure that, for example, major facilities projects are reviewed by facilities services staff well before the formal deadline for submission. This is consistent with the overall goal of the June 2015 change, to move required reviews to earlier in the process to avoid bottlenecks at the final review stage.
- The proposed rule reduces from 20 to 10 business days prior to requested action for submittal of matters to be approved by the President. As with the submission of Board items, a sentence has also been added to allow for the President and University Officers to establish consultation and review processes prior to formal submittal.
- The proposed rule adds a new subparagraph 3 to provide general guidance on at what stage in its development a project or contemplated contract should be submitted to the Board for approval. The proposed rule vests the final decision in the President, but provides general guidance that Board approval should be sought at the earliest stage at which the Board can be presented with a reasonably accurate description of the matter, its likely costs and risks, and its impact on the campus and University. This will help ensure that a project is not developed so far as to make it awkward for the Board to deny approval.
- The proposed rule tweaks the provision related to contemplated major projects. The current rule requires a detailed, very formal submission of contemplated major projects. In practice, this requirement has only been followed a small number of times and the form developed required details that were not available at the earliest stage of development. The proposed rule simply requires the chancellors to notify the President “well before”

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any formal submittal of a major project or any public announcement of the project.

## 9. Required Reporting

- This Section 9.F is new.
- Currently, the Board is asked to review many routine matters, but is not always provided with contextual and historical information to assist with its decisions. Also, by adopting the proposed amendments to the Bylaws, the Board will be delegating substantial additional authority to the President and the Chancellors. Semi-annual reporting of key types of transactions taken by the Board, the President, or the Chancellors will provide this historical and contextual information.
- There are 6 specific types of transactions that must be reported. Each report will cover a running 3 year period and include the specific details required by the President, in consultation with the Chancellors. They will be sorted by campus and by the authority approving them. The President is authorized to establish additional reports.
  - All leases
  - All servitudes, grants of mineral rights, timber sales, and transfers of title to immovable property
  - All capital improvement projects above the \$175,000 threshold
  - All schematic designs
  - All design contracts (this will provide insight into the long-term planning of each campus)
  - All new degree programs.
- It is anticipated that the reports will be provided in February and August, but the specific meetings at which they will be presented will be determined by the President in consultation with the Board leadership.



**Recommendation to Authorize an Exemption to Cover the FY 2016 Taylor Opportunity Programs for Students (TOPS) Funding Shortfall Absorbed by LSU Campuses**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8 of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

D.1 Any matter having a significant fiscal (primary or secondary) or long term educational or policy impact on the University or any of its campuses or divisions.

**1. Summary of Matter**

The University is recommending approval to authorize a Taylor Opportunity Programs for Students (TOPS) fee exemption. This matter is a result of the Spring 2016 TOPS shortfall to higher education which totals approximately \$10.7 million for all University campuses for the remainder of FY 2016.

Brief History of TOPS

TOPS, Louisiana's merit-based student aid program, was created via Act 1375 during the 1997 Regular Legislative Session and is administered by the Louisiana Office of Student Financial Assistance (LOSFA). The first freshman class to receive TOPS awards entered postsecondary education in the fall of 1998. Although the founding legislation does not directly document the goals of the program, the four generally accepted purposes of TOPS are to:

- Promote academic success by requiring completion of a rigorous high school core curriculum;
- Provide financial incentives as a reward for good academic performance;
- Keep Louisiana's best and brightest in the State to pursue postsecondary educational opportunities and become productive members of Louisiana's workforce; and
- Promote access to and success in postsecondary education

**2. Review of Business Plan**

The proposed exemption would provide for the proper accounting of the \$10.7 million TOPS shortfall for all LSU campuses for the remainder of FY 2016.

**3. Fiscal Impact**

The University has 16,314 TOPS recipients across all of its campuses in the 2015-16 academic year, or 36.3% of the total student population. The impact of the TOPS shortfall in FY 2016 equates to a \$10,704,669 cut to the University, or 20% of the total estimated Spring 2016 TOPS awards to our students. The TOPS award is an agreement between the state of Louisiana and individual resident students who choose where to attend college across the state. Campuses are enacting several cost cutting measures to address the TOPS shortfall, such as leaving vacant positions unfilled, reducing deferred maintenance expenditures, reducing student support initiatives, and cutting auxiliary units. As noted in Attachment I, when combined with the Statutory Dedication fund reductions adopted in the first Special Session, the University must absorb a \$12.5 million, or 3.0%, reduction in state funding during the balance of FY 2016. The degrees of freedom to address any cut has been vastly diminished since it is occurring so late in the fiscal year.

The estimated Spring 2016 TOPS shortfall by University campus is shown below:

<u>CAMPUS</u>	<u>AMOUNT</u>
LSU	\$ 9,875,410
LSUA	\$ 216,999
LSUE	\$ 103,172
LSUS	\$ 342,542
LSU Health New Orleans	\$ 159,214
LSU Health Shreveport	\$ 7,332
	<u>\$10,704,669</u>

Source: Louisiana Office of Student Financial Assistance.

#### 4. Review of Documents Related to Referenced Matter

The proposed recommendation to approve has been reviewed by the University's Chief Financial Officer.

#### ATTACHMENTS

- I. Final Reduction Amounts by Campus: FY 2016 Operating Budget and Spring 2016 TOPS Shortfall

#### RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural & Mechanical College does hereby authorize F. King Alexander, President of LSU, or his designee, to authorize an exemption for FY 2016 to address the Spring 2016 TOPS shortfall identified by the Louisiana Office of Student Financial Assistance (LOSFA).

**BE IT FURTHER RESOLVED** that F. King Alexander, President of LSU, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to implement an exemption for all affected University campuses to address the Spring 2016 TOPS shortfall and to make any additional adjustments as necessary to reflect the final actual shortfall identified by LOSFA.

**FINAL REDUCTION AMOUNTS BY CAMPUS  
FY 2016 OPERATING BUDGET AND SPRING 2016 TOPS SHORTFALL**

Campus	Estimated Spring		Difference		Final Reduction		Per FTE Student Reduction (4)				
	2016 Semester	2016 Semester	Dollar	Percent	State General Fund	Statutory Dedicated Funds (2)	Effective State Pct. Reduction (3)	TOPS Shortfall	SGF +		
	TOPS Billing	TOPS Payment (1)							Funds	Total Cut	
LSU	\$ 49,377,049	\$ 39,501,639	-\$ 9,875,410	- 20.0	\$ -	-\$ 610,009	-\$ 10,485,419	- 8.2	-\$ 313	-\$ 19	-\$ 333
LSU at Alexandria	\$ 1,084,993	\$ 867,994	-\$ 216,999	- 20.0	\$ -	-\$ 9,267	-\$ 226,266	- 4.2	-\$ 80	-\$ 3	-\$ 83
LSU at Eunice	\$ 515,860	\$ 412,688	-\$ 103,172	- 20.0	\$ -	-\$ 8,625	-\$ 111,797	- 2.3	-\$ 50	-\$ 4	-\$ 54
LSU at Shreveport	\$ 1,712,712	\$ 1,370,170	-\$ 342,542	- 20.0	\$ -	-\$ 21,811	-\$ 364,353	- 4.8	-\$ 92	-\$ 6	-\$ 98
HSC - New Orleans	\$ 796,068	\$ 636,854	-\$ 159,214	- 20.0	\$ -	-\$ 668,333	-\$ 827,547	- 0.9	-\$ 60	-\$ 251	-\$ 311
HSC - Shreveport	\$ 36,662	\$ 29,330	-\$ 7,332	- 20.0	\$ -	-\$ 297,203	-\$ 304,535	- 0.3	-\$ 9	-\$ 352	-\$ 360
TOPS Subtotal	\$ 53,523,344	\$ 42,818,675	-\$ 10,704,669	- 20.0							
Ag Center	\$ -	\$ -	\$ -		\$ -	-\$ 170,320	-\$ 170,320	- 0.2			
Pennington	\$ -	\$ -	\$ -		\$ -	-\$ 3,253	-\$ 3,253	- 0.0			
<b>TOTAL</b>	<b>\$ 53,523,344</b>	<b>\$ 42,818,675</b>	<b>-\$ 10,704,669</b>	<b>- 20.0</b>	<b>\$ -</b>	<b>-\$ 1,788,821</b>	<b>-\$ 12,493,490</b>	<b>- 3.0</b>			

(1) Source: LOSFA, April 12, 2016

(2) Reflects JLCB and HB 122 reductions.

(3) Total cut as percent of FY 2016 total state funding, including stat deds (Existing Operating Budget).

(4) Based on Fall 2015 FTE Enrollment.

## **C. PROPERTY COMMITTEE**



**Request from LSU A&M to Authorize the President to Execute Agreements for the Development of Nicholson Gateway**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

This is a significant board matter pursuant to Article VII, Section 8 of the Board’s Bylaws:

D.1. Any matter having a significant fiscal (primary or secondary) or long-term educational or policy impact on the System or any of its campuses or divisions.

**1. Summary of the Matter**

The proposed project is a public-private development venture to create the Nicholson Gateway, to revitalize an older section of LSU’s campus, create a significant new gateway onto the campus, and provide both new and renovated on-campus housing to meet the demands of LSU’s students. The project will also have a retail component, focused on meeting the needs of LSU’s residential and commuter students. LSU is working with the LSU Property Foundation (“Foundation”) and RISE: A Real Estate Company to collaboratively design, finance, construct, and operate the new facilities. The development will open in time for the Fall 2018 semester, with RISE guaranteeing on-time delivery. The proposal is based on a competitive selection process resulting in a recommendation and report from the LSU Property Foundation (the Foundation Report), attached.

*Nicholson Gateway at a Glance*

7	new residence halls
1,547	new on-campus student beds
10,000	square feet for a satellite University Recreation facility
34,000	square feet of retail
1,464	parking spaces (including 800 in state-funded parking garage)
\$149 million	total development cost (inclusive of total construction cost)
\$123 million	total construction cost
700	construction jobs created
125+	permanent jobs created, in both public and private sectors
\$100+ million	construction dollars staying in Louisiana and the region
\$130+ million	total development dollars staying in Louisiana and the region

*All figures are approximate, based on current estimates and subject to change. Detailed designs are still being prepared; final costs will be based on final designs. A Guaranteed Maximum Price will be agreed before the contracts are executed.*

Private bonds for the development will be issued by an independent non-profit company through the Louisiana Public Facilities Authority to fund the project. The bonds will be secured by a lease agreement between LSU and the non-profit. Funds to repay the bonds and operate the facilities will ultimately come from the rent paid by students who choose to live in this new development, as well as revenues derived by LSU from the retail component of the development.

LSU intends to include Spruce Hall, a proposed new residence hall located in another area of campus that has already been approved by this Board, in the initial financing and lease agreements for Nicholson Gateway, so that it will also open in Fall 2018. For reasons explained below, the bed count and costs for Spruce are not included in the figures on this page, as planning is not quite complete yet, but will be finished in time for inclusion in the final agreements before they are executed.

## *Replacement Housing Project*

LSU will also use this new public-private development model to accelerate the renovation or replacement of a number of its older residence halls and to finish designing, and then construct, several already-planned new residence halls in other areas of the campus. This will be accomplished in two phases. The first phase, in the Greenhouse area, will start construction in early 2018 and have units opening in Fall 2019 and Fall 2020. The second phase, to replace Kirby Smith and renovate the Pentagon buildings, will start construction in early 2020, opening by Fall 2021. This is at least 5 to 10 years faster than LSU would be able to accomplish on its own under its traditional capital outlay housing construction projects. For example, under the traditional method, Kirby Smith would not be demolished until 2027, while under the proposed model it will be demolished by 2020. Globally, these additional replacements and renovations will total over 2,800 beds, most of which will be replacement beds rather than new capacity. Collectively, this is the Replacement Housing Project.

Planning for these buildings is already underway. Separate lease agreements and separate financings will be accomplished for each phase of this larger “bundled” development. Each phase will be brought back to the Board of Supervisors for approval once designs, documents, and other plans are ready. This also provides a safety valve for LSU to decide not to proceed if interest rates or construction costs rise substantially before the projects are ready to go.

### *Private Partner*

**RISE: A Real Estate Company** ([risere.com](http://risere.com)) was selected, through a highly competitive process, by the Foundation to recommend to the Board as the Master Developer for the Nicholson Gateway project. RISE, formerly known as Ambling, has over 20 years of experience in financing over \$2.3 billion in campus and multi-family housing and other developments. RISE primarily serves as a developer and long-term partner in the operation of the facilities it develops with its clients. Their portfolio currently includes over 41,000 beds, 7,600 parking spaces, 227,000 sf of retail, and 4,000 dining seats. They have projects in 21 states, including 16 facilities in Louisiana. University clients include University of Maryland, Appalachian State, Old Dominion, University of Georgia, Georgia State, Texas Tech, Grambling, Southern, McNeese, University of Louisiana - Lafayette, and many others.

RISE has selected a number of major subcontractors for this project, most of them Louisiana-based. They include the **Lemoine Company** for construction, **Niles Bolton & Associates**, a national firm, and **Remson Haley Herpin**, a Louisiana firm, as architects, **Stirling Properties**, a Louisiana firm, as manager of the retail component, **RBC Capital Markets**, a leading international bank, as financial adviser, **Stantec**, a national engineering firm with a 61-year presence in Louisiana, and **Provident Resources Group**, a Louisiana-based firm that is the national leader in providing non-profit management services for public-private partnerships.

### *Market Analysis*

LSU, the Foundation, and their various consultants have conducted extensive market research of the demand and potential for both the increased number of student housing beds and the retail component of the project. This research included focus groups, student surveys and review of local market data. The first studies were conducted in 2012 as part of the original master planning process with LSU contractor AECOM, and then updated by the Foundation’s chosen project manager, Brailsford & Dunlavey (B&D), a leading national firm in this area. RISE and its subcontractor, Stirling Properties, have also carefully studied the financial viability of the project, including the retail component. All studies have consistently shown substantial demand for the additional on-



campus housing capacity and the strong viability of a student-focused retail component, which also serves as an amenity to increase the desirability of the new housing in this area.

The 2012 study showed demand for an additional 1,758 beds of on-campus housing for upperclass and graduate students. In order to take a conservative approach, the 1,547 beds in the Nicholson Gateway housing facilities will meet about 88% of this demand. The updated analysis performed by B&D in 2015 continued to show a strong demand for upperclass and graduate on-campus beds. Additional details of these market analyses are available as Exhibits E and F of this submission.

RISE has extensive experience in the student housing market. As noted in the letter included in the market research appendices, RISE believes strongly that location is a primary driver of occupancy and fill rates. Even with the recent growth of off-campus student housing, properties that are within walking distance of campus fill up first and are more desirable than properties located farther away from campus. The proximity of on-campus housing to students' classes and extracurricular activities provides a significant competitive advantage over the off-campus housing.

With respect to retail, Stirling Properties is a leading Louisiana commercial real estate firm which has been engaged by RISE to plan and manage the retail component of this development. Stirling has already identified strong interest from both national and local firms to locate in this space. The earlier market studies from AECOM and B&D also show substantial demand for this on-campus retail space aimed at meeting student needs. These studies are attached as Exhibits E and F of this submission. As with the housing itself, location matters, and being physically on campus is highly desirable to retailers who focus on student needs.

#### *Benefits to LSU*

First and foremost, this project will provide LSU with much-needed additional housing capacity. LSU's Department of Residential Life has a substantial waiting list of upperclass undergraduate students who have applied to live on-campus, but who cannot be housed because most of LSU's capacity is devoted to freshman housing. LSU's need for on-campus housing is also growing because of innovative new programs such as the Shorelight initiative to recruit international students.

The Nicholson Gateway will revitalize an aging corner of the LSU campus and create a suitable entry to the campus at the Nicholson north gates. LSU will be joining in the broader Baton Rouge efforts to improve the Nicholson corridor from the campus to downtown. The development plans allow room for the tram line connection between LSU and downtown that the City-Parish is exploring.

Using this public-private development model for the replacement housing will allow LSU to substantially accelerate the replacement of some of LSU's older housing units. Current plans, relying on traditional state processes, would require LSU to wait 5 to 10 years to begin to accomplish this. With this model, these new residential halls will all be open within 5 years. For example, under LSU's current housing master plan, LSU cannot afford to replace Kirby-Smith Hall until 2027. Under the proposed development model, Kirby-Smith's replacement will open for Fall 2021.

This acceleration will substantially reduce the interest rate and construction costs risks faced by LSU. While there is no immediate need to replace this older LSU housing, they do need to be replaced or renovated within the next 10 to 15 years. There is risk that interest rates and construction costs could rise during the time period and reduce the financial feasibility of those replacements. By moving faster to secure financing and start the construction, LSU is reducing that risk.

This model allows LSU to retain control of one of its core functions, providing housing and residential life services to students wanting to live on-campus, while transferring to the private sector the physical operation, repair, and maintenance functions that are not core to LSU's mission. From the students' perspective, these will simply be LSU housing units, indistinguishable in function from LSU's other residence halls. LSU will make room assignments and provide the Resident Assistants and other student life staff and amenities.

On-campus housing also increases the retention and graduation rates of LSU's students. For example, first year students who started LSU in Fall 2010 and lived on-campus were 8.5% more likely to continue into their second year than first year students who lived off campus (87.6% retention versus 79.1%). Moreover, 67.7% of the Fall 2010 first-year class who lived on-campus graduated within 5 years, compared with a 51.6% 5-year graduation rate for those Fall 2010 students who lived off-campus.

Finally, this project will provide financial benefits to LSU. The additional revenue brought in by the Nicholson Gateway development will allow for the transfer of an anticipated \$2 million per year to the Foundation, under the terms of the Ground Lease and Cooperative Endeavor Agreement with the Foundation. The Foundation will use these funds to hire additional development officers and fund the upcoming major capital campaign on behalf of the University. Foundation research indicates that each dollar invested in these efforts will generate approximately five dollars in donations that will support LSU's academic, educational, and research missions.

### *Risks*

LSU is transferring a number of risks to the private sector through this public-private partnership arrangement. However, to maximize the potential financial returns, LSU is also retaining key risks. Based on extensive analysis by the Foundation, B&D, RISE, and LSU, the University believes these risks are remote and unlikely to occur.

LSU bears *occupancy risk*. If demand for these units falls short of projections, LSU will still be responsible for paying the debt service and operating costs associated with the buildings.

LSU bears some *retail risk*. If the retail component of the project were to falter, the project would generate less revenue, and LSU may have empty retail space in a prominent location.

LSU shares *completion risk* with RISE and the Foundation. If the Nicholson Gateway doesn't open in time for Fall 2018, students who reserve spaces there will have to be provided alternative housing in existing residence halls and hotels in the Baton Rouge area. If the project opens more than a month or so late, students will most likely cancel their room reservations and move to off-campus housing instead, which would leave LSU responsible for debt service on largely empty buildings for the remainder of the academic year. If the buildings fail to open on time due to the fault of RISE or its contractors, RISE will be responsible for paying these damages. But if the project fails because LSU or the Foundation is unable to obtain all the necessary approvals from state agencies or other factors, LSU will bear that risk.

### *Student Housing*

First and foremost, Nicholson Gateway is a student housing project. As noted earlier, market research has consistently shown significant demand from sophomores, juniors, and seniors who would prefer to live on-campus. Graduate students, also, have consistently expressed an interest in living on-campus so they can be closer to the laboratory, library, and other resources they need for their studies and research.

The housing in this project will be included in a variety of configurations. This table summarizes the types and numbers of units being constructed. Generally, the buildings on the north end of the development, identified as buildings 400S and 400N in the attached schematic designs, are intended for graduate students, while the remaining buildings are primarily for sophomores, juniors, and seniors.

<i>Unit Type</i>	<i>Total Units</i>	<i>Total Beds</i>
1 Bed / 1 Bath	117	117
Studio (1B/1BA)	68	68
2 Bed / 1 Bath	137	274
2 Bed / 2 Bath	300	600
3 Bed / 3 Bath	112	336
4 Bed / 2 Bath	43	172
<b>Total</b>	<b>777</b>	<b>1567</b>

Like other LSU housing, all residential halls will contain study spaces, computer rooms and similar amenities. Because they are not expected to house first year students, they will not include any classroom spaces. Each building or pair of buildings will have semi-private courtyard space accessible only to students who live there.

LSU's Department of Residential Life will control all room assignments and will treat these units identically as all other campus housing in terms of the residential life functions, providing RAs, front desk students, and similar personnel.

These unit counts include all beds; the count included in other parts of this report show only revenue-generating beds. About 20 beds are reserved for Resident Assistants, on-site managers, and other LSU staff.

#### *Operations and Maintenance*

Both routine and long-term maintenance, operation, and repairs of the buildings will be the responsibility of RISE, which will also provide custodial services. Quality standards and performance metrics will be established in a Facilities Operation & Maintenance Agreement (FOMA). LSU will provide electricity to the Nicholson Gateway buildings, which will be paid by Residential Life as is done for all other LSU residential housing. For Nicholson Gateway, RISE will be responsible for providing water, gas, and sewer services, and be compensated for those services through the FOMA. For Spruce Hall and the Replacement Housing Project, LSU will provide all utilities. All plans, specifications, and performance standards must be approved by LSU, and LSU will be required to approve all expenditures from the long-term Maintenance Reserve Account established for that purpose. The FOMA will contain performance standards that RISE must meet and financial incentives to keep the buildings in good condition and operating costs low.

RISE's operations and maintenance obligations will be paid for through the FOMA. A specific budget and the annual payments for those services will be negotiated each year, within a framework (and with appropriate fee caps and inflation escalators) established by the Facilities Lease and other agreements. An advisory committee of Foundation, LSU and RISE representatives will meet regularly to ensure smooth coordination of operations. Engineering evaluations of the buildings will be conducted regularly over the term of the lease to ensure the facilities remain in sound condition and are being maintained as required by the agreements.

#### *Parking*

Parking will be managed by the LSU Office of Parking, Traffic, and Transportation Services in accordance with normal practices. Most of the parking at the site will be zoned for student residential permits. About 115 spaces will be reserved for retail customers. The project is also constructing about 82 spaces of surface parking near the separately-constructed LSU Foundation Office Building; this area is expected to be zoned as a gated "C" lot, primarily for LSU Foundation

employees. An 808 space parking garage is planned to be built with capital outlay funding provided by the state. This garage is essential to providing sufficient parking for the residents and has been relied upon in the two years of planning that has occurred since the legislature first made that commitment. There will be a small surface lot just north of the garage with 97 spaces for residents and about 454 resident spaces directly behind the residential units on the north end of the development.

Consistent with normal LSU policy, most of the residential spots will be reserved for the residents on game days. The 115 spaces of retail parking, about 70 of the surface spaces near the Foundation Office Building, and the 97 spaces in the surface lot just north of the parking garage will be controlled by the Athletic Department on game days. This total of 283 game day spots exceeds the commitment made in the initial planning stages to reserve at least 250 game day parking spots in the development.

### *Retail*

The Nicholson Gateway Project will contain about 34,000 square feet of retail space. About 18,000 sf will be in a stand-alone, single story building on the north side of a central plaza from the Foundation Office Building. Another 16,000 sf will be located on the first floor of the residence hall just west of the central plaza.

RISE's retail partner, Stirling Properties, reports significant interest from both local and national retailers in this space. While no commitments have been made yet, Stirling anticipates no difficulty in signing up tenants to occupy the retail space.

LSU is seeking retail tenants who will provide goods and services aimed at meeting student needs, as identified in student surveys, focus groups, and other research. Hair salons, phone repair stores, and quick food service such as coffee, ice cream, and frozen yogurt are among the types of retail expected. LSU is also seeking an anchor tenant who will provide a spectrum of goods to students, including groceries.

The lease agreements will contain restrictions on the types of retail tenants and the activities of the retail tenants. These restrictions are still being finalized, but no bars will be permitted, and there will be limits on the marketing and sale of alcohol in all the retail stores. Any restaurants in the development will be allowed to sell alcohol to their dining patrons. Advertisements and promotions both outside and inside the stores will be limited to comply with game day restrictions set by the Athletic Department to protect the exclusive marketing rights of its sponsors.

RISE and its partner, Stirling Properties, will be responsible for locating and attracting quality retail tenants and managing the retail properties. The precise legal means of subleasing to the retail tenants is still being negotiated. LSU may sublease the property directly to the retail tenants, but other arrangements may be made so that Stirling Properties or the Foundation is the formal landlord to the retail tenants. Regardless of which mechanism is selected, Stirling Properties will manage the retail component of the development and LSU will have to approve, in writing, all tenants and their lease agreements.

### *Game Day*

The entire Nicholson Gateway is being developed to meet student needs 365 days a year, while also meeting the unique needs of this area of campus on the seven or eight Saturdays a year with home football games. The 283 game day parking spots will provide high-value, convenient parking near the stadium. Pedestrian pathways will conduct visitors parking west of the railroad tracks safely across Nicholson to Tiger Stadium. Game day-only indoor restrooms are included in the

building in front of the parking garage. The large central plaza shown on the plans will be used by the Athletic Department on game days for a variety of purposes. Many of the retail tenants will be open on game days. Retail tenants who are not official sponsors of LSU under the Multi-Media Rights Agreement will be restricted in the types of advertising and promotions they can run in and outside their stores on game days, to protect the exclusivity of rights sold to LSU sponsors. Designers are working with LSU Planning, Design, and Construction and the Athletic Department to evaluate whether there is an opportunity to place a remote scoreboard and video screen in the central plaza area.

### *Spruce Hall*

In 2009, LSU began planning for construction of two nearly identical residence halls, Cypress and Spruce. Cypress Hall was constructed with funds from the 2013 bond series. In early 2014, the Board approved the schematic design of Spruce and added it to the capital outlay list. Spruce was intended to be constructed with proceeds from an anticipated bond issuance in Spring 2014. LSU has not yet been able to issue those bonds, and the need for construction of that hall, which will be located near Aster Street just north of its twin, Cypress Hall, is becoming urgent. By including Spruce Hall in the Nicholson Gateway Project financing and lease agreements, it also could open for Fall 2018.

Spruce Hall is not currently included in the construction and development costs shown for the Nicholson Gateway Project above. Due to its location on campus and other factors, the lease and operating agreements for Spruce will be slightly different than for Nicholson Gateway itself (for example, RISE will provide and pay for water, gas, and sewer services in the Nicholson Gateway facilities, while for Spruce and the other Replacement Housing, LSU will provide those services). Because the highest priority is ensuring that Nicholson Gateway receives the necessary approvals and starts on time, drafting of the agreements and other planning has focused on that project first.

Now that the Nicholson Gateway plans and agreements are largely complete, work on a small addendum to add Spruce Hall is underway. This addendum will be completed in the very near future.

Based on current projections, Spruce would add 390 beds, \$23.6 million in construction costs, and \$30 million in total development costs (inclusive of construction costs) to the amounts shown for Nicholson Gateway. The financial *pro forma* section below includes these costs, as well as projected operating expenses for Spruce, in looking at the performance of the Nicholson Gateway Project and the proposed LSU housing system over the next 40 years. The resolution attached to this submission authorizes the President to include Spruce in the various agreements, provided he notifies the Board members in advance of signing the documents.

### *Payments to LSU Foundation*

Under the proposed arrangement, the Foundation will receive an estimated \$2 million annually from the new revenues generated by the Nicholson Gateway Project. The Foundation will use these funds to hire additional development officers and cover other expenses of the University's upcoming major capital campaign. In return, LSU will receive significant financial benefits from that campaign. The Foundation projects that for every \$1 spent on developers and other capital campaign expenses, it will raise approximately \$5 to benefit LSU's academic, educational, and research missions.

The payments will be structured as additional rent paid by LSU to Provident Group - Flagship, which will in turn be required by its Ground Sublease to pay those funds on to the Foundation's subsidiary, Nicholson Gateway Project LLC, as ground rent. Because the Ground Lease requires the Foundation to pay only a nominal sum as rent to LSU, the LSU Foundation will receive the use of the full \$2 million sum. Safeguards will be included in the agreement to reduce these

transfers to the Foundation in the event that LSU’s housing auxiliary needs those funds to meet its operating expenses and its debt service obligations.

*Timetable*

In order for the project buildings to open by Fall 2018, construction must start in October 2016 at the latest. Thus, the project must have all required state approvals in time for financial close in late September or early October 2016. This results in a very tight timeframe for project review by the Board of Regents, the State Office of Facilities Planning and Control, the Joint Legislative Committee on the Budget, and the State Bond Commission. LSU, the Foundation, B&D / CSRS and RISE have been working earnestly to complete all necessary planning and documentation to allow these reviews to take place timely. LSU has accelerated its normal internal design and review processes to meet these deadlines, while still ensuring that the project is fully vetted and properly integrated into the overall campus Master Plan and design principles.

A timetable of key schedule events is provided as Exhibit D.

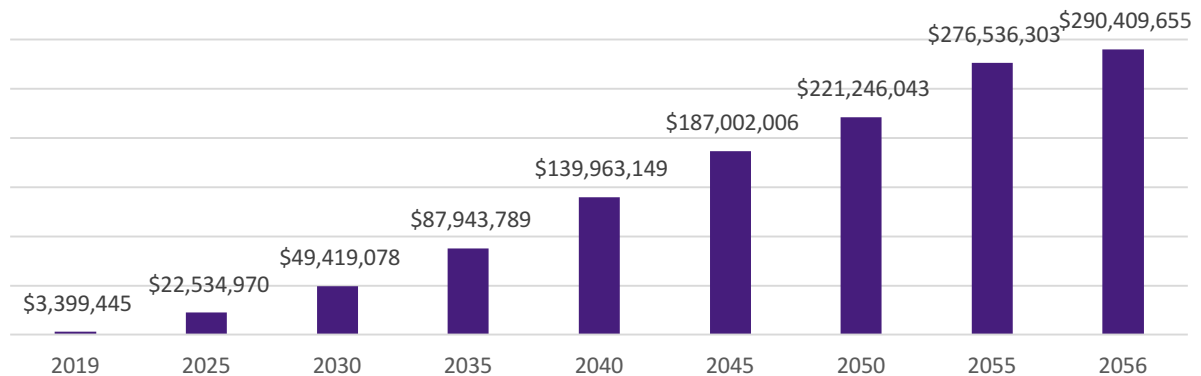
LSU expects to seek approval from the state as shown in this chart:

- May 6      LSU Board of Supervisors
- May 25     Louisiana Board of Regents
- Mid-June   Joint Legislative Committee on the Budget
- July 21     Louisiana State Bond Commission

**2. Review of Business Plan**

Current projections are that Nicholson Gateway Project, including Spruce Hall, will have a construction cost of \$147 million and total development costs of \$179 million (inclusive of construction costs). Prior to execution of the agreements, RISE will provide a Guaranteed Maximum Price which will be included in the Development Agreement. The total development cost will be financed with bonds issued by Provident Group - Flagship, LLC through the Louisiana Public Facilities Authority, payable solely from LSU’s Auxiliary Revenues through the Facilities Lease pursuant to which LSU will lease the completed buildings. LSU will pay rent to Provident Group - Flagship, LLC. The Facilities Lease is triple net to LSU and rent will be sufficient to cover: (1) debt service, (2) operations and maintenance services contracted to RISE in the FOMA, (3) required maintenance reserve accounts, and (4) transfers to the Foundation as described above.

Nicholson Gateway + Spruce Hall Cumulative Cash Flow

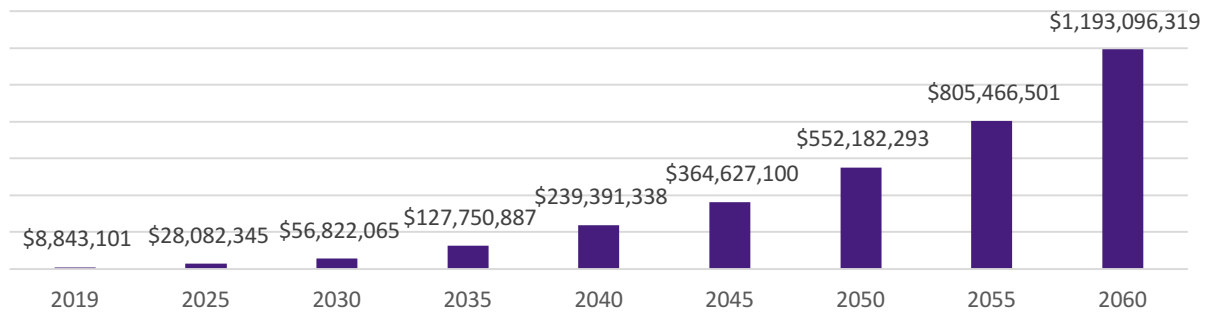


As noted in this chart, the Nicholson Gateway Project alone, with the inclusion of Spruce Hall, is expected to generate \$290.4 million in net new cash flow to the LSU housing system, after

payment of all debt service and operating expenses, over the 40 year life of the Nicholson Gateway Facilities Lease. This is new revenue to the LSU housing system, after payment of debt service and all projected operating expenses associated with the Nicholson Gateway Project itself. It is out of this new cash flow that the estimated \$2 million annual transfer to the Foundation to support fundraising efforts on behalf of LSU will be made. The remaining cash flow will remain within the LSU housing auxiliary in order to satisfy LSU's bond obligations.

For the larger Replacement Housing Project, the analysis is not whether the project will bring in new revenues to LSU, but whether the already-planned housing master plan renovations and replacements of older halls can be accelerated while maintaining the overall financial stability of the LSU housing system. This accelerated schedule will actually result in a short-term reduction in net cash flow, because many of the older units being replaced are currently debt-free and thus contribute substantially to the cash flow of the existing housing system. However, accelerating the replacement of this older housing will provide significant long term benefits to LSU and will provide substantially more cash flow over time to the housing system than continuing with development under traditional state financing. Current projections are that the Replacement Housing Project will have a total estimated cost of \$217 million.

### Proposed Housing System Cumulative Cash Flow



This chart shows the cumulative surplus net cash flow of the entire proposed LSU housing system with Nicholson Gateway Project, Spruce Hall, and the Replacement Housing Project included. Again, this is net cash flow after payment of debt service and all operating expenses of the Nicholson Gateway, the replacement housing to be constructed by RISE, and the existing halls not being renovated or replaced through this program. Through 2060, which is when the last of the three 40 year leases anticipated for the Nicholson Gateway and Replacement Housing Projects will end, this results in a cumulative net cash flow of \$1.2 billion. However, it should be noted that this final figure is unlikely to be realized, as other housing units that are relatively young now may need to be replaced 20 or 30 years from now which will reduce long-term cash flow, but the projections demonstrate that LSU will have substantial financial capacity to meet those needs. Together, the Nicholson Gateway and the Replacement Housing Projects should meet much of LSU's major housing capital improvement need for the next 15 to 20 years, and LSU will likely use this public-private development model to meet the rest of its capital improvement needs in that time period.

A detailed financial *pro forma* is attached as Exhibit C. This shows the projected annual revenues, operating expenses (including maintenance reserve contributions and the annual university overhead contribution assessed on the housing auxiliary), net operating income, debt service, debt service coverage ratio, and net cash flow through 2060, which is when the last of the three 40 year leases anticipated for the Nicholson Gateway and Replacement Housing Projects will end. Note that the leases for each phase of the larger program will be for 40 years each, but because they will be starting in different years, the last lease will not terminate until 2060.

## *Assumptions*

The *pro formas* discussed in this section rely on key assumptions that may still change. This section lists a few of the most significant assumptions. These assumptions are based on extensive research, analysis, and experience from both RISE and LSU, and LSU believes they are the most realistic projections for the project. While not presented in this submission, RISE has made projections with several modifications to these assumptions to model more pessimistic assumptions, and the project will remain financially viable within a relatively broad range of these assumptions.

*MRA:* The Board of Regents, which must approve these leases, requires new construction to establish a Maintenance Reserve Account (MRA) to fund expected capital repairs and replacements over the life of the building. Under normal Board of Regents rules, this would require an annual payment of \$1,000 per bed into the MRA. However, Regents policy allows LSU to ask for a waiver for a smaller MRA if LSU can show that the capital improvements costs can be met with a smaller MRA. LSU is working closely with RISE to prepare a detailed matrix of the expected capital costs to justify such a waiver. The attached *pro formas* assume a \$400 per bed annual payment. Because LSU and RISE are still working on the matrix, this figure may change before the waiver is sought.

*Occupancy:* The *pro formas* assume a 95% occupancy rate for the academic year, with summer revenue projected for about 50% of the beds.

*Rents:* The *pro formas* are based on the rates currently believed to be competitive in the market place, given the highly desirable location of the housing. Rents vary based on type of unit and projections include a 3% annual escalation, which is lower than LSU's current planning for existing units. Actual rent rates will be set by LSU each year and will be adjusted over time based on market conditions, financial needs of the housing system, and other factors.

*Interest Rates:* As noted in more detail in the next section, RISE's financial partner, RBC Capital Markets, believes that this project may reach a 3.90% yield, and that is the assumption included in these *pro formas*. RBC has also modeled scenarios involving yields 30, 60, and 90 basis points higher than the 3.90%, and the project remains fiscally sound in those scenarios, although this may reduce the amount available to transfer to the Foundation in the short term, depending on the final outcomes of the other assumptions.

### **3. Fiscal Impact, Including Credit Impact and LSU's Bond Obligations**

As noted above, financing will be through tax-exempt bonds issued by a private 501(c)(3) organization through the LPFA. The bonds will be secured by LSU's obligations under the Facilities Lease with that 501(c)(3). LSU's monetary obligations under the Facilities Lease will be payable solely from auxiliary revenues of the University and will be expressly subordinate to LSU's existing auxiliary revenue bond obligations. This will allow the bonds to be rated at or nearly at the same level as LSU's auxiliary revenue bonds. RISE's financial partner, RBC, anticipates that the bonds may be rated A1/AA-, with a bond yield of 3.90%.

This financing arrangement will result in the lowest possible interest rate for the project, but this also means that the debt will be on LSU's books, just as it would be if LSU continued its existing, traditional plans for constructing the replacement housing. LSU, the Foundation, and RBC have conducted detailed analysis to ensure that LSU's auxiliary enterprises have ample capacity to absorb this debt load and stay well above the minimum debt coverage ratio of 1.75 required by LSU's General Bond Resolution.



The Nicholson Gateway project alone, with Spruce Hall included, is projected to have a debt coverage ratio that fluctuates between 1.23 and 1.68 over its 40 year term. The additional revenue derived from the Nicholson Gateway is expected to have a net positive impact on the financial health of the LSU housing system.

The remainder of this section analyzes the credit impact of pursuing the Replacement Housing Project. These figures are estimated projections only, and will certainly change as the Replacement Housing Project continues to develop. Buildings may be added to or removed from the current list, and interest rates, construction costs, and operating expenses will change with time and refinements to designs and specifications. As noted above, additional Board approval will be sought before entering into binding agreements to finance and construct the Replacement Housing Project. Unless noted otherwise, references in this section to the “proposed LSU housing system” mean the combination of the Nicholson Gateway Project, Spruce Hall, the Replacement Housing Project, and the existing halls remaining in the LSU inventory.

The table below shows the debt coverage level of the proposed LSU housing system, at every 5 years through the life of the proposed project. Because the lease payments are subordinate to LSU’s general bonds, the debt coverage ratio for the bonds remains very high, never dropping below 8.39. The overall debt coverage ratio with the bond payments, the lease payments, and the operating expenses for the proposed LSU housing system remains strong, never dropping below the 2.61 level it reaches in 2022, when all of the replacement housing comes on-line. These figures are taken from the detailed numbers provided in Exhibit C.

	2019	2024	2029	2034	2039	2044	2049	2054	2059
Subordinate Debt Ratio	5.3	2.66	3.11	3.59	4.06	3.68	4.02	4.38	5.51

This is consistent with LSU’s debt expectations for its existing housing master plan. LSU was already planning to incur this level of debt over the next 15 years; this development only accelerates the process, which is anticipated to save LSU money and reduce interest rate and construction cost risk.

LSU’s outside counsel and lawyers for a variety of underwriters and other entities with an interest in LSU’s bond obligations have been and will remain involved in reviewing the various lease and other agreements involved with this project. As required by the Request for Proposals (“RFP”), RISE has also selected the national law firm of Kutak Rock to review the proposed transaction and LSU’s Auxiliary Revenue Bond Obligations under the General Bond Resolution and provide this Board with a written opinion that the execution and delivery of the Facilities Lease by LSU will not violate the provisions of the General Bond Resolution. Prior to execution of the various agreements proposed, the President will have, and share with this Board, written opinions from LSU’s outside counsel, Kutak Rock, and others that the proposed agreements do not conflict with LSU’s General Bond Obligations.

#### **4. Description of Competitive Process**

##### *Background*

Since 2011, LSU has been exploring a major redevelopment of the corridor from the old Alex Box stadium through the old family housing units on the north edge of campus along Nicholson Drive. In 2012, LSU engaged AECOM, a nationally recognized consulting firm, to develop a master plan for the area. Significant unmet demand for undergraduate, graduate and family housing was identified through extensive market research conducted as part of this planning effort. AECOM also

recommended development of substantial retail and office space in the development. The Board approved this master plan in March 2013.

As work continued to explore the best way to implement this master plan, LSU officials began to identify additional needs that could be met with the Nicholson Gateway development, in particular additional student housing and less retail space, focused more directly at student needs. Changing budget environments also reduced the need for LSU office space in the development. LSU prepared an addendum to the master plan, which was approved by the Board in October 2014.

To move forward with implementation of this Master Plan, the Board also approved an Intent to Lease Agreement with the Foundation to prepare recommendations for how best to accomplish the development. As anticipated by the Intent to Lease Agreement, the Foundation has prepared the attached comprehensive recommendation to this Board to construct and operate the development. The proposal today is to adopt the recommendation from the Foundation and authorize the President to execute a variety of agreements to accomplish the Nicholson Gateway Project described above.

### *Process*

As anticipated by the October 2014 Intent to Lease Agreement, the Foundation hired Brailsford and Dunlavy (B&D), a nationally recognized project manager for public private partnerships and similar developments, to assist the Foundation with this project. B&D formed a joint venture with Baton Rouge-based engineering firm CSRS, which has extensive experience with large construction projects for LSU and other significant clients, and together B&D and CSRS have been an integral part of designing and implementing the competitive process to select the Master Developer, and will remain on board to oversee the final design and construction of the project. The Foundation also retained the national law firm Becker & Poliakoff, which has substantial experience in the public-private construction partnership field, to assist local Louisiana counsel for the Foundation and LSU to draft the relevant legal agreements required for this complex transaction. The process described in this section was first outlined to this Board at its June 2015 meeting in a presentation by B&D.

In July 2015, the Foundation issued a Request for Qualifications (“RFQ”) to invite potential Master Developers to express their interest in, and their qualifications for, the project. The RFQ was sent to a large number of firms with significant experience in developing student housing communities and was also posted publicly. Ten firms responded to the RFQ, all with significant national and international experience in the development of student housing communities. The ten firms are identified in the Foundation Report.

Of these ten firms, five were invited to respond to a much more detailed RFP. Of those five firms, four submitted detailed, comprehensive proposals (again, these four are identified in the Foundation Report) in early October 2015. Each of the four firms provided in-person presentations to the Project Management Committee formed by the Foundation. The Project Management Committee and the Foundation’s Board of Directors, with assistance from B&D / CSRS, carefully evaluated all four proposals and, in December 2015, selected two firms, American Campus Communities and RISE, to continue into the competitive negotiations phase of the selection process.

As called for in the Intent to Lease Agreement, several members of the Project Management Committee were selected as a negotiating team. The team held four meetings with each of the two finalists over the course of eight weeks. Between sessions, each finalist refined their proposals in light of guidance from the negotiating team, and honed in both design and price to best meet the needs of LSU and the Foundation.

On February 8, 2016, the Project Management Committee, and subsequently the Foundation's Board of Directors, unanimously recommended that RISE be selected as the preferred Master Developer for the Nicholson Gateway. Detailed design work immediately began in cooperation with LSU's Office of Facility Services and the Department of Residential Life, involving all LSU and Foundation stakeholders. At the same time, Foundation and LSU negotiators worked with RISE and its subcontractors to negotiate the final business terms and the various ground leases, subleases, and operating agreements necessary to move forward.

## 5. Review of Legal Documents

Legal documents have been drafted and are being reviewed by: (1) Foundation outside counsel Lee Weintraub and Jennifer Drake of Becker & Poliakoff, (2) LSU Foundation General Counsel Leu Anne Greco, (3) LSU outside counsel Tracy Morganti of Adams & Reese, (4) LSU General Counsel Tom Skinner, and (5) Patrick Martin, LSU Director of Policy Review and Project Coordination. Counsel for RISE and its contractors, including Provident Resources Group and expected bond underwriters have also participated in drafting and review of the agreements.

The draft agreements are still being finalized, and preliminary versions will be transmitted to the Board separately by the General Counsel. Even a few significant terms, such as insurance, are still being negotiated between the parties, as LSU, the Foundation and RISE explore the most cost-effective ways to meet LSU's requirements and protect its interests. The specific language shown in the draft agreements provided will change before the agreements are executed, and are likely to change even before they are submitted to other, external state reviewing authorities. Key financial terms will not be set until much closer to closing, including the expected interest rates and the Guaranteed Maximum Price for construction.

Under the agreements, the liability of both Nicholson Gateway Project LLC ("NGP"), the Foundation's subsidiary) and Provident Group – Flagship, LLC (an independent non-profit, tax exempt entity formed and managed by Provident Resources Group, hereafter "Provident Flagship") are limited to passing through liabilities and obligations of RISE and LSU, except to the extent caused by the actual negligence of those two entities themselves for the specific services they are providing directly (for example, if Provident Flagship failed to maintain its 501(c)(3) status or carry out its compliance management functions). Obligations owed by RISE generally pass through Provident Flagship and NGP to LSU. Payments owed by LSU pass through Provident Flagship to RISE and the LSU Foundation, except for the modest amount required to pay Provident Flagship's own management fees. There is a mechanism to require Provident Flagship to change its contractor for operation and maintenance services under certain circumstances, but the expectation is that this is a long-term agreement with RISE.

Similarly, each entity is generally required to obtain the approval of the entity from which it derives its rights and obligations in this project before moving forward, with ultimate review and approvals flowing down to LSU. For example, any modifications to the construction plans and specifications that RISE proposes during the course of construction must be approved by Provident Flagship under the Development Agreement, which must obtain the approval of NGP under the Ground Sublease, which must obtain the approval of LSU under the Ground Lease and Cooperative Endeavor. In making the required approvals, both Provident Flagship and NGP are only responsible for obtaining the approvals of the parties below them in the chain, and will not be independently reviewing or vouching for any documents or plans being approved, except in certain specified circumstances.

The primary legal agreements for this proposed transaction and the related parties for each are summarized below:

- **Ground Lease and Cooperative Endeavor Agreement.** *Parties: LSU and NGP, a wholly-owned subsidiary of the Foundation.* Leases the land to NGP and provides the legal consideration for the \$2 million transfer of funds from LSU to the Foundation. Authorizes and requires NGP to enter into the Ground Sublease and cause the construction of the Nicholson Gateway Project. Establishes the overall framework for the remaining agreements and includes the normal restrictions included by LSU in all leases for construction projects to ensure that under no circumstances can the building on LSU’s campus be used for any purposes other than those specifically authorized by LSU.
- **Ground Sublease.** *Parties: NGP and Provident Flagship.* Subleases the land from NGP to Provident Flagship. Authorizes and requires NGP to enter into a Development Agreement with RISE and cause the construction of the Nicholson Gateway Project.
- **Development Agreement.** *Parties: Provident Flagship and RISE.* Requires RISE to construct the Nicholson Gateway Project.
- **Facilities Lease.** *Parties: Provident Flagship and LSU.* Leases the constructed facilities to LSU. Requires Provident Flagship to enter into the FOMA with RISE to provide certain operation and maintenance services; the FOMA will be attached as an exhibit to the Facilities Lease and must be approved by LSU and the Foundation. The Facilities lease will secure Provident-Flagship's payment obligations with respect to the bonds issued through the LPFA to finance the Project, and LSU's payment obligations under this agreement are payable solely from LSU's auxiliary revenues. Such payments will be expressly subordinate to LSU auxiliary revenue bond obligations.
- **Facilities Operations and Maintenance Agreement (“FOMA”).** *Parties: Provident Flagship and RISE.* The Facilities Lease will require Provident Flagship to engage RISE to provide certain operations and management services and to operate the buildings in accordance with certain standards. Includes key performance indicators to evaluate RISE’s performance. Provides for an annual budget to be agreed upon by both parties, with fee caps and appropriate inflation escalators over time. The Foundation and LSU must approve the FOMA.

## 6. Parties of Interest

The following parties have an interest in and/or are involved with this transaction.

LSU

LSU Foundation and subsidiaries, LSU Property Foundation and Nicholson Gateway Project, LLC

Brailsford & Dunlavey

CSRS

RISE: A Real Estate Company

Lemoine Construction

Niles Bolton & Associates

Remson Haley Herpin

RBC Capital Markets

Stantec

Stirling Properties

Provident Resources Group and subsidiary Provident Group – Flagship Properties

## 7. Related Transactions

The Foundation will be entering into a Memorandum of Understanding (MOU) providing the overall framework for RISE's role as Master Developer. The MOU anticipates, but does not obligate, LSU to move forward with the Replacement Housing Project, using RISE as the developer. Some portions of the compensation of RISE or its subcontractors may vary depending on whether LSU moves forward with the Replacement Housing Project (that is, LSU and the Foundation may receive discounted rates if it moves forward with the entire project).

## 8. Conflicts of Interest

None.

## 9. Exhibits

- A. Schematic Designs
- B. Recommendation and Report from the LSU Property Foundation (preliminary draft)
- C. Financial *Pro Forma*
- D. Projected Timeline
- E. March 2013 Board Report
- F. October 2014 Board Report
- G. Intent to Lease Agreement
- H. Market Analysis from 2012
- I. Market Analysis from 2015

*To conserve paper, only attachments A-F are being provided with the physical mail-out. The other attachments are available electronically. The Recommendation and Report from the LSU Property Foundation has voluminous attachments that are not being copied but are available electronically at NicholsonGateway.com, the website created by the Foundation to document this project and make information about it publicly available. The Recommendation and Report from the LSU Property Foundation has been generally approved the Foundation's Board of Directors but, due to time constraints, has not been formally transmitted to LSU as of this writing. The final version will be provided at the Board meeting on May 6; it will not change materially from the version attached.*

*Draft versions of the legal agreements will be separately transmitted to the Board members electronically by LSU's General Counsel.*

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Dr. F. King Alexander, President of LSU, or his designee, acting on behalf and in the name of the Board, and in consultation with general counsel, to execute and deliver a Ground Lease and Cooperative Endeavor Agreement with the LSU Property Foundation or any of its subsidiaries specifically including, but not limited to, Nicholson Gateway Project, LLC, to provide for the development of the Nicholson Gateway Project and related other housing projects, with all such agreements and documents, as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize Dr. F. King Alexander, President of LSU, or his designee, acting on behalf and in the name of the Board, and in consultation with general counsel, to

execute a Facilities Lease and any related Facilities Operation and Maintenance Agreement with Provident Group - Flagship, an independent non-profit, tax exempt entity, to lease, maintain, and operate any and all facilities developed pursuant to the Ground Lease and Cooperative Endeavor Agreement with the LSU Property Foundation or its subsidiary Nicholson Gateway Project, LLC, with all such agreements and documents as well as any subsequent amendments thereto, to contain the terms and conditions, including prices, that the President deems to be in the best interest of LSU;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the schematic designs for the Nicholson Gateway Project are in general compliance with the Campus Design Guidelines and hereby delegates the approval of the detailed plans and specifications to the University Architect or his designee;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby repeal its resolution of December 12, 2014 which authorized the President to execute a lease with the Tiger Athletic Foundation to provide for the construction of an LSU Athletics Nutrition Center to be located at the corner of Skip Bertman Drive and the railroad tracks;

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby acknowledge that the Nicholson Gateway Project will constitute "Auxiliary Facilities" as defined in the General Bond Resolution adopted by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College on June 17, 1994, as supplemented and amended from time to time (the "General Bond Resolution"), and does hereby designate the Nicholson Gateway Project as Auxiliary Facilities and the revenues derived by LSU therefrom as "Auxiliary Revenues" as defined in the General Bond Resolution;

**BE IT FURTHER RESOLVED** that the payment obligations of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College under the Facilities Lease shall be expressly subordinate to the payment of debt service on the Bonds (as defined in the General Bond Resolution heretofore or hereafter issued pursuant to the General Bond Resolution);

**BE IT FURTHER RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby find an acceptable university purpose, pursuant to the terms of the Uniform Affiliation Agreement between the Board and the LSU Foundation, for the LSU Property Foundation and any of its subsidiaries, including, but not limited to, Nicholson Gateway Project LLC, to execute and deliver the Ground Lease and Cooperative Endeavor Agreement with LSU, a Ground Sublease with Provident Group - Flagship, a Memorandum of Understanding or other agreement with RISE: A Real Estate Company to serve as Master Developer of the Nicholson Gateway Project and the Replacement Housing Project, and any and all other agreements reasonably connected with or required for the development of the Nicholson Gateway Project and related other housing developments, with the final terms and conditions of all such agreements subject to the approval of Dr. F. King Alexander, President of LSU or his designee; and

**BE IT FURTHER RESOLVED** that prior to final agreement execution, Dr. F. King Alexander, President of LSU, will notify the Board Chair, Chair-Elect, Immediate Past Chair, and the chair of the appropriate Board Committee of the final terms of all agreements authorized by this Resolution.

LOUISIANA STATE UNIVERSITY - BATON ROUGE, LA  
**BOARD OF SUPERVISORS**  
**NICHOLSON GATEWAY DEVELOPMENT**

MAY 6, 2016

A RESIDENTIAL COMMUNITY DEVELOPED BY:  
RISE: A REAL ESTATE COMPANY

**NILES BOLTON ASSOCIATES**

REMSON HALEY HERPIN ARCHITECTS  
THE LEMOINE COMPANY

# Campus Development - Site Context

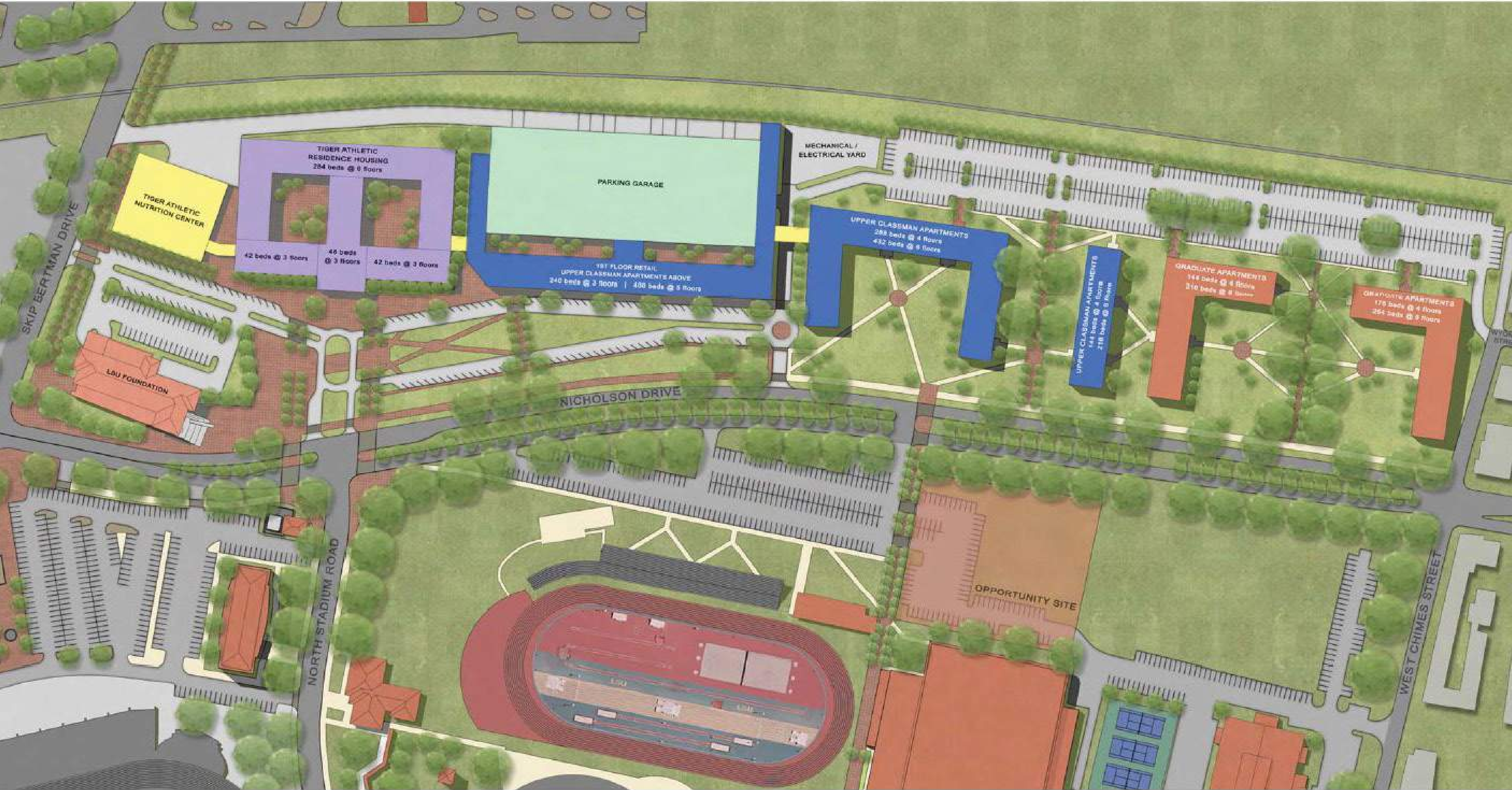
Louisiana State University - Baton Rouge, LA





# Nicholson Gateway - Addendum to Master Plan

Louisiana State University - Baton Rouge, LA



- DESIGNED BY GRACE HEBERT ARCHITECTS (12/22/14)

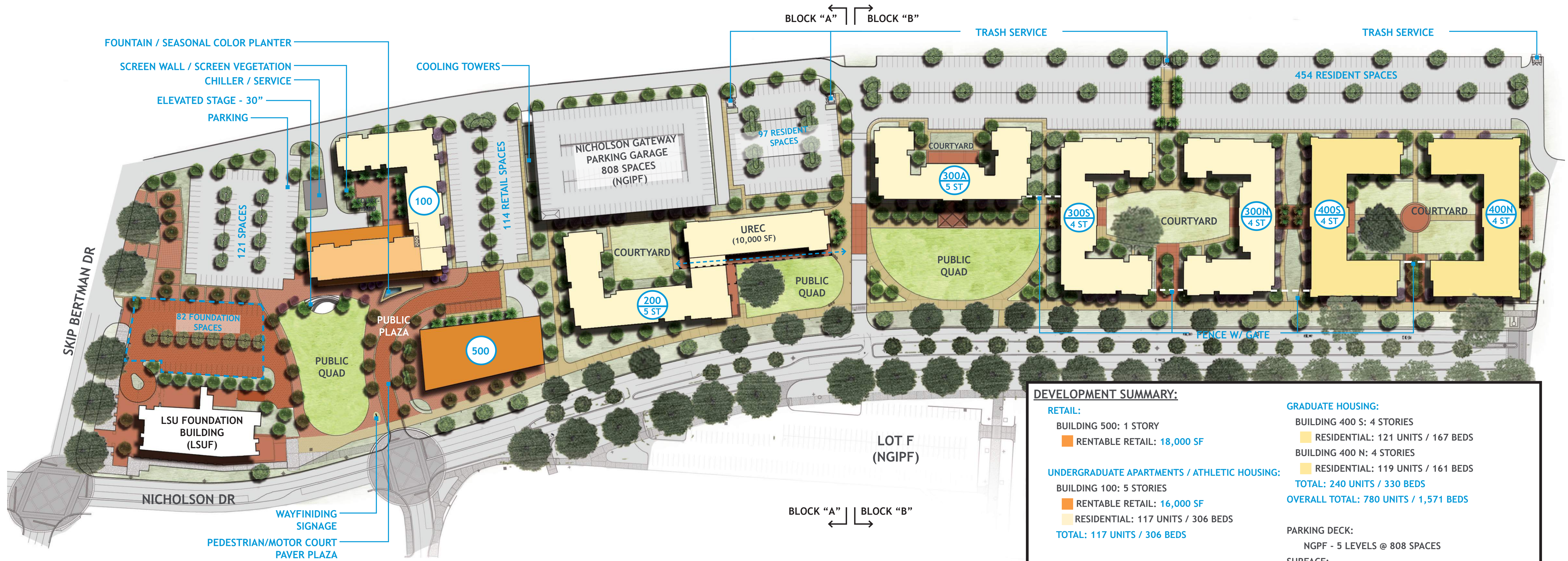
# Pre-Planned Project Development

Louisiana State University - Baton Rouge, LA



# Illustrative Site Plan

Louisiana State University - Baton Rouge, LA

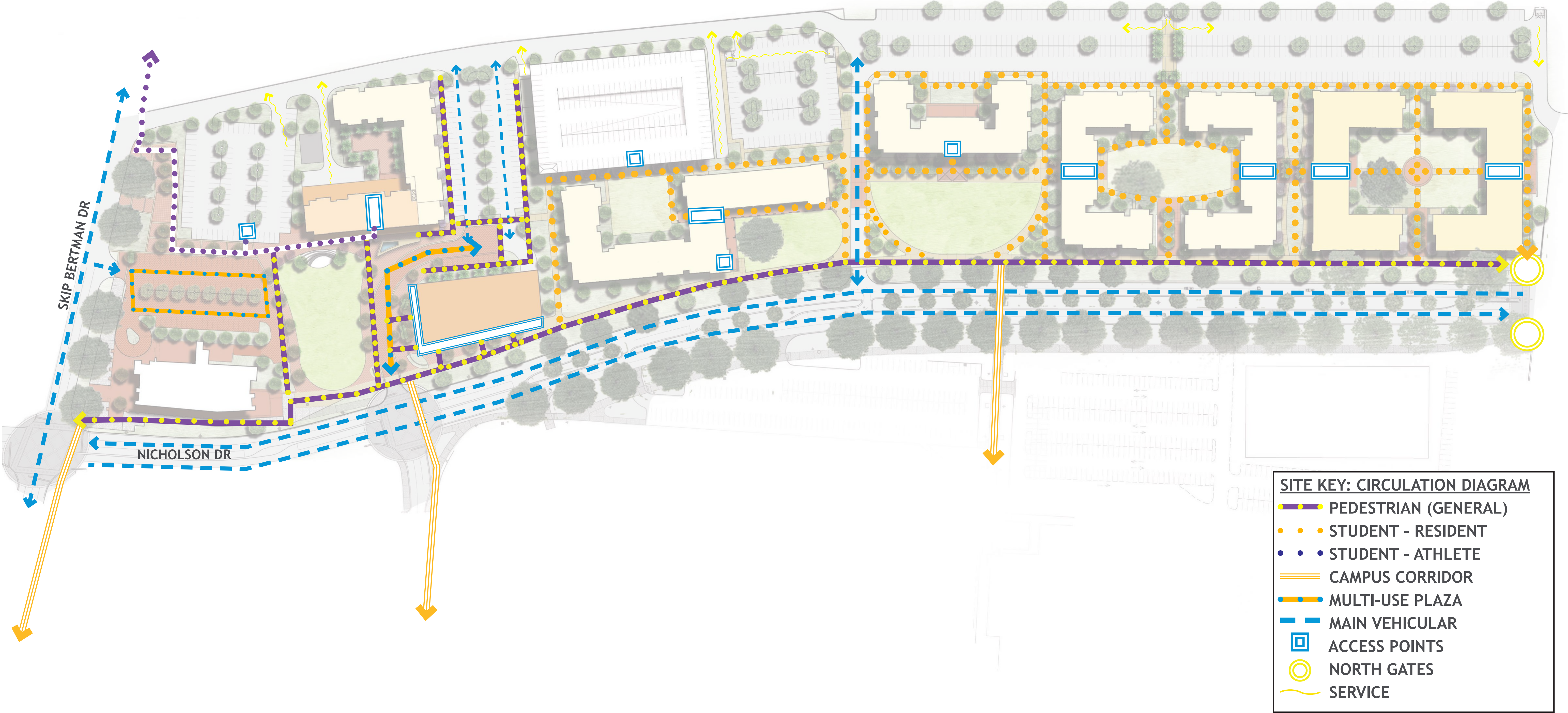


DEVELOPMENT SUMMARY:	
<b>RETAIL:</b>	<b>GRADUATE HOUSING:</b>
BUILDING 500: 1 STORY	BUILDING 400 S: 4 STORIES
RENTABLE RETAIL: 18,000 SF	RESIDENTIAL: 121 UNITS / 167 BEDS
<b>UNDERGRADUATE APARTMENTS / ATHLETIC HOUSING:</b>	BUILDING 400 N: 4 STORIES
BUILDING 100: 5 STORIES	RESIDENTIAL: 119 UNITS / 161 BEDS
RENTABLE RETAIL: 16,000 SF	TOTAL: 240 UNITS / 330 BEDS
RESIDENTIAL: 117 UNITS / 306 BEDS	<b>OVERALL TOTAL: 780 UNITS / 1,571 BEDS</b>
TOTAL: 117 UNITS / 306 BEDS	
<b>UNDERGRADUATE HOUSING:</b>	<b>PARKING DECK:</b>
BUILDING 200: 5 STORIES	NGPF - 5 LEVELS @ 808 SPACES
UREC: 10,000 SF	<b>SURFACE:</b>
RESIDENTIAL: 140 UNITS / 313 BEDS	551 RESIDENT SPACES *
BUILDING 300 S: 4 STORIES	114 RETAIL SPACES
RESIDENTIAL: 88 UNITS / 192 BEDS	86 FOUNDATION SPACES *
BUILDING 300 N: 4 STORIES	<b>PARKING SUMMARY:</b>
RESIDENTIAL: 89 UNITS / 194 BEDS	114 RETAIL SURFACES SPACES (1 SPACE / 299 SF - REQ. 1/300)
BUILDING 300 A: 5 STORIES	121 ADDITIONAL SPACES (FORMER TANC LOCATION)
RESIDENTIAL: 92 UNITS / 205 BEDS	86 FOUNDATION SPACES
TOTAL: 423 UNITS / 935 BEDS	<b>1,359 RESIDENTIAL SPACES (87% RESIDENT PARKING RATIO)</b>
	TOTAL PARKING: 1,680 SPACES



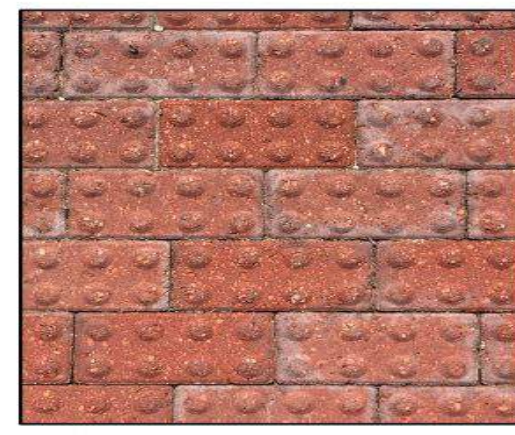
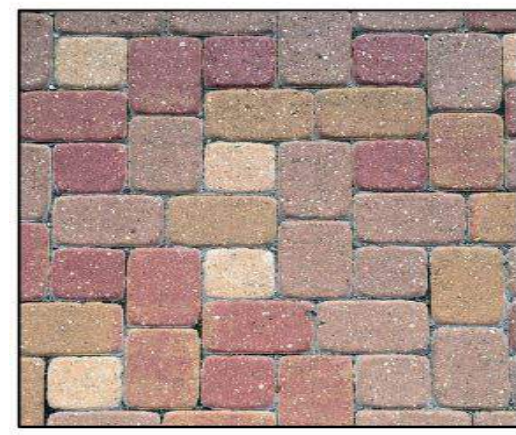
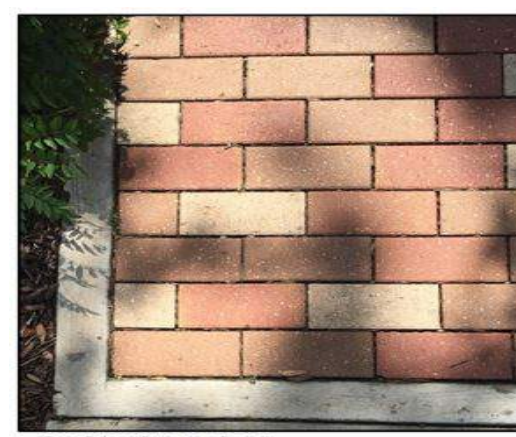
# Site Plan - Connectivity Analysis

Louisiana State University - Baton Rouge, LA

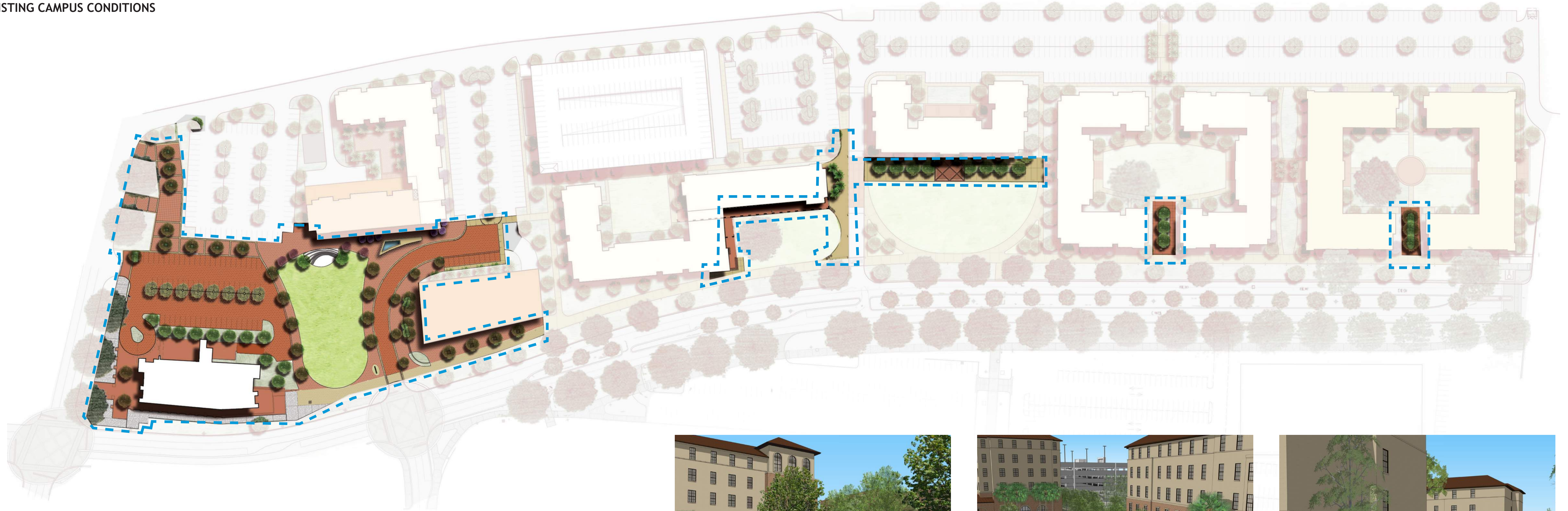


# Spacial Hierarchy - Public Plaza

Louisiana State University - Baton Rouge, LA



EXISTING CAMPUS CONDITIONS



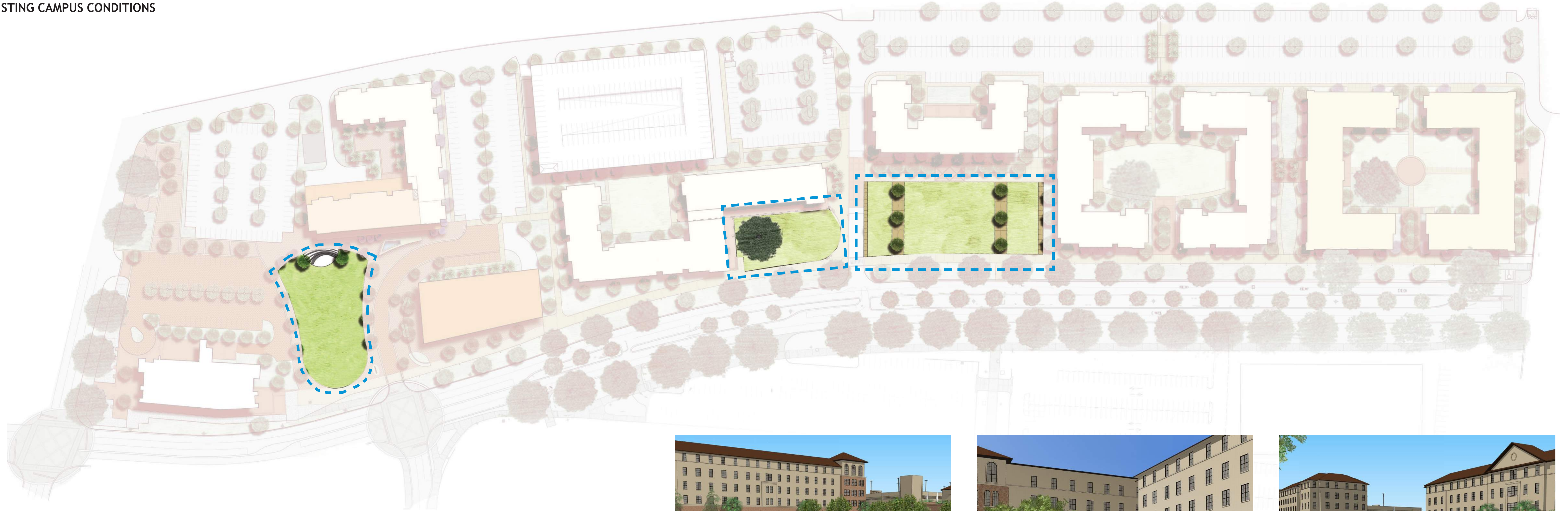
SITE DEVELOPMENT - CAMPUS CORRELATION

# Spatial Hierarchy - Public Quad

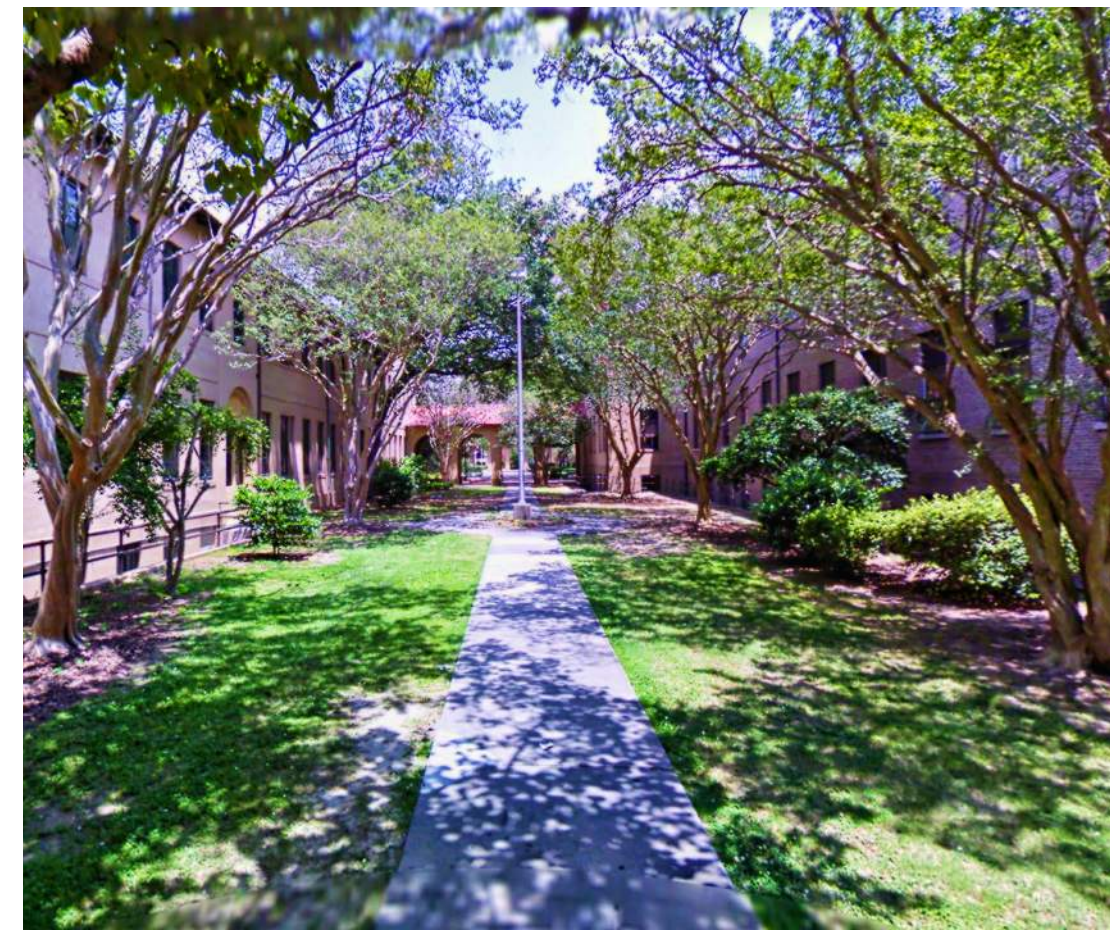
Louisiana State University - Baton Rouge, LA



EXISTING CAMPUS CONDITIONS



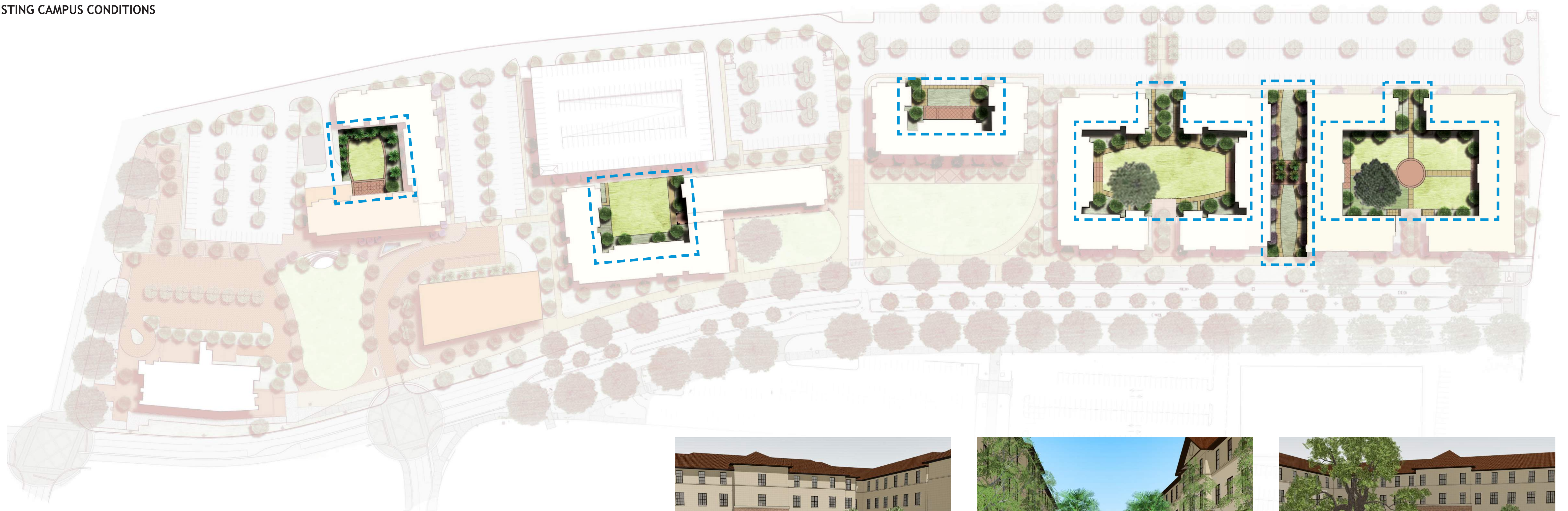
SITE DEVELOPMENT - CAMPUS CORRELATION



# Spatial Hierarchy - Community Courtyards

Louisiana State University - Baton Rouge, LA

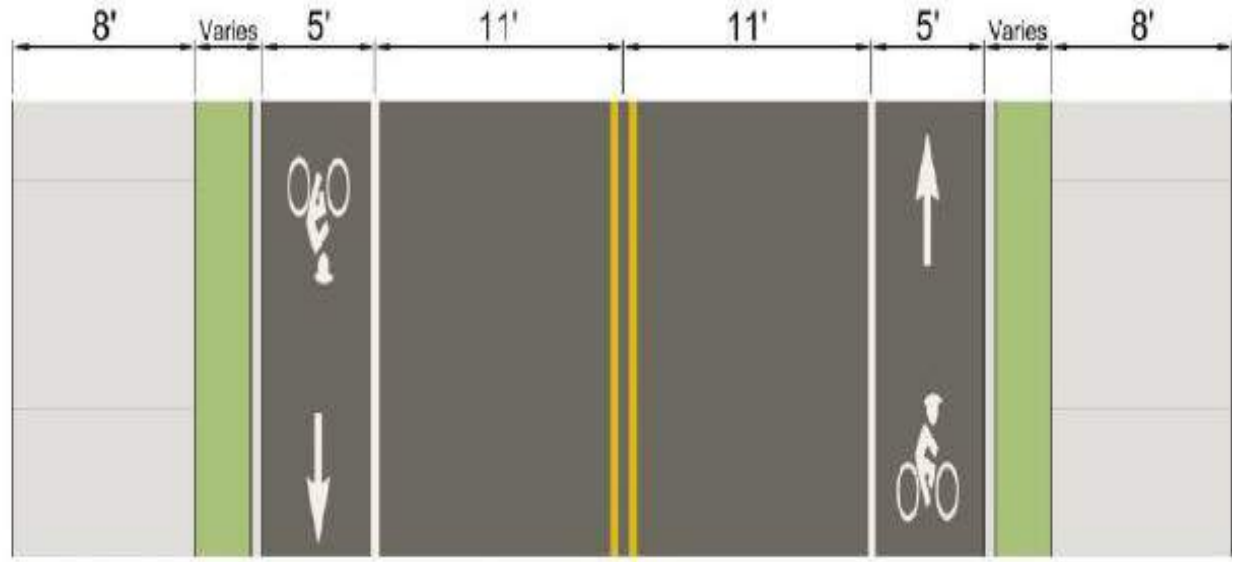
EXISTING CAMPUS CONDITIONS



SITE DEVELOPMENT - CAMPUS CORRELATION

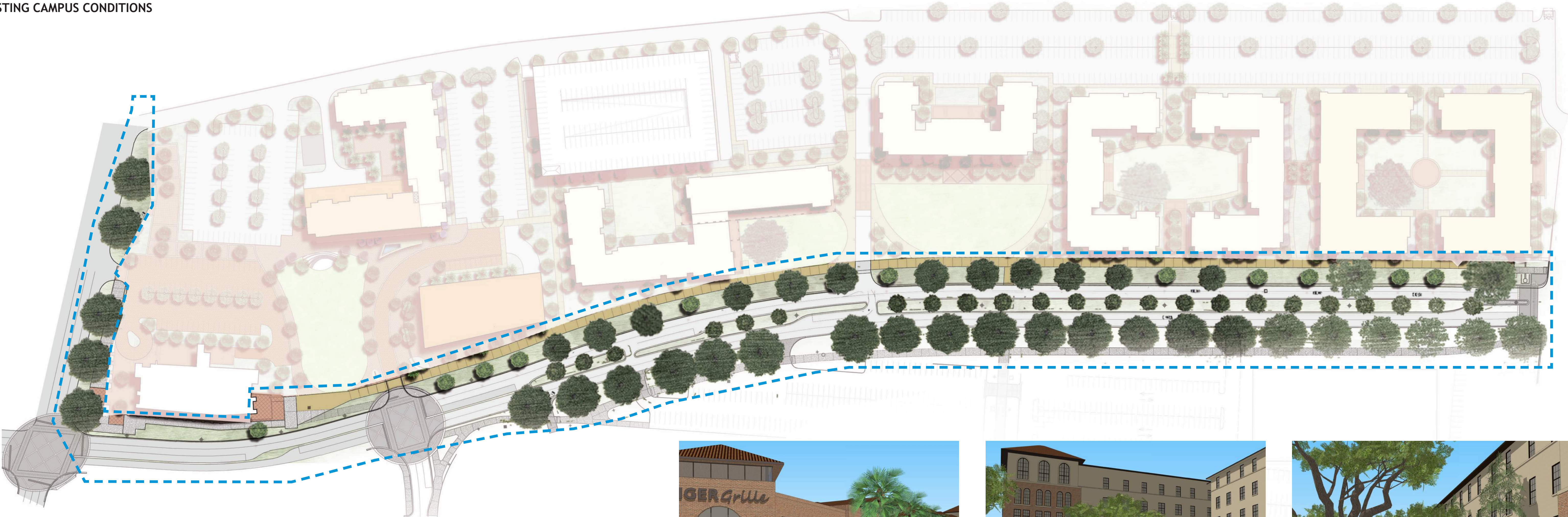
# Spatial Hierarchy - Nicholson Streetscape

Louisiana State University - Baton Rouge, LA



Alternate Roadway Section with Offset Sidewalks

EXISTING CAMPUS CONDITIONS



SITE DEVELOPMENT - CAMPUS CORRELATION



# Contextual Campus Imagery - Architecture

Louisiana State University - Baton Rouge, LA



# Contextual Campus Imagery - Architecture

Louisiana State University - Baton Rouge, LA



# Building 400N - Front

Louisiana State University - Baton Rouge, LA



# Building 400N - Courtyard

Louisiana State University - Baton Rouge, LA



# Building 300N - From Nicholson

Louisiana State University - Baton Rouge, LA



# Building 300S - Front

Louisiana State University - Baton Rouge, LA



# Building 300A - Public Quad

Louisiana State University - Baton Rouge, LA



# Building 200 / 300A - Public Quad

Louisiana State University - Baton Rouge, LA





# Building 200 - From Nicholson

Louisiana State University - Baton Rouge, LA



# Building 500 / 200 / NGIPF - From Nicholson

Louisiana State University - Baton Rouge, LA



# Building 100 - Public Plaza / Public Quad

Louisiana State University - Baton Rouge, LA



# Retail Experience - Campus Relation

Louisiana State University - Baton Rouge, LA



**REPORT OF LSU PROPERTY FOUNDATION**  
**PROJECT MANAGEMENT COMMITTEE FOR NICHOLSON GATEWAY**

**Nicholson Gateway Project Background & History**

The Nicholson Gateway Project (“Project”) is primarily aimed at meeting the needs of LSU students and visitors. The Project includes residential housing units and retail space on the west side of LSU’s flagship campus along Nicholson Drive, in close proximity to Tiger Stadium, the LSU Pete Maravich Assembly Center, and a key roadway linking LSU to the Louisiana State Capitol and the Baton Rouge downtown area. Current plans for the Project include:

- 7 new student apartment buildings
- 1,547 new on-campus student beds
- 10,000 square feet for a satellite University Recreation facility
- 34,000 square feet of retail space
- 1,464 parking spaces (including approximately 800 in a state-funded parking garage)
- Approximately \$123 million in total construction cost
- Approximately \$149 million in total development cost

There have been many public hearings, discussions, and reviews of the Project since its inception:

- March / April / June / July / September 2012 – AECOM led a master plan that included input from a variety of stakeholders, including public opinion meetings (**Appendix A**)
- March 2013 – Board of Supervisors approved the Nicholson Gateway Master Plan (**Appendix B**)
- October 24, 2014 – Board of Supervisors approved the Nicholson Gateway Master Plan Addendum (**Appendix C**)
- June 19, 2015 – Status update presentation on the Nicholson Gateway provided to Board of Supervisors (**Appendix D**)
- June 26, 2015 – Public website [www.nicholsongateway.com](http://www.nicholsongateway.com) was launched, including pertinent Project information
- July 24, 2015 – Request for Qualifications issued publicly on [www.nicholsongateway.com](http://www.nicholsongateway.com)
- July 28, 2015 – Public advertisement for the RFQ was purchased in the *Lake Charles American Press*, *The Advocate*, *The Times in Shreveport*, and *The Times-Picayune*
- December 2, 2015 - Press Release issued by the LSU Property Foundation (**Appendix E**)
- March 18, 2016 - Status update presentation on the Nicholson Gateway Project provided to Board of Supervisors (**Appendix F**)

Although Project information has been publicly available from its inception, this document does not detail the Nicholson Gateway Master Plan process. This document focuses on the Project activities that have occurred since the Intent to Lease Agreement was executed on October 25, 2014, which is the agreement that established the Project Management Committee, which is the committee that is authoring this document.

### **Intent to Lease Agreement**

The LSU Property Foundation (“Foundation”) and the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU Board”) entered into an Intent to Lease Agreement (**Appendix G**) on October 25, 2014, which provided an outline of the process and guidelines that the Foundation would observe in connection with the selection of vendors and negotiation of a proposed agreement with a Master Developer for the Nicholson Gateway Project and related agreements. The Intent to Lease Agreement called for the formation of a Project Management Committee (“Committee”), composed of seven (7) members appointed by the Foundation and six (6) members appointed by the LSU President.

At the time this document is issued, the Committee members are:

- Rob Stuart, Committee Chair
- Herb Boydston
- Bill Firesheets
- Lee Griffin
- Gary Laborde
- David Means
- Stephen Moret
- Dan Layzell, Vice Chancellor for Finance & Administrative Services / CFO, LSU
- Tony Lombardo, Executive Director of Facility Services, LSU
- Danny Mahaffey, Director of Facility Planning, LSU
- Patrick Martin, Committee Vice Chair, Director of Policy Review & Project Coordination, LSU
- Eddie Nunez, Deputy Director of Athletics, LSU
- Steve Waller, Director of Residential Life, LSU

As stated in the Intent to Lease, “The purpose of the Committee is to manage the “Development Phase” of the project,” including:

- The solicitation and selection of a Project Manager;
- The solicitation and selection of a Master Developer;
- The negotiation of all Master Developer Agreements;
- A proposed Lease Agreement between the Foundation and the LSU Board;
- A Report of the Project Management Committee (“Report”) documenting its work to be submitted to the Foundation’s Board of Directors and then to the LSU Board for review and approval; and
- Making recommendations for the approval of contracts and other actions to the Board of Directors of the Foundation.

## **The Solicitation and Selection of a Project Manager**

### *Designing a competitive process by which the Project Manager will be selected*

The Project Management Committee utilized a Request for Proposals (“RFP”) process to competitively select the Project Manager. The Committee started by gathering names of experienced project managers and sample contracts between other foundations and project managers related to projects of this nature and size. The Committee also contacted colleagues at peer institutions who had experience with development similar to the Project, and ultimately compiled a list of potential project managers to be invited to participate in the RFP process.

On January 7, 2015, the RFP (**Appendix H**) was distributed to the identified project managers. On January 20, 2015, the Committee hosted a Pre-Submittal Conference Call. Proposals were due on February 10, 2015.

Based on the proposals received, the Committee held interviews for the Brailsford & Dunlavey/CSRS team on March 5, 2015 and for Jones Lang Lasalle on March 13, 2015.

After the Brailsford & Dunlavey/CSRS team and JLL each interviewed, the Committee had a detailed discussion related to the two (2) project management team presentations, RFP responses, and interviews. The Committee determined that the Brailsford & Dunlavey/CSRS team demonstrated industry leadership in higher education advisory services, robust experience public-private partnerships and especially with mixed-use campus-edge projects, and a successful track record in Baton Rouge and with LSU. The Committee unanimously selected the Brailsford & Dunlavey/CSRS team (“Project Manager”).

### *Negotiating a proposed contract or contracts with the Project Manager*

The Committee notified the Project Manager that it was selected and asked for scope, fee, and expense clarifications. After multiple proposal revisions and refinements, the Committee and the Project Manager met on campus for all-day negotiations on April 8 and April 9, 2015. The Committee experienced successful chemistry through the all-day negotiations, and ultimately final and competitive scope, fees, and expenses were approved by the Committee. The Committee chair finalized contract documents for review by the Committee, and with the Committee’s approval the Project Manager officially engaged.

### **The Solicitation and Selection of a Master Developer**

At the onset of the Project, the Project Manager recommended the following process to select a potential Master Developer:

- Project Definition Phase
- Request for Qualifications (“RFQ”)
- Request for Proposals (“RFP”)
- Negotiations with Semi-Finalists to Refine Proposals

The Committee agreed with the Project Manager’s recommendation and implemented this process, as detailed herein.

#### **Project Definition Phase**

The Project Definition Phase was conducted to provide a framework for the Project to ensure that:

- Strategic vision remained the centerpiece of any public-private partnership and
- A thorough understanding of market conditions was established to enable the Committee to weigh options against a desired risk profile and to select the development structure that best fits its goals.

#### **Visioning / Strategic Asset Value Analysis**

As summarized in the Master Plan, the Nicholson Gateway Development will turn what has traditionally been a secondary entrance to campus into a primary gateway district. It will become a place that feels like a part of campus rather than a service-oriented bypass. This site and other underutilized sites in the precinct will accommodate new campus facilities and an improved landscape that will create a sense of arrival. The change will be dramatic. Upon entering the campus a visitor will be struck with a powerful impression, a sense of entry, and a feeling of “Wow, I have arrived at LSU.”

The goal of the Nicholson Gateway Master Plan is to transform the Nicholson Drive corridor into a Gateway district. Underlying goals are to:

- Establish a coherent public face that defines LSU’s presence along Nicholson Drive;
- Provide an appropriate vista for a major campus entrance that reinforces the LSU brand;
- Define a recognizable entrance that introduces the unique and transformative LSU experience;
- Provide a sufficient scale to create a comprehensive gateway that establishes a sense of place;
- Establish a district, or sense of place unto itself, with a distinct albeit familiar architectural style;
- Embrace the timeless aesthetics consistent with the beauty of campus and prominence of the institution;
- Utilize exterior materials that are consistent with existing campus facilities;
- Extend the LSU environment to the edge of the campus; and
- Create a residential life experience that accentuates the importance of student housing on campus.



During the Project Definition Phase, the Project Manager used a proprietary process with the Committee called the Strategic Asset Value Analysis to further solidify the goals and objectives for the project. Specifically, the analysis is intended to ensure that “All of the Project’s objectives are expressed in specific terms that demonstrate their relevance to furthering the school’s mission, reinforcing campus values, responding to institutional commitments and responsibilities, and improving the institution’s competitive position in the market.” The output from the Strategic Asset Value Analysis is included as **Appendix I** to this Report.

Market & Financial Analysis

In a Project Management Committee meeting on August 11, 2015, the Project Manager presented multiple key findings identified through a detailed analysis of market conditions, which confirmed that sufficient demand exists for the Project, the Project is economically feasible, and the program aligns with the vision set forth by LSU and the LSU Property Foundation. The Project Manager also provided an overview of the basic range of options for the financial structuring of the Project. The presentation from August 11, 2015 is provided as **Appendix J** to this Report. A supplemental market assessment document was also provided by the Project Manager as part of the process and is included as **Appendix K** to this Report.

Utilizing the information from the Project Manager, the Committee identified a need for 1,670 beds in the following configurations:

<b>410 suite-style beds for student athletes</b>
• 200 beds in two-bedroom / two-bathroom units
• 200 beds in four-bedroom / two-bathroom units
• 10 beds one-bedroom units
• All suite-style units are expected to be private occupancy bedrooms
<b>890 apartment-style beds for undergraduate students</b>
• 300 beds in two-bedroom / one-bathroom units
• 260 beds in two-bedroom / two-bathroom units
• 300 beds in three-bedroom / three-bathroom units
• 30 beds in efficiency apartments for resident / graduate assistants
<b>370 apartment-style beds for graduate students</b>
• 100 beds in efficiency apartments
• 160 beds in two-bedroom / one-bathroom units
• 100 beds in two-bedroom / two-bathroom units
• 10 beds in efficiency apartments for resident / graduate assistants

During the Committee meeting on August 11, 2015, the Committee determined to move forward with the visioning and the program as presented.

Request for Qualifications (“RFQ”) Solicitation of Master Developers

The first step of Master Developer solicitation and selection included a large, public Request for Qualifications process. The Committee, through the LSU Property Foundation, issued an RFQ on July 24, 2015 to identify Master Developers with the best qualifications, experience, financial capacity, and proven track records of executing similar projects. The RFQ is provided in **Appendix L**. It was critical that the process was public and far reaching, so the Committee took the following steps to ensure maximum exposure, opportunity, and participation from the private sector:

- On June 26, 2015, the Committee, through the Foundation, launched a public website at the domain [www.nicholsongateway.com](http://www.nicholsongateway.com). The website includes Project history, pertinent Project information, and included a link to download the RFQ. The website was launched approximately one month prior to the July 24, 2015 RFQ issue date to provide advance notice to the public.
- On July 28, 2015, the Committee, through the Foundation, utilized advertisement space in the *Lake Charles American Press*, *The Advocate*, *The Times in Shreveport*, and *The Times-Picayune* to ensure that it reached the maximum number of potential partners. The advertisements were utilized the first week after the RFQ was issued.
- To ensure that partners were being solicited both locally and nationally, the Committee included language in the RFQ that allowed the Master Developers to form partnerships to strengthen their overall teams.

The private sector expressed strong interest in the Project. On August 14, 2015, the Committee, through the Foundation, released an Addendum to the RFQ that addressed nearly 20 questions from a variety of potential Master Developer partners.

RFQ responses were due to the Committee on August 21, 2015.

Request for Qualifications (“RFQ”) Selection of Master Developers

By the August 21, 2015 deadline, the Committee received qualifications submittals from ten (10) Master Developers, as listed below:

American Campus Communities	EdR
Balfour Beatty Campus Solutions	Nicholson Gateway Partnership (Acciona)
Campus Apartments	RISE: A Real Estate Company
Capstone Development Partners	Servitas
Corvias	University Student Living

The Committee was very pleased with the responses from the Master Developers. The qualifications of all the submitting Master Developers demonstrated competence, experience, and the ability to successfully partner with the Committee. The Committee was appreciative of the amount of resources that the Master Developers put into the qualification submittals.

On August 28, 2015, the Committee met to review all received submittals and to recommend the Master Developers that would be invited to participate in the next stage of solicitation, the Request for Proposals (“RFP”). Given the amount of time and resources that an RFP response would cost the Master Developers, the Committee determined that it was important to limit the number of Master Developers invited to participate in the RFP process to maintain the Project’s attractiveness for the proposers. The Committee determined that a maximum of five (5) Master Developers could be invited to participate in the RFP process. During the meeting, the Committee conducted an in-depth discussion and analysis of each Master Developer’s relevant experience as listed in their qualifications packages, including:

- Utilization of tax-exempt debt, equity, and private placement options;
- Project experience of 500 or more beds;
- Master Developer’s proposed partners, including the following team members: architecture, engineering, construction, equity, debt, and retail partners.

The Committee then met in executive session to further discuss the ten master developers before resuming the regular session for the final vote. The Committee then unanimously approved to recommend to the LSU Property Foundation Board that (1) American Campus Communities, (2) Balfour Beatty Campus Solutions, (3) Capstone Development Partners, (4) Corvias, and (5) RISE be selected to the invite-only RFP (in alphabetical order).

Request for Proposals (“RFP”) Solicitation of Master Developers

The second step of Master Developer solicitation and selection included an invite-only Request for Proposals process. The Committee, through the LSU Property Foundation, issued an RFP on September 25, 2015 to the five Master Developers invited to propose. The RFP is provided in **Appendix M**. The Committee utilized the following processes to support the solicitation efforts:

- On October 13, 2015, all five (5) Master Developers participated in one-on-one meetings with the Committee to discuss pertinent Project background. The meetings were successful in allowing the Master Developers to advance their proposals.
- On October 27, 2015, the Committee issued an Addendum to the RFP addressing more than 40 questions from the Master Developers.

Request for Proposals (“RFP”) Selection of Master Developers

By the November 2, 2015 deadline, the Committee received proposals submittals from four (4) Master Developers, as listed below:

American Campus Communities
Balfour Beatty Campus Solutions
Capstone Development Partners
RISE: A Real Estate Company

The Committee was very pleased with the responses from the Master Developers. The proposals from all the submitting Master Developers demonstrated compliance with the RFP and offered creativity in

approach. The Committee was appreciative of the amount of resources that the Master Developers put into the proposals.

- On November 11, 2015, the four (4) development teams were invited to LSU's campus to present the information that was transmitted within their RFP submissions. Following the meeting, the internal negotiations committee and the Project Manager collaborated to determine additional items to be requested of the development teams. The Committee determined that the interviews and all information submitted by the development teams would be evaluated to inform the selection of two (2) preferred semi-finalists with whom detailed negotiations would occur.
- Following the receipt of the additionally requested materials, the Committee met on November 18, 2015, to conduct final discussions regarding the firms that should be requested to continue into the negotiation phase of the selection process. After deliberation, it was unanimously approved by the internal negotiations committee to invite American Campus Communities ("ACC") and RISE to advance into the negotiation phase.

#### Request for Proposals ("RFP") Negotiations with Semi-Finalists to Refine Proposals

- A subset of the Committee was formed to represent the Committee during the negotiations. The subset, called the Negotiation Committee, was charged with negotiating deal terms that were most beneficial to LSU and the LSU Property Foundation.
- The Negotiation Committee met with both RISE and ACC on four separate occasions: December 4, December 14, January 8, and January 22. During the meetings, the Negotiation Committee and the Master Developers discussed various deal structures; details of the housing, retail, and athletic programs; site concepts and the master plan; design concepts and standards; construction standards and assumptions; schedule; operating and management assumptions; Project economics; and legal documents.
- On January 29, 2016, one week after the final negotiation meeting, each Master Developer provided a revised proposal for the Committee's review. The terms of the revised proposal were very similar for both Master Developers, indicating that the negotiation process had normalized the terms of the proposals.
- On February 5, 2016, the Negotiation Committee met and, by unanimous choice, voted to recommend RISE to the Project Management Committee.
- On February 8, 2016, the Project Management Committee met and, by unanimous choice, voted to recommend RISE to the LSU Property Foundation Board.
- On February 8, 2016, the Project Management Committee met and, by unanimous choice, voted to approve RISE as the preferred Master Developer.
- Notification was made to both ACC and RISE on February 8, 2016, following the LSU Property Foundation Board meeting.

#### Project Program and Design

- Since approval in February, members of the Committee have worked with the RISE team to advance Project design. On April 10, 2016, the Project received schematic design approval by Facility Design & Development Committee.

- In addition to the Nicholson Gateway Project, the Committee has engaged with RISE in detailed discussions about options for the phasing, program, design, and construction for the potential replacement of existing on-campus housing and the addition of new on-campus residence halls. Although not anticipated until a future phase, the Committee has worked closely with the Master Developer to create viable replacement options for LSU's consideration.

### Financials

- As program and design have been refined, members of the Committee have worked with the RISE to enhance the assumptions in the financial model. **Appendix N** includes a 40-year pro forma and associated assumptions for the Nicholson Gateway Project, the replacement housing projects, and new on-campus residence halls. **Appendix N** also demonstrates the economics of the LSU Residential Life program under the anticipation that replacement housing would occur through a Master Developer.
- Members of the Committee have worked with the RISE team to refine the Project operations, facility management, and asset management responsibilities and assumptions. As negotiations continue to advance, RISE has indicated that flexibility exists for the delivery of certain operating responsibilities. Although it is still being negotiated, the financial model presented in Appendix N assumes that RISE is the provider of custodial services for the Nicholson Gateway Project and Replacement Housing Project.
- In addition to providing financial return to LSU, \$2 million annually in cash flow from the Project is expected to be invested to expand fundraising activities of the LSU Foundation for the benefit of LSU. Over time this investment is expected to yield approximately \$10 million annually in additional philanthropic commitments for LSU.
- The Foundation is a 501c3 not-for-profit organization. As such, the Foundation has the ability to serve as the Project owner. The Foundation evaluated the resources needed to fulfill the responsibilities of the owner. It was determined that the Foundation does not currently have the resources or structure to assume this responsibility and therefore will utilize a national 501c3 not-for-profit to serve in this capacity. While the Foundation does not currently have the resources, the legal agreements are structured so that the Foundation can assume this role if desired at a later date. A memorandum from one of RISE's partners addressing factors that impact ownership structure is provided as Appendix O herein.
- The Committee asked RISE for its opinion on the recent development activity in the off-campus market and its potential impact to the Project. It was communicated by RISE on April 22, 2016, "Regarding RISE's thoughts on the current student housing market serving LSU, we believe there is a large supply of new product serving the student population. However, since the vast majority of this new product is not located within walking distance to the campus, we believe the Nicholson Gateway project is serving a much tighter submarket of demand within the larger student housing market. Across the country, and especially at top tier institutions such as LSU, students and their parents are tending to prefer location and walkability in their housing selection over any other amenity. In support of this trend, our early research of the market concluded that similarly located off-campus product such as University House, formerly The Standard, achieved much higher velocity in lease-up as well as higher rental rates. In fact, this property preleased to 100% in

February 2015 in advance of its opening in mid-August 2015, while other similar housing projects that were located over 0.5 miles from campus experienced much slower lease up. This clear location advantage coupled with the new Gateway housing's offering of graduate style units as well as its direct affiliation with LSU really allows us to be very confident in its present and long-term position in the market."

*The Negotiation of a Proposed Project Contract or Contracts*

- Since the selection of the RISE as a partner for the development of the Nicholson Gateway Project, the Committee has worked with a legal team to prepare a series of legal agreements that will govern the partnership between the involved parties. The legal documents have been drafted and reviewed by: (1) LSU Property Foundation outside counsel, (2) LSU Foundation General Counsel, (3) LSU outside counsel, (4) LSU, and (5) RISE and its legal and bond counsel.

The draft agreements are still being finalized and are subject to change before the agreements are executed. However, the five anticipated agreements are listed below:

*Ground Lease and Cooperative Endeavor Agreement*

- LSU and the Nicholson Gateway Project, LLC ("NGP"), a wholly-owned subsidiary of the LSU Property Foundation. Leases the land to NGP and provides the legal justification for the annual \$2 million transfer of funds from LSU to the Foundation. Authorizes and requires NGP to enter into the Ground Sublease and cause the construction of the Nicholson Gateway Project. Establishes the overall framework for the remaining agreements and includes the normal restrictions included by LSU in all leases for construction projects to ensure that under no circumstances can the building on LSU's campus be used for any purposes other than those specifically authorized by LSU.

*Ground Sublease*

- NGP and Provident Flagship, an independent 501(c)(3) created and operated by Provident Resources Group. Subleases the land from NGP to Provident Flagship. Authorizes and requires NGP to enter into a Development Agreement with RISE and cause the construction of the Nicholson Gateway Project.

*Development Agreement*

- Provident Flagship and RISE. Requires RISE to construct the Nicholson Gateway Project.

*Facilities Lease*

- Provident Flagship and LSU. Leases the constructed facilities to LSU. Requires Provident to enter into the FOMA with RISE to provide certain operation and maintenance services subject to the approval of LSU. Through this agreement, LSU pledges its auxiliary revenues, subordinate to its

general bond obligations, to secure the bonds issued by Provident Flagship through the LPFA for this project.

*Facilities Operations and Maintenance Agreement ("FOMA")*

- Provident Flagship and RISE. Requires Provident to engage RISE to provide certain operations and management services and to operate the building in accordance with certain standards subject to the approval of LSU. Includes key performance indicators to evaluate RISE's performance. Provides for an annual budget to be agreed upon by both parties, with fee caps and appropriate inflation escalators over time.

**Making recommendations for the approval of contracts and other actions to the Board of Directors of the Foundation.**

Considering the foregoing, the Project Management Committee recommends that the LSU Board of Supervisors:

1. Authorize, as provided for in the Intent to Lease Agreement between LSU and the LSU Property Foundation relative to the Nicholson Gateway Project, that the LSU Property Foundation enter into a Memorandum of Understanding or similar agreement with RISE: A Real Estate Company to serve as Master Developer of the Nicholson Gateway Project and the Replacement Housing Project as generally described herein, with the final agreement to contain such terms and conditions as are mutually acceptable to the parties and are approved by LSU.
2. Enter into a Ground Lease and Cooperative Endeavor Agreement with Nicholson Gateway Project LLC, a subsidiary of the LSU Property Foundation, as generally described herein, with the final agreement to contain such terms and conditions as are mutually acceptable to the parties;
3. Authorize, as required by the Uniform Affiliation Agreement, that Nicholson Gateway Project LLC enter into a Ground Sublease with Provident Group-Flagship LLC, a tax-exempt charitable organization, and cause Provident Group-Flagship LLC to enter into a Development Agreement with RISE: A Real Estate Company for the development and construction of the Nicholson Gateway Project as generally described herein, with the final agreement to contain such terms and conditions as are mutually acceptable to the parties and are approved by LSU; and
4. Enter into a Facilities Lease with Provident Group-Flagship LLC as generally described herein to lease the Nicholson Gateway Project facilities constructed pursuant to the Development Agreement and requiring Provident to perform certain custodial, maintenance, and other operational services as may be specified in a Facilities Operations and Management Agreement between Provident and RISE or its subsidiary or subcontractor, subject to the approval of LSU, with the lease payments owed to Provident by LSU subordinate to LSU's auxiliary revenue bonds, and with the final agreement to contain such terms and conditions as are mutually acceptable to the parties.

**Louisiana Public Facilities Authority**  
**Lease Revenue Bonds**  
**(Provident Flagship Properties - LSU Projects)**

*Summary of Results - Total Bundled Project*  
**Lease/Leaseback Financing**

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<b>Nicholson Gateway</b>											
Total Revenues	\$19,976,827	\$20,576,132	\$21,193,416	\$21,829,218	\$22,484,095	\$23,158,618	\$23,853,376	\$24,568,977	\$25,306,047	\$26,065,228	\$26,847,185
Total Expenses	8,968,841	9,153,673	9,428,283	9,708,340	9,996,290	10,292,879	10,598,365	10,913,016	11,237,106	11,570,920	11,914,747
Repair & Replacement Fund	788,800	812,464	836,838	861,943	887,801	914,435	941,868	970,125	999,228	1,029,205	1,060,081
University Overhead	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income	11,007,986	11,422,459	11,765,133	12,120,878	12,487,805	12,865,739	13,255,011	13,655,961	14,068,940	14,494,308	14,932,438
Annual Net Debt Service	7,608,542	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250
Debt Service Coverage	1.45	1.25	1.29	1.33	1.37	1.41	1.45	1.50	1.54	1.59	1.64
Net Cash Flow	\$3,399,445	\$2,292,209	\$2,634,883	\$2,990,628	\$3,357,555	\$3,735,489	\$4,124,761	\$4,525,711	\$4,938,690	\$5,364,058	\$5,802,188
<b>Greenhouse / Kirby Smith / Pentagon</b>											
Total Revenues	-	\$8,839,686	\$18,095,489	\$24,652,444	\$25,392,017	\$26,153,777	\$26,938,391	\$27,746,542	\$28,578,939	\$29,436,307	\$30,319,396
Total Expenses	-	5,744,702	10,857,386	14,582,756	15,020,877	15,467,304	15,927,123	16,400,736	16,888,559	17,391,015	17,908,546
Repair & Replacement Fund	-	870,400	896,512	1,192,607	1,228,386	1,265,237	1,303,194	1,342,290	1,382,559	1,424,036	1,466,757
University Overhead	-	573,915	1,184,513	1,616,978	1,665,488	1,715,452	1,766,916	1,819,924	1,874,521	1,930,757	1,988,680
Net Operating Income	-	3,094,984	7,238,103	10,069,687	10,371,140	10,686,474	11,011,268	11,345,806	11,690,380	12,045,292	12,410,850
Annual Net Debt Service	-	2,221,000	7,033,167	10,642,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000
Debt Service Coverage	-	1.39	1.03	0.95	0.92	0.95	0.98	1.01	1.04	1.07	1.11
Net Cash Flow	-	\$873,984	\$204,936	(\$572,313)	(\$856,860)	(\$541,526)	(\$216,732)	\$117,806	\$462,380	\$817,292	\$1,182,850
<b>Total Bundled Project</b>											
Total Revenues	\$19,976,827	\$29,415,818	\$39,288,905	\$46,481,662	\$47,876,112	\$49,312,395	\$50,791,767	\$52,315,520	\$53,884,985	\$55,501,535	\$57,166,581
Total Expenses	8,968,841	14,898,375	20,285,669	24,291,096	25,017,167	25,760,182	26,525,488	27,313,752	28,125,665	28,961,935	29,823,293
Repair & Replacement Fund	788,800	1,682,864	1,733,350	2,054,550	2,116,187	2,179,673	2,245,063	2,312,415	2,381,787	2,453,241	2,526,838
University Overhead	-	573,915	1,184,513	1,616,978	1,665,488	1,715,452	1,766,916	1,819,924	1,874,521	1,930,757	1,988,680
Net Operating Income	11,007,986	14,517,443	19,003,236	22,190,566	22,858,944	23,552,213	24,266,279	25,001,767	25,759,320	26,539,600	27,343,288
Annual Net Debt Service	7,608,542	11,351,250	16,163,417	19,772,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250
Debt Service Coverage	1.45	1.28	1.18	1.12	1.12	1.16	1.19	1.23	1.27	1.30	1.34
Net Cash Flow	\$3,399,445	\$3,166,193	\$2,839,819	\$2,418,316	\$2,500,694	\$3,193,963	\$3,908,029	\$4,643,517	\$5,401,070	\$6,181,350	\$6,985,038
<b>Housing System</b>											
Current System NOI (Adjusted)	\$19,487,657	\$17,282,286	\$14,408,395	\$14,623,435	\$15,124,707	\$15,438,485	\$15,843,921	\$16,270,967	\$16,696,014	\$17,058,210	\$17,502,434
Combined Net Operating Income	30,495,643	31,799,729	33,411,631	36,814,001	37,983,652	38,990,698	40,110,200	41,272,735	42,455,334	43,597,810	44,845,722
Current System Debt Service (Adjusted)	14,044,000	14,022,000	14,022,000	14,101,000	14,586,000	16,845,000	17,933,000	17,906,000	17,862,000	17,840,000	17,807,000
Combined Debt Service	21,652,542	25,373,250	30,185,417	33,873,250	34,944,250	37,203,250	38,291,250	38,264,250	38,220,250	38,198,250	38,165,250
Combined Debt Service Coverage	1.41	1.25	1.11	1.09	1.09	1.05	1.05	1.08	1.11	1.14	1.18
Current Housing System Net Cash Flow	5,443,657	3,260,286	386,395	522,435	538,707	(1,406,515)	(2,089,079)	(1,635,033)	(1,165,986)	(781,790)	(304,566)
Combined Net Cash Flow	8,843,101	6,426,479	3,226,214	2,940,751	3,039,402	1,787,448	1,818,950	3,008,485	4,235,084	5,399,560	6,680,472
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	8.44	8.66	8.41	8.52	8.79	9.07	9.45	9.75	10.60	10.92	11.25
Subordinate Net Coverage	5.16	3.68	2.84	2.54	2.58	2.66	2.74	2.82	2.95	3.03	3.11
Net Cash Flow	\$54,722,292	\$53,627,836	\$49,920,254	\$50,556,065	\$53,274,096	\$56,491,281	\$60,221,915	\$63,728,430	\$69,121,942	\$72,690,466	\$76,435,426



**Louisiana Public Facilities Authority**  
**Lease Revenue Bonds**  
**(Provident Flagship Properties - LSU Projects)**

*Summary of Results - Total Bundled Project*  
**Lease/Leaseback Financing**

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>Nicholson Gateway</b>											
Total Revenues	\$27,652,600	\$28,482,178	\$29,336,644	\$30,216,743	\$31,123,245	\$32,056,943	\$33,018,651	\$34,009,211	\$35,029,487	\$36,080,372	\$37,162,783
Total Expenses	12,268,890	12,633,656	13,009,366	13,396,347	13,794,937	14,205,486	14,628,350	15,063,901	15,512,518	15,974,593	16,450,531
Repair & Replacement Fund	1,091,884	1,124,640	1,158,379	1,193,131	1,228,925	1,265,792	1,303,766	1,342,879	1,383,166	1,424,661	1,467,400
University Overhead	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income	15,383,711	15,848,522	16,327,278	16,820,396	17,328,308	17,851,457	18,390,301	18,945,310	19,516,969	20,105,778	20,712,252
Annual Net Debt Service	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250	9,130,250
Debt Service Coverage	1.68	1.74	1.79	1.84	1.90	1.96	2.01	2.08	2.14	2.20	2.27
Net Cash Flow	\$6,253,461	\$6,718,272	\$7,197,028	\$7,690,146	\$8,198,058	\$8,721,207	\$9,260,051	\$9,815,060	\$10,386,719	\$10,975,528	\$11,582,002
<b>Greenhouse / Kirby Smith / Pentagon</b>											
Total Revenues	\$31,228,978	\$32,165,847	\$33,130,823	\$34,124,747	\$35,148,490	\$36,202,945	\$37,289,033	\$38,407,704	\$39,559,935	\$40,746,733	\$41,969,135
Total Expenses	18,441,602	18,990,650	19,556,170	20,138,655	20,738,614	21,356,573	21,993,070	22,648,662	23,323,922	24,019,440	24,735,823
Repair & Replacement Fund	1,510,759	1,556,082	1,602,765	1,650,848	1,700,373	1,751,384	1,803,926	1,858,043	1,913,785	1,971,198	2,030,334
University Overhead	2,048,340	2,109,790	2,173,084	2,238,276	2,305,425	2,374,587	2,445,825	2,519,200	2,594,776	2,672,619	2,752,798
Net Operating Income	12,787,376	13,175,197	13,574,653	13,986,093	14,409,875	14,846,372	15,295,963	15,759,042	16,236,013	16,727,293	17,233,312
Annual Net Debt Service	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	11,228,000	12,813,000	12,818,750	12,815,250
Debt Service Coverage	1.14	1.17	1.21	1.25	1.28	1.32	1.36	1.40	1.27	1.30	1.34
Net Cash Flow	\$1,559,376	\$1,947,197	\$2,346,653	\$2,758,093	\$3,181,875	\$3,618,372	\$4,067,963	\$4,531,042	\$3,423,013	\$3,908,543	\$4,418,062
<b>Total Bundled Project</b>											
Total Revenues	\$58,881,578	\$60,648,026	\$62,467,467	\$64,341,491	\$66,271,735	\$68,259,887	\$70,307,684	\$72,416,914	\$74,589,422	\$76,827,105	\$79,131,918
Total Expenses	30,710,492	31,624,307	32,565,536	33,535,002	34,533,552	35,562,059	36,621,420	37,712,563	38,836,440	39,994,033	41,186,354
Repair & Replacement Fund	2,602,643	2,680,722	2,761,144	2,843,978	2,929,298	3,017,177	3,107,692	3,200,923	3,296,950	3,395,859	3,497,735
University Overhead	2,048,340	2,109,790	2,173,084	2,238,276	2,305,425	2,374,587	2,445,825	2,519,200	2,594,776	2,672,619	2,752,798
Net Operating Income	28,171,087	29,023,719	29,901,931	30,806,489	31,738,183	32,697,829	33,686,264	34,704,352	35,752,982	36,833,072	37,945,564
Annual Net Debt Service	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	20,358,250	21,943,250	21,949,000	21,945,500
Debt Service Coverage	1.38	1.43	1.47	1.51	1.56	1.61	1.65	1.70	1.63	1.68	1.73
Net Cash Flow	\$7,812,837	\$8,665,469	\$9,543,681	\$10,448,239	\$11,379,933	\$12,339,579	\$13,328,014	\$14,346,102	\$13,809,732	\$14,884,072	\$16,000,064
<b>Housing System</b>											
Current System NOI (Adjusted)	\$17,957,283	\$18,422,969	\$18,899,704	\$19,387,704	\$19,887,183	\$20,398,361	\$20,921,457	\$16,139,716	\$17,230,030	\$23,782,503	\$23,639,762
Combined Net Operating Income	46,128,370	47,446,688	48,801,635	50,194,192	51,625,366	53,096,190	54,607,720	50,844,067	52,983,012	60,615,575	61,585,326
Current System Debt Service (Adjusted)	16,354,000	16,356,000	16,349,000	16,347,000	14,692,000	14,700,000	14,535,000	14,541,000	11,704,000	10,828,000	10,833,000
Combined Debt Service	36,712,250	36,714,250	36,707,250	36,705,250	35,050,250	35,058,250	34,893,250	34,899,250	33,647,250	32,777,000	32,778,500
Combined Debt Service Coverage	1.26	1.29	1.33	1.37	1.47	1.51	1.56	1.46	1.57	1.85	1.88
Current Housing System Net Cash Flow	1,603,283	2,066,969	2,550,704	3,040,704	5,195,183	5,698,361	6,386,457	1,598,716	5,526,030	12,954,503	12,806,762
Combined Net Cash Flow	9,416,120	10,732,438	12,094,385	13,488,942	16,575,116	18,037,940	19,714,470	15,944,817	19,335,762	27,838,575	28,806,826
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	11.59	12.57	12.94	14.03	14.59	16.70	17.20	23.89	27.73	23.70	23.91
Subordinate Net Coverage	3.19	3.31	3.39	3.51	3.59	3.74	3.82	3.95	3.94	4.06	4.10
Net Cash Flow	\$80,286,946	\$85,915,085	\$89,984,879	\$95,772,332	\$100,364,849	\$107,813,135	\$112,379,146	\$119,169,099	\$125,175,349	\$132,111,639	\$136,079,662

**Louisiana Public Facilities Authority**  
**Lease Revenue Bonds**  
**(Provident Flagship Properties - LSU Projects)**

*Summary of Results - Total Bundled Project*  
**Lease/Leaseback Financing**

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
<b>Nicholson Gateway</b>											
Total Revenues	\$38,277,666	\$39,425,996	\$40,608,776	\$41,827,039	\$43,081,851	\$44,374,306	\$45,705,535	\$47,076,701	\$48,489,002	\$49,943,672	\$51,441,983
Total Expenses	16,940,747	17,445,669	17,965,739	18,501,412	19,053,154	19,621,449	20,206,792	20,809,696	21,430,687	22,070,307	22,729,116
Repair & Replacement Fund	1,511,422	1,556,765	1,603,468	1,651,572	1,701,119	1,752,153	1,804,717	1,858,859	1,914,625	1,972,063	2,031,225
University Overhead	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income	21,336,919	21,980,327	22,643,037	23,325,628	24,028,697	24,752,857	25,498,743	26,267,005	27,058,316	27,873,365	28,712,866
Annual Net Debt Service	9,130,250	9,130,250	9,130,250	19,440,250	19,444,750	19,438,250	19,445,000	19,438,000	19,441,500	19,443,500	19,432,500
Debt Service Coverage	2.34	2.41	2.48	1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48
Net Cash Flow	\$12,206,669	\$12,850,077	\$13,512,787	\$3,885,378	\$4,583,947	\$5,314,607	\$6,053,743	\$6,829,005	\$7,616,816	\$8,429,865	\$9,280,366
<b>Greenhouse / Kirby Smith / Pentagon</b>											
Total Revenues	\$43,228,209	\$44,525,055	\$45,860,807	\$47,236,631	\$48,653,730	\$50,113,342	\$51,616,742	\$53,165,245	\$54,760,202	\$56,403,008	\$58,095,098
Total Expenses	25,473,698	26,233,709	27,016,520	27,822,815	28,653,300	29,508,699	30,389,760	31,297,253	32,231,970	33,194,729	34,186,371
Repair & Replacement Fund	2,091,244	2,153,982	2,218,601	2,285,159	2,353,714	2,424,325	2,497,055	2,571,967	2,649,126	2,728,599	2,810,457
University Overhead	2,835,382	2,920,443	3,008,056	3,098,298	3,191,247	3,286,984	3,385,594	3,487,162	3,591,777	3,699,530	3,810,516
Net Operating Income	17,754,511	18,291,347	18,844,287	19,413,816	20,000,430	20,604,643	21,226,982	21,867,992	22,528,232	23,208,279	23,908,727
Annual Net Debt Service	19,852,750	19,859,000	19,852,750	15,978,500	15,968,500	15,968,000	15,965,750	15,971,000	15,972,500	15,974,500	15,976,000
Debt Service Coverage	0.89	0.92	0.95	1.21	1.25	1.29	1.33	1.37	1.41	1.45	1.50
Net Cash Flow	(\$2,098,239)	(\$1,567,653)	(\$1,008,463)	\$3,435,316	\$4,031,930	\$4,636,643	\$5,261,232	\$5,896,992	\$6,555,732	\$7,233,779	\$7,932,727
<b>Total Bundled Project</b>											
Total Revenues	\$81,505,875	\$83,951,051	\$86,469,583	\$89,063,671	\$91,735,581	\$94,487,648	\$97,322,277	\$100,241,946	\$103,249,204	\$106,346,680	\$109,537,081
Total Expenses	42,414,445	43,679,378	44,982,259	46,324,227	47,706,454	49,130,147	50,596,552	52,106,948	53,662,657	55,265,037	56,915,488
Repair & Replacement Fund	3,602,667	3,710,747	3,822,069	3,936,731	4,054,833	4,176,478	4,301,772	4,430,825	4,563,750	4,700,663	4,841,683
University Overhead	2,835,382	2,920,443	3,008,056	3,098,298	3,191,247	3,286,984	3,385,594	3,487,162	3,591,777	3,699,530	3,810,516
Net Operating Income	39,091,431	40,271,674	41,487,324	42,739,444	44,029,127	45,357,501	46,725,726	48,134,997	49,586,547	51,081,644	52,621,593
Annual Net Debt Service	28,983,000	28,989,250	28,983,000	35,418,750	35,413,250	35,406,250	35,410,750	35,409,000	35,414,000	35,418,000	35,408,500
Debt Service Coverage	1.35	1.39	1.43	1.21	1.24	1.28	1.32	1.36	1.40	1.44	1.49
Net Cash Flow	\$10,108,431	\$11,282,424	\$12,504,324	\$7,320,694	\$8,615,877	\$9,951,251	\$11,314,976	\$12,725,997	\$14,172,547	\$15,663,644	\$17,213,093
<b>Housing System</b>											
Current System NOI (Adjusted)	\$24,240,849	\$21,004,874	\$22,115,791	\$33,141,486	\$33,374,012	\$34,375,233	\$35,406,490	\$36,468,684	\$37,562,745	\$38,689,627	\$39,850,316
Combined Net Operating Income	63,332,280	61,276,548	63,603,115	75,880,930	77,403,139	79,732,733	82,132,215	84,603,682	87,149,292	89,771,271	92,471,909
Current System Debt Service (Adjusted)	10,809,000	13,455,000	13,450,000	10,527,000	10,232,000	10,232,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000
Combined Debt Service	39,792,000	42,444,250	42,433,000	45,945,750	45,645,250	45,638,250	47,546,750	47,545,000	47,550,000	47,554,000	47,544,500
Combined Debt Service Coverage	1.59	1.44	1.50	1.65	1.70	1.75	1.73	1.78	1.83	1.89	1.94
Current Housing System Net Cash Flow	13,431,849	7,549,874	8,665,791	22,614,486	23,142,012	24,143,233	23,270,490	24,332,684	25,426,745	26,553,627	27,714,316
Combined Net Cash Flow	23,540,280	18,832,298	21,170,115	29,935,180	31,757,889	34,094,483	34,585,465	37,058,682	39,599,292	42,217,271	44,927,409
<b>Auxiliary Revenue System</b>											
Senior Gross Debt Service Coverage	36.36	36.86	37.73	48.43	49.88	51.38	52.92	54.51	56.14	57.83	59.56
Subordinate Net Coverage	3.74	3.74	3.82	3.68	3.74	3.81	3.88	3.95	4.02	4.09	4.17
Net Cash Flow	\$141,380,305	\$142,976,970	\$148,983,097	\$160,819,026	\$166,322,420	\$172,757,449	\$179,369,440	\$186,186,176	\$193,200,611	\$200,426,629	\$207,883,048

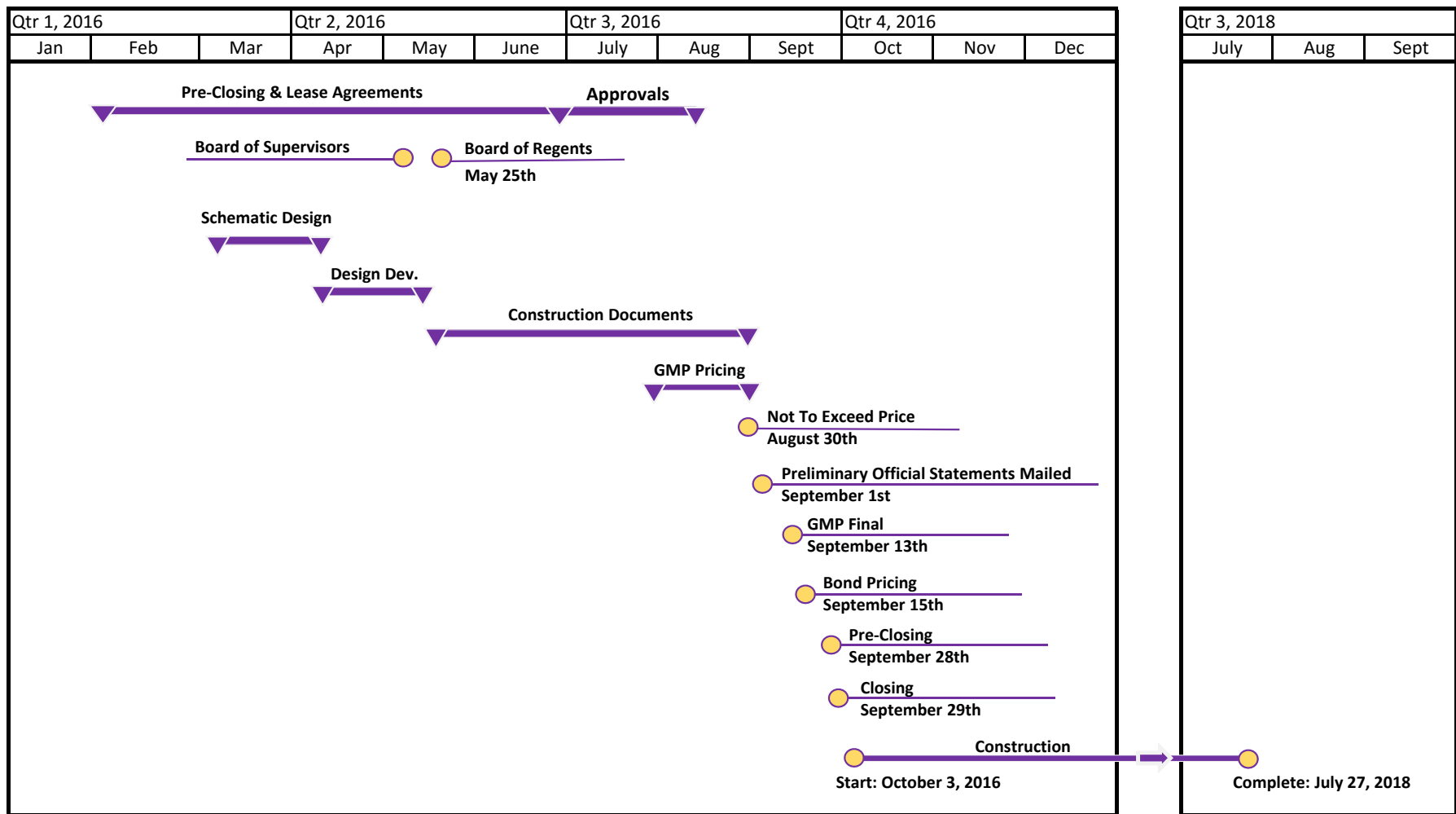
Louisiana Public Facilities Authority Lease Revenue Bonds (Provident Flagship Properties - LSU Projects)									
Summary of Results - Total Bundled Project Lease/Leaseback Financing									
	2052	2053	2054	2055	2056	2057	2058	2059	2060
<b>Nicholson Gateway</b>									
Total Revenues	\$52,985,242	\$54,574,799	\$56,212,043	\$57,898,405	\$59,635,357	\$61,424,417	\$63,267,150	\$65,165,164	\$67,120,119
Total Expenses	23,407,690	24,106,621	24,826,519	25,568,015	26,331,755	27,118,408	27,928,660	28,763,220	29,622,817
Repair & Replacement Fund	2,092,162	2,154,927	2,219,575	2,286,162	2,354,747	2,425,389	2,498,151	2,573,095	2,650,288
University Overhead	-	-	-	-	-	-	-	-	-
Net Operating Income	29,577,552	30,468,179	31,385,524	32,330,390	33,303,601	34,306,009	35,338,490	36,401,944	37,497,303
Annual Net Debt Service	19,437,500	19,436,000	19,441,500	19,436,750	19,430,250	-	-	-	-
Debt Service Coverage	1.52	1.57	1.61	1.66	1.71	N/A	N/A	N/A	N/A
Net Cash Flow	\$10,140,052	\$11,032,179	\$11,944,024	\$12,893,640	\$13,873,351	\$34,306,009	\$35,338,490	\$36,401,944	\$37,497,303
<b>Greenhouse / Kirby Smith / Pentagon</b>									
Total Revenues	\$59,837,951	\$61,633,090	\$63,482,082	\$65,386,545	\$67,348,141	\$69,368,585	\$71,449,643	\$73,593,132	\$75,800,926
Total Expenses	35,207,762	36,259,795	37,343,389	38,459,491	39,609,075	40,793,148	42,012,742	43,268,924	44,507,792
Repair & Replacement Fund	2,894,771	2,981,614	3,071,063	3,163,195	3,258,090	3,355,833	3,456,508	3,560,203	3,667,009
University Overhead	3,924,831	4,042,576	4,163,853	4,288,769	4,417,432	4,549,955	4,686,454	4,827,047	4,971,859
Net Operating Income	24,630,189	25,373,294	26,138,693	26,927,054	27,739,066	28,575,438	29,436,901	30,324,208	31,293,134
Annual Net Debt Service	15,971,000	15,978,750	15,977,500	15,971,500	15,979,750	35,340,250	25,214,000	25,210,500	-
Debt Service Coverage	1.54	1.59	1.64	1.69	1.74	0.81	1.17	1.20	N/A
Net Cash Flow	\$8,659,189	\$9,394,544	\$10,161,193	\$10,955,554	\$11,759,316	(\$6,764,812)	\$4,222,901	\$5,113,708	\$31,293,134
<b>Total Bundled Project</b>									
Total Revenues	\$112,823,193	\$116,207,889	\$119,694,126	\$123,284,949	\$126,983,498	\$130,793,003	\$134,716,793	\$138,758,297	\$142,921,046
Total Expenses	58,615,452	60,366,416	62,169,908	64,027,506	65,940,831	67,911,556	69,941,402	72,032,144	74,130,609
Repair & Replacement Fund	4,986,933	5,136,541	5,290,637	5,449,356	5,612,837	5,781,222	5,954,659	6,133,299	6,317,298
University Overhead	3,924,831	4,042,576	4,163,853	4,288,769	4,417,432	4,549,955	4,686,454	4,827,047	4,971,859
Net Operating Income	54,207,741	55,841,473	57,524,217	59,257,444	61,042,667	62,881,447	64,775,391	66,726,152	68,790,437
Annual Net Debt Service	35,408,500	35,414,750	35,419,000	35,408,250	35,410,000	35,340,250	25,214,000	25,210,500	-
Debt Service Coverage	1.53	1.58	1.62	1.67	1.72	1.78	2.57	2.65	N/A
Net Cash Flow	\$18,799,241	\$20,426,723	\$22,105,217	\$23,849,194	\$25,632,667	\$27,541,197	\$39,561,391	\$41,515,652	\$68,790,437
<b>Housing System</b>									
Current System NOI (Adjusted)	\$41,045,826	\$42,277,200	\$43,545,516	\$44,851,882	\$46,197,438	\$47,583,361	\$49,010,862	\$50,481,188	\$51,995,624
Combined Net Operating Income	95,253,566	98,118,673	101,069,734	104,109,326	107,240,105	110,464,808	113,786,253	117,207,340	120,786,061
Current System Debt Service (Adjusted)	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000	12,136,000
Combined Debt Service	47,544,500	47,550,750	47,555,000	47,544,250	47,546,000	47,476,250	37,350,000	37,346,500	12,136,000
Combined Debt Service Coverage	2.00	2.06	2.13	2.19	2.26	2.33	3.05	3.14	9.95
Current Housing System Net Cash Flow	28,909,826	30,141,200	31,409,516	32,715,882	34,061,438	35,447,361	36,874,862	38,345,188	39,859,624
Combined Net Cash Flow	47,709,066	50,567,923	53,514,734	56,565,076	59,694,105	62,988,558	76,436,253	79,860,840	108,650,061
<b>Auxiliary Revenue System</b>									
Senior Gross Debt Service Coverage	61.35	63.19	65.09	67.04	69.05	71.12	73.25	75.45	77.72
Subordinate Net Coverage	4.24	4.31	4.38	4.46	4.53	4.61	5.44	5.51	9.17
Net Cash Flow	\$215,553,375	\$223,447,561	\$231,580,760	\$239,973,083	\$248,604,353	\$257,566,114	\$276,851,134	\$286,288,168	\$321,270,208

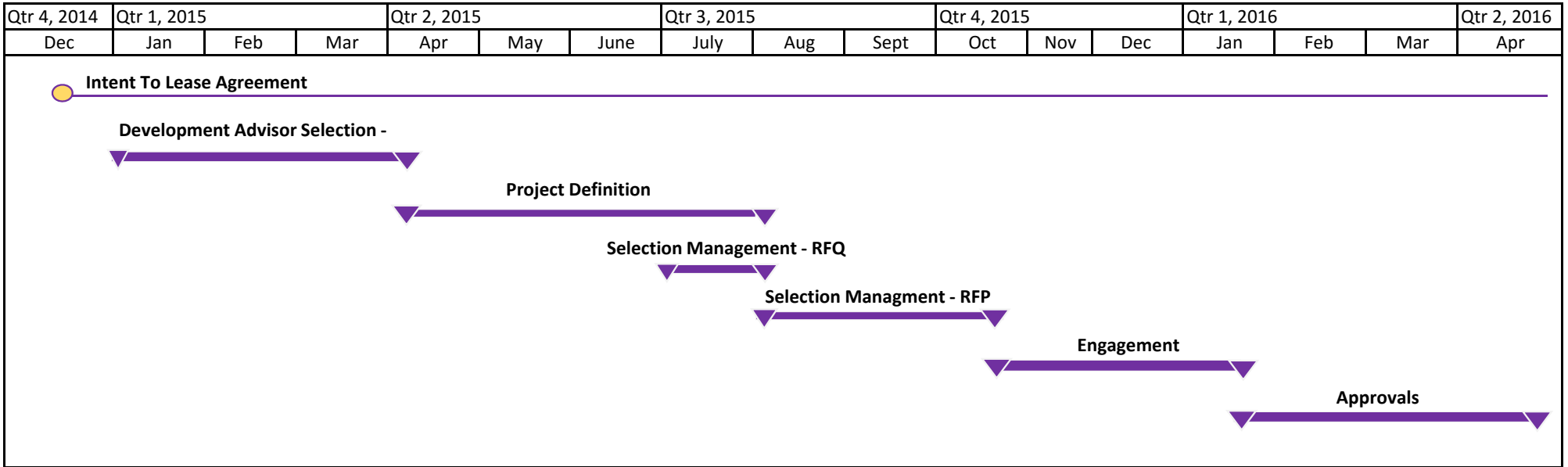


Report Title 1 Louisiana Public Facilities Authority  
 Report Title 2 Lease Revenue Bonds  
 Report Title 3 (Provident Flagship Properties - LSU Projects)  
 Report Title 4  
 Scenario Title Lease/Leaseback Financing

Developer Client	RISE		
Scenario	Nicholson Gateway Project with Spruce	Greenhouse Project	Kirby Smith/Pentagon
<b>Permanent Financing</b>			
Dated Date	09/28/2016	03/01/2018	03/01/2020
Delivery Date	09/28/2016	03/01/2018	03/01/2020
Interest Payments	Semi-Annual	Semi-Annual	Semi-Annual
1st Interest Payment Date	01/01/2017	07/01/2018	07/01/2020
Principal Payments	Annual	Annual	Annual
1st Principal Payment Date	07/01/2020	07/01/2022	07/01/2023
Final Maturity	07/01/2056	07/01/2057	07/01/2059
<b>Senior Debt</b>			
Type	Tax-Exempt, Fixed Rate Bonds	Tax-Exempt, Fixed Rate Bonds	Tax-Exempt, Fixed Rate Bonds
Bond Rating	A1/AA-	A1/AA-	A1/AA-
Interest Rates	Grad Scale	Grad Scale	Grad Scale
Structure	Wraparound Existing D/S	Wraparound Existing D/S	Wraparound Existing D/S
<b>Project Fund</b>			
Total Development Budget	\$179,391,961	\$170,495,859	\$46,071,174
Use Draw Schedule	No	No	No
Assumed Investment Rate	0.00%	0.00%	0.00%
<b>Capitalized Interest Fund</b>			
% Capitalized	100.00%	100.00%	100.00%
Capitalize Through	02/01/2019	9/1/19 + 50% 9/1/20	11/01/2021
Assumed Investment Rate	0.00%	0.00%	0.00%
<b>Debt Service Reserve Fund</b>			
Equal to	N/A	N/A	N/A
Assumed Investment Rate			
<b>Costs of Issuance</b>			
	Per COI Schedule	Per COI Schedule	Per COI Schedule
Fixed Costs	\$1,280,000	\$940,000	\$625,000
Underwriter / Placement Fee	\$7.50	\$7.50	\$7.50
Borrower Fee	\$219,000	\$263,500	\$219,000
Taxable Tail	None: Retail < 3% of total	None	None
<b>Cash Flow Analysis</b>			
First Operating Year	2019	2020	2022
Academic Term Vacancy	5.00%	5.00%	5.00%
Summer Term Vacancy	50% for Apts Only	0.00%	0.00%
Other Income (% of GCR)	1.00%	5.00%	5.00%
Facility Management / Service Contract	\$700 / Bed	\$700 / Bed	\$700 / Bed
Facility & Asset Management Fee	2.00%	2.00%	2.00%
Retail Operating Expenses	\$0	\$0	\$0
Retail Management & Maintenance	\$29,127	\$0	\$0
Common Area Utilities	\$138 / Bed	\$142 / Bed	\$146 / Bed
Unit Utilities	\$724,126	Below	Below
Property Insurance	\$250,000	Below	Below
University Expense Assumptions (\$/Bed)			
Information Technology	\$740	\$762	\$785
Insurance	\$0	\$112	\$116
Custodial	\$0	\$1,318	\$1,358
Administration	\$1,070	\$1,102	\$1,135
Utilities	\$0	\$488	\$503
University Overhead (% of GCR)	0.00%	6.60%	6.60%
Additional Expenses			
Annual Borrower Fee	0.55%	0.55%	0.55%
Annual Borrower Expenses	\$16,500	\$16,500	\$16,500
Annual Issuer Fee	LPFA's annual administrative fee of 10 bps is assumed to be waived		
Annual Rating & Trustee	\$15,000	\$15,000	\$15,000
Repair & Replacement Reserve	\$400	\$400	\$400
Subordinate Operating Reserve	N/A	N/A	N/A
Subordinate Expenses	N/A	N/A	N/A
Minimum Coverage on Sr Debt	1.00	1.00	1.00
Minimum Coverage on Sub Debt	N/A	N/A	N/A









## Recommendation for Approval of a Master Plan for the Nicholson Gateway

**To:** Members of the Board of Supervisors

**Date:** February 1, 2013

This is a significant Board matter pursuant to Board Bylaws Article VII, Section 8:

D.1 Any matter having a significant fiscal (primary or secondary) or policy impact on LSU

### **1. Summary of the Matter**

#### *Background*

The demolition of the Old Alex Box Stadium and the need to replace the old married student apartments on Nicholson provide an opportunity to significantly change an underutilized and unattractive portion of the campus. The revitalization of the Nicholson corridor can provide a much improved gateway to the campus and provide new services and venues to students, faculty, staff, and the community. With increasing enrollment, there is new demand for on-campus housing by upper class students in both traditional apartment style housing and the Greek system. In order to effectively address these needs, LSU embarked in the development of the master plan for the Nicholson corridor to determine the best use for this important campus location.

#### *Process*

Discussions for development of this Gateway date back to 2008. The current planning effort began in June 2011 with a formal selection process to obtain a highly qualified consultant organization to help LSU develop a master plan for this development. The Request for Qualifications process resulted in a contract with AECOM, an internationally recognized expert in this type of planning, which was executed in March, 2012. To provide direction and support to AECOM, a Steering Group and a Working Group, each comprised of representatives of many different facets of the LSU community, were appointed. During the planning process, AECOM made 5 site visits to the campus and held some 50 sessions with internal and external stakeholders. There have been 4 formal sessions with the Working Group involving some 11 hours of contact time, and 10 sessions of the Steering Group involving 17.5 hours of contact time to share ideas and concepts with AECOM. At every stage, the plan has been adapted based on feedback received from members of the Working Group, Steering Group, and the larger LSU and Baton Rouge communities. Appendices B, C, and D to this submission provide substantial details of the process followed by AECOM, the financial analyses and sources of data for their recommendations, and detailed minutes of their collaborative planning sessions held with various project stakeholders.

While the primary focus of this process was to identify the best use for the Nicholson Gateway area, other areas of campus were considered in the planning process as alternative sites for expanded residential housing. In particular, the location between the Childcare Center, Nicholson Dr., Gourrier Ave., and Nicholson Extension was considered but rejected. Not only is it the site of permanent TAF football parking that would have to be replaced, but also it is the only large area of campus available for future expansion of academic buildings.

#### *The Plan*

The end result of the process is the proposed Master Plan for the Nicholson Gateway. The plan provides improvements to housing, parking and traffic, and other areas and should be reserved for that purpose.

## *Housing*

1. 1,239 new student housing beds.
2. New “market-rate” housing for LSU employees, such as new coaches, visiting professors, and others to live on campus in a modern, mixed-use neighborhood.

The plan calls for construction of 3 traditional apartment style structures on the west side of Nicholson, generally on the site of the current Nicholson apartments (the old married student apartments). Collectively, these 3 halls will house approximately 900 students. The new buildings will house graduate and upper class students, juniors and seniors. Traditional LSU architecture will be applied for those facilities visible from Nicholson and Skip Bertman, with some relaxation of that style towards the rear of the development facing the railroad tracks, in order to reduce costs.

Additionally, in the “mixed-use” section of the development at the corner of Skip Bertman and Nicholson, additional housing will be located over retail space for students (upper class and graduate), while the remainder will be designed as apartment/town-home style for “university-affiliated” housing. This housing will be made available to permanent and temporary LSU employees, such as coaches, visiting faculty, etc. Again, traditional LSU architecture will be used for sides facing Nicholson or Skip Bertman, with slightly relaxed design styles being allowed for sides facing the railroad tracks.

The mixed-use section of the development will also include an office building that will be constructed by the LSU Foundation, discussed more fully in the next section. That building will also house at least 2 university offices, Community & University Relations and the LSU Press, units that are currently located in old Greek houses on Sorority Row. With those units relocated, these houses will be available for use by new sororities opening on campus. Because retention rates for fraternity and sorority students are substantially higher than for non-Greek students, the increase in sorority membership made possible by this relocation is expected to increase the overall LSU retention rate by between 1.5% and 2%, providing a very substantial financial benefit to the University.

In addition to the AECOM analysis of the financial viability of this aspect of the project, LSU and the LSU Foundation have had informal communications with a number of national companies that specialize in development of university housing. The market has substantial interest in this project, and considers these housing units almost a guaranteed revenue stream.

## *Office Space, Retail, and Plaza*

3. An office building at the corner of Skip Bertman and Nicholson to house LSU Foundation offices and several LSU tenants, Community & University Relations (CUR) and LSU Press.
4. Over 130,000 sq. ft. of retail space to provide new services and venues for students, residents, faculty, staff, and neighboring community.
5. Addition of a major plaza, similar in concept to Champions Plaza by the Superdome, to enhance the game-day experience, particularly for fans who come on campus but do not attend the football





game. This plaza would also be available for music performances and other uses throughout the academic year.

6. Potential addition of a second office building for LSU functions that are better handled at the periphery of the campus rather than the core, such as Continuing Education or certain Human Resources functions.

The Foundation building is being presented separately to the Board. The overall financial analysis provided for the Master Plan does not include the Foundation building, as the Foundation itself will be responsible for construction and financing of the building.

The retail space is a major component of the plan. AECOM has conducted extensive market research to determine that the market can support approximately 130,000 sq. ft. of retail space at this location. AECOM projects that this retail will be a mix of restaurants, souvenir and apparel, and student-oriented stores. Modern urban planning relies extensively on placing residential housing over retail to maximize the use of the available space and provide sought-after amenities to both those residents and the surrounding community. This type of development is being used around the country with success. It is also being used with success in the Baton Rouge area. This particular development will be unique in the Baton Rouge area, as a result of its inclusion of student housing. It is smaller in scope than some of the more ambitious mixed-use developments in Baton Rouge.



There is a risk that the market for retail will be lower than that projected by AECOM. LSU will not be undertaking this risk. As discussed more below, LSU will contract with a Master Developer to develop and construct this project. The contract will be structured so that the Master Developer will undertake a significant part of the risk of vacancy in those retail and other units.



The Central Plaza will provide a significant gathering place most of the year for the students living in this area, as well as tourists coming to see Mike the Tiger and other LSU attractions and local residents coming to the shopping center. There is potential to place a large screen for promotions, advertising, and perhaps even to display football games on game day for fans who come to tailgate but do not have tickets to attend the game.

For the long term, the Master Plan allows for a second office building to house additional LSU offices. This would be an appropriate location to house a number of LSU offices, or auxiliary and related services such as banking, that serve individuals who do not have any other need to travel to the core of campus. This would make access to those services easier and reduce traffic on campus, one of the University's long-term goals.

*Parking & Traffic*

7. 2,100 new parking spots (of which 533 would be new spots available for game-day parking and 250 are replacement for current permanent game-day parking).
8. Widening of the Nicholson Drive median and removal of most on-street parking to slow traffic flow.
9. Addition of 12-foot wide, multi-purpose pathways for bicycles, pedestrians, and joggers.
10. Addition of “hawk-lights,” pedestrian-use only traffic lights to allow for safe crossing of Nicholson by residents.
11. Addition of traffic circles at Nicholson & Burbank and Nicholson at Nicholson extension to slow traffic coming from south of campus and improve the flow of those intersections.
12. Addition of a greenway, running between the Field House and the Natatorium from Nicholson to the main campus, to tie the Nicholson housing into the main campus, making foot traffic between the two areas safe and convenient.



Parking spots are required for the residents of the new housing, the tenants in the Foundation office building, shoppers for the retail stores, and game-day parking. The plan calls for 2 parking garages, a smaller one primarily for the Foundation office building and the university-affiliated housing, and a larger one for the retail stores, residents, tenants of the future office building, and game-day parking.

Game-day parking is a particularly important consideration. It is imperative that the development adds to the overall inventory of game-day parking, and that at no point during the construction will game-day spots be reduced below current permanent inventory levels. While the Master Plan does not include detailed staging plans, it does address total parking inventory, and provides for the addition of 533 total spots available for game-day parking, over and above the 250 permanent game-day parking spaces currently in the Gateway area. As the development process continues, detailed staging and traffic flow analysis will take place to ensure that the development improves the overall game-day parking experience.

Note that the University’s parking master plan calls for two other parking garages on that side of campus. The Nicholson Gateway Master Plan is consistent with those plans and will not interfere with or displace those developments.



### *Development*

The remainder of the project will not be built directly by LSU, but through a Master Developer process. LSU, either directly or through the LSU Foundation (in either case, through a competitive process), will select and contract with a Master Developer to actually handle the development of the project. That Master Developer will engage in further planning and analysis of the financial viability of the project, whether some parts of the project should be expanded, scaled back, or modified, and whether to build the project all at once or in stages. LSU will soon form a working group to analyze and determine the best method for selecting and contracting with a Master Developer.

In short, the Master Plan is just that, a Master Plan. It is not a precise blueprint for development, but a framework by which future development decisions will be made. The particular details, including the financial potentials, cannot be determined until the next stage, the competitive process for selection of a Master Developer.

Board approval of this Master Plan does not constitute Board approval of any construction, financing, capital outlay requests, or schematic designs. Rather, approval is simply a statement that this is the Board's overall vision for this space. Approval of the Foundation building, its design, the design of the housing units and other buildings, the contract with the developer, and other matters will be presented to the Board at the appropriate time in the future.

The Foundation building will be handled separately from the remainder of the overall plan. The proposal for a ground lease to the Foundation for this building is being submitted to the Board separately at this meeting.

## **2. Fiscal Impact**

The fiscal impact of this project is dependent on myriad factors that cannot be determined until future stages of the development process. Development will be structured so that the financial risks and rewards will be shared between LSU and the Master Developer. All of the scenarios considered by AECOM show the project to be very attractive to any potential developer, with the degree of attractiveness largely dependent on the interest rate available.

LSU will structure the development contract to maximize the potential revenue received by the University while minimizing the risk undertaken. Based on these financial projections, and depending on interest rates available to the developer and the extent to which the state provides capital support for the parking garage or other infrastructure, the project could generate about \$10 million over the first 10 years in cumulative Net Operating Income (NOI), which is the cashflow payable to the University after debt service, payments to development partners, and replacement reserves (see page 115 of the attached Plan), assuming an interest rate of 5%. This could result in some \$400 million NOI to LSU over 30 years. These projections do not include financial gains to the University from the improved retention rates that will result from the housing developments.

These financial projections are not intended to be used to make final development decisions and will certainly change as actual development decisions are made. Any developer, and their financing company, will perform their own analysis, and LSU will thoroughly review those before recommending any development contract to this Board. The AECOM projections are simply to show that the project is viable, will be attractive to potential developers, and has the potential for substantial financial benefit to LSU.

### 3. Review of Documents Related to Reference Matter

The proposed Master Plan is attached.

#### ATTACHMENTS:

- Copy of letter from Vice Chancellor Monday
- Attachment A – Master Plan for Development of Nicholson Gateway
- Attachment B – Master Plan Vol. 2: Mixed Use and Financial Analysis
- Attachment C – Master Plan Vol. 3: Student Housing Market and Financial Analysis
- Attachment D – Master Plan Vol. 4: Meeting Minutes
- *Attachments B, C, & D are not provided in order to conserve paper. They are available upon request.*

#### RECOMMENDATION

*It is recommended that the Board 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 approve the Master Plan for the Nicholson Gateway; and**

**BE IT FURTHER RESOLVED that the Master Plan for the Nicholson Gateway shall serve as the primary mechanism and guiding document for coordinating and planning capital construction and physical improvement projects in the area covered by the Plan, subject to the overall guidance of the LSU Master Plan; and**

**BE IT FURTHER RESOLVED that implementation of the Master Plan for the Nicholson Gateway shall include determinations regarding the timing and prioritization of development, its compatibility with the Plan, and periodic Plan review. Plan implementation shall be vested in the Chancellor of LSU. The Chancellor's authority shall be subject to review and approval by this Board in accordance with the Board's Bylaws; and**

**BE IT FURTHER RESOLVED that the approval of this Master Plan does not constitute approval of any development contract, construction contract, financing arrangement, capital outlay request, or other action that requires approval of this Board pursuant to its Bylaws.**



## **LSU A&M – Request to Authorize an Intent to Lease Agreement with the LSU Foundation for the Nicholson Gateway Development**

To: Members of the Board of Supervisors

Date: October 24, 2014

This is a significant Board matter pursuant to Board Bylaws Article VII, Section 8:

D.2.b Any contract or series of related contracts for the design, construction, repair, or renovation of any building or other structure involving a total of \$500,000 or more

### **1. Summary of Matter**

In March 2013, the Board of Supervisors (“Board”) approved a Master Plan for the Nicholson Gateway. With some modifications made necessary in light of recently identified university needs (including a reduction in the amount of retail space and the addition of a nutrition facility and another residence hall), it is now time to move forward with implementation of that Master Plan.

As recommended by AECOM, which assisted LSU in preparing the Master Plan, a Master Developer will be engaged to design, finance, construct, and operate the Nicholson Gateway development. This approach will minimize the financial risk to LSU, speed the construction of the project, and allow for the efficiencies of the private sector to maximize the potential financial benefit of the project to LSU. The Master Developer will be selected from those national firms with extensive experience in the area of university housing and mixed-use development.

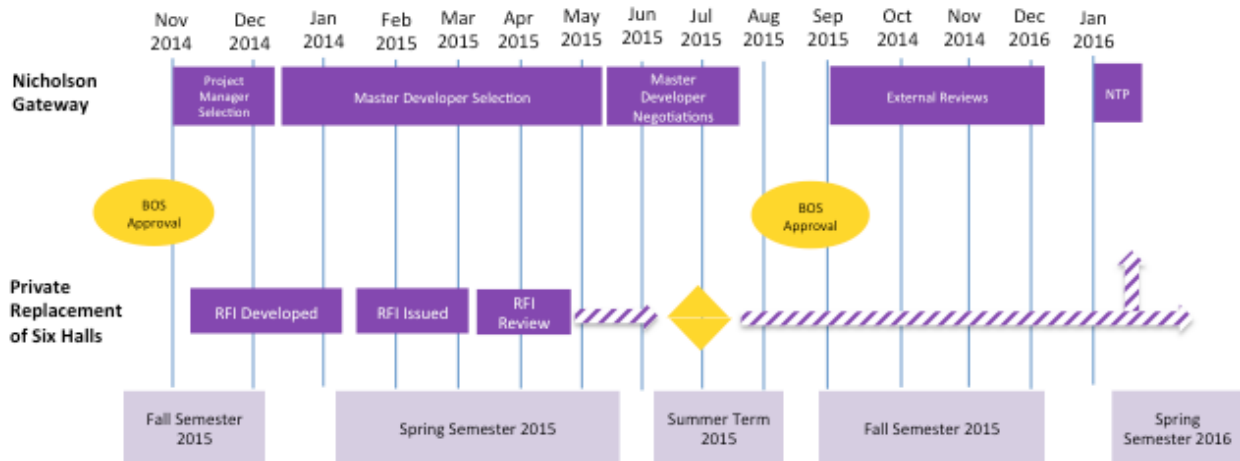
To ensure the maximum amount of flexibility for contractual arrangements to meet LSU’s needs, and to allow for faster design and construction of the project, the Nicholson Gateway land will ultimately be leased to the LSU Property Foundation, a wholly owned subsidiary of the LSU Foundation (the Foundation). Before any lease is entered into, the Foundation will hire a project manager to assist it and LSU in supervising the development and construction of the project, and then will, through a competitive process, select the Master Developer. A Project Management Committee will be formed to guide this process, and LSU will have substantial representation on that committee.

#### *Potential Replacement Hall Project*

In September, the Huron Consulting report recommended that LSU explore including an option for developers to propose bidding on both the Nicholson Gateway project and anticipated replacement residential halls in another area of campus. Because the Intent to Lease process anticipates that a Request for Qualifications (RFQ) process will be used to select the Developer, LSU intends to publish a separate Request for Information (RFI) for the replacement residential halls project in order to consider creative proposals on how best to meet its needs for the replacement halls. That project, unlike Nicholson Gateway, involves a number of programmatic complexities related to site preparation, scheduling of construction and demolition, and relocation of existing facilities to ensure that there are sufficient beds available for LSU students during construction.

Once the RFI submittals from potential vendors are reviewed and evaluated, LSU will be in a position to make an accurate evaluation of the cost and feasibility of developing the replacement halls as part

of the Nicholson Gateway project, given the various programmatic complexities noted above, and also get a much better idea of what such a project would look like. If the decision is to seek private development of that project, then LSU and the Foundation may include the project as an option to be negotiated with the Master Developer selected for the Nicholson Gateway project, or possibly decide to issue a separate RFP for the project, if it is determined that a separate process will lead to better terms for LSU on both projects. We anticipate that the RFI for the replacement halls will be issued in January 2015, and a decision will be made in July 2015 on how best to proceed with that replacement hall project. This timeline illustrates how the RFI process for the replacement residential hall project and the RFQ process for Nicholson Gateway will work in parallel and potentially merge:



*Summary of Intent to Lease Process*

The Intent to Lease process will work as follows:

- A. LSU and the Foundation will execute an “Intent to Lease” agreement substantially similar to the one attached. This Intent to Lease agreement will set forth a management structure for moving forward with the project.
- B. The Foundation will create a 13-person Project Management Committee (“Committee”) to guide its work in this process. Six members of this committee will be LSU employees. Unless otherwise designated by the President, the 6 members will be: (i) the Vice President for Finance & Administration / CFO; (ii) the Vice Chancellor and Director of Athletics or his designee; (iii) the Director of Finance and Administrative Services, (iv) the Executive Director of the Department of Residential Life; (v) the Executive Director of Facility Services, and (vi) the Director of Facility Planning for the LSU System. A 2/3 vote of this committee will be required to: (1) approve the competitive process used to select the project manager; (2) approve the execution of a contract with the project manager; (3) approve the competitive process used to select the Master Developer; and (4) approve the selection of a Master Developer with whom a proposed master development agreement will be negotiated.
- C. The Foundation, with Committee input, will engage an experienced and nationally recognized project manager through a competitive process to help guide the process of selecting a Master Developer, and potentially, if both LSU and the Foundation agree, through the actual construction of the project.
- D. The Foundation, with the participation of the Committee, will establish a competitive process to select the Master Developer. We anticipate that a short list of prospective developers will be selected, and then there will be an opportunity for members of the LSU community to see presentations from the short-listed developers in public forums before the Committee and the

Foundation select a Master Developer. We anticipate that the decision on whether to include the replacement hall project in this process will be made around the time that the short list is developed.

- E. Once the Master Developer is selected, the Foundation, with the participation of the Committee, will negotiate the terms and conditions of a Master Development Agreement, which will include a sublease of land from the Foundation to the Master Developer. At the same time, the lease between LSU and the Foundation will be prepared. This will ensure complete consistency between the terms and conditions of the lease from LSU to the Foundation and the Master Development Agreement.
- F. Only after both the proposed lease from LSU to the Foundation and the proposed Master Development Agreement between the Foundation and the Master Developer are prepared, and all the financial and design details of the project are known and reduced to writing, will the lease and the Master Developer Agreement be presented to the Board for approval as required by the Bylaws. This will ensure that the Board is fully aware of the financial and other terms of the agreements before it consents to bind the university. The Board will be kept informed of the progress of negotiations regularly, and no binding decisions will be made until the Board has had the opportunity to review the final details of the proposed agreements.

As noted above, the Master Plan will be revised to accommodate recently identified LSU needs that were not known at the time of the original planning process. A new nutrition facility and student residence hall primarily intended to meet the unique needs of student-athletes will be integrated into the design. The amount of retail space previously included will be reduced significantly, and the remaining retail space will be devoted primarily to retailers serving direct student needs, such as a dry cleaners, a vision center, a small food market, and similar operations, as well as some shops to meet the needs of visitors to Tiger Stadium, Mike the Tiger, and other LSU locations in that part of campus. These changes will also eliminate the market-rate housing and potential additional office space that had been included in the Master Plan for the area.

#### *Separate Components*

The nutrition facility will be developed and constructed through a separate process than the one described above, for two reasons. First, the Tiger Athletic Foundation has already raised most of the money to construct the nutrition facility, and will soon have all of the necessary funds in hand. No financing from a private developer will be required for construction of the building. Second, the facility needs to become operational as quickly as possible to provide much-needed nutritional and other services to LSU's student athletes. It is anticipated that the Board will be presented with a lease for construction of the nutrition facility at an upcoming meeting of the Board. The exact process by which this will be handled is not known at this time, and the recommended resolution, below, will allow for flexibility in order to quickly meet this pressing need. The final arrangements will be presented to the Board for approval before any binding obligations are signed.

An in-depth planning process conducted by the University involving all appropriate campus stakeholders has determined that the nutrition facility and the athletics-related residence hall are appropriate for the development. The nutrition facility will be located on Skip Bertman Drive, between the new LSU Foundation Building and the railroad tracks. The residence hall will be located immediately adjacent to and on the north side of the nutrition facility.

Also, a parking garage will be constructed to service the Nicholson Gateway development using state capital outlay funds. Currently, \$2.5 million has been provided to LSU as a Priority 1 Cash Line of Credit for planning related to Nicholson Gateway, while another \$23.5 million is reserved for LSU for infrastructure improvements. The bulk of that funding will be used for a parking garage.

## **2. Review of Business Plan**

LSU will not contribute any funding under the proposed Intent to Lease agreement. The specific business plan for the Nicholson Gateway development itself, including the financial risks and benefits to LSU, will be prepared over the course of the negotiations with the Master Developer. That analysis will be provided to the Board when the Board is asked to consider whether to approve the lease and the Master Developer Agreement ultimately negotiated through the process described above.

The Intent to Lease agreement does provide a mechanism for the Foundation to recoup some of the costs of the external project manager if LSU ultimately decides not to pursue the Nicholson Gateway project, through no fault of the Foundation. Specifically, the Intent to Lease agreement will provide that, if the agreements required to proceed to construction of the Nicholson Gateway project are “suspended, materially delayed or abandoned **through no fault of the Foundation**, LSU shall ensure that reasonable and necessary expenses incurred by the Foundation in connection with the Project are reimbursed in a reasonable timeframe not to exceed twelve months.” The Foundation is being asked to undertake a significant financial responsibility in funding the project management firm for the project, while the Board remains able to terminate the project at any time, for any reason. If the Gateway project is completed, the Foundation will recoup those funds out of payments made by the Developer, as they will be part of the overall project costs. But if LSU were to decide, for whatever reason, not to proceed with the project, that would leave the Foundation without any way to recoup those funds, a risk it does not have the resources to absorb. This only allows the Foundation to recoup funds it actually expended as part of the project management process, not overhead or other general administrative costs.

## **3. Fiscal Impact**

The Intent to Lease agreement, attached, will itself have no financial impact on LSU. It will simply allow the Foundation, with its own funds, to hire a project manager and move forward with selection of a Master Developer with the University’s guidance and input. The fiscal impact of the Nicholson Gateway itself will be analyzed when the proposed lease and Master Developer Agreement are presented to the Board for approval after all financial and other terms have been negotiated.

## **4. Description of Competitive Process**

The Foundation, with Committee input, will engage in a competitive process to select an experienced, and nationally respected project manager to assist it and LSU in selecting, through another competitive process, a Master Developer. The precise competitive process to be followed for selecting the Master Developer is not known at this time (as the project manager must be in place before finalizing that process), but it is expected that it will involve a Request for Qualifications process, rather than a direct Request for Proposals.

## **5. Review of Legal Documents**

The Intent to Lease agreement between LSU and the Foundation will be largely similar to the attached draft, though minor details are still being resolved.

## **6. Parties of Interest**

LSU and the LSU Property Foundation are the primary parties of interest for the overall Nicholson Gateway development. The LSU Property Foundation is a subsidiary of the LSU Foundation. Tiger Athletic Foundation has an interest in the nutrition facility portion of the project.



## 7. Related Transaction.

The Intent to Lease agreement anticipates that LSU and the Foundation will work together to negotiate a lease between LSU and the Foundation, and a closely related Master Developer Agreement between the Foundation and the Master Developer.

## 8. Conflicts of Interest

None.

## ATTACHMENTS:

Letter from Vice President Layzell  
Intent to Lease Draft

## RECOMMENDATION

### Resolution of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College

**Now, Therefore, Be It Resolved** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College authorizes F. King Alexander, in his capacity as President of LSU, or his designee, to execute an Intent to Lease agreement between LSU and the LSU Property Foundation, which agreement shall provide for, in addition to such other terms and conditions as he deems to be in the best interests of LSU, the following:

1. That the Foundation will, through a competitive process, engage one or more nationally respected project managers with significant experience in similar projects to assist in: (i) the selection of a Master Developer for the Nicholson Gateway and (ii) the negotiation of terms and conditions of a lease agreement with the selected Master Developer, with the possibility of an option, at the mutual agreement of LSU and the Foundation, for (iii) overseeing the construction of the Nicholson Gateway facilities;
2. That the Foundation, through a competitive process and with the advice of the project manager and the participation of the project management team, select a Master Developer for the Nicholson Gateway project and potentially, at LSU's discretion, construction and operation of other residential halls elsewhere on campus, and negotiate the terms and conditions of a lease between LSU and the Foundation and a sublease between the Foundation and the Master Developer;
3. That the Foundation will create a project management team of 13 individuals, six of whom shall be LSU employees designated by the LSU President; and
4. That any proposed lease and Master Developer Agreement resulting from this process shall be subject to approval by this Board as provided in the Bylaws and the Uniform Affiliation Agreement;

**AND**

**Be It Further Resolved** that the development of the Nicholson Gateway project through this process shall be consistent with the Master Plan for the Nicholson Gateway previously approved by this Board, except as follows:

1. The amount of retail space shall be scaled down significantly from that shown in the Master Plan, and the remaining retail space should be primarily aimed at meeting the needs of LSU students and visitors to Tiger Stadium, Mike the Tiger, and similar LSU locations;
2. The additional office building and LSU-affiliated market-rate housing shall be eliminated;

3. A nutrition facility and a residence hall shall be included in an appropriate location near to existing athletic facilities in accordance with the revised master plan; and
4. The nutrition facility shall be developed through a separate process than the one set forth above, subject to all required Board and campus review processes;

**AND**

**Be It Further Resolved** that if the President determines that it is in LSU's best interests to use this Intent to Lease Agreement to negotiate for the construction and operation of other replacement residential halls elsewhere on the LSU campus, the following planning principles shall be followed:

1. The location and construction of the replacement halls should be consistent with the LSU Master Plan;
2. Overall residence hall capacity should not decrease due to construction of replacement halls;
3. Replacement halls should be consistent with LSU architectural and construction standards;
4. Replacement halls should contain amenities and spaces that support the living-learning mission of on-campus housing, such as classrooms, faculty offices, study spaces, etc.;
5. LSU should maintain full control over residential life functions and other operations that involve interacting with students, with the Developer providing maintenance and similar services; and
6. Any private development project must stand on its own financially, without any LSU subsidies.

**INTENT TO LEASE AGREEMENT FOR THE  
NICHOLSON GATEWAY PROJECT**

**Between**

**THE BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND  
AGRICULTURAL AND MECHANICAL COLLEGE (the "LSU Board")**

**And**

**THE LSU PROPERTY FOUNDATION ("Foundation")**

**THIS INTENT TO LEASE AGREEMENT FOR THE NICHOLSON GATEWAY PROJECT** (herein "Agreement") is entered into effective as of the 25th day of October, 2014 (the "Effective Date"), by and between

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation organized and existing under the Constitution and laws of the State of Louisiana, domiciled in the Parish of East Baton Rouge, said State, appearing herein through F. King Alexander, President of Louisiana State University, duly authorized and empowered by said Board of Supervisors (hereinafter referred to as "LSU"),

and

**LSU PROPERTY FOUNDATION**, a private nonprofit Louisiana corporation having a principal place of business located at 3838 West Lakeshore Drive, Baton Rouge, Louisiana, 70808, and represented by G. Lee Griffin, its duly authorized and empowered Executive Director,

provides as follows:

**1. Purpose**

The purpose of this Intent to Lease Agreement is to provide an outline of the process and guidelines that the Foundation intends to observe in connection with the selection of vendors and negotiation of a proposed agreement with a Master Developer for the Nicholson Gateway Project and related agreements. If an agreement is reached between the Foundation and a Master Developer that is acceptable to LSU, LSU intends to lease the Nicholson Gateway area (as will be more specifically described in any resulting lease agreement) to the Foundation (the Nicholson Gateway Lease) pursuant to the authority of La. R.S. 17:3361 or other applicable law, with the Foundation to sublease that area to the Master Developer for construction of improvements in accordance with the resolution of the Board adopted October 24, 2014. At LSU's option, LSU may authorize the Foundation to also include in the area to be leased

additional land for the purpose of developing other residential housing elsewhere on the LSU campus.

## 2. Process

The Foundation will form a Project Management Committee composed of 13 members, a majority of which will be appointed by the Foundation from among its directors, officers, members or designees. Six employees of LSU, designated by the President, will serve as members of the Project Management Committee. Unless otherwise designated in writing by the President, the LSU members will be the Vice President for Finance and Administration/CFO, the Vice Chancellor and Director of Athletics or his designee, the Director of Finance and Administrative Services, the Executive Director of the Department of Residential Life, the Executive Director of Facility Services, and the Director of Facility Planning for the LSU System. The purpose of this Committee is to manage the "Development Phase" of the Project. The Development Phase of the Project will involve:

A. Through a competitive process, and based on a 2/3 vote of the Project Management Committee, the Committee will recommend that the Foundation engage a Project Manager with significant national experience in projects similar to the Nicholson Gateway project as described in the Resolution adopted by the LSU Board on October 24, 2014. The Project Manager will advise and consult with the Committee concerning the formulation of an appropriate competitive process to evaluate potential Master Developers, the evaluation of responses to the competitive process and the negotiation of a proposed agreement(s) between the Foundation and a Master Developer (collectively, the "Master Development Agreement"). The competitive processes used to engage a Project Manager and a Master Developer shall be approved by a 2/3 vote of the Project Management Committee. The evaluation process for Master Developers should include opportunities for comment by the broader LSU community on a "short list" of potential Master Developers.

B. Following the competitive process for selection of a Master Developer as described above, and based on a 2/3 vote of the Project Management Committee, the Committee will recommend that the Foundation select a Master Developer possessing significant national experience in projects similar to the Nicholson Gateway project, with which it will negotiate a proposed Master Development Agreement. To simplify and speed negotiations, if LSU and the Foundation mutually agree, the President of LSU and the President of the Foundation may each designate a lead negotiator, and those two negotiators will be primarily responsible for negotiating the terms of the proposed Master Development Agreement, while each keeping the entire Project Management Committee informed of the status and key issues raised in the negotiations.

C. Following approval by the Committee, the proposed Master Development Agreement, a proposed Lease Agreement for Development of the Nicholson Gateway Project between the

Foundation and the LSU Board, and a report of the Project Management Committee documenting its work, will be submitted to the Foundation's Board of Directors and, following approval by the Foundation's Board of Directors, to the LSU Board (and any other agencies required by law) for review and approval. If LSU determines to use the mechanism outlined in this Intent to Lease Agreement to move forward with the development of additional residential housing at locations other than the Nicholson Gateway area, the agreements relating to such development may be submitted either concurrently with the agreements related to Nicholson Gateway or separately, based on LSU's determination of what approach is in its best interests.

D. The Development Phase will be complete upon the approval required by law being obtained for the Nicholson Gateway Lease and the Master Development Agreement. The Nicholson Gateway Lease to the Foundation shall thereafter govern the relationship between LSU and the Foundation with regard to development pursuant to the Master Development Agreement. The parties anticipate that the Foundation will continue to engage a project manager to assist with managing and overseeing the development, and it is acceptable for the agreement for the Project Manager for the Development Phase to include an option to continue to serve as the project manager for the post-Development Phase, provided that the form and content of such an option is approved by the President of LSU and the Foundation.

### **3. Project Management Committee**

The Project Management Committee will have primary responsibility for: (i) designing the competitive process by which the Project Manager will be selected; (ii) negotiating a proposed contract or contracts with the Project Manager; (iii) working in cooperation with the Project Manager designing the competitive process by which a potential Master Developer will be selected; (iv) the evaluation of responses received from potential Master Developers and selection of a single recommended Master Developer; (v) the negotiation of a proposed contract or contracts with the Project Manager and the recommended Master Developer; and (vi) making recommendations for the approval of contracts and other actions to the Board of Directors of the Foundation. As described in paragraph 2, above, items (i), (ii), (iii), and (iv) shall require approval by 2/3 of the members of the Committee. The Committee will adopt, implement and require strict adherence by its Members to a Conflicts of Interest Policy designed to avoid actual and perceived conflicts of interest as well as claims or charges of undue influence or favoritism. Such policy will be substantially in accord with the draft policy attached as Exhibit "A". The Foundation and the Chairman of the Project Management Committee may form any additional committees, subcommittees or working groups as may be necessary and appropriate for the efficient completion of their tasks; provided, however, that such committees, subcommittees or working groups shall be advisory only and shall report to the Project Management Committee. All members of any such working groups or advisory committees will be subject to the Conflicts of Interest Policy referenced above.

#### **4. LSU Approvals**

Any proposed Lease Agreements relating to the Project and the proposed Master Development Agreement shall be subject to final review and approval by the LSU Board and any other agencies required by law; provided, however, that in accordance with applicable LSU policies and procedures, the President of LSU or his designee may grant the Foundation and/or the Project Manager and potential Master Developers limited and temporary rights of access to the Nicholson Gateway area for purposes of performing site assessments and similar activities such as environmental surveys, topographical surveys, utility surveys and soil borings.

Although the parties to any Master Development Agreement resulting from this process will be the Foundation and the Master Developer, no such agreement will be executed by either party until approved by the LSU Board and will not become effective until approved by any other agencies required by law.

#### **5. Financial Responsibility**

It is intended that all expenses authorized and incurred by the Foundation in connection with the Project Development Phase of the Project shall be the responsibility of the Foundation; however, should the Project Development Phase and execution of agreements required to proceed with construction of the Project be suspended, materially delayed or abandoned through no fault of the Foundation, LSU shall ensure that reasonable and necessary expenses incurred by the Foundation in connection with the Project are reimbursed in a reasonable time frame not to exceed twelve months.

It is further intended that except to the extent expressly provided herein or otherwise agreed to in writing by LSU, all financial risk and responsibility for the Project shall be borne by the Foundation and the Master Developer, and neither the LSU Board nor the State of Louisiana shall bear any responsibility, whether directly or indirectly, for the fulfillment of any obligations established pursuant to the terms of any agreements entered into by the Foundation, the Project Manager or the Master Developer.

#### **6. Public Records**

The Foundation shall be solely responsible for maintaining custody and control of records related to the competitive processes, and any responses thereto, for selecting the Project Manager and the Master Developer, and shall not, therefore, be considered public records of LSU. Any documents released for public comment or submitted to LSU pursuant to sections 2C, 2D or 4 of this Agreement shall, of course, be considered public record.

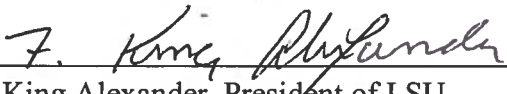
#### **7. Other**

This Intent to Lease Agreement is not a lease of land or building space to the Foundation and does not obligate LSU to enter into any lease agreement with the Foundation. It does

represent LSU's intention for the Foundation to engage a Project Manager, identify potential Master Developers, and engage in negotiations with a selected Master Developer for an agreement for the development of the Nicholson Gateway area. If an acceptable agreement can be reached, LSU expects, but is not obligated, to enter into a lease agreement with the Foundation for the Nicholson Gateway area, and simultaneously to approve a sublease of that area from the Foundation to the selected Master Developer.

**THUS DONE AND SIGNED**, on the dates indicated below and effective as of the Effective Date stated above.

**BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE**

By:   
F. King Alexander, President of LSU

12/22/14  
Date

**LSU PROPERTY FOUNDATION**

By:   
G. Lee Griffin, Executive Director

12/17/14  
Date

**EXHIBIT “A” TO INTENT TO LEASE AGREEMENT FOR  
THE NICHOLSON GATEWAY PROJECT**

**LSU PROPERTY FOUNDATION  
NICHOLSON GATEWAY PROJECT DEVELOPMENT COMMITTEE  
CONFLICTS OF INTEREST POLICY**

The two central concepts of this Conflicts of Interest Policy are: “complete disclosure” and “independence.” The disclosure of associations, no matter how remote, of the individual or individuals who are appointed to or otherwise participate in the business of the Committee (“Members”), with any potential or prospective personal or business interests of Members, or those of the immediate family or employer of any Member, avoids any misunderstanding or later charges of concealment. In some cases, disclosure of an association or past association may indicate that the Member involved should abstain from participating in the decision-making process.

**A. STANDARD**

The standard of behavior is that all Members shall scrupulously avoid any conflict of interest, or the appearance of any conflict of interest, between each of their personal, professional and business interests (including, those of their immediate family or employer), and the interests of the Committee and the Foundation (“Foundation”). Under this standard, a conflict of interest occurs in instances in which any of the Members’ private or personal interests interfere, or appear to interfere, with the interests of the Committee or the Foundation as a whole.

This standard of behavior includes avoiding conflicts, benefits, gains, or undue influence for the personal or professional benefit of any of the Members and, also, for the benefit of the family of any of the Members whether or not in the household, the employer, and the personal friends and the business associates of any of the Members.

This standard of behavior requires a careful adherence to and compliance with both the letter and the spirit of this Conflicts of Interest Policy. All Members are to act for and in the best interests of the Committee, the Foundation and LSU, and shall remain independent and impartial from external, private, or personal interests and considerations.

**B. DISCLOSURE**

Upon or before an individual is appointed to the Committee certain disclosures are required. Each Member is to make a disclosure of interests, memberships, relationships, arrangements, investments and holdings that potentially could compromise or appear to compromise the Member’s independence or result in a material conflict between the personal, professional or business interests of the Member, or those of the immediate family or employer of the Member, and the interests of the Foundation. The disclosure (the “Disclosure”) shall be provided to the legal office of the Foundation and shall include an accurate and complete written



list prepared by each Member of his or her principal business activities, as well as offices and board or other fiduciary positions held in other charitable and business organizations. The Disclosure may be made electronically or by means of a disclosure form provided by the Foundation. Once the Disclosure is made by a Member, annually thereafter, the legal office shall provide such Member with a copy of his or her current Disclosure and each such Member shall make any additions or deletions to the Disclosure, as may be appropriate, and return the updated Disclosure to the legal office. Disclosure Statements shall be reviewed by the Foundation's legal counsel on an annual basis to confirm there are no conflicts of interest as reflected in the information reported by Members that would disqualify a Member from serving as a Committee Member.

Each Member is obligated to the Foundation and to his or her fellow Members to inform them of any position he or she holds, and of any business or vocational activity which may result in a possible conflict of interest or bias for or against a particular action or policy, at the time such action or policy is under consideration by the Committee. In the course of Committee meetings or activities, each Member is to disclose any direct or indirect interests in a transaction or decision that potentially could be a conflict of interest; *e.g.*, whenever the family, employer or close associates of the Member will receive a benefit or gain, or an opportunity or potential for benefit arises, or an opportunity for unfair influence arises, or an opportunity for detriment or harm to the Foundation or for benefit or gain to a third party at the expense of the Foundation arises. Members should err on the side of prudence, and declare an actual or potential conflict if in doubt as to a relationship or interest. This will prevent tainting the decisions, the reputation, and integrity of the Foundation, the Committee and its Members.

### **C. ABSTENTION**

Once any disclosure has been made, whether by means of the annual Disclosure or, contemporaneously, in the course of Committee meetings or activities, the Member shall refrain from any discussion of the transaction or decision. Further, the Member shall physically leave the meeting for the duration of the particular discussion, and, accordingly, shall abstain from voting on the issue. Such abstention from discussion and voting is to be documented appropriately.

Besides abstention from discussion at the meeting, the Member shall refrain from discussing the issue or otherwise appearing to influence the outcome with other Members. The objective is that the interested Member shall have abstained from discussion, voting, and any other aspect of influencing or participating in the decision-making process.

## D. IMPLICATIONS

A Member with potential conflicts of interest generally is not automatically barred from membership on the Committee, participation in activities, or service in an office of the Foundation.

As a general matter, the employer of a Member generally is not automatically barred from any financial transactions or business dealings with the Foundation. An interested Member must disclose the direct or indirect interest, abstain from all related discussions, actions to influence, and voting. In some cases, it may be necessary or desirable to bar a particular transaction with the employer of an interested Member to safeguard against an actual or perceived conflict and thereby protect the integrity of the Committee and the Foundation.

A Member may not in every case always be able to completely avoid the perception of a conflict of interest, undue influence, or unfair benefit. All Members must act prudently in every case to avoid actual conflicts of interest, undue influence, or unfair benefit, and also to make every reasonable effort to avoid a perception thereof. To accomplish this, Members will exercise good judgment, and act reasonably and prudently. Further, Members will provide timely, full and complete disclosure of actual or potential conflicts, abstain from discussion, influencing activities and voting, and provide adequate supporting documentation as necessary.

## E. GIFTS AND HONORARIA

While acting in the capacity of a Committee Member, Members shall neither solicit nor accept, for their personal, professional or business gain, gifts, gratuities, honoraria, entertainment, favors or other goods (other than promotional items with no material resale value and payment for reasonable food and drink expenses in the ordinary course of business) or services from current or prospective vendors of, or providers of services to, the Foundation in connection with the Nicholson Gateway Project. The acceptance by a Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service shall be disclosed in the same manner as provided for in the disclosure of conflicts of interest, and the acceptance by a Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service whose fair market value exceeds \$200 shall contravene this Policy.

Nothing contained in this Conflicts of Interest Policy shall prohibit Members in their personal or professional capacity, or their employers, from having relationships with the same organizations or persons who are current or prospective vendors of, or providers of services to, the Foundation, *provided that such relationships are disclosed and appropriate action is taken* in accordance with the terms of this policy. In such instances, the Members shall take all prudent and reasonable measures to maintain their independence and distinguish actions and decisions made personally, professionally, or commercially from the relationship or position in the Foundation of the Member.

## **F. SELF-DEALING TRANSACTIONS**

Members and their employers (other than LSU) shall be prohibited from entering into financial transactions or business dealings with the Foundation in connection with the Nicholson Gateway Project. Members and their employers (other than LSU) shall likewise be prohibited from entering into financial transactions or business dealings with the Project Manager and the Master Developer.

Each Member agrees not to disclose confidential information gained by reason of his or her official position or otherwise utilize such information for either his or her personal gain or benefit or the gain or benefit of his employer.

## **G. LAWS, RULES, REGULATIONS, AND POLICIES**

Committee Members shall adhere to all applicable laws, rules and regulations, including but not limited to applicable LSU and Foundation policies and procedures (collectively, "Requirements of Law"). The failure to adhere to any of such Requirements of Law, rules, regulations, and policies may be grounds for disciplinary action, including, without limitation, with respect to the Foundation staff, termination of employment.

## **H. IMPLEMENTATION**

The Chairman of the Committee shall be responsible for implementation of this Conflicts of Interest Policy. Procedures for maintaining adherence to this Conflicts of Interest Policy consist of two-steps. First, procedural or substantive questions regarding any conflict of interest or potential conflict of interest, as well as questions concerning implementation of this Conflicts of Interest Policy, shall be referred to legal counsel for review and recommendation to the Board of Directors of the Foundation. The final step in this procedure begins with a referral from legal counsel of a recommendation and shall be completed by action by the Board of Directors of the Foundation, as it may deem appropriate.

## **I. CONFIDENTIALITY**

The Committee has been established as a special committee of the Foundation. As a special committee of the Foundation, all books and records of the Committee shall be deemed private.

All information gained by reason of a Member's participation in Committee meetings and related activities, including without limitation access to books and records of the Committee and the Foundation, shall be deemed confidential and such information may not be utilized for a Member's personal gain or benefit. Moreover, since, in the course of conducting the Committee's business Members may be exposed to sensitive or confidential information, it is absolutely imperative that Members neither copy nor discuss nor otherwise disseminate any such

confidential or sensitive information with any person, either inside or outside of the Committee, unless such discussion is essential to the conduct of Committee's business.

VOLUME 3: STUDENT HOUSING  
MARKET AND FINANCIAL ANALYSIS

# NICHOLSON GATEWAY

Louisiana State University  
December 2012

 BRAILSFORD & DUNLAVEY

In association with:  
AECOM

## **PREFACE & PROJECT INTRODUCTION**

In May 2012, Louisiana State University (“LSU” or the “University”) engaged Brailsford & Dunlavey (“B&D”) along with AECOM (collectively known as the “Project Team”) to prepare a campus edge development analysis (“Project”) for the University’s historically underutilized Nicholson Gateway. The goal of the development initiative was to outline an implementable, long-term strategic plan to transform the western edge of campus through mixed-use offerings for students, LSU workforce, and the town of Baton Rouge. B&D’s scope of work for the Project was to look exclusively at student housing opportunities within the Nicholson Gateway development.

This appendix provides a summary of the findings of B&D’s student housing analysis and is intended to serve as a foundation for decision making as the University continues to implement its strategic plan in the Nicholson Corridor.

### UNIVERSITY BACKGROUND

As indicated on the University’s website, the mission of LSU is to be a leading research-extensive university, challenging undergraduate and graduate students to achieve the highest levels of intellectual and personal development. Founded in 1853, the mission of Louisiana State University is the generation, preservation, dissemination, and application of knowledge and cultivation of the arts.

As the Flagship institution of the state, LSU is committed to implementing its mission by:

- Offering a broad array of undergraduate degree programs and extensive graduate research opportunities designed to attract and educate highly qualified undergraduate and graduate students;
- Employing faculty who are excellent teacher-scholars, nationally competitive in research and creative activities, and who contribute to a world-class knowledge base that is transferable to educational, professional, cultural, and economic enterprises; and
- Using its extensive resources to solve economic, environmental, and social challenges.

Today, LSU is the largest institution of higher education in the state of Louisiana. In 2011, the University enrolled nearly 24,000 undergraduate students and over 5,000 graduate students in 14 schools and colleges. Several of LSU’s graduate schools, such as the E.J. Ourso College of Business and the Paul M. Hebert Law Center, have received national recognition in their respective fields of study. Designated as a land-grant, sea-grant and space-grant institution, LSU is also noted for its extensive research facilities, operating approximately 800 sponsored research projects funded by various national agencies.

### CAMPUS HISTORY

The LSU campus is located a few miles south of downtown Baton Rouge. A majority of the University’s 250 buildings, most of which were built between 1925 and 1940, occupy a 650-acre plateau on the banks of the Mississippi River and exhibit the University’s distinctive architecture style, characterized by Saint Joe’s brick, red-tiled rooftops, and porticoes intended to emulate the architecture of Italian Renaissance. The campus is well known for the 1,200 live oak trees that dot campus, many of which were planted during the 1930s. In total,

fifty-seven buildings on the LSU campus are listed on the National Register of Historic Places. Students have a variety of on-campus housing options spread out over nineteen residence halls and four apartment facilities.

### PROJECT OBJECTIVES

Louisiana State University has prioritized the redevelopment of the Nicholson Gateway corridor to enhance the western edge of campus and create another gateway to campus. Through conversations with University leaders and project stakeholders, the Project Team has identified the following strategic objectives for the Project:

- The University should drive the development process.
- The development plans should have a degree of flexibility with the University's mission in mind.
- The Project should be financially beneficial for the University, specifically for Athletics, Residential Life, and other participating parties.
- Safety in the Nicholson corridor, and the perception of safety, should be improved with the Project.
- The Project should provide a campus border to delineate between the University and the surrounding community. The border should have iconic signage to indicate that the University is being approached. Simultaneously, the Project should provide a campus gateway that encourages the local community to engage positively with the University campus.
- The Project should provide space relief and alleviation from current constraints at the core of campus.
- The Project should be a recruitment tool for University students, faculty, and staff.
- The planning effort for the Project should deliberately identify the need for open areas and green spaces.
- The Project plan should address Residential Life's needs for future expansion to meet growing enrollment and strategic initiatives for on-campus housing retention.

Along with AECOM's assistance and cooperation from key project stakeholders, B&D addressed the following components of this development analysis to ensure that Project objectives were being met:

- *Project Initiation:* A strategic visioning session was conducted to support the Project by understanding the University's culture, mission, and vision as related to the Project and other objectives for the future development of campus.
- *Market Research:* Primary and secondary research to analyze market conditions was performed, including analysis of local off-campus offerings, regional and national benchmarking, student focus group sessions, and a web-based survey instrument.
- *Program Definition:* B&D utilized its proprietary Demand Based Programming ("DBP") model to provide quantitative information about demand patterns and student preferences. The DBP process translated demand into programmable spaces for the respective project components. A recommended development program was analyzed to achieve supply and demand reconciliation.
- *Financial Analysis & Phasing Strategy:* B&D developed a financial model that analyzed the operating requirements of the various project components. The financial model allowed B&D to test different development phasing concepts and deal structures.

## ACKNOWLEDGEMENTS

This appendix documents B&D's findings related to student housing development opportunities within the Nicholson Gateway. The findings contained herein represent B&D's professional opinions based upon assumptions and conditions detailed in this report. B&D conducted research using both primary and secondary information sources that are deemed to be reliable, but whose accuracy cannot be guaranteed.

Throughout the project, Steve Waller, Director of the Department of Residential Life, was B&D's primary contact and facilitated communication and coordination with University administrators and students. B&D would like to acknowledge his support and thank him for his efforts.

Brailsford & Dunlavey would also like to acknowledge the support, cooperation and effort of the University community who contributed to the completion of this analysis, with special recognition to the following members of the Working Group:

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- Cody Wells, Student Government

This appendix and accompanying analysis for student housing was produced by the following individuals from Brailsford & Dunlavey:

- Peter Isaac, Senior Project Manager
- Wilson Jones, Project Analyst



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## NICHOLSON GATEWAY DEVELOPMENT SUMMARY

### SUMMARY OF FINDINGS

The University currently captures nearly 70% of first-year students in on-campus housing at LSU. However, on-campus housing only accommodates 11% of sophomores, 5.5% of juniors, and 3.5% of seniors, which represents significant attrition in on-campus housing between freshman year and the following years. In addition to undergraduate housing, LSU offers a fairly robust and affordable graduate program, with more than 500 beds that are priced below market value and that are dedicated to graduate students.

The market research and B&D's proprietary Demand-Based Programming model indicate that demand exists for additional on-campus housing for upper-division students. However, the addition of upper-division beds at Nicholson Gateway would require the demolition of the affordable housing offerings for graduate students, and thus would be inconsistent with LSU's vision. The following chart describes the potential capture rate by class for new housing in Nicholson Gateway.

Class	Enrollment	Current Capture Rate	Potential Capture Rate	Maximum Potential Demand
Freshmen	5,182	78.0%	78.0%	4,042
Sophomores	3,976	11.0%	30.7%	1,222
Juniors	4,621	5.5%	21.5%	994
Seniors	5,928	3.5%	20.2%	1,199
Graduates	3,117	18.0%	12.4%	387
<b>Gross Demand</b>	<b>22,824</b>	<b>24.1%</b>	<b>34.4%</b>	<b>7,844</b>
<b>Current LSU Supply</b>				<b>6,086</b>
<b>Surplus / (Deficit)</b>				<b>(1,758)</b>

B&D has worked to provide housing recommendations that meet LSU's demand trends and strategic objectives, given the University's desire to increase graduate recruitment efforts, to enhance or replace the aging Nicholson Apartments, and to produce additional income for LSU initiatives. The housing recommendations outlined in this appendix are feasible from a demand standpoint, and if the assumptions about construction cost are followed, these projects could provide additional revenue to support the University's or the Project's other initiatives. The Plan outlined in this appendix includes:

- The demolition of the existing Nicholson Apartments on the west side of Nicholson Drive,
- The development of 892 apartment beds on the west side of Nicholson Drive,
- The development of 415 suite-style beds on the east side of Nicholson Drive, and
- The development of 188 apartment beds on the west side of Nicholson Drive as part of a mixed-use development.

The recommendation to develop net additional beds on campus requires the University to re-assign some of the existing student beds:

- Approximately 380 beds in West Campus Apartments and East Campus Apartments, which currently accommodate juniors and seniors, would be re-assigned to sophomores, allowing juniors and seniors to move to the perimeter of campus.
- Most of the graduate housing that would be demolished in this plan would be redeveloped as part of the Project. The Plan includes the redevelopment of 340 beds for graduate students. Depending on the eventual decisions made by the University regarding phasing and funding, B&D believes that there is an opportunity to subsidize a portion of the rental rates for graduate students to ensure that these properties can serve as effective recruitment tools for a growing graduate population.
- Family-style housing that would be demolished in this plan would be redeveloped on another part of campus (family housing was outside the scope of the Project).

Class	New Beds Demanded	Bed Type	Recommended Development Zone	Recommended Number of Beds
Sophomores	430	Suites	Zone B	415
Sophomores	380	Apartments	East Campus Apartments & West Campus Apartments	380
<b>Sophomores</b>	<b>810</b>			<b>795</b>
Juniors & Seniors	325	Apartments	Zone D1	286
Juniors & Seniors			Zone E	91
Juniors & Seniors	380	Apartments	Zone C	339
<b>Juniors &amp; Seniors</b>	<b>705</b>			<b>716</b>
Graduates	250	Apartments	Zone D2	247
Graduates	90	Apartments	Zone E	97
<b>Graduates</b>	<b>340</b>			<b>344</b>

FINANCIAL ANALYSIS & IMPLEMENTATION

B&D recommends that LSU is the “Master Developer” for the entire Nicholson Gateway development. The Master Developer model allows the University to balance risk and control while it is involved in the continued planning and implementation of the campus edge development. As the Master Developer, the University would syndicate individual parcels of land (or in this case individual Zones) within the Project for either self development or third party participation, depending on the needs and demands of the individual zone. By ground leasing individual parcels of land to third party partners, the University can maintain approval authority over final development concepts, details, and the project execution process. As the Master Developer, the University could also maintain authority over the schedule and the overall development concept for the entire Nicholson Gateway Project.

The risk associated with the Master Developer approach is that the economics of the individual projects are not always sufficient to attract a third party partner. However, the housing market research indicates strong housing demand, and B&D believes that the demonstrated demand surplus will be attractive for potential qualified development partners. B&D believes that the opportunity for development in LSU’s market will afford the University with the opportunity to drive conversations with its Foundation and with the private housing development community (both local and national) to determine the best output to meet the University’s and the Project’s needs.

- B&D recommends that LSU considers self-developing Zone B.
- B&D recommends that LSU considers syndicating development Zones C and D to a third-party partner through a ground lease structure. The University will maximize its leverage in negotiations and will allow its development partners to realize economies of scale if Zone C and Zone D are awarded as a package rather than developed as individual parcels.
- B&D recommends that housing in Zone E is included as part of the mixed-use development effort. As such, it is likely that the student housing from Zone E will be developed by a different partner than the organization that develops Zone C and D.

## STUDENT HOUSING MARKET ANALYSIS

Brailsford & Dunlavey conducted in-depth market research to understand local market conditions and compare them to regional and national trends in higher education and the development industry. The market research component of this analysis included an on- and off-campus housing student housing analysis, a peer institution benchmarking comparison, and an understanding of student preferences through focus group sessions and a web-based survey instrument.

### ON-CAMPUS HOUSING OFFERINGS

Louisiana State University currently offers 6,086 on-campus beds for undergraduate and graduate students. The beds are offered in the following configurations:

- 3,042 traditional-style beds with shared rooms
- 766 suite-style beds with shared rooms
- 412 suite-style beds with private rooms
- 130 efficiency and one-bedroom apartment units
- 444 two-bedroom apartment beds with private rooms
- 381 three-bedroom apartment beds with private rooms
- 912 four-bedroom apartment beds with private rooms

The total on-campus housing inventory listed above is spread out between nineteen residence halls and four apartment facilities. Residential Life has converted some of the residence halls into eight living learning communities, six of which are discipline specific and two of which are interdisciplinary.

The University currently captures approximately 70% of first-year students in on-campus housing at LSU. Nearly all of the 3,042 traditional-style beds are filled by freshmen, with suites accommodating the remaining first-year students living on campus.

On-campus housing retention decreases from freshman to sophomore year, with only 11% of full-time sophomore students continuing to live on campus. This attrition rate presents both a challenge and an opportunity for LSU's Residence Life program. The University has tried to address this population by creating a program called Sophomore Gold that is focused on improving the sophomore on-campus living experience, but the lack of available on-campus beds has hindered the University's ability to retain students in on-campus housing after their freshman year.

Junior and senior students primarily reside in East and West Campus Apartments, which offer three- and four-bedroom apartment configurations. The on-campus apartments offer private bedrooms, a living room, and a full kitchen in an attempt to compete with the student-focused, off-campus apartment market. Despite capturing less than 5% of full-time juniors and seniors, students indicated that they enjoy the existing on-campus apartment offerings. Students told B&D during focus groups that on-campus apartments offer proximity to campus that no off-campus property can match, and the focus group participants requested that any future development at Nicholson include student housing in an apartment configuration.

Graduate and family students are currently accommodated in the Nicholson Apartments and Edward Gay Apartments, which offer a total of 671 beds in one-, two-, and three-bedroom configurations. Both of these residential facilities are well occupied, but they are older facilities that are in need of renovation or replacement. The Nicholson Apartments are located on the west side of Nicholson Drive and are a key component of this redevelopment initiative. The University has repeatedly affirmed that it is committed to offering affordable on-campus housing options for graduate and family students.

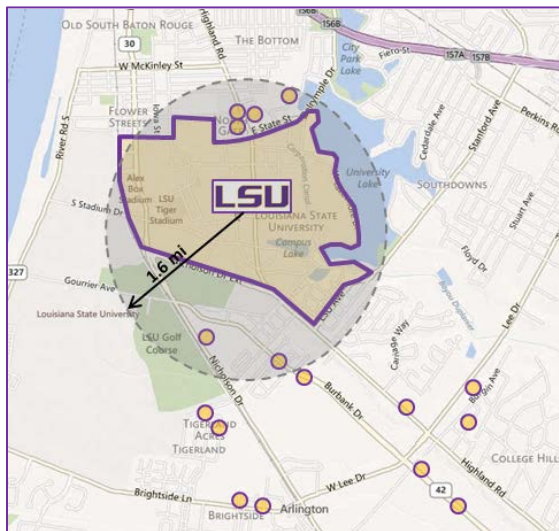
Overall, on-campus housing offerings at LSU are considered affordable when compared to its peer institutions. The average on-campus rate is approximately \$704 per month, which is a weighted average of the residence hall offerings (\$649 per month) and the on-campus apartment average (\$884 per month). Family and graduate housing is lower at \$689 per month. The following off-campus market analysis and peer benchmarking exercise will provide additional context for these on-campus housing rates.

OFF-CAMPUS MARKET ANALYSIS

The purpose of the off-campus market analysis was to identify the nature of the private rental housing market, allowing B&D to compare the off-campus and on-campus housing options available to LSU students. Through community tours, conversations with students, interviews with property managers, and general market research, B&D identified sixteen properties that were commonly regarded as student accommodations located in close proximity to the LSU campus. Specific criteria such as rental rates, unit types, associated property costs, and available amenities were analyzed to better understand why some students chose off-campus properties over on-campus housing options.

LOCATION

The properties analyzed by B&D were an average of 1.6 miles from the heart of campus, which equates to an average drive time of six to ten minutes. Several properties are located directly proximate to campus, including the Campus Crossings Highland Apartments, Campus Crossings Venue at Northgate, Tiger Manor, and the Northgate Apartments. The farthest property included in the analysis was only 3.0 miles from campus, demonstrating the availability of student housing near campus. The off-campus map highlights each property's proximity to campus.



### *RENTAL RATES*

An analysis of monthly rental rates for the off-campus market was conducted to calculate the average cost of living for students in the private market. The average monthly rent for a multiple occupancy apartment unit is approximately \$550 per month excluding utilities. Focus groups and intercept interviews with students living off campus revealed that students pay between \$90 and \$120 per month in utilities in addition to their rental costs. By combining average off-campus rental rates and estimated utility costs per month, B&D is able to estimate that the average LSU student living in a multiple-occupant unit in the off-campus rental market pays approximately \$655 per month in total rental costs.

As seen in most large markets, the average off-campus rental rate including project cost of utilities was less than LSU's current on-campus rates. The average off-campus living costs for apartment-style units are approximately 22% lower than comparable apartments on campus. While the off-campus market offers benefits such as increased privacy, in-unit kitchens, fewer regulations, and a sense of independent living at affordable prices, the on-campus housing offers proximity to campus resources and direct student community.

### *AMENITIES*

Students are accustomed to the amenities offered in the private market. Air conditioning, cable television, high-speed Internet / Wi-Fi, fitness centers, on-site parking, and swimming pools were found in most of the off-campus properties, and students enjoy the ability to choose their own roommates. Developers are responding to student preferences by offering more amenities and providing a better sense of a student community to LSU students. Campus Crossings' three properties – Brightside, Highland, and the Venues at Northgate – along with The Cottages of Baton Rouge and The Woodlands (opening fall 2012) offer the most amenities desired by students and were most effective at creating a sense of community for LSU students. In addition to swimming pools and clubhouse facilities offered by most of the off-campus properties, these five properties provide students with additional amenities such as volleyball courts, tanning booths, grilling areas, gaming rooms, and other community areas where students are able to interact.

### *OFF-CAMPUS HOUSING MARKET SUMMARY*

There are many housing alternatives available to LSU students who desire to live off campus. Properties consider students a key target market and advertise directly to them with competitive pricing, aggressive marketing campaigns, lease incentives, and desired amenities. B&D's analysis indicates that some students are willing to give up the proximity to campus resources and direct student community offered by on-campus housing for the additional amenities, increased privacy, and sense of community with fellow LSU roommates of their choosing found in the Baton Rouge off-campus market. While some upper-division students indicated a desire to live on campus during focus group sessions, the limited housing supply and more affordable apartments offered in the highly competitive off-campus market are able to draw sophomores, juniors, and seniors away from on-campus housing. Due to LSU's focus on housing freshman students and the large off-campus market supply, the University has accepted the off-campus market as supplemental housing for upper-division students; however, the University has an opportunity to accommodate a larger portion of sophomore students on campus if housing is seen as affordable and critical to the student experience. The University will need to focus on providing the desired unit-types and amenities at a competitive price point if it desires to improve its overall on-campus capture rate.

## PEER BENCHMARKING ANALYSIS

The peer institution analysis serves as a benchmarking tool to compare LSU's on-campus housing metrics to housing metrics at peer institutions across the region and country. An understanding of the University's competitive position amongst similar schools will provide context for future decisions regarding housing offerings and capacity on campus.

Through conversations with University administrators, B&D compiled the list of twelve comparable institutions. The following institutions were chosen for the benchmarking exercise and analysis:

1. Colorado State University
2. Iowa State University
3. Kansas State University
4. North Carolina State University
5. Purdue University
6. Texas A&M University
7. University of Georgia
8. University of Illinois at Urbana-Champaign
9. University of Maryland
10. University of Nebraska
11. University of Tennessee
12. Virginia Polytechnic Institute

Using resources and market research, B&D conducted a series of analyses to examine the housing capacity at LSU relative to regional and national peer institutions. B&D's analysis compares the trailing three-year tuition costs for in-state and out-of-state students at the comparable institutions, the enrollment size and on-campus housing capture rate for full-time undergraduate students, and the cost of living on campus relative to the other Southeastern Conference schools.

### *TUITION*

LSU ranked first in tuition affordability on an annual basis when compared to the twelve peer institutions selected for this benchmarking analysis. The average in-state tuition at LSU was 30% lower at LSU than at peer institutions, with out-of-state students paying nearly 27% less as well.

### *ENROLLMENT SIZE & UNDERGRADUATE ON-CAMPUS HOUSING CAPTURE RATE*

LSU's current enrollment of 28,536 students is approximately 9.4% less than enrollment levels seen at the twelve peer institutions. Undergraduate and graduate student enrollments are 7.9% and 16.4% lower, respectively, than the peer average. LSU currently offers approximately 5,500 on-campus beds for undergraduate, graduate, and family students. LSU accommodated approximately 24% of undergraduate students on campus during the 2011-12 academic year. By comparison, the peer institution group captured an average of 34% of undergraduate students in their on-campus housing offerings.



*ON-CAMPUS HOUSING COSTS*

B&D researched the cost of living on campus at all Southeastern Conference schools relative to the current housing rental rate structure at LSU. The SEC schools were chosen for this portion of the peer benchmarking analysis due to their regional proximity, similar campus size, and cross-applicant student base. The analysis compares rental rates for double- and single-occupancy units by unit type. Vanderbilt University was excluded when calculating the average rates because it offers significantly higher rates than those at the other eleven conference schools.

LSU’s on-campus housing costs are an average of 8.6% higher than the average SEC on-campus housing rates for each unit type. LSU’s traditional double-occupancy units, single suite-style units, and single-occupancy apartment units were anywhere from 13.7% to 16.4% higher than comparable housing at peer conference schools. B&D believes that LSU’s rates are appropriate given the recent upgrades to many on-campus facilities.

SEC On-Campus Housing Rates Institutions	Traditional		Suite		Apartment	
	Double	Single	Double	Single	Double	Single
Auburn University	\$454	\$591	\$526	\$653	-	\$707
Mississippi State University	\$384	\$448	\$555	\$767	-	-
University of Alabama	\$561	\$667	\$722	\$998	\$587	\$916
University of Arkansas	\$477	\$676	\$742	\$813	\$378	\$740
University of Florida	\$492	\$522	-	-	\$543	\$630
University of Georgia	\$502	\$579	\$586	\$667	-	\$719
University of Kentucky	\$501	\$739	\$670	\$991	-	-
University of Mississippi	\$450	\$617	-	\$636	-	-
University of South Carolina	\$460	-	\$545	\$744	-	\$661
University of Tennessee	\$545	\$833	-	-	\$561	\$728
Vanderbilt University	\$984	\$984	\$984	\$984	-	\$984
<b>Average</b>	<b>\$528</b>	<b>\$666</b>	<b>\$666</b>	<b>\$806</b>	<b>\$517</b>	<b>\$761</b>
<b>Louisiana State University</b>	<b>\$615</b>	<b>\$666</b>	<b>\$646</b>	<b>\$917</b>	<b>-</b>	<b>\$884</b>
<b>Variance</b>	<b>16.4%</b>	<b>0.0%</b>	<b>(3.1%)</b>	<b>13.7%</b>	<b>-</b>	<b>16.2%</b>

STUDENT FOCUS GROUPS

*FOCUS GROUP OBJECTIVES*

The purpose of the focus groups was to engage a variety of students in dynamic conversation about their experiences at LSU. The focus group discussions were intended to yield qualitative data, reveal hidden sensitivities, and raise issues not previously considered by the University, rather than provide rigid, statistically reliable responses from a demographically representative sample of the population. Throughout the process, B&D gained an enhanced understanding of student concerns and obtained pertinent information to be used as a guide in developing market-responsive concepts related to potential new student housing in the Nicholson Development Corridor.

*METHODOLOGY*

The focus groups were organized by the University and held in the Student Union. The interactive discussions were led by moderators from B&D whose role was to guide the conversations to address issues pertaining to varied aspects of current and future campus housing. The moderators introduced a series of questions, intentionally open ended in nature, to engage the participants in conversation. Participants in each session were very vocal, and the interaction with students proved informative and productive.

### *SUMMARY OF FINDINGS*

The focus groups were comprised of a variety of student participants representing on- and off-campus residents, multiple class levels, and a broad range of viewpoints and opinions. In general, LSU students had a positive perception of the on-campus living experience, especially during their freshman year, and students agreed that additional housing was needed on campus to accommodate student demand. The following sections highlight the key themes of the focus group discussions, including responses regarding preferred on-campus locations, student safety and traffic concerns, the “college experience,” on-campus housing, student housing preferences, the off-campus housing market, and existing graduate housing offerings.

### *PREFERRED ON-CAMPUS LOCATIONS*

Students said that the favorite spaces on campus were used for lounging, leisure, “hanging out,” picnics, tanning, flag football, socializing, studying, and athletics. Commonly mentioned “favorite places” on or near campus included the Quad, Tiger Stadium, the Parade Grounds, the Student Union, the Recreation Center, Mike’s Habitat, and the residence halls.

Most of the discussions centered on LSU’s campus and the oaks that give campus its identity. The group participants mentioned the need to preserve as much open space as possible when considering future development. There was a concern that too much development would create rows and rows of buildings, and participants stated that they wanted “pockets of openness.” Participants mentioned that LSU has a premier landscape architecture school that should be utilized for open space planning efforts.

### *STUDENT SAFETY & TRAFFIC CONCERNS*

Safety was frequently discussed between the focus group participants. Participants commonly mentioned the crime in the area immediately north of the North Gate. As a result, the desire to walk near the proposed Nicholson Gateway development was limited. Participants mentioned that more activity, better lighting, and the creation of a buffer between the development and the high-crime neighborhoods would be important as the Gateway was planned.

In addition to safety from crime, participants also mentioned safety from traffic. Traffic management and a pedestrian-friendly environment were critical components of the discussions. Students suggested that the following issues and ideas were taken into consideration by key decision makers when shaping the Nicholson Drive redevelopment plan:

- Walking across Nicholson and the railroad tracks should be a critical component of the planning effort.
- The plan should consider both “tunneling” under the railroad tracks and Nicholson and providing an overhead walkway to cross the areas.
- A redevelopment effort should create an area that is easy to control during big events on campus.
- Creating a “ring road” could improve traffic flow and serve as a perimeter for campus.
- Sustainability and green efforts such as a greenway or biking corridor should be considered and implemented.
- The plan should include a transportation hub that can introduce additional modes of transportation.
- The redevelopment should create a new entrance to the campus that is aesthetically pleasing and serve as a gateway to the western part of campus and Tiger Stadium.

- The plan should use the Gateway to link the isolated part of campus west of Nicholson with the rest of the campus.
- Slowing down traffic on Nicholson can help increase safety and reconnect a part of campus that is now isolated.

#### *THE “COLLEGE EXPERIENCE” & NICHOLSON*

The participants frequently discussed the “college experience,” and the desire to have the collegiate feel of a “college town.” Participants often referred to the college towns from other SEC schools such as Alabama, Arkansas, Mississippi State, and Ole Miss as successful models. When discussing the college town feeling, participants mentioned that the Gateway should include a mixed-use focus with parking, residential, and retail uses. These offerings would create another recruitment tool for the University in direct proximity to Tiger Stadium.

Focus group participants indicated that the Gateway should include the following components (in no particular order):

- Grocery store
- School / Office supply store
- Village concept with horseshoe pits, putting greens, and open space
- An urban feel
- Dry cleaning
- Fast food
- Casual / local restaurants
- Coffee shops
- Sports bars / somewhere to watch games
- Clothing stores (boutique)
- Clothing stores (LSU focus)
- Movie theatre
- Dry cleaner
- Car wash
- Electronics store
- Landscape / Plaza

The participants agreed that the Nicholson Gateway should provide a housing solution for both graduate and undergraduate housing. Location and proximity to campus are two of the biggest factors students said that they considered when selecting housing in the off-campus market. Consensus among participants was that an improved Nicholson Drive area would be preferred to most of the current off-campus apartment offerings due to its close proximity to campus and Tiger Stadium.

#### *ON-CAMPUS HOUSING*

Participants who lived on campus as freshmen agreed that the on-campus housing experience for first-year students is successful at LSU. Students mentioned that they made the majority of their friends during their first-year living experience, and most students said that they would love to live on or near campus as sophomores if

the right type of housing was made available to them. While LSU's current residential facilities are popular campus assets, upper-division students expressed the desire for increased apartment offerings for sophomores, juniors, and seniors who desire independent living on campus.

Several students mentioned that apartment-style units are not conducive for freshmen development and would like LSU to offer suites or super suites to students. These super suites could help increase participation in the University's pilot Sophomore Gold program, which is intended to provide additional programming to sophomore students through faculty talks, off-campus dinners, adventures, and other programming efforts. Participants mentioned that the Sophomore Gold experience could be enhanced with appropriate suite or super suite style unit types that provide increased privacy while still maintaining the sense of community found in the traditional residence halls.

Students mentioned the lack of new housing options for students as a recruitment challenge. Participants mentioned that some of the existing housing is old, offers few amenities, has cinder block walls, lacks a washer/dryer, and forces a shared bedroom, which are not attractive factors for students considering LSU or LSU housing. Participants agreed that providing preferred unit types and amenities could improve on-campus housing participation and retention.

#### *STUDENT HOUSING PREFERENCES*

Participants indicated interest in the following on-campus housing amenities to improve the student housing experience at LSU:

- Highly public, highly visible spaces to "see and be seen"
- Open spaces, possibly near the elevator, to create spontaneous interaction
- Convenience store / mini mart
- Increased study space
- Lounge/ recreation room / TV & media room
- Coffee shop
- Computer lab
- Outdoor community space – brick outdoor pavers / green space
- Twelve-month leases

#### *OFF-CAMPUS HOUSING MARKET*

Students frequently mentioned the off-campus housing market as viable housing for students. The local apartment market is highly competitive and markets directly to LSU students. These student-focused properties do an excellent job of providing amenities at an attractive price point.

The cottage-style developments that offer shuttle service to campus, private bedrooms, a clubhouse with amenities, and "the biggest pools in Baton Rouge" were a popular topic of conversation amongst all of the groups. However, with all of the amenities, students mentioned that living close to campus was important. Students said that they would be interested in a housing option that offers both proximity and amenities. The one factor that continually came up was the desire for private, single-occupancy bedrooms. Students stated that this was one of the top three factors they considered when deciding where to live while at LSU.

Although most students clearly stated that the off-campus market is more affordable than University-sponsored housing, focus group participants noted that there is a difference between the cost of off-campus housing and the perception of that cost. Students claiming that off-campus living was more affordable did not always factor in the approximately \$150 per month that they spend on utilities. Once utilities were factored in, students mentioned that the rental rates in the off-campus market were fairly similar to the on-campus rates. Participants in the group suggested increasing the marketing of an all-inclusive housing rate to reduce this common misperception.

*EXISTING GRADUATE STUDENT HOUSING*

Two of the focus group sessions included family and graduate students. Graduate students mentioned that they prefer a 12-month lease term due to on-going research projects and program requirements. The desire for private rooms was clearly expressed; however, international students indicated that they did not mind sharing bedrooms to reduce rent expenses.

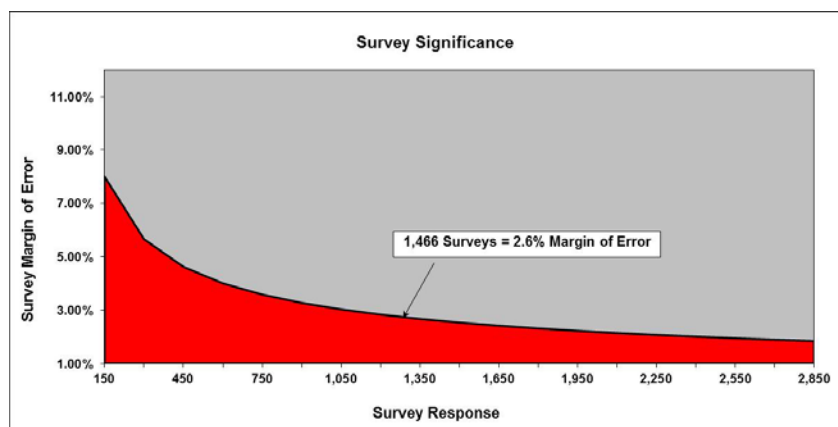
Many of the graduate students who lived in the existing Nicholson Apartments said that the entire area should be changed to create a more student-considerate environment. Safety is a primary concern, and a gated community, with good signage and good lighting, should be considered. Participants also felt that activity from restaurants, retail, and entertainment in the Gateway would make the area feel safer.

STUDENT SURVEY RESULTS

B&D conducted a web-based survey that tested the housing preferences of LSU students. Data collected through the survey formed the basis for the Project Team’s recommendations of the types and amount of housing demanded in the proposed Nicholson Gateway plan.

Survey questions were designed to assess current housing preferences and configurations, price sensitivities, unit type preferences, and other housing selection criteria. Response options were structured to maximize information regarding the projection of desirable facility characteristics and demand for campus housing options. Demographic questions allowed the responses to be sorted to identify discrepancies in demand results.

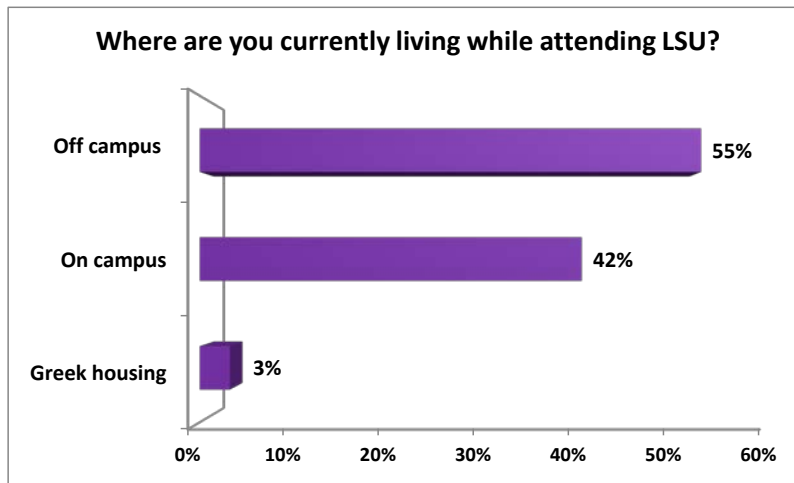
LSU students completed 1,466 electronic surveys. The response rate resulted in a 2.6% margin of error at a 95% confidence interval, which passes B&D’s statistical validity test. A copy of the student survey instrument, including response frequencies, is included in this document as an exhibit.



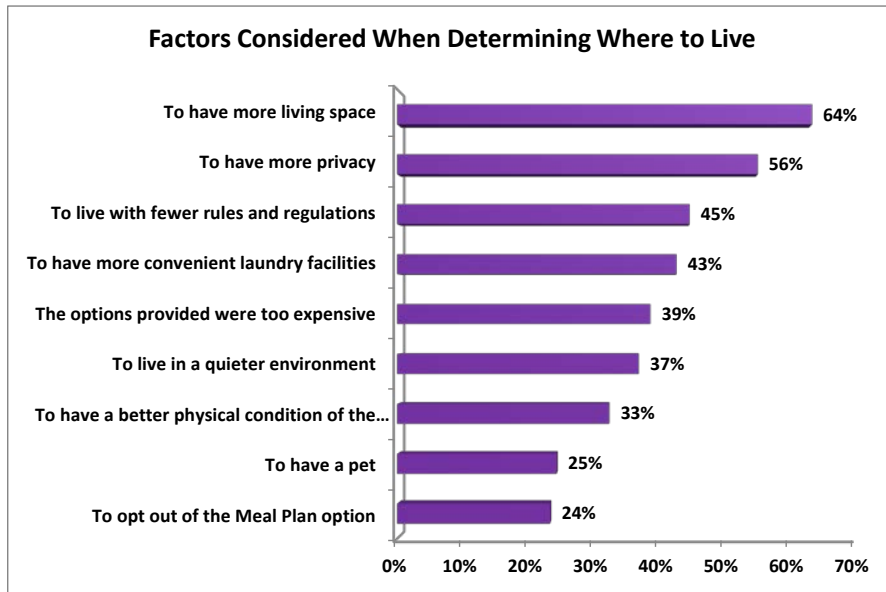
A total of 1,466 survey responses were received, with 1,276 respondents completing the entire assessment. In addition to the statistically-valid survey response, B&D found that the survey sample accurately represented the LSU population. Female respondents and full-time students were overrepresented by 11.0% and 5.7%, respectively, as compared to LSU’s actual student demographics. Overrepresentation by these two sub-groups is typically seen by B&D and is adjusted for in the Demand Based Programming analysis detailed in the Program Definition section of this document.

DEMOGRAPHIC CATEGORY	SURVEY			DEMOGRAPHICS			SURVEY % - DEMO. %
	COUNT	TOTAL	%	COUNT	TOTAL	%	
<b>Gender</b>							
Male	552	1,454	38.0%	12,595	25,698	49.0%	(11.0%)
Female	902	1,454	62.0%	13,103	25,698	51.0%	11.0%
<b>Race / Ethnicity</b>							
White	875	1,276	68.6%	19,338	25,698	75.3%	(6.7%)
Black or African American	106	1,276	8.3%	2,593	25,698	10.1%	(1.8%)
Asian	120	1,276	9.4%	1,554	25,698	6.0%	3.4%
American Indian or Alaskan Native	3	1,276	0.2%	95	25,698	0.4%	(0.1%)
Hispanic	51	1,276	4.0%	1,204	25,698	4.7%	(0.7%)
Multi-Racial	25	1,276	2.0%	397	25,698	1.5%	0.4%
Native Hawaiian or Other Pacific Islander	3	1,276	0.2%	13	25,698	0.1%	0.2%
Did not respond	93	1,276	7.3%	504	25,698	2.0%	5.3%
<b>Classification</b>							
Freshman	292	1,458	20.0%	5,318	25,698	20.7%	(0.7%)
Sophomore	304	1,458	20.9%	4,170	25,698	16.2%	4.6%
Junior	218	1,458	15.0%	4,936	25,698	19.2%	(4.3%)
Senior	275	1,458	18.9%	7,192	25,698	28.0%	(9.1%)
Graduate / Professional	369	1,458	25.3%	4,082	25,698	15.9%	9.4%
<b>Enrollment Status</b>							
Full-time	1,385	1,466	94.5%	22,824	25,698	88.8%	5.7%
Part-time	81	1,466	5.5%	2,874	25,698	11.2%	(5.7%)

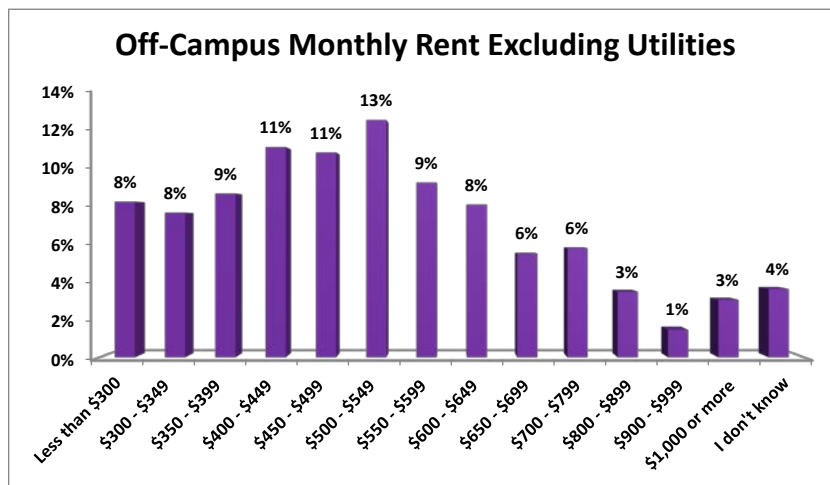
Student survey results indicate that 53% of respondents currently live off campus, while 42% of students currently live on campus, and the remaining 3% of respondents live in Greek housing. The 45% of survey respondents who either live on campus or in Greek Village is higher than the 25% of full-time students actually living on campus, indicating that a high percentage of on-campus students took the survey.



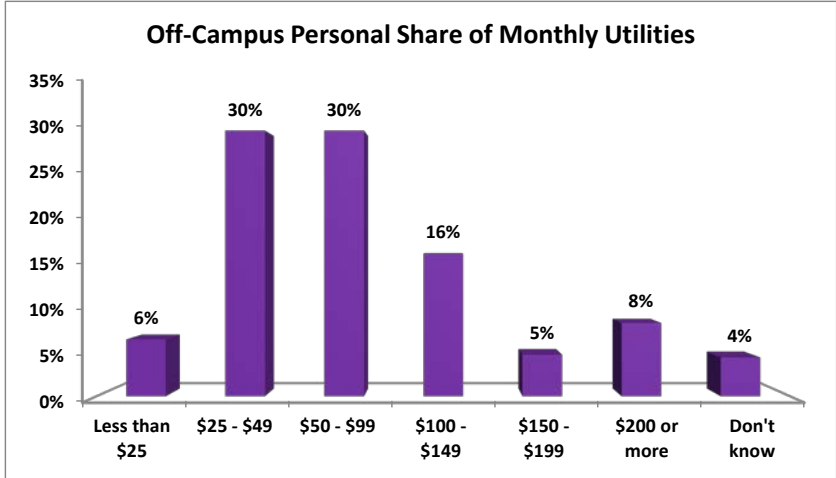
Sixty-four percent (64%) of all survey respondents indicated that having more living space was an important factor considered when determining where to live. Increased privacy, fewer rules and regulations, convenient laundry facilities, and the total cost of living were also important factors students use to determine future living conditions. While most of these factors are consistent with what B&D typically finds at other campuses, the cost of the units was less prioritized at LSU than at other campuses. Typically, price is one of the leading factors that are considered by students when determining where to live.



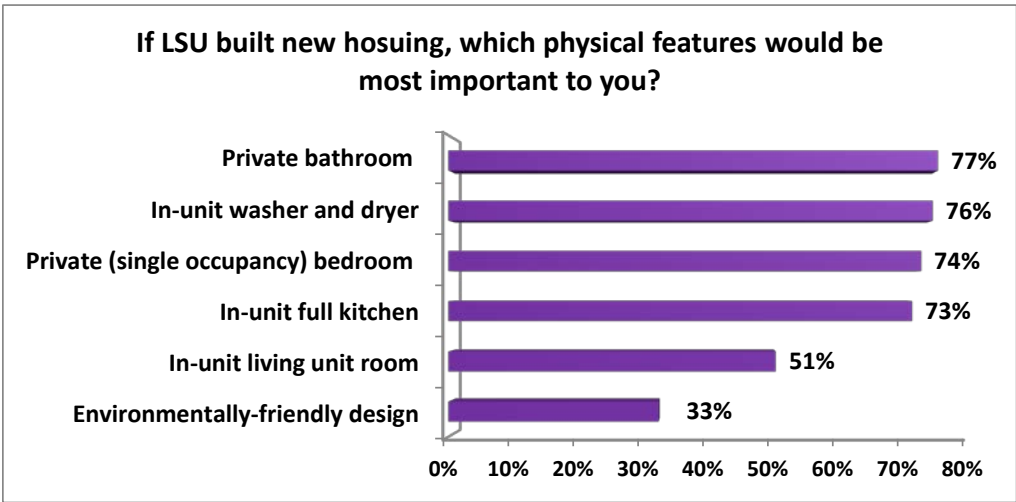
The survey asked students how much they pay in monthly rent to gauge the cost of living in the Baton Rouge apartment and private housing market. Approximately 60% of the population spends less than \$550 per month on rent.



The survey also asked how much students pay in monthly utility costs. Approximately two-thirds (66%) of survey respondents indicated paying less than \$100 per month in utilities.



Students were asked which features would be the most important for the University to consider if building new housing. Private bathrooms, in-unit washer and dryer, private (single occupancy) bedrooms, in-unit kitchens, in-unit living room, and environmentally-friendly design are the most desired features according to LSU students. Other notable features include on-site parking and convenient location. These preferences are similar to the reasons students gave when asked why they chose to move off campus.



Overall, the survey results indicate that some sophomore, junior, and senior students at LSU would live in on-campus housing provided their living preferences were met at price points that compete with current off-campus apartment offerings. Price tolerance and demand for the specific units tested in the student survey are analyzed in the following Program Definition section.



## PROGRAM DEFINITION

### DEMAND BASED PROGRAMMING OBJECTIVES & METHODOLOGY

B&D developed a housing demand model to project the specific quantity of demand for the unit types tested in the student survey. The Demand Based Programming (“DBP”) model projects demand under the assumption that housing offerings match the characteristics of the units presented to respondents in the survey. The model derives the demand figures based on responses from the survey as well as enrollment numbers provided by the University. These figures may be reanalyzed in the future, if necessary, to reflect deviations in the projected enrollment.

### CAPTURE RATES

The DBP model allowed B&D to project housing demand for each class level. Capture rates reflect the percentages of students in the target market who indicated their intention to live in the proposed units. For example, the number of freshmen included in the target market and interested in living in the proposed units divided by the freshman sample size results in the capture rate for the current academic year. These capture rates are then applied to the full-time enrollment figures for each class, which generates the total projected demand. Finally, the projected demand is multiplied by weight factors to ensure a demographic balance between the survey respondents and the entire target market population.

### TARGET MARKET / DEMAND FILTERS

B&D tested the demand for location, price points, and unit types for on-campus housing at LSU. To ensure accuracy in demand projections, B&D filtered the demand to only include students who would be viable tenants in any new student housing projects built as a part of the Nicholson Corridor redevelopment. In order to be considered for the target market, students had to meet all of the following conditions:

- Full-time undergraduate and graduate students
- Age 18-29
- Single without children
- Currently living on campus OR currently living off campus and paying \$400+ per month in rent

Additionally, B&D used a concept called “Occupancy Coverage Ratio” or “OCR” to ensure accurate demand projections. OCR measures the market risk of a given unit type. A 1.00:1.00 ratio means that 100% occupancy can be achieved but that new competition or a modest decrease in enrollment will likely lead to immediate vacancy problems. Higher occupancy ratios are associated with stable occupancy performance; however, occupancy ratios that are too high mean that there are significant housing shortages, which could deter students from enrolling or persisting at the University. The following table demonstrates the baseline OCR assumptions.

Housing Type	Minimum	Conservative	Detrimental
Traditional	1.05:1	1.15:1	1.25:1
Suite	1.10:1	1.20:1	1.35:1
Super-Suite	1.15:1	1.20:1	1.35:1
Apartment	1.15:1	1.30:1	1.50:1

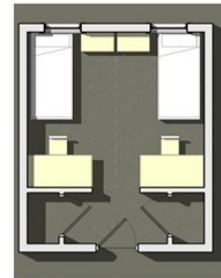
The OCRs that were selected for this analysis allow for conservative demand projections due to the strength of LSU’s off-campus market.

TESTED UNITS & PRICE POINTS

B&D provided a detailed description of the proposed units and rental rates (expressed in 2011-12 dollars) in the student survey. The following units were included:

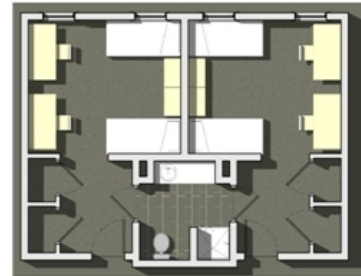
- Traditional Unit Type – One furnished bedroom with a centrally located bathroom outside the room. No common area or kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Traditional	Shared Bedroom (double occupancy)	\$752	\$3,384



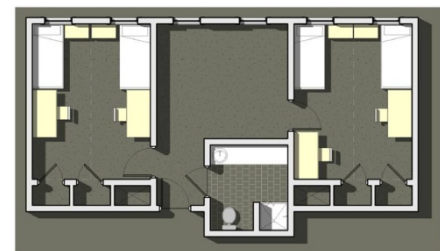
- Suite Unit Type – Two furnished bedrooms connected by a shared bathroom in the unit. No common area or kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Suite	Private Bedroom (single occupancy)	\$752	\$3,384
Suite	Shared Bedroom (double occupancy)	\$712	\$3,205



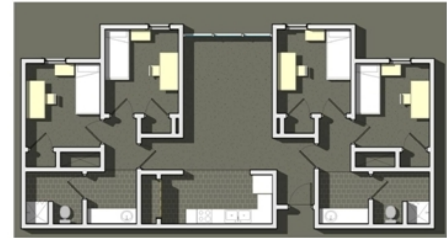
- Super-Suite Unit Type – Two furnished bedrooms with a shared bathroom and living room in the unit. No kitchen is provided.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Super Suite	Private Bedroom (single occupancy)	\$792	\$3,564



- Apartment Unit Type – single occupancy (private) bedrooms with a full kitchen, bathroom(s) and living room in the unit.

Unit Type	Occupancy	Monthly Rate	Semester Rate
Efficiency	Private Bedroom (single occupancy)	\$928	\$4,178
One Bedroom / One Bathroom	Private Bedroom (single occupancy)	\$969	\$4,360
Two Bedroom / One Bathroom	Private Bedroom (single occupancy)	\$888	\$3,995
Three Bedroom / Two Bathroom	Private Bedroom (single occupancy)	\$851	\$3,830
Four Bedroom / Two Bathroom	Private Bedroom (single occupancy)	\$828	\$3,725



DEMAND PROJECTIONS

As previously mentioned, the demand shown herein represents the survey results extrapolated over the University’s Fall 2011 enrollment figures and discounted by both the selected OCR filters and the target market filters. The results indicate demand for approximately 7,850 on-campus beds to accommodate both undergraduate and graduate students. The demand distribution by class and maximum potential capture rates are displayed in the chart below. Based on the analysis, the largest opportunity to increase capture rate comes from sophomore, juniors, and seniors who desire on-campus housing accommodations.

Class	Enrollment	Current Capture Rate	Potential Capture Rate	Maximum Potential Demand
Freshmen	5,182	78.0%	78.0%	4,042
Sophomores	3,976	11.0%	30.7%	1,222
Juniors	4,621	5.5%	21.5%	994
Seniors	5,928	3.5%	20.2%	1,199
Graduates	3,117	18.0%	12.4%	387
<b>Gross Demand</b>	<b>22,824</b>	<b>24.1%</b>	<b>34.4%</b>	<b>7,844</b>
<b>Current LSU Supply</b>				<b>6,086</b>
<b>Surplus / (Deficit)</b>				<b>(1,758)</b>

As demonstrated in the previous chart, LSU has an opportunity to increase the capture rate for sophomore, junior, and senior students. However, the replacement of the Nicholson Apartments would require an increase in rental rates for graduate students relative to their current rates, which results in a slight decrease in graduate housing demand.

The DBP model projects demand distributed across the following unit types. Super-suites and apartments are the highest demanded unit type tested in the student survey, representing approximately two thirds of overall housing demand.

Unity Type	Projected Beds Demanded	% of Total Projected Demand
Traditional	913	12%
Suite	1,882	24%
Super-Suite	2,670	34%
Apartment	2,379	30%
<b>Total Projected Demand</b>	<b>7,844</b>	<b>100.0%</b>

### CONCEPT EXPLORATION

B&D reconciled supply and demand to explore how the development of new housing could be absorbed by the students. B&D's reconciliation, described below, takes into account the loss of graduate beds that will be realized with the demolition of Nicholson Apartments.

The supply and demand reconciliation for sophomore housing represented a demand surplus of 810 beds.

- There is a demand surplus of 430 suite-style beds for sophomores who desire to remain on campus in a community-oriented setting. B&D recommends the development of a new facility to accommodate this demand.
- There is a demand surplus of 380 apartment beds for sophomores who demand amenities such as kitchens and in-unit washer and dryers. B&D recommends utilizing existing beds in East Campus Apartments and West Campus Apartments to accommodate these students. The 380 junior and senior residents who will be displaced from ECA and WCA can be relocated to the new apartment housing west of Nicholson.

The supply and demand reconciliation for junior and senior housing represented a demand surplus of 705 students.

- Based on the current assignment policies, the supply and demand reconciliation for juniors and seniors is 325 apartments.
- Additionally, 380 of the juniors and seniors currently living in East Campus Apartments and West Campus Apartments would be replaced by sophomores, and thus would need to be accommodated in new housing.
- B&D recommends the development of new apartment beds to accommodate the 705 juniors and seniors who demand on-campus apartments.

Class	New Beds Demanded	Bed Type	Recommended Development Zone	Recommended Number of Beds
Sophomores	430	Suites	Zone B	415
Sophomores	380	Apartments	East Campus Apartments & West Campus Apartments	380
<b>Sophomores</b>	<b>810</b>			<b>795</b>
Juniors & Seniors	325	Apartments	Zone D1	286
Juniors & Seniors			Zone E	91
Juniors & Seniors	380	Apartments	Zone C	339
<b>Juniors &amp; Seniors</b>	<b>705</b>			<b>716</b>
Graduates	250	Apartments	Zone D2	247
Graduates	90	Apartments	Zone E	97
<b>Graduates</b>	<b>340</b>			<b>344</b>
<b>Totals</b>	<b>1,855</b>			<b>1,855</b>

The supply for graduate housing will decrease once Nicholson Apartments is demolished. Given the affordable price points offered at the Nicholson Apartments, the demolition of this residential facility will also have a decreasing effect on the demand for graduate housing. With affordable apartments being replaced by more expensive apartments as part of the Nicholson Gateway redevelopment, graduate demand actually is expected to decrease slightly. To meet LSU’s strategic initiatives, the University asked B&D to replace 340 beds of graduate housing as part of the Project. Since providing housing on campus for graduate students is a priority for the University, there is a chance that the rental rates for graduate beds will need to be subsidized to make them more affordable for graduate students.

B&D believes that demand from students for on-campus housing would be positively impacted by a change in the available on-campus supply. If LSU provides housing that attracts more students through new facilities, preferred amenities, and close proximity to campus, upper-division students are likely to remain on campus following freshman year. Strengthening the residence life program and increasing the number of student on campus will create an enhanced culture for on-campus housing.

Additionally, providing apartment units west of Nicholson for junior, senior, and graduate students will create a community of upper-division students in close proximity to the proposed retail offerings included in the redevelopment effort. Creating a town-center feel surrounding Nicholson Drive will transform this edge of campus and is likely to change students’ use of this historically underutilized area. The junior, senior, and graduate beds can all be developed in high-density units, and therefore can be interchanged to accommodate influxes in demand.

## FINANCIAL ANALYSIS & PHASING STRATEGY

### OBJECTIVES & METHODOLOGY

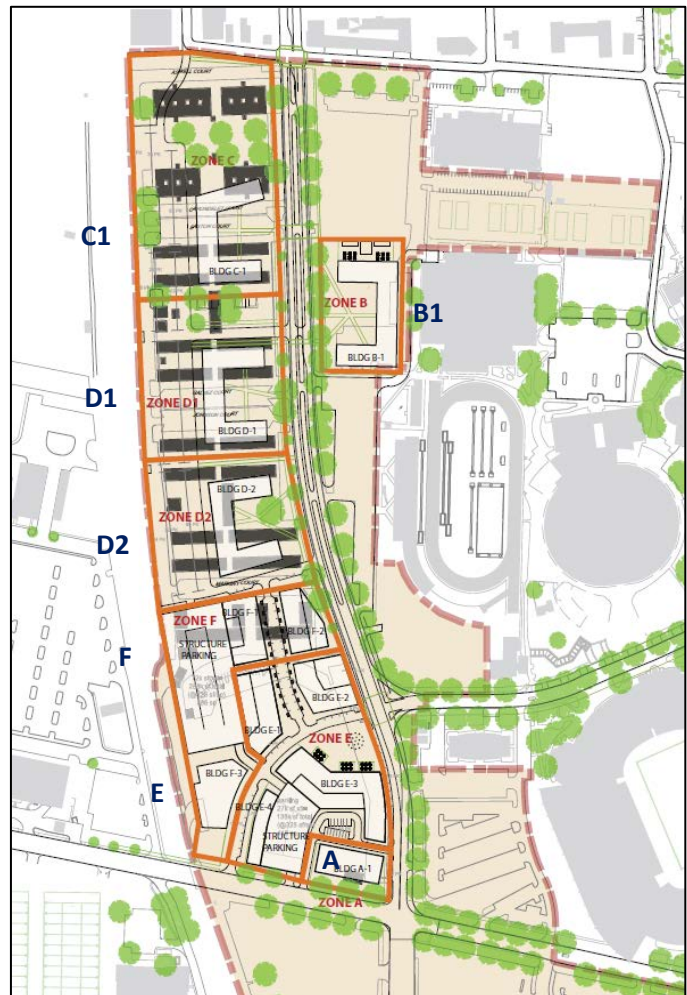
B&D developed an operating financial model that details the revenues, expenses, and affiliated debt with each of the proposed housing developments for the Nicholson Corridor detailed herein. To forecast the system's operating performance over a ten-year stabilized period, each model analyzes projected revenues and operating expenses (both personnel and non-personnel), capital cost assumptions, and potential excess cash flow that could be used to support other project components or University initiatives.

### UNIVERSITY RECOMMENDED PHASING STRATEGY

Per University recommendations, the following phasing strategy for student housing on Nicholson Drive and the accompanying parking was applied to this analysis:

- 2016: New housing in Zone E opens
- 2017: New housing in Zone D opens (both D1 and D2)
- 2018: New housing in Zone C opens
- 2018: New housing in Zone B opens (east of Nicholson)

As described in the subsequent paragraphs, this suggested phasing and implementation strategy could change based on LSU's approvals and financing process.



### HOUSING FINANCIAL MODEL ASSUMPTIONS

B&D was given capital cost assumptions by AECOM and the other members of the Project Team. Standard student housing practices and LSU's historical financial performance were analyzed to inform the following assumptions related to the operating financial models.

#### *REVENUES*

General assumptions for operating revenues for each housing model included the following:

- An average occupancy of 95% was projected for all buildings after the completion of new construction. This occupancy rate was supported by the Demand Based Programming from the student survey and historical student housing applicant figures.
- Rental rates were calculated on a per semester basis. For the purpose of the model, the semesters were 4.5 months.
- Rental rates were inflated at 3.5% annually. The University has been using a 4% average rate increase in recent years.
- Revenues, including rental rates, were inflated at 3.0% per year.

#### *EXPENSES*

Assumptions for housing operating expenses included the following:

- New construction will result in more efficient buildings that will take advantage of energy saving systems. The new housing developments are assumed to operate at \$8.00 per square foot (2012 dollars) and are adjusted annually for inflation.
- All expenses were inflated at 3.0% per year.
- Operating expenses were assumed to be the same for all student housing developments.

#### *CONSTRUCTION QUALITY*

General assumptions for construction quality for each housing development included the following:

- Construction costs were calculated based on the University recommended rate of \$150 per square foot. This rate was based off input from the Project Team as well as recent on-campus projects that met University architectural standards.
- Construction costs were slightly lower (approximately 7.5%) than the recommended \$150 per square foot when a developer-led process was modeled. The reduction in construction quality is required to ensure that the return on investment for developers is sufficient when compared to market standards.
- Site costs were based off the average rate for each development zone prepared by AECOM.
- Total project costs were calculated with a 1.25x or 1.30x project multiplier, depending on the development type and structure. The multiplier includes design fees; furniture, fixtures, and equipment; program management costs; and other soft costs.

**CAPITAL COSTS**

- No initial commitment is required from a self-developed facility.
- A developer-led process is modeled with a 25% upfront equity commitment from the developer. The developer receives a preferred return of 8% per annum on their initial commitment.
- Project costs were inflated at 3.0% on an annual basis, allowing the University to adequately budget for the scheduled projects.
- New debt associated with the proposed new construction projects assumed a 5.0% interest rate and 30-year term.

**ZONE B – SOPHOMORE HOUSING**

**REVENUE ASSUMPTIONS**

- The recommended 415 beds of suite-style housing to be developed east of Nicholson will help increase sophomore student retention and satisfy unmet demand from second-year students who desire to live on campus. Total project cost for the Zone B suite-style housing east of Nicholson totaled \$29.6MM. Per the University’s phasing strategy, this housing will come on line in Fall 2018 to serve sophomore students.

<b>Revenue Assumptions</b>	
Revenue Inflation Rate	103%
Occupancy	95.0%
Suite (Private) - Monthly	\$752
Suite (Shared) - Monthly	\$0
Suite (Private) - per Semester	\$3,384
Suite (Shared) - per Semester	\$0
Number of Suite (Private) Beds	415
Number of Suite (Shared) Beds	0
<b>Summer Rentals</b>	
Suite (Private) - Monthly	\$752
Suite (Shared) - Monthly	\$0
# of Months	0
Summer Occupancy	0%
<b>Other Revenue Assumptions</b>	
Damages as % of Rental Revenue:	0.50%
Annual Vending/Person (Occupied Bed):	\$50
Annual Parking Rental Rate	\$0
Other/Bed (All Beds):	\$0

**EXPENSE ASSUMPTIONS**

- The expenses for the Zone B development are projected at \$8.00 per square foot.



CAPITAL COST ASSUMPTIONS – UNIVERSITY

Capital Cost Assumptions	
Project Open Year	2018
Site Cost per SF	\$7.14
Hard Cost per SF (excluding site costs)	\$142.86
Total Hard Cost per SF	\$150.00
Total Hard Cost	\$19,372,759
Soft Cost Multiplier	0.30x
Total Soft Cost	\$5,811,828
Parking Cost	\$0
Total Project Cost	\$25,184,586
Inflation Allowance	3.0%
Project Cost at Project Year	\$29,630,539
Developer - Equity	\$0
Amount Financed	\$29,630,539
Debt Service Payment at Project Year	\$1,927,509

CAPITAL COST ASSUMPTIONS – DEVELOPER

Capital Cost Assumptions	
Project Open Year	2018
Site Cost per SF	\$7.14
Hard Cost per SF (excluding site costs)	\$131.86
Total Hard Cost per SF	\$139.00
Total Hard Cost	\$17,952,090
Soft Cost Multiplier	0.30x
Total Soft Cost	\$5,385,627
Parking Cost	\$0
Total Project Cost	\$23,337,717
Inflation Allowance	3.0%
Project Cost at Project Year	\$27,457,633
Developer - Equity	\$6,864,408
Amount Financed	\$20,593,225
Debt Service Payment at Project Year	\$1,339,619
Developer Fee	8.0%
Annual Fee Increase	3.0%

PROJECTED FINANCIAL OUTCOMES

B&D recommends that LSU considers a self-development option for the Zone B housing facility. A self-developed facility provides the University with both maximum design control and financial return. Since the Zone B development would be designed for sophomores, the facility could naturally be absorbed into the current housing system’s inventory and could be operated under the current paradigm. Given the proposed Zone B program, the facility would be appropriate for either freshman or sophomore students, and as such could serve as swing space if required by LSU in the future.

Since the Zone B development will not include kitchens, B&D highly recommends that this type of housing facility is built on the east side of Nicholson to provide proximity to existing housing and food service offered by LSU.

B&D suggests that a University-sponsored development with 100% financing will produce the greatest cash flow after debt service (“CFADS”) back to LSU. At a construction cost of \$150 per square foot, the University will receive the construction quality it desires and will receive the greatest financial return. If developed by LSU, the facility is projected to receive \$3,560,000 in cumulative cash flow after debt obligations have been paid by Year 10 of the project. This financial return is compared to a \$1,920,000 return that is projected if the University used a third part partner to develop the same property, as displayed in the CFADS chart.

<b>Cash Flow After Debt Service (CFADS)</b>		
<b>Development Scenario</b>	<b>University</b>	<b>Developer</b>
Construction Cost (PSF)	\$150	\$139
Year 1	\$60,000	\$0
Year 5	\$310,000	\$160,000
Year 10	\$670,000	\$400,000
<b>Cumulative (Year 10)</b>	<b>\$3,560,000</b>	<b>\$1,920,000</b>

In addition to the recommended development structure, B&D finds it important to note that the Zone B development will produce the greatest financial return to the University out of all housing developments associated with the Nicholson Gateway Project. The Zone B facility utilizes high-density development that capitalizes on reduced square-foot-per-bed ratios, and thus makes the development more profitable. The earlier the Zone B development is built, the faster LSU can utilize the positive cash flow to support other Project initiatives (such as graduate housing subsidy). The financial model is developed with the assumption that Zone B is opened in the fall of 2018, but B&D recommends that LSU continues to analyze this phasing strategy and considers shifting Zone B housing earlier into the development process.

ZONES C & D – JUNIOR AND SENIOR HOUSING

REVENUE ASSUMPTIONS

- The recommended apartment housing in Zone C and D constructed west of Nicholson would accommodate junior and senior students. The total project cost for the Zone C and Zone D apartment developments is approximately \$68.4MM. This development will serve nearly 900 students west of Nicholson by providing desired three and four-bedroom apartment units.

<b>Revenue Assumptions</b>	
Revenue Inflation Rate	103%
Occupancy	95.0%
Apt (3BR Private) - Monthly	\$851
Apt (4BR Private) - Monthly	\$828
Apt (3BR Private) - per Semester	\$3,830
Apt (4BR Private) - per Semester	\$3,726
Number of 3BR Apt (Private) Beds	411
Number of 4BR Apt (Private) Beds	461
	<b>872</b>
<u>Summer Rentals</u>	
Apt (3BR Private) - Monthly	\$851
Apt (4BR Private) - Monthly	\$828
# of Months	2
Summer Occupancy	15%
<u>Other Revenue Assumptions</u>	
Damages as % of Rental Revenue:	0.50%
Annual Vending/Person (Occupied Bed):	\$0
Annual Parking Rental Rate	\$165
Other/Bed (All Beds):	\$0

EXPENSE ASSUMPTIONS

- The expenses for the Zone C and D developments are projected at \$8.00 per square foot.

CAPITAL COST ASSUMPTIONS – UNIVERSITY

<b>Capital Cost Assumptions</b>	
Project Open Year	2017
Site Cost per SF	\$8.35
Hard Cost per SF (excluding site costs)	\$141.65
Total Hard Cost per SF	\$150.00
Total Hard Cost	\$47,890,933
Soft Cost Multiplier	0.25x
Total Soft Cost	\$11,972,733
Parking Cost (in site costs)	\$0
Total Project Cost	\$59,863,666
Inflation Allowance	3.0%
Project Cost at Project Year	\$68,380,272
Amount Fundraised / Other Funding	\$0
Amount Financed	\$68,380,272
Debt Service Payment at Project Year	\$4,448,235

*CAPITAL COST ASSUMPTIONS – DEVELOPER*

<b>Capital Cost Assumptions</b>	
Project Open Year	2017
Site Cost per SF	\$8.35
Hard Cost per SF (excluding site costs)	\$134.65
Total Hard Cost per SF	\$143.00
Total Hard Cost	\$45,656,023
Soft Cost Multiplier	0.25x
Total Soft Cost	\$11,414,006
Parking Cost (in site costs)	\$0
Total Project Cost	\$57,070,028
Inflation Allowance	3.0%
Project Cost at Project Year	\$65,189,192
Amount Fundraised / Other Funding	\$16,297,298
Amount Financed	\$48,891,894
Debt Service Payment at Project Year	\$3,180,488
Developer Fee	8.0%
Annual Fee Increase	3.0%

*PROJECTED FINANCIAL OUTCOMES*

B&D recommends that the University utilizes a development partnership with a third party to build the 872 beds of three- and four-bedroom apartments in Zone C and Zone D. Engaging a third party allows the University to accommodate additional students in campus housing and provides additional revenue for the Nicholson Project without utilizing the University's balance sheet. Since the Zone C and D housing is designed for juniors, seniors, and graduates, the student residents will be seeking a more independent living experience, and operations of the facility will not need to be closely tied to the residential program offered on campus.

The University should strive to establish design controls and design standards to be agreed upon by the third party partner. The standards should focus on the exterior design, and B&D recommends that the design should have the strictest parameters in areas that face Nicholson.

Using a self-developed option, the University would receive approximately \$9,550,000 cumulatively over ten years. In a third-party partnership structure, the University would likely receive \$4,900,000 over the same period.

Although a third-party partnership will reduce the University's opportunity to capture all of the CFADS due to the annual preferred equity payout to the development partner, this structure will reduce the University's upfront commitment and project risk. This process will also save University debt capacity for other campus initiatives.

Cash Flow After Debt Service (CFADS)		
Development Scenario	University	Developer
Construction Cost (PSF)	\$150	\$143
Year 1	\$270,000	\$20,000
Year 5	\$860,000	\$420,000
Year 10	\$1,700,000	\$1,000,000
<b>Cumulative (Year 10)</b>	<b>\$9,550,000</b>	<b>\$4,900,000</b>

In the phasing strategy, Zone D is developed first and Zone C is developed in a subsequent year. For the purpose of the model, Zone C and D are projected for development at the same time, both opening in 2017. B&D recommends that LSU is flexible to the third-party developer helping to drive the schedule for the development of Zone C and D. There might be a scenario where the third party achieves economies of scale if development on Zone C and Zone D occur simultaneously, and B&D recommends that the University is open to that scheduling option.

ZONE E – MIXED USE HOUSING

The project cost for the 180 beds proposed in Zone E totals approximately \$14,400,000. These beds will serve junior, senior, and graduate students who desire to be closer to the mixed-use area of development on the southern half of the Nicholson corridor. This housing will come on line in conjunction with the office, retail, and parking components proposed in Zone A, Zone E, and Zone F.

B&D recommends that the University utilizes a third-party development partner to build the 180 beds of three- and four-bedroom apartments in Zone E. The partner does not need to be a national student housing developer, but instead should be part of the mixed-use development team. In a ground lease format, B&D projects that the University will receive approximately \$1,000,000 cumulatively after ten years.

POTENTIAL DEAL STRUCTURES

Although there are a variety of deal structures available in the market, there are four deal structures that are most commonly used for a campus edge initiative such as the Nicholson Gateway development.

1. **Self Development:** LSU can choose to self-develop the Nicholson Gateway Corridor. In this scenario, LSU would be 100% responsible for achieving project financing, creating design aesthetics, determining construction quality, defining phasing and sequencing strategies, selecting a delivery method, and ultimately delivering the projects. Additionally, the University would receive 100% of the benefits from any financial profitability realized by each project.

While the University would have control and benefit across all project components, the University would also have 100% of the financial commitment required to implement these projects and 100% of the risk associated with those commitments. The commitment and risk associated with these types of developments usually prohibits institutions from choosing the Self Development option, because the institution’s debt capacity and credit rating are subject to exposure with developments of this size and scale. Most institutions choose to utilize credit ratings and debt capacity for projects that are more closely tied to the core of the institution’s mission.

2. **Developer Master:** On the opposite end of the spectrum from the Self Development option, the University can choose to outsource 100% of the development to a third party. In this scenario, the University would ground lease the entire development parcel to a third party for an annual ground rent fee to be negotiated. The third party would control 100% of the project decisions, including design, construction quality, tenant mix, and delivery method. The third party would also be responsible for attaining project financing. The University would have the ability to shape some of the project concepts and set some minimum project design standards; however, this extended level of control required by the University typically comes at a premium when negotiating ground lease agreements. The Developer Master scenario provides the lowest risk for the University because it is not as exposed to credit rating risk or debt capacity usage. However, this scenario provides the lowest control for the University regarding the design and implementation process and limits the University's upside financial potential once the project stabilizes.
3. **Master Partnership:** The Master Partnership structure requires the official formation of a development partnership between the institution and a third party. In this scenario, the institution and the third party partner each contribute equity toward the project and a partnership LLC is officially formed. In a Master Partnership, the institution and the third party share the design, construction, financing, and implementation responsibilities. The advantage of this structure to the University is that it reduces the development risk by sharing it with the third party developer. The disadvantage of this structure is that it reduces the University's long-term financial potential by sharing the long-term return with the third party developer.
4. **Master Developer:** The Master Developer model allows the University to balance risk and control while it is involved in the continued planning and implementation of the campus edge development. As the Master Developer, the University would syndicate individual parcels of land within a larger development zone for either self development or third party participation, depending on the needs and demands of the development zone. By ground leasing individual parcels of land to third party developers, the University typically maintains approval authority over final development concepts, details, and project execution process. In this scenario, the University also maintains authority over schedule and the overall development concept. As the Master Developer, the University would be responsible for securing any funds that may be available for infrastructure improvements, including funds from potential tax-increment financing projects.

While the role of Master Developer typically has a significant presence throughout the development process, the Master Developer is typically flexible as to the level of support - financially, physically, and strategically – required by the development partner(s) to successfully implement the project.

The risk associated with this project is that it can be difficult to make the individual projects work financially because third party partners typically expect a higher return for the exposure they assume by allowing the University to maintain control. However, third party partners' risk is reduced by strong demand, so markets with demonstrated demand surplus typically attract qualified partners. As the Master Developer, the University would reduce its financial contribution, would maintain control over the design and implementation of the project, and would realize long-term financial benefit from the project.

### RECOMMENDED STRUCTURE

The Project Team recommends that LSU considers the Master Developer deal structure for the Nicholson Gateway development. As the Master Developer, LSU would assume responsibility of improving infrastructure, landscape, and overall project concept and schedule. LSU would then syndicate individual development parcels to third party partners.

### *STUDENT HOUSING*

The project team envisions that LSU would syndicate development Zones C and D to a third-party partner through a ground lease structure. In this format, the project team believes that LSU has two primary options for consideration.

1. LSU can ground lease the land to a private, for-profit developer.
2. LSU could ground lease the land to its Foundation as a not-for-profit development partner.

Not all institutions have the luxury of using an affiliated foundation for their real estate needs. However, the project team has found that utilizing a foundation, when available and willing to help, can be a very beneficial and cost effective option for colleges and universities.

- Foundations have the ability to utilize tax-exempt debt structures, so the cost of borrowing money is typically cheaper for Foundations than private developers (typically up to 2% cheaper money).
- Foundations may, or may not, require a development fee from the University, but typically these fees are anywhere from 2% to 5% less than the fees that developers would charge.
- Foundations can hold the asset on their balance sheets with less stringent requirements than a private developer.
- Foundations can decide to hire a third-party management company or the University to manage the new housing, whereas a private developer typically requires that it manages its own properties.
- Foundations that do not possess in-house development capacities to manage the design and construction process can outsource the program management of this work to specialty firms such as Brailsford & Dunlavey. Program management firms are typically less expensive than the development fees charged by third-party developers.





# LSU Nicholson Gateway Project



## Appendix B: Market Assessment

AUGUST 2015

FINAL REPORT

# PREFACE & ACKNOWLEDGEMENTS

In the spring of 2015, the Property Foundation of Louisiana State University (“Property Foundation”), along with Louisiana State University (“LSU” or “University”) engaged the team of Brailsford & Dunlavey, Inc. (“B&D”) and CSRS, Inc. (“CSRS”) collectively referred to as the “Development Advisor” to prepare a study (“Study” or “Analysis”) that analyzed the opportunity for new on-campus housing located along Nicholson Drive (“Project” or “Nicholson Project”). The Development Advisor’s scope of work for this Analysis included strategic visioning, focus group interviews, off-campus market analysis, a web-based student survey, and a demand analysis.

The Development Advisor conducted research using both primary and secondary information sources that are deemed to be reliable, but whose accuracy cannot be guaranteed. The findings contained herein represent Development Advisor’s professional opinions based upon assumptions and conditions detailed in this report. However, the Development Advisor does not represent or warrant that the estimates and projections contained herein will be realized, as the actual performance will be influenced by market and other external factors.

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A. Student Survey Data

# I. EXECUTIVE SUMMARY

## PROJECT BACKGROUND

The Development Advisor was engaged by to conduct an assessment of housing demand. The Development Advisor completed the following tasks as a part of the Analysis:

- A **visioning session** was conducted to understand the Property Foundation and University's goals for the Project. The Development Advisor led a series of work sessions with Project stakeholders to develop a detailed understanding of the mission and targeted objectives that would best serve the University in future years. The resulting information was then synthesized to prioritize the strategic objectives that must be accomplished to achieve LSU's targeted future reality.
- A **series of focus group interviews** were conducted by the Development Advisor to engage students in dynamic conversations regarding their opinions, observations, and recommendations related to existing conditions and future opportunities for the Project.
- An **analysis of the off-campus market** was completed to understand the diversity and availability of housing accommodations proximate to LSU's campus. The off-campus analysis allowed the Development Advisor to understand risks and opportunities associated with future housing on LSU's campus.
- An **Internet-based survey** was administered to LSU students to better understand current satisfaction, participation, and needs related to on-campus housing, and to inform current and future latent demand for residential facilities provided at the University. More than 700 individuals participated in the survey, which resulted in a statistically significant sample of the University. The statistical strength of the survey results allowed for an in-depth analysis of sub-population preferences to occur within the overall respondent population.
- B&D's proprietary **demand-based programming** methodology was applied to the survey results to forecast demand by unit type, price point, and target market.
- A **supply and demand reconciliation** was conducted to evaluate the need for new or improved housing facilities. The demand results were then reconciled with the strategic objectives to develop recommendations for the amount of housing that should be considered for inclusion in the potential Nicholson Project.

## KEY FINDINGS

The off-campus market in Baton Rouge offers a surplus of student housing options, to the point where market saturation is starting to occur. Although off-campus housing properties are competing for occupancy, the Development Advisor believes that LSU can offer two unique competitive advantages: location and connectivity to LSU. As a result, and even despite changing market conditions, the Development Advisor believes that there is an opportunity for additional on-campus development along Nicholson Drive that targets Graduate and Undergraduate students.

The Development Advisor believes there is market support for the following additional housing at LSU:

- 890 Apartment-style beds for undergraduate students
  - 300 Beds in two-bedroom / one-bathroom units
  - 260 Beds in two-bedroom / two-bathroom units
  - 300 Beds in three-bedroom / three-bathroom units
  - 30 Beds in efficiency apartments for resident / graduate assistants
  
- 370 Apartment-style beds for graduate students
  - 100 Beds in efficiency apartments
  - 160 Beds in two-bedroom / one-bathroom units
  - 100 Beds in two-bedroom / two-bathroom units
  - 10 Beds in efficiency apartments for resident / graduate assistants

Given project coordination and scheduling, and in accordance with the planned additions and reductions of on-campus housing, the Development Advisor recommends that new housing could be provided in the Fall of 2018.

## II. DETAILED FINDINGS

### VISIONING / STRATEGIC OBJECTIVES

Property Foundation and University stakeholders determined that the role of on-campus housing is mission-critical. A series of objectives were identified during the visioning process as key priorities pertaining to student housing for LSU, which have been summarized herein. Please note that the objectives below have not been listed in any particular order.

#### Quantity & Location of Student Housing

- LSU strives for 30% or more of undergraduates to live on campus.
- Undergraduate housing should be reasonably proximate to the campus core and aggregated into functional communities.
- LSU will develop functional communities that provide resources to students that can be created at a residential scale (such as dining, lounge space, living-learning communities). Resources that require substantial scale (such as a recreation center, athletic facilities, or the student union) will be centralized.
- Graduate students should have an opportunity to live in proximity to their academic resources.

#### Target Market, Unit Typology & Program Requirements

- LSU should provide housing to support students. Freshmen should be prioritized as the primary target market. All students who “opt in” for the campus experience should have the opportunity to live on campus and should not be forced off campus before they are ready.
- Freshmen should be accommodated in non-apartment units and in a living-learning environment to support their development and exposure to peers, programs, and other campus resources.
- Market responsive unit types should be made available for students beyond freshman year. LSU should focus on placing students in developmentally-appropriate unit types, but LSU will not limit demand or increase vacancy risk to accomplish this objective.
- LSU’s competitive advantage is the functional communities and the campus experience. LSU will provide amenities to the extent it generates positive developmental outcomes. LSU is not interested in providing amenities for the sole purpose of competing with the high-end off-campus market.

Financial Accessibility & Quality Reconciliation

- LSU prefers a balanced approach that responds to the importance of quality and the sensitivity to affordability.
  - LSU should not reduce quality to drive pricing down
  - LSU should not increase rental rates in order to add unnecessary amenities to compete with the off-campus market
- LSU should consider market-responsive product differentiation as an opportunity to attract more students to campus.
  - To the extent that it can be supported by market conditions, a student who wants to “opt in” to the student experience should have the opportunity to live on campus. LSU should consider differentiation in product configurations and quality if it allows more people to opt in.
  - LSU does not need to address the high-end market because the off-campus housing market is already accommodating those students.

Financial Performance, Institutional Will & Risk Tolerance

- LSU will take the risk of portfolio-based financing for freshmen and some sophomores to support direct curriculum enhancement.
- LSU will not take direct financial risk to create a competitive amenities for juniors and seniors.
- LSU will focus on supporting resource-intensive graduate students
- Occupancy Coverage Ratios below represent risk profile (Figure 1):

Figure 1: Occupancy-Coverage Ratio (“OCR”)

Occupancy Coverage Ratio	Target Market
1.05x	Freshmen
1.1x	Sophomores
1.20x - 1.25x	Juniors
1.30x -1.35x	Seniors
1.20x - 1.25x	Graduates (Lab / Research Intensive)
1.60x	Graduates (Professional Students)
1.60x	Graduates (All Other Students)

*Please note that the application of an OCR is explained further herein.*

## FOCUS GROUP KEY FINDINGS

The purpose of the focus group discussions was to engage students in dynamic conversations about their opinions, observations, and recommendations regarding existing conditions and future opportunities for housing facilities at LSU. These sessions were intended to yield qualitative data, reveal hidden sensitivities, and raise issues not previously considered by the University. The Development Advisor conducted a total of three (3) focus groups, including freshman students, upper level undergraduates (living both on- and off-campus), and international and graduate students living on campus. The findings of the focus group discussions were supported by additional intercept interviews. The discussions helped the Development Advisor better understand student interest in current on-campus housing, as well as inform questions and topics needing to be addressed in the student survey.

Through the focus group sessions, students indicated that they were generally satisfied with their on-campus living experience. Many expressed that living on campus has been very beneficial to their experience at LSU, providing community, an opportunity to meet people, and promoting engagement in campus life and student organizations. Students also felt that living on campus provided heightened levels of security and that the location of residence halls were more convenient to their daily schedules than residing off campus. With regards to the quality of facilities, those living in older residence halls felt that the social benefits of living on campus outweighed the drawbacks of living in an older facility.

For junior and senior students living off campus, several individuals indicated that their housing decision was partially influenced by the limited number of spaces available in on-campus apartments. However, some focus group participants were not even aware of the opportunity to live on campus beyond freshman year. Although several participants indicated that on-campus living provided a number of benefits, both for freshman and non-freshman students, their decision to move off campus was to obtain greater proximity to friends and the retail / entertainment opportunities along LSU's campus edge.

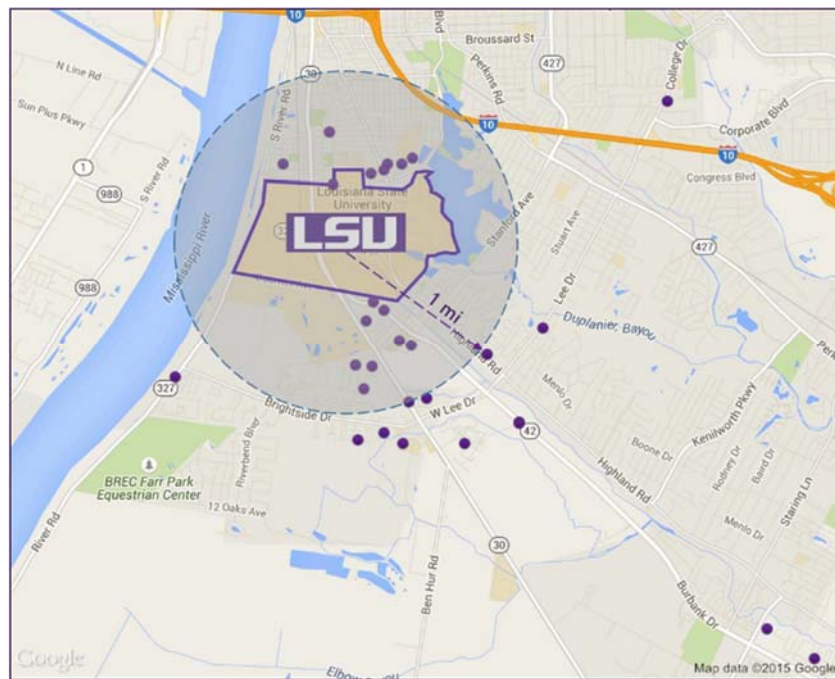
When provided information regarding the Nicholson Project, several individuals expressed significant interest in new housing that provided more beds to upperclass students closer to campus. Many indicated that the convenience of both being able to walk to class and proximity to LSU sporting events would be attractive to prospective residents. Students agreed that safety and proximity to academic facilities should be key concerns when considering housing for older students in the areas surrounding campus. The focus group participants were interested in the idea of incorporating a mixed-use / retail component to the development, and many encouraged business space utilization that could serve dual purposes as study / gathering areas.



**OFF-CAMPUS HOUSING ANALYSIS**

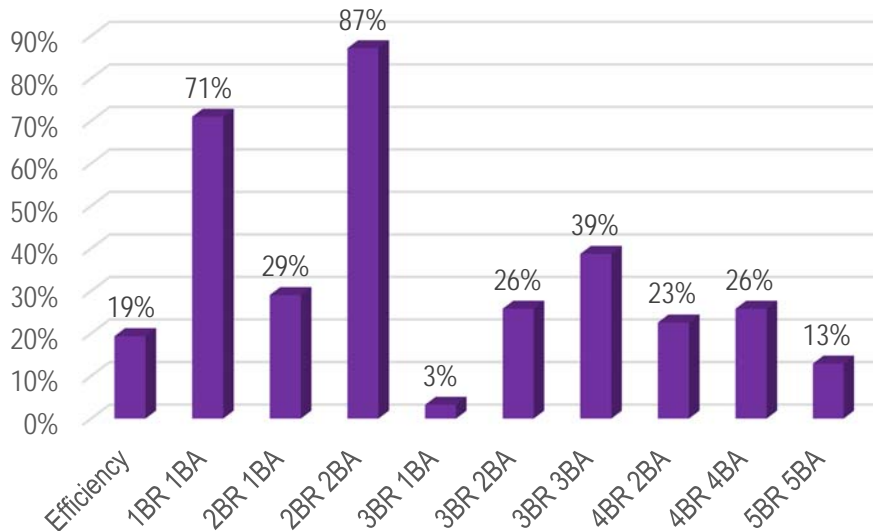
B&D examined 31 student residential communities surrounding campus available to LSU students. The location of surveyed off-campus communities ranged up to five (5) miles from campus; however, approximately half of the properties were located within one (1) mile of campus. LSU offers a robust off-campus student housing market, so this Analysis is intended to be representative and does not claim to be all inclusive. Figure 2 displays the location of the surveyed properties in relation to campus.

Figure 2: Map of Off-Campus Communities



The off-campus market offers a diverse mix of properties and unit types, providing options for students with different unit preferences and price tolerances. Apartments and townhomes are offered in a range of unit densities, from efficiencies to five-bedroom units. However, only one-bedroom / one-bathroom and two-bedroom / two-bathroom apartment units are offered consistently in the majority of the surveyed communities. Figure 3 displays the availability of surveyed unit-type configurations in further detail.

Figure 3: Percentage of Communities Offering Targeted Configurations



In addition to unit diversity, the Development Advisor also found that the off-campus market offered a range of properties with varying quality, amenities, and price points. As demonstrated in Figures 4 and 5, the off-campus properties have been categorized as either “Purpose Built” or “General Market.” Purpose Built properties typically target student residents with elaborate amenity packages, all-inclusive rental rate structures, and individual leases.

As the Development Advisor analyzed the off-campus market, it became clear that there were robust offerings and, to some extent, market saturation. The development that has occurred off-campus in recent years has increased pressure on off-campus operators, reducing the overall occupancy rate for most of the properties. Although market saturation has occurred, the Development Advisor does not believe that LSU’s housing, or the housing for a future project, will be directly impacted by the supply in the off-campus market. Assuming that rental rates are market-responsive and unit configurations match LSU’s demand (as explored herein), the Development Advisor believes that new housing at LSU will offer locational advantages and an “LSU experience” that is not readily available in the off-campus market.

Figure 4: Purpose Built Off-Campus Market Rental Rate Comparison

Name	Efficiency	1BR 1BA	2BR 1BA	2BR 2BA	3BR 1BA	3BR 2BA	3BR 3BA	4BR 2BA	4BR 4BA	5BR 5BA
Campus Crossings - Brightside				\$643			\$540	\$455	\$505	
Campus Crossings - Highland				\$710			\$675			
Cottages of Baton Rouge		\$1,068		\$764			\$637		\$567	\$622
Northgate Apartments				\$740			\$620		\$585	
Oakbrook Apartments	\$730			\$488			\$500		\$425	
The Standard at Baton Rouge	\$1,020	\$1,255		\$865			\$810		\$765	\$695
The Venue at Northgate (Campus Crossings - Northgate)	\$800	\$920		\$686			\$700	\$610		
University Edge				\$729			\$639		\$599	
<b>AVERAGE OFF-CAMPUS MARKET RATES</b>	<b>\$850</b>	<b>\$1,081</b>	<b>--</b>	<b>\$703</b>	<b>--</b>	<b>--</b>	<b>\$640</b>	<b>\$533</b>	<b>\$574</b>	<b>\$658</b>
ESTIMATED MONTHLY UTILITIES COST	\$100	\$100	\$75	\$75	\$50	\$50	\$50	\$40	\$40	\$40
<b>TOTAL OFF-CAMPUS MONTHLY COST</b>	<b>\$950</b>	<b>\$1,181</b>	<b>--</b>	<b>\$778</b>	<b>--</b>	<b>--</b>	<b>\$690</b>	<b>\$573</b>	<b>\$614</b>	<b>\$698</b>
<b>AVERAGE ON-CAMPUS APARTMENT RATES</b>	<b>--</b>	<b>--</b>	<b>\$690</b>	<b>\$836</b>	<b>\$745</b>	<b>\$802</b>	<b>--</b>	<b>\$780</b>	<b>--</b>	<b>--</b>
<b>VARIANCE (Off-Campus - University)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(\$58)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(\$208)</b>	<b>--</b>	<b>--</b>

\*Note: Off-campus rental rates are per bed (assuming single-occupancy bedrooms)

\*\*Note: Nicholson Apartments was not included in the comparison of on- and off-campus rental rates

\*\*\*Note: LSU monthly rental rates are based on a 5-month semester term

Figure 5: General Off-Campus

Name	General Off-Campus Market Apartments									
	Efficiency	1BR 1BA	2BR 1BA	2BR 2BA	3BR 1BA	3BR 2BA	3BR 3BA	4BR 2BA	4BR 4BA	5BR 5BA
Villas on Brightside (Varn Villa Apartments)		\$738		\$504						
Bluebonnet Place		\$845		\$438		\$332		\$286		
Brickstone Condos				\$648						
Brightside Park Condominiums		\$725				\$350				
Brook Hollow Condominium		\$825		\$512						
Burbank Commons Apartments							\$449			
Cambridge Apartments		\$635	\$356	\$369		\$350		\$263		
Canterbury Square Apartments		\$575	\$675							
Coventry Terrace		\$648	\$401	\$426						
El Cid Apartments		\$603								
Fairway View		\$751	\$400	\$480		\$385				
Highland Plantation Apartments	\$750	\$712	\$348	\$403		\$354		\$336		
Place du Plantier Apartments		\$790	\$935	\$505		\$380				
Southgate Towers	\$1,250	\$1,325		\$875						
Stadium Square Apartments		\$689	\$415		\$385					
Sterling Burbank		\$1,020		\$785					\$738	\$699
Teakwood Village Apartments		\$770		\$418		\$328				
The Exchange at Baton Rouge		\$983		\$750			\$675			\$660
The Woodlands				\$720			\$680		\$625	
Tiger Manor	\$883	\$889	\$918	\$477						
Tiger Plaza		\$809	\$457	\$544			\$469			
University Crescent				\$729			\$579	\$509		
<b>AVERAGE OFF-CAMPUS MARKET RATES</b>	<b>\$961</b>	<b>\$796</b>	<b>\$545</b>	<b>\$564</b>	<b>\$385</b>	<b>\$354</b>	<b>\$601</b>	<b>\$369</b>	<b>\$682</b>	<b>\$680</b>
ESTIMATED MONTHLY UTILITIES COST	\$100	\$100	\$75	\$75	\$50	\$50	\$50	\$40	\$40	\$40
<b>TOTAL OFF-CAMPUS MONTHLY COST</b>	<b>\$1,061</b>	<b>\$896</b>	<b>\$620</b>	<b>\$639</b>	<b>\$435</b>	<b>\$404</b>	<b>\$651</b>	<b>\$409</b>	<b>\$722</b>	<b>\$720</b>
<b>AVERAGE ON-CAMPUS APARTMENT RATES</b>	<b>--</b>	<b>--</b>	<b>\$690</b>	<b>\$836</b>	<b>\$745</b>	<b>\$802</b>	<b>--</b>	<b>\$780</b>	<b>--</b>	<b>--</b>
<b>VARIANCE (Off-Campus - University)</b>	<b>--</b>	<b>--</b>	<b>(\$70)</b>	<b>(\$197)</b>	<b>(\$310)</b>	<b>(\$398)</b>	<b>--</b>	<b>(\$371)</b>	<b>--</b>	<b>--</b>

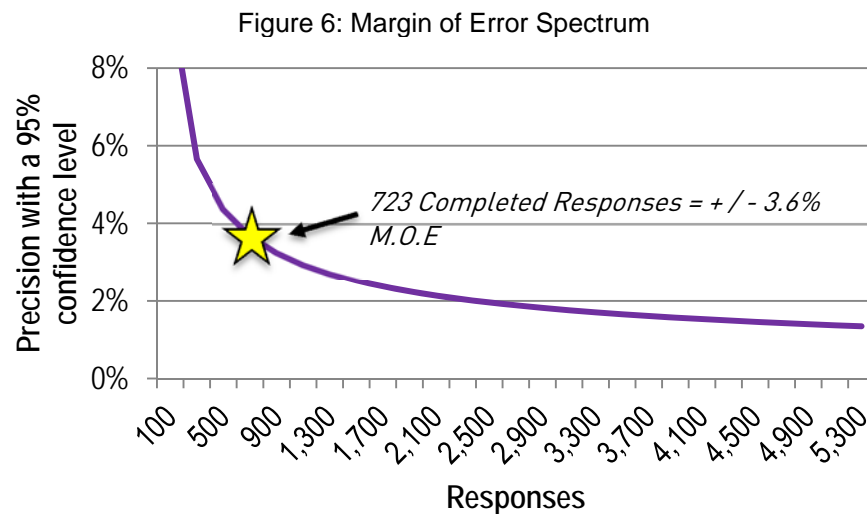
\*Note: Off-campus rental rates are per bed (assuming single-occupancy bedrooms)

\*\*Note: Nicholson Apartments was not included in the comparison of on- and off-campus rental rates

\*\*\*Note: LSU monthly rental rates are based on a 5-month semester term

## SURVEY ANALYSIS

The Development Advisor conducted an electronic student survey between May 4, 2015 and May 19, 2015. The survey generated 723 total responses from students with a margin of error of less than 5% at a 95% confidence level, resulting in a statistical valid survey. Figure 6 shows the margin of error continuum used by the Development Advisor and where the survey falls.



In addition to statistic validity, the survey respondents were also demographically representative of the LSU campus.

### Margin of Error (Confidence Interval) and Statistical Validity

Margin of error, also known as confidence interval, is a standard statistical metric for describing the precision, or accuracy, of data revealed by the survey. It predicts the data variance that would be expected if the same study with the same sample size (but not necessarily with the same respondents) and population was replicated. Margin of error is expressed as a pair of +/- values.

The margin of error is contingent upon the survey's sample size (total number of persons eligible to take the survey), as well as upon the confidence level. The confidence level determines the certainty with which one should view the survey results and margin of error is expressed as a percentage. For statistical analysis of survey results, the confidence level is typically set at 95%, although it may be set at any percentage. The meaning of the 95% confidence level used for analysis of this survey indicates that any replication of the survey should yield results falling within the stated margin of error 95% of the time.

## DEMAND BASED PROGRAMMING

### Objectives and Methodology

Development Advisor developed a student housing demand model to project the specific quantity of demand for the proposed unit types tested in the LSU student survey. The model projects demand under the assumption that future housing would be designed to match the characteristics of the units presented to respondents. The model derives the demand figures based on responses from the student survey as well as enrollment numbers provided by the University (as listed in Figure 7). These figures may be reanalyzed in the future, if necessary, to reflect deviations in the projected enrollment.

### Student Enrollment Projections

The University anticipates that its total student enrollment will remain steady during the next several academic years. LSU's 2014-2015 enrollment by academic classification is shown in Figure 7.

Figure 7: LSU 2014-2015 Enrollment by Academic Classification

	<b>Enrollment</b>	<b>% of Total Population</b>
Freshman	7,212	24%
Sophomore	5,942	20%
Junior	5,772	19%
Senior	6,651	22%
Graduate	4,874	16%
<b>Total</b>	<b>30,451</b>	

\*The enrollment projections are estimates prepared by the University and are subject to change due to market conditions.

### Capture Rates

The model allowed Development Advisor to project housing demand for each class level. The capture rates reflect the percentages of students in the target market who indicated their intention to live in the proposed units. For example, the number of juniors included in the target market and interested in living in the proposed units divided by the junior sample size results in the capture rate for the current academic year. These capture rates are then applied to the enrollment figures for each class, which generates the projected demand. Finally, the projected demand is multiplied by weight factors to ensure a demographic balance between the survey respondents and the entire target market population. For example, the demand generated by full-time students was discounted as full-time students were over-represented in all survey response groups.

### Target Market Group Approach

Although Development Advisor surveyed the entire student population, only certain demographic groups were included in the target market. An individual had to meet all criteria listed below to be included in the target market.

- Current on-campus residents who are:
  - Full-time students
  - Single without children
  - Undergraduate students traditionally-aged (18-24 years old)
  - Graduate students traditionally-aged (18-26 years old)

#### OR

- Off-campus students who are:
  - Full-time students
  - Single without children
  - Undergraduate students traditionally-aged (18-24 years old)
  - Graduate students traditionally-aged (18-26 years old)
  - Currently paying more than \$650 per month in rent (not including utilities)
  - Do not live with parents or relatives

### Occupancy Coverage Ratio

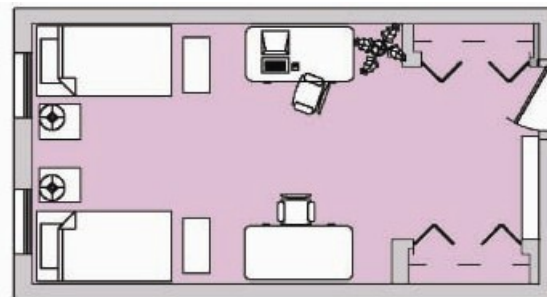
All demand values have been adjusted to account for the occupancy coverage ratio (OCR), using the values given in Figure 5. OCR measures the market risk of a project. A 1.0:1 ratio means that 1 bed is being recommended for every 1 bed of demand, indicating that 100% occupancy can be achieved. However, specific market factors or modest decreases in enrollment will likely lead to immediate vacancy problems. Higher occupancy ratios are associated with stable occupancy performance; however, occupancy ratios that are too high mean that there are significant housing shortages, which could deter students from enrolling or persisting at the University.

Tested Units and Price Points

B&D provided a detailed description of the proposed units and rental rates (expressed in 2014-15 dollars) in the student survey. The following units were included:

***Shared Bedroom in Traditional Unit***

One furnished bedroom with a centrally located bathroom outside the room. No common area or kitchen is provided. Estimated rent: \$666/month/person; \$3,000/semester/person.



***Private Bedroom in a Suite Unit***

Two furnished bedrooms connected by a shared bathroom in the unit. No common area or kitchen is provided. Estimated Rent: \$800/month/person; \$3,600/semester/person.



**Private Bedroom in a Suite Unit**

Two furnished bedrooms connected by a shared bathroom in the unit. No common area or kitchen is provided. Estimated Rent: \$720/month/person; \$3,240/semester/person.



**Private Bedroom in a Two-bedroom, One-bathroom Apartment**

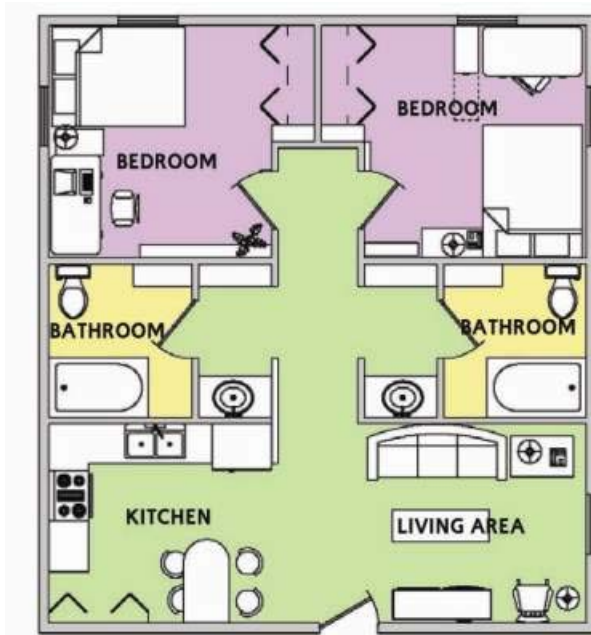
Two furnished single occupancy (private) bedrooms with a full kitchen, one bathroom, and living room in the unit. Estimated Rent: \$870/month/person; \$3,915/semester/person.





**Private Bedroom in a Two-bedroom, Two-bathroom Apartment**

Two furnished single occupancy (private) bedrooms with a full kitchen, two bathrooms, and living room in the unit. Estimated Rent: \$920/month/person; \$4,140/semester/person.



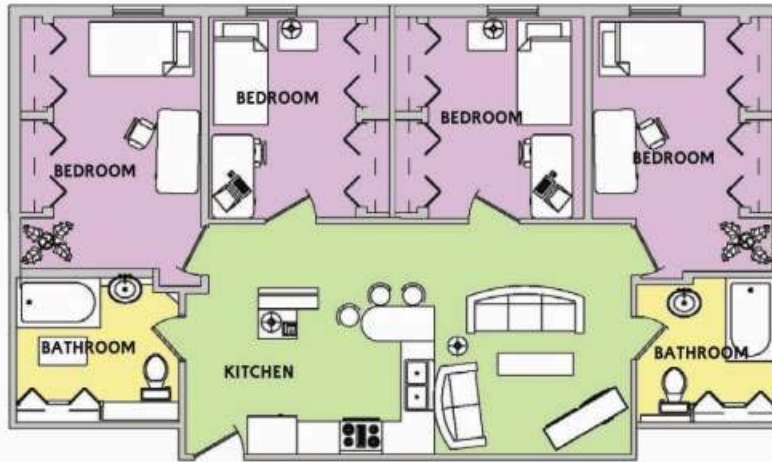
**Private Bedroom in a Three-bedroom, Three-bathroom Apartment**

Three furnished single occupancy (private) bedrooms with a full kitchen, three bathrooms, and living room in the unit. Estimated Rent: \$870/month/person; \$3,915/semester/person.



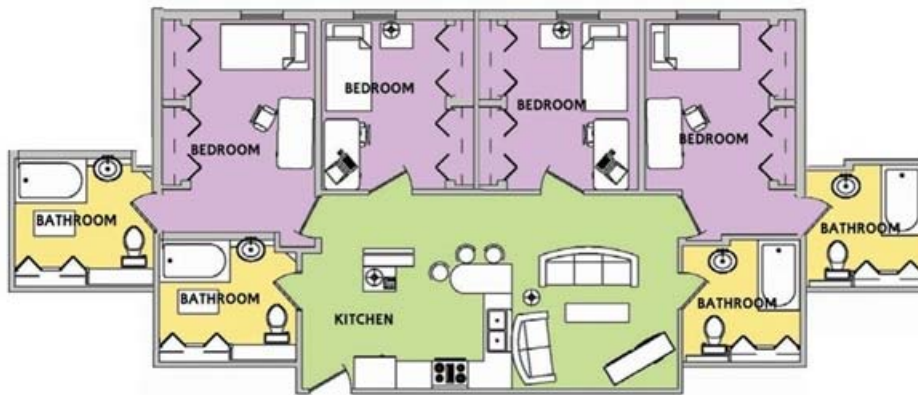
**Private Bedroom in a Four-bedroom, Two-bathroom Apartment**

Four furnished single occupancy (private) bedrooms with a full kitchen, two bathrooms, and living room in the unit. Estimated Rent: \$815/month/person; \$3,670/semester/person.



**Private Bedroom in a Four-bedroom, Four-bathroom Apartment**

Four furnished single occupancy (private) bedrooms with a full kitchen, four bathrooms, and living room in the unit. Estimated Rent: \$840/month/person; \$3,780/semester/person.



**SUPPLY AND DEMAND RECONCILIATION**

LSU’s anticipated housing inventory for the 2018-2019 academic year includes approximately 6,474 beds in non-Greek and/or affiliated housing facilities (including non-revenue generating beds). Within the projected inventory, LSU provides a spectrum of unit-type configurations, including traditional units and suite units available in single and multiple occupancy (double, triple, and quadruple) bedrooms and apartment units available in single bedrooms. Figure 8 shows a breakdown of the LSU housing system.

Figure 8: LSU's Projected 2018-2019 Housing Inventory (Non-Greek / Affiliated)

Name	Hall/Community Bath				Suites			Apartments			Total
	Single	Double	Triple	Quad	Single	Double	Triple	2-Bed	3-Bed	4-Bed	
Acadian Hall		192			2						194
Annie Boyd Hall					6	96					102
Beauregard Hall		92									92
Blake Hall		162			1	94					257
Broussard Hall	6	134	12			4					156
Cypress Hall						330					330
East Laville Hall	6	308	3								317
Evangeline Hall						160					160
Herget Hall		392		40	1	2					435
Highland Hall		1	12	3	0	94	21				131
Jackson Hall		102									102
Kirby Smith Hall						556					556
LeJeune Hall		100									100
McVoy Hall		186			1						187
Miller Hall		324	144	48	7						523
Res. College North						342					342
Res. College South						194					194
Res. College West						220					220
Spruce Hall						410					410
Taylor Hall		94									94
West Laville Hall	12	256		4							272
East Campus Apts								6		672	678
West Campus Apts								78	168	240	486
Edward Gay Apts								113	23		136
<b>Total</b>	<b>24</b>	<b>2,343</b>	<b>171</b>	<b>95</b>	<b>18</b>	<b>2,502</b>	<b>21</b>	<b>197</b>	<b>191</b>	<b>912</b>	<b>6,474</b>

Figure 6 demonstrates the anticipated changes to LSU’s 2014-2015 inventory to represent 2018-19 on-campus supply.

- The University is expected to develop two (2) new residence halls, which are expected to include approximately 740 beds in suite-style configurations (Cypress and Spruce Halls). The new housing facilities are expected to target incoming freshman students.

- The University expects to demolish Louise Garig Hall.
- Graduate students primarily residing in Edward Gay and Nicholson Apartments combine for a total of 346 beds. It is expected that Nicholson Apartments will be demolished, thus reducing the University's inventory for graduate students by 220 beds.

The estimated breakdown of LSU's housing demand for undergraduate and graduate students, as compared to the projected supply, is listed in Figures 9 and 10, respectively.

Figure 9: LSU Market Demand for Undergraduate Housing

	Hall Bath / Suite	2bd / 1ba	2bd / 2ba	3/3 or 4/4 or 4/2
Supply	4,802	80	12	732
Demand	5,889	605	822	1,128
Surplus / (Deficit)	(1,087)	(525)	(810)	(396)
LSU Planned Housing	823	0	0	0
Program	400	300	260	300
New Surplus / (Deficit)	136	(225)	(550)	(96)

Figure 10: LSU Market Demand for Graduate Housing

	Efficiency	1bd / 1ba	2bd / 1ba	2bd / 2ba
Supply	0	104	211	0
Demand	199	622	302	249
Surplus / (Deficit)	(199)	(518)	(91)	(249)
Program	100	0	160	100
New Surplus / (Deficit)	(99)	(518)	69	(149)

## CONCLUSION

As demonstrated in Figures 9 and 10, B&D finds that there is sufficient demand for a Project that includes the following program:

<b>390 apartment-style beds for undergraduate students</b>
• 300 beds in two-bedroom / one-bathroom units
• 260 beds in two-bedroom / two-bathroom units
• 300 beds in three-bedroom / three-bathroom units
• 30 beds in efficiency apartments for resident / graduate assistants
<b>370 apartment-style beds for graduate students</b>
• 100 beds in efficiency apartments
• 160 beds in two-bedroom / one-bathroom units
• 100 beds in two-bedroom / two-bathroom units
• 10 beds in efficiency apartments for resident / graduate assistants

# EXHIBIT A: LSU STUDENT SURVEY DATA


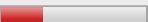



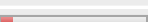
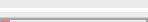
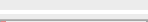
# Nicholson Gateway Development Project Management

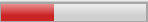


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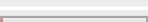
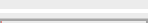
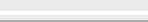
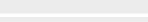
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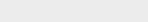
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Total Respondents: 723

Q1. What is your age?			
Count	Percent		
3	0.42%		17 or under
211	29.22%		18 - 19
230	31.86%		20 - 21
109	15.10%		22 - 24
40	5.54%		25 - 26
61	8.45%		27 - 29
42	5.82%		30 - 35
26	3.60%		36 or over
722 Respondents			

Q2. What is your gender?			
Count	Percent		
263	36.63%		Male
445	61.98%		Female
10	1.39%		Prefer not to respond
718 Respondents			

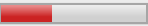
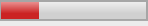
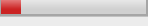
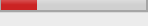
Q3. What is your marital/family status?			
Count	Percent		
627	87.08%		Single without child(ren)/dependent(s)
8	1.11%		Single with child(ren)/dependent(s) who live with me full time
5	0.69%		Single with child(ren)/dependent(s) who do not live with me full time
54	7.50%		Married/partnered without child(ren)/dependent(s)
26	3.61%		Married/partnered with child(ren)/dependent(s)
720 Respondents			

Q4. What is your current enrollment status?			
Count	Percent		
673	93.73%		Full time (12+ hours per semester for undergraduate/6+ hours per semester for graduate)
45	6.27%		Part time
718 Respondents			

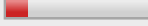

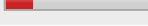
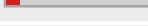
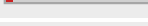
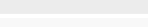
Q5. What is your class standing?

Count	Percent		
113	15.65%		Freshman
154	21.33%		Sophomore
127	17.59%		Junior
147	20.36%		Senior
174	24.10%		Graduate/Professional
7	0.97%		Other
722	Respondents		



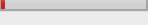
Q6. How important was the availability of on-campus housing in your decision to attend LSU?

Count	Percent		
253	35.04%		Very important
188	26.04%		Moderately important
100	13.85%		Slightly important
181	25.07%		Unimportant
722	Respondents		

Q7. Which years have you lived in LSU's student housing? SELECT ALL THAT APPLY, INCLUDING PARTIAL YEARS.

Count	Respondent %	Response %		
160	22.19%	15.28%		None
460	63.80%	43.94%		First year
194	26.91%	18.53%		Sophomore year
100	13.87%	9.55%		Junior year
49	6.80%	4.68%		Senior year (including fifth year and beyond)
84	11.65%	8.02%		Graduate/professional year(s)
721	Respondents			
1047	Responses			

Q8. Where are you currently living while attending LSU?

Count	Percent		
330	45.83%		On campus
371	51.53%		Off campus
19	2.64%		Greek housing
720	Respondents		

Q9. How would you describe your current living conditions?

Count	Percent		
259	35.87%		Very satisfactory
295	40.86%		Moderately satisfactory
110	15.24%		Slightly satisfactory
58	8.03%		Unsatisfactory
722	Respondents		

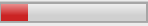
Q10. What year of your graduate program are you in?

Count	Percent		
50	28.90%		1st year
39	22.54%		2nd year
40	23.12%		3rd year
14	8.09%		4th year
30	17.34%		5th year or higher
173	Respondents		

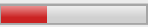

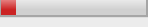
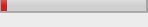
Q11. How many years passed between your undergraduate and graduate education?

Count	Percent		
55	31.79%		Less than half a year
27	15.61%		Half a year to 1 year
16	9.25%		1 year
14	8.09%		2 years
20	11.56%		3 years
8	4.62%		4 years
33	19.08%		5 years or more
173	Respondents		

Q12. Did you attend LSU as an undergraduate?

Count	Percent		
32	18.50%		Yes
141	81.50%		No
173	Respondents		

Q13. How safe do you feel when you are on campus?

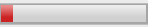
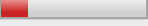
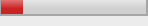
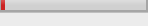
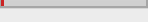
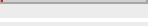

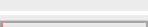

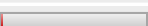


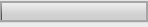
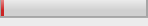
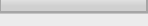
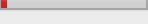
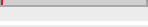

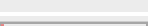
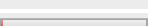
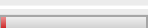


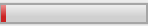
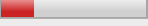
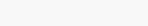

Count	Percent		
102	31.58%		Very safe
175	54.18%		Moderately safe
33	10.22%		Slightly safe
13	4.02%		Not safe
323	Respondents		



Q14. If currently living on campus in LSU student housing, in what residence hall or apartment community do you reside?

Count	Percent		
2	0.62%		Acadian Hall
14	4.35%		Annie Boyd Hall
4	1.24%		Beauregard Hall
7	2.17%		Blake Hall
6	1.86%		Broussard Hall
61	18.94%		East Campus Apartments (ECA)
37	11.49%		Edward Gay Apartments
13	4.04%		Evangeline Hall
0	0.00%		Greek Housing (fraternity or sorority)
8	2.48%		Herget Hall
6	1.86%		Highland Hall
7	2.17%		Jackson Hall
19	5.90%		Kirby Smith Hall
1	0.31%		LeJeune Hall
1	0.31%		Louise Garig Hall
7	2.17%		McVoy Hall
9	2.80%		Miller Hall
29	9.01%		Nicholson Apartments
4	1.24%		Residential College: West Hall
7	2.17%		Residential College: North Hall
7	2.17%		Residential College: South Hall
7	2.17%		Taylor Hall
27	8.39%		West Campus Apartments (WCA)
35	10.87%		East/West Laville Hall
4	1.24%		Other
322	Respondents		

Q15. Where do you currently live off campus?

Count	Percent		
29	7.97%		Apartment/condo owned by me, my spouse/partner, or another family member
67	18.41%		House owned by me, my spouse/partner, or another family member
54	14.84%		Rental house
9	2.47%		Burbank Commons Apartments
7	1.92%		Cambridge Apartments
5	1.37%		Campus Crossing on Highland Apartments
9	2.47%		Campus Crossings at Brightside Apartments
6	1.65%		Highland Plantation Apartments
4	1.10%		Northgate Apartments
3	0.82%		Southgate Towers
4	1.10%		Oakbrook Apartments
12	3.30%		The Woodlands
3	0.82%		Place Du Plantier Apartments
2	0.55%		U Club Cottages
6	1.65%		The Exchange at Baton Rouge
0	0.00%		Stadium Square Apartments
15	4.12%		The Cottages of Baton Rouge Apartments
5	1.37%		The Venue at Northgate Apartments
3	0.82%		Villas on Brightside
1	0.27%		The Standard at Baton Rouge
8	2.20%		Tiger Manor
4	1.10%		Tiger Plaza Apartments
11	3.02%		University Crescent Apartments
1	0.27%		Fairway View
3	0.82%		Sterling Burbank
11	3.02%		University Edge
82	22.53%		Other (please specify)
364	Respondents		

**Q16. Why did you decide not to live in LSU on-campus housing? SELECT ALL THAT APPLY**

Count	Respondent %	Response %		
16	4.41%	0.94%		I was on the standby list/housing was not available
130	35.81%	7.61%		To live in a quieter environment
93	25.62%	5.44%		To be able to select my roommates
174	47.93%	10.19%		To live with fewer rules and regulations
150	41.32%	8.78%		The options provided were too expensive
63	17.36%	3.69%		I did not like any of the floor plans
61	16.80%	3.57%		My friends don't live on campus
213	58.68%	12.47%		To have more privacy
242	66.67%	14.17%		To have more living space
174	47.93%	10.19%		To have more convenient laundry facilities
133	36.64%	7.79%		To have a better physical condition of the building
101	27.82%	5.91%		To have a pet
103	28.37%	6.03%		To opt out of the Meal Plan option
55	15.15%	3.22%		Other (please specify)
363	Respondents			
1708	Responses			

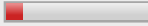
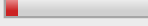
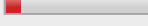
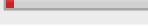
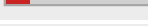

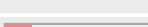
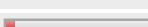
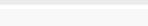
**Q17. With whom do you currently live?**

Count	Percent		
49	13.54%		I live alone
190	52.49%		With other LSU roommate(s)
10	2.76%		With other non-university roommate(s)
16	4.42%		With both LSU and non-university roommate(s)
38	10.50%		With my parent(s) or other relative(s)
56	15.47%		With my spouse/partner and/or children
3	0.83%		Other (please specify)
362	Respondents		

Q18. What is your personal share of monthly rent excluding utilities?

Count	Percent		
39	10.46%		Less than \$350
22	5.90%		\$350 - \$399
28	7.51%		\$400 - \$449
32	8.58%		\$450 - \$499
29	7.77%		\$500 - \$549
36	9.65%		\$550 - \$599
39	10.46%		\$600 - \$649
35	9.38%		\$650 - \$699
19	5.09%		\$700 - \$749
12	3.22%		\$750 - \$799
6	1.61%		\$800 - \$849
20	5.36%		\$850 or more
7	1.88%		I don't know
49	13.14%		I do not pay rent
373	Respondents		

Q19. Which of the following utilities are included in your rent? SELECT ALL THAT APPLY

Count	Respondent %	Response %	
156	42.74%	11.85%	 Cable/satellite television
113	30.96%	8.59%	 Heat
143	39.18%	10.87%	 Internet
77	21.10%	5.85%	 Electricity
221	60.55%	16.79%	 Water
218	59.73%	16.57%	 Sewer
58	15.89%	4.41%	 Telephone
243	66.58%	18.47%	 Trash
87	23.84%	6.61%	 No utilities are included in my rent
365	Respondents		
1316	Responses		

Q20. What is your personal share of utilities not included in your rent, per month?

Count	Percent		
25	6.70%		Less than \$25
72	19.30%		\$25 - \$49
71	19.03%		\$50 - \$74
42	11.26%		\$75 - \$99
29	7.77%		\$100 - \$124
9	2.41%		\$125 - \$149
14	3.75%		\$150 - \$174
11	2.95%		\$175 - \$199
22	5.90%		\$200 or more
10	2.68%		I don't know
68	18.23%		I do not pay for utilities
373 Respondents			


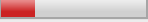
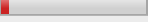
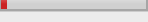
Q21. How do you typically get to and from campus?

Count	Percent		
53	14.32%		Walk
209	56.49%		Drive alone
28	7.57%		Drive/ride with others
20	5.41%		Ride a bicycle
1	0.27%		Ride a moped/scooter/motorcycle
29	7.84%		Ride a shuttle bus from apartment
16	4.32%		Ride public transportation
14	3.78%		Other (please specify)
370 Respondents			

Q22. How long is your typical one-way commute to campus?

Count	Percent		
68	18.38%		Less than 5 minutes
133	35.95%		5 - 10 minutes
120	32.43%		11 - 20 minutes
30	8.11%		21 - 30 minutes
6	1.62%		31 - 40 minutes
5	1.35%		41 - 50 minutes
8	2.16%		More than 50 minutes
370 Respondents			

Q23. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to campus

Count	Percent		
243	66.76%		Very important
85	23.35%		Moderately important
20	5.49%		Slightly important
16	4.40%		Unimportant
364 Respondents			

Q24. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to, or availability of, convenient parking

Count	Percent		
169	46.56%		Very important
104	28.65%		Moderately important
41	11.29%		Slightly important
49	13.50%		Unimportant
363	Respondents		

Q25. Is off-street parking included or available at your current residence?

Count	Percent		
282	77.26%		Off-street parking is included in my rent/utilities
25	6.85%		Off-street parking is available for an extra fee
58	15.89%		Off street parking is not available
365	Respondents		

Q26. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Total cost of rent and utilities

Count	Percent		
445	66.12%		Very important
145	21.55%		Moderately important
52	7.73%		Slightly important
31	4.61%		Unimportant
673	Respondents		

Q27. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to other students/friends

Count	Percent		
185	27.57%		Very important
199	29.66%		Moderately important
146	21.76%		Slightly important
141	21.01%		Unimportant
671	Respondents		

Q28. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Less restrictive rules and supervision

Count	Percent		
194	28.96%		Very important
197	29.40%		Moderately important
139	20.75%		Slightly important
140	20.90%		Unimportant
670	Respondents		

Q29. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Safety and security features

Count	Percent		
356	53.29%		Very important
204	30.54%		Moderately important
77	11.53%		Slightly important
31	4.64%		Unimportant
668	Respondents		

Q30. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Opportunity to be involved in LSU Living Learning Communities

Count	Percent		
70	10.48%		Very important
87	13.02%		Moderately important
134	20.06%		Slightly important
377	56.44%		Unimportant
668	Respondents		

Q31. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a private (single occupancy) bedroom

Count	Percent		
399	60.18%		Very important
96	14.48%		Moderately important
55	8.30%		Slightly important
113	17.04%		Unimportant
663	Respondents		

Q32. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a private bathroom

Count	Percent		
335	50.99%		Very important
145	22.07%		Moderately important
76	11.57%		Slightly important
101	15.37%		Unimportant
657	Respondents		

Q33. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a living room/common area

Count	Percent		
255	39.05%		Very important
182	27.87%		Moderately important
112	17.15%		Slightly important
104	15.93%		Unimportant
653	Respondents		

**Q34. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Availability of a kitchen (full range, microwave, full refrigerator, sink)**

Count	Percent		
424	63.57%		Very important
117	17.54%		Moderately important
54	8.10%		Slightly important
72	10.79%		Unimportant
667	Respondents		

**Q35. Which of the following lease terms would you prefer?**

Count	Percent		
89	13.88%		Not applicable; I have no lease
12	1.87%		More than 12 months
177	27.61%		12 months
174	27.15%		Academic year (approximately 9 months)
142	22.15%		Academic term (e.g., semester, approximately 4-5 months)
40	6.24%		Month to month
7	1.09%		Other (please specify)
641	Respondents		

**Q36. If LSU built new housing, which five physical features would be the most important to you? SELECT UP TO FIVE**

Count	Respondent %	Response %	
423	66.09%	13.48%	
372	58.13%	11.85%	
375	58.59%	11.95%	
347	54.22%	11.05%	
114	17.81%	3.63%	
80	12.50%	2.55%	
18	2.81%	0.57%	
158	24.69%	5.03%	
216	33.75%	6.88%	
192	30.00%	6.12%	
305	47.66%	9.72%	
74	11.56%	2.36%	
38	5.94%	1.21%	
101	15.78%	3.22%	
101	15.78%	3.22%	
134	20.94%	4.27%	
19	2.97%	0.61%	
51	7.97%	1.62%	
21	3.28%	0.67%	
640	Respondents		
3139	Responses		



Q37. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to campus/ability to walk to campus and classes

Count	Percent		
417	65.67%		Very important
118	18.58%		Moderately important
44	6.93%		Slightly important
56	8.82%		Unimportant
635	Respondents		

Q38. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to recreational facilities

Count	Percent		
102	16.19%		Very important
183	29.05%		Moderately important
180	28.57%		Slightly important
165	26.19%		Unimportant
630	Respondents		

Q39. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to nightlife (bars, etc.)

Count	Percent		
42	6.68%		Very important
107	17.01%		Moderately important
147	23.37%		Slightly important
333	52.94%		Unimportant
629	Respondents		

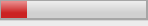
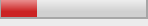
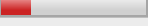
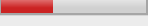
Q40. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to shopping and retail

Count	Percent		
49	7.89%		Very important
110	17.71%		Moderately important
189	30.43%		Slightly important
273	43.96%		Unimportant
621	Respondents		

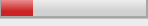
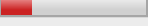
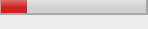
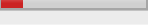
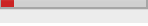
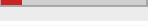
Q41. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to restaurants and off-campus dining options

Count	Percent		
84	13.42%		Very important
187	29.87%		Moderately important
155	24.76%		Slightly important
200	31.95%		Unimportant
626	Respondents		

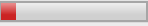
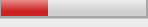
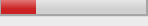
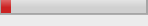
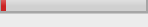
**Q42. Please rate how important each of the following factors was in your decision on where to live this year: SELECT ONE RESPONSE FOR EACH FACTOR - Proximity to LSU sporting events**

Count	Percent		
113	17.99%		Very important
156	24.84%		Moderately important
132	21.02%		Slightly important
227	36.15%		Unimportant
628	Respondents		

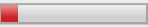
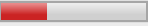
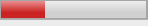
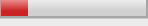
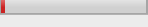
**Q43. For each type of venue listed below, please indicate the frequency that you think you would use each: - Coffee house**

Count	Percent		
139	22.06%		Less than once a month
135	21.43%		1 - 4 times per month
114	18.10%		1 - 2 times per week
97	15.40%		3 - 5 times per week
55	8.73%		6 times or more per week
90	14.29%		Would not use
630	Respondents		

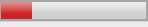

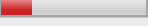
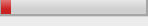
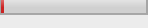
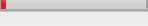
**Q44. For each type of venue listed below, please indicate the frequency that you think you would use each: - Quick service food shop/fast food**

Count	Percent		
63	10.11%		Less than once a month
145	23.27%		1 - 4 times per month
201	32.26%		1 - 2 times per week
151	24.24%		3 - 5 times per week
42	6.74%		6 times or more per week
21	3.37%		Would not use
623	Respondents		

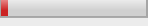
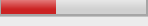

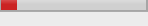
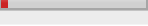
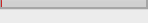
**Q45. For each type of venue listed below, please indicate the frequency that you think you would use each: - Fast casual restaurant/cafe environment without table service**

Count	Percent		
74	11.90%		Less than once a month
198	31.83%		1 - 4 times per month
188	30.23%		1 - 2 times per week
116	18.65%		3 - 5 times per week
30	4.82%		6 times or more per week
16	2.57%		Would not use
622	Respondents		


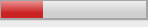
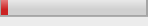
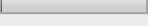
Q46. For each type of venue listed below, please indicate the frequency that you think you would use each: - Casual dining restaurant with table service

Count	Percent		
132	21.09%		Less than once a month
286	45.69%		1 - 4 times per month
134	21.41%		1 - 2 times per week
42	6.71%		3 - 5 times per week
11	1.76%		6 times or more per week
21	3.35%		Would not use
626	Respondents		

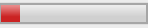

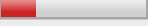
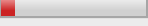
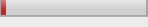
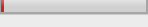
Q47. For each type of venue listed below, please indicate the frequency that you think you would use each: - Market/grocery

Count	Percent		
29	4.62%		Less than once a month
237	37.74%		1 - 4 times per month
259	41.24%		1 - 2 times per week
68	10.83%		3 - 5 times per week
30	4.78%		6 times or more per week
5	0.80%		Would not use
628	Respondents		

Q48. For each type of venue listed below, please indicate the frequency that you think you would use each: - Clothing retailer

Count	Percent		
317	50.64%		Less than once a month
181	28.91%		1 - 4 times per month
30	4.79%		1 - 2 times per week
5	0.80%		3 - 5 times per week
3	0.48%		6 times or more per week
90	14.38%		Would not use
626	Respondents		

Q49. For each type of venue listed below, please indicate the frequency that you think you would use each: - Convenience store/pharmacy

Count	Percent		
82	12.95%		Less than once a month
303	47.87%		1 - 4 times per month
155	24.49%		1 - 2 times per week
61	9.64%		3 - 5 times per week
20	3.16%		6 times or more per week
12	1.90%		Would not use
633	Respondents		


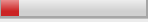

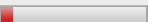

Q50. If all of the unit types described above were available on LSU's campus at the rents outline, which one unit would have been your living preference for this academic year (2014 - 2015)?

Count	Percent	
25	5.56%	Unit A: Traditional, double occupancy bedroom with hall/community bathroom for approximately \$666 per person per month (\$3,000 per person per semester)
54	12.00%	Unit B: Suite single occupancy (private) bedroom in a two-bedroom unit for approximately \$800 per person per month (\$3,600 per person per semester)
28	6.22%	Unit C: Suite double occupancy (shared) bedroom in a two-bedroom unit for approximately \$720 per person per month (\$3,240 per person per semester)
40	8.89%	Unit D: Two-bedroom, one-bathroom apartment with single occupancy (private) bedroom for approximately \$870 per person per month (\$3,915 per person per semester)
67	14.89%	Unit E: Two-bedroom, two-bathroom apartment with single occupancy (private) bedroom for approximately \$920 per person per month (\$4,140 per person per semester)
39	8.67%	Unit F: Three-bedroom, three-bathroom apartment with single occupancy (private) bedroom for approximately \$870 per person per month (\$3,915 per person per semester)
38	8.44%	Unit G: Four-bedroom, two-bathroom apartment with single occupancy (private) bedrooms for approximately \$815 per person per month (\$3,670 per person per semester)
41	9.11%	Unit H: Four-bedroom, four-bathroom apartment with single occupancy (private) bedrooms for approximately \$840 per person per month (\$3,780 per person per semester)
118	26.22%	I would have preferred to live off campus
450	Respondents	

Q51. If all of the unit types described above were available on LSU's campus at the rents outline, which one unit would have been your living preference for this academic year (2014 - 2015)?

Count	Percent	
7	7.14%	Unit A: Efficiency (single occupancy) unit for approximately \$890 per person per month (\$4,005 per person per semester)
19	19.39%	Unit B: One-bedroom, one-bathroom apartment with single occupancy (private) bedroom for approximately \$950 per person per month (\$4,275 per person per semester)
18	18.37%	Unit C: Two-bedroom, one-bathroom apartment with single occupancy (private) bedroom for approximately \$840 per person per month (\$3,780 per person per semester)
6	6.12%	Unit D: Two-bedroom, two-bathroom apartment with single occupancy (private) bedroom for approximately \$890 per person per month (\$4,005 per person per semester)
48	48.98%	I would have preferred to live off campus
98	Respondents	

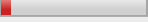


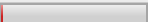
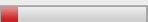


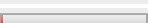
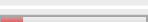
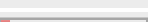
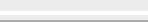
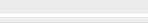
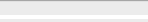
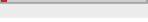
Q52. LSU is considering including furniture for on-campus graduate housing for a premium of \$30/month/person. If the unit types described above were available as furnished units on LSU's campus, what would have been your living preference for this academic year (2014-2015)?

Count	Percent		
7	7.14%		Unit A: Efficiency (single occupancy) unit for approximately \$930 per person per month (\$4,185 per person per semester)
12	12.24%		Unit B: One-bedroom, one-bathroom apartment with single occupancy (private) bedroom for approximately \$990 per person per month (\$4,455 per person per semester)
16	16.33%		Unit C: Two-bedroom, one-bathroom apartment with single occupancy (private) bedroom for approximately \$880 per person per month (\$3,960 per person per semester)
8	8.16%		Unit D: Two-bedroom, two-bathroom apartment with single occupancy (private) bedroom for approximately \$930 per person per month (\$4,185 per person per semester)
55	56.12%		I would have preferred to live off campus
98	Respondents		

Q53. If you would have preferred to live off campus, how much would you pay per month in rent (including utilities) to live in new or renovated on-campus housing?

Count	Percent	
164	100.00%	
164	Respondents	

Q54. In what college/school are you currently enrolled or affiliated?

Count	Percent		
43	6.87%		College of Agriculture
14	2.24%		College of Art & Design
69	11.02%		E.J. Ourso College of Business
6	0.96%		School of the Coast & Environment
74	11.82%		College of Human Sciences & Education
104	16.61%		College of Engineering
50	7.99%		Graduate School
10	1.60%		Honors College
94	15.02%		College of Humanities & Social Sciences
38	6.07%		Manship School of Mass Communication
11	1.76%		College of Music & Dramatic Arts
78	12.46%		College of Science
24	3.83%		University College
11	1.76%		Other (please specify)
626	Respondents		

Q55. What is your ethnic or racial background?

Count	Percent		
381	61.06%		White
81	12.98%		African American
4	0.64%		Native American
52	8.33%		Asian
30	4.81%		Hispanic
1	0.16%		Hawaiian or Pacific Islander
24	3.85%		Two or more races
5	0.80%		Unknown
15	2.40%		Other (please specify)
31	4.97%		Prefer not to respond
624	Respondents		

Q56. What is your current residency status?

Count	Percent		
439	70.24%		In-state domestic student (U.S. citizen or permanent resident)
103	16.48%		Out-of-state domestic student (U.S. citizen or permanent resident)
83	13.28%		International student
625	Respondents		

Q57. What is your permanent home zip code?

Count	Percent		
588	100.00%		
588	Respondents		

Q58. How are your living expenses funded? (SELECT ALL THAT APPLY)

Count	Respondent %	Response %		
219	35.10%	14.62%		Academic scholarship
6	0.96%	0.40%		Athletic scholarship
16	2.56%	1.07%		Employer program
316	50.64%	21.09%		Family support
202	32.37%	13.48%		Federal Financial Aid
118	18.91%	7.88%		Graduate Assistantship
87	13.94%	5.81%		Grant
151	24.20%	10.08%		Personal savings
205	32.85%	13.68%		Job/Personal income
154	24.68%	10.28%		Student loans
24	3.85%	1.60%		Other (please specify)
624	Respondents			
1498	Responses			

Q59. Please feel free to provide any additional comments or suggestions regarding this survey. All comments will be shared with LSU's administration but none will be personally attributable to any individual student.

Count	Percent		
200	100.00%		
200	Respondents		





**Request from LSU A&M for the Construction for Classroom Expansion  
& Renovation in the School of Veterinary Medicine Under the  
Provisions of Act 959**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8, D.2 (b) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a significant board matter.

Any contract or series of related contracts for the design, construction, repair, or renovation of any building or other structure involving a total of \$500,000 or more.

**1. Summary of the Matter**

LSU Planning, Design, and Construction is requesting project approval to renovate and expand approximately 14,796 square feet of existing classroom, laboratory, and restroom spaces at the LSU School of Veterinary Medicine located on LSU's main campus.

**2. Review of Business Plan**

A review of the Business Plan supports a recommendation for approval by the Board of Supervisors as it meets the requirements and intent of Act 959 of the 2003 Regular Legislative Session (see "5. Review of Legal Documents" below).

**3. Fiscal Impact**

The estimated cost for this project is approximately \$3,000,000, which will come from the LSU School of Veterinary Medicine's existing cash reserves.

**4. Description of Competitive Process**

Design of the project will be undertaken by private Contract upon receipt of all necessary administrative approvals and all construction work will be publicly and competitively bid.

**5. Review of Legal Documents**

Act 959 of the 2003 Regular Legislative Session establishes the requirements for exemptions from inclusion in the state capitol construction budget. "A university or higher education facility shall be allowed to undertake any new construction, maintenance, or repair project not exceeding five million dollars solely funded from self-generated revenues, grants, donation, or local or federal funds without being included in the capital outlay bill, provided the project is approved by the appropriate management board, Board of Regents, the Division of the Administration, Office of Facility Planning and Control, and the Joint Legislative Committee on the Budget."

**6. Parties of Interest**

All of the parties relevant to the approval and construction of this project do not have any related interest in this project, nor will they receive any financial gain from its approval or construction.



## 7. Related Transactions

- Approval by the Board of Regents
- Approval by the Division of Administration, Office of Facility Planning and Control
- Approval by the Joint Legislative Committee on the Budget

## 8. Conflicts of Interest

None.

## ATTACHMENTS

- I. Memo to LSU President F. King Alexander
- II. Preliminary Program Forms

## RESOLUTION

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of LSU, or his designee, to approve the following project and process the project through the appropriate administrative channels of review and approval, namely, the Board of Regents, the Division of the Administration, Office of Facility Planning and Control, and the Joint Legislative Committee on the Budget, pursuant to Act 959 of the 2003 Regular Legislative Session enacting R.S. 39:128(B)(4) as amended pursuant to Act No. 78 of the 2006 Regular Legislative Session:

*LSU School of Veterinary Medicine Classroom Renovation and Expansion. Estimated total project cost is \$3,000,000.*

**BE IT FURTHER RESOLVED**, that said F. King Alexander, President of LSU, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to approve the plans and specifications for the proposed improvements and to approve cost increases up to 20% of the amount approved to accommodate unforeseen conditions.

**BE IT FURTHER RESOLVED**, that said F. King Alexander, President of LSU, or his designee, is duly authorized by and empowered for and on behalf of and in the name of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College to take such action the he may deem in the best interest of the Board of Supervisors to process and obtain administrative approvals for this project.

**Office of Facility Services  
Planning, Design & Construction**

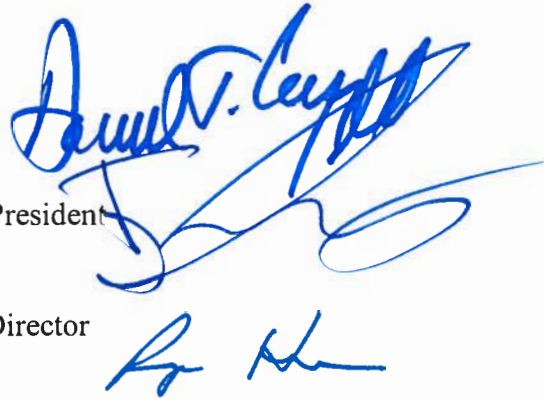
April 11, 2016

To: F. King Alexander, President  
Louisiana State University

Through: Daniel T. Layzell, Vice President  
Finance and Administration

Through: Tony Lombardo, Associate Vice President  
Facility & Property Oversight

From: Roger E. Husser, Jr., M.S., P.E., Director  
Planning, Design & Construction



**Re: Board of Supervisors Agenda, May 6, 2016 Meeting  
LSU School of Veterinary Medicine Classroom Renovation and Expansion; Act  
959 Capital Construction Project Request**

The LSU School of Veterinary Medicine (the School) has the responsibility for providing leadership and programs to meet the State of Louisiana's training research and service in the field of veterinary medicine. The School serves the needs of the State's livestock industry, the entire equine industry, and is a crucial component in the care of millions of companion, exotic and zoo animals. The School is in need for larger classrooms and laboratories to meet the growth of its program and the demand of enrollment increases; therefore, the School is requesting upgrades and expansion of some of its existing classrooms, laboratories, and restrooms to accommodate additional students.

This request is being submitted for review and approval by the Board of Supervisors as an ACT 959 Capital Construction project. Funding for this project will be from cash reserves from the LSU School of Veterinary Medicine. The planned work cannot be accomplished under the normal Capital Outlay request process due to the urgency of having work completed in time for the 2017-18 academic year. It is therefore requested that this project be submitted through the President's Office to be placed on the agenda for the May meeting of the Board of Supervisors.

Attached are the supporting documents developed in coordination with the LSU School of Veterinary Medicine.

Cc: Provost Dr. Richard Koubek  
Dean Joel Baines  
Ernest N. Tanoos  
file

**PRELIMINARY PROGRAM FORM**

for medium to large scale, complex projects  
 Department of Administration  
 Facility Planning and Control



<u>Description of Project:</u>		
<p>Complete upgrade and expansion of some of the LSU School of Veterinary Medicine existing First, Second, and Third Year classrooms, two laboratories, and restrooms totaling 14,796 SF square feet. Construction is limited to within existing LSU School of Veterinary Medicine facility. The building has been in continuous use as a training, research, and teaching hospital and the success of its program has increased the number of students attending, demanding the need to renovate and increase the size of its existing classrooms, laboratories, and restrooms to meet enrollment increases. The following work is planned:</p> <ul style="list-style-type: none"> <li>• Inspection and abatement of asbestos containing materials and lead paint, as required</li> <li>• Interior renovations</li> <li>• Replacement of existing MEP (Mechanical, electrical, and plumbing) systems, as required, in compliance with applicable codes</li> <li>• Upgrade / replacement of telecommunications, data, and wireless systems, as required</li> <li>• ADA compliant restrooms</li> </ul>		
<u>Priority Rank:</u>	<u>Project type:</u>	<u>Project Mission:</u>
1	Renovation	The building is part of the goals and objectives of the LSU mission and strategic plan, Flagship 2020. The LSU School of Veterinary Medicine (SVM) has the responsibility for providing leadership and programs to meet the State of Louisiana's training, research and service in the field of veterinary medicine. The SVM serves the needs of the State's livestock industry, the equine industry, and is a crucial component in care of millions of companion, exotic and zoo animals. The project will include total upgrade and expansion of some of the existing First, Second, and Third Year classrooms, two laboratories, and restrooms to enhance the existing use/mission of the facility.
<u>Location:</u>		
LSU Baton Rouge		
<u>Umbrella Agency/Department:</u>		
LSU		
<u>User Agency:</u>		<u>Agency Mission:</u>
LSU Baton Rouge Vet Med		Provide learning communities by developing programs that promote academic success and personal development and provide attractive, clean, comfortable, and safe facilities that meet the needs of the campus community.
<u>Contact Name:</u>		<u>Agency Strategic Plan:</u>
Roger E. Husser		Flagship 2020 focuses on the goals of learning, discovery, diversity and engagement. New and renovated facilities are an essential component in meeting the goals of the new Flagship agenda and are an integral part of the initial Flagship 2010 focus.
<u>Contact Phone Number:</u>		
(225) 578-0803		
<u>Contact Fax:</u>		<u>Facility (Campus) Master Plan:</u>
(225) 578-5709		The primary function of the building will not change.
<u>Contact Email:</u>		
rhusse1@lsu.edu		
<b>EXECUTIVE SUMMARY</b>		
<u>Describe the project's size, type, scope, and its proposed location:</u>		
<p>This project is to upgrade and expand some of the LSU School of Veterinary Medicine existing First, Second, and Third Year classrooms, laboratories, and restrooms. The renovation will be confined within the existing shell of the existing LSU School of Veterinary Medicine facility, and it will replace deteriorated building components, correct code violations, and abate hazardous materials to provide a clean, comfortable, and a safe learning environment to meet LSU's mission, vision, and goals.</p>		
<u>Relate the project need and specific objectives to the agency's mission statement and Strategic Plan.</u>		
<p>The project directly relates to the Flagship 2020 agenda by encouraging the goals of learning, discovery, and engagement.</p>		
<u>What is the cost of this project and why is this project the most cost-effective and practical solution to this need? What are the proposed funding sources?</u>		
<p>The projected total costs of the project is estimated at around \$3,000,000 using School of Veterinary Medicine cash reserve funds.</p>		
<u>Explain the functions and performance characteristics of the completed project.</u>		

The completed project will provide state-of-the art classrooms and laboratories for more students at the LSU School of Veterinary Medicine.
<u>Are there any special requirements for this project?</u>
Construction is to limit disturbances to students, faculty, and animals housed in the facility.
<b>SUPPLEMENTAL INFORMATION</b>
N/A
<u>List any contingencies, significant unresolved issues, or requirements necessary for completion of the project (legislation, action of courts, funding agreements, grant restrictions, or similar unresolved issues or requirements)</u>
None
<u>What alternatives were considered and why were they rejected?</u>
Continuation of the status quo is the alternative and does not comply with the University's goals and objectives.
<u>List effects, if any, this project may have on surrounding facilities, programs, or other agency projects.</u>
Limited impact on parking and traffic.
<b>SUPPLEMENTAL INFORMATION</b>
<u>Is there a model for this facility? Is there a prototype for certain types of spaces, functions, or materials? Describe or attach examples. Include journal or professional articles.</u>
N/A

**INSTRUCTIONS: Fill in entire form. Every box must be completed. If requirement is not applicable, say why.**

\* Description of Project: Type and size of building or renovation. Include special features of project. What level (grade) of construction is to be used?

\*Priority Rank: Rating within agency Project Type: Renovation, new building, or leased space Project Mission: How does the building fit into the agency's plans. Is this a new program or an existing program? Architectural features included in project shall contribute to the mission of the building and/or renovation.

\* Agency Strategic Plan: Long range plans and goals that strengthen the agency mission. Strategic plan should anticipate growth. Project mission should be part of agency strategic plan.

\* Facility Master Plan: Include age of facility, activities that occur there now and that shall occur in the future, include design standards for exterior and interior. Attach current master plan or other documentation. Are there architectural standards required for the facility campus.

\* The purpose of an executive summary is to provide the essential arguments for approval of the project in the fewest words possible.

\* Describe the project's size, type, scope, and its proposed location: If a renovation, describe if project is to repair an existing facility, replace deteriorated building components, upgrade existing building components, replace functionally obsolete spaces, change of use in building, correct code violations, hazardous material abatement.

\* Relate the project need and specific objectives to the agency's mission statement and Strategic Plan. Project justification should correlate with agency mission and agency strategic plan. Include where you are now and where you want to go. Make sure that growth is anticipated.

\* What is the cost of this project and why is this project the most cost-effective and practical solution to this need? What are the proposed funding sources? Include life cycle costs and operating costs associated with this project .

\* Explain the functions and performance characteristics of the completed project. Include any special mechanical, electrical, plumbing, or building requirements.

\* Are there any special requirements for this project?: Is phasing required? If renovation, where will present occupants be housed during renovation? What site considerations will be involved?












<b>Utilities Data Sheet</b>	State Agency: LSU Baton Rouge		<b>Facility Planning and Control</b>		
	Project Name: Vet Med Class Size Exp. Renov.		1201 N. 3rd Street		
	Date: 4/11/2016	State ID # 11617	Baton Rouge, LA 70804		
Are there any requirements for a utilities investigation on the site?					
Type of Utilities	Type/ size	Located on site plan	Supplier of Utilities	Comments	
Electricity			LSU		
Natural Gas			LSU		
Water Line			LSU		
Chilled water Line			LSU		
Steam lines			LSU		
Sanitary Sewage Lines			LSU		
Telephone			LSU		
Cable			Cox Cable		
Fiber optic lines			LSU		
Storm Drain			LSU		
Irrigations system					
Supplier Name	Address		Phone	Contact person	
LSU - Utilities	Facility Services		Ph: 578-3186	Customer Service	
			Fax		
LSU - telephone / data / cable	ITS		Ph: 578-6621	Call Center	
			Fax		
			Ph		
			Fax		
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			Fax		
			Ph		
			Fax		
<b>Site Plan</b>	Sketch site and location of utilities known if site plan not available				

**INSTRUCTIONS: All the information concerning the utilities associated with the site needs to be described in the form.**

\* If there are any questions concerning this form contact the Senior Manager assigned to the facility mentioned in the form.

\* Under "Comments" list any problems or the current conditions of the utilities.

\*If a hard copy of the site plan is available attach a copy of the plan to this form.

\*The site plan is used for general purposes only.

\*Show all servitudes and boundaries that are known.

<b>FACILITY PLANNING AND CONTROL CHECKLIST</b>						
To be completed by FP & C						
Incomplete submittals will be returned with a completed copy of this checklist.						
		<b>COMPLETE</b>	<b>INCOMPLETE</b>	<b>MISSING OR UNKNOWN</b>	<b>NOT APPLICABLE</b>	<b>COMMENTS</b>
<b>SQUARE FOOTAGE REQUIREMENTS</b>	List of core program requirements					
	List of administrative and support spaces					
	Storage for support and core functions					
	Special space requirements					
	List of major specialized space needs (labs and similar space needs, listed under core spaces)					
	Listing of infrastructure support spaces (listed under Secondary Spaces)					
	Space relationships of core programs and support facilities (Comments)					
	Calculations of total net and total gross square foot area					
	Financial Calculations of project cost based on gross square footage and cost per square foot					
<b>OTHER</b>	Symbolic or Aesthetic Requirements					
	Zoning Issues					
	Historical Districts, historical site or Landmark Building Status					
	Codes and Regulations					
<b>SITE ISSUES</b>	Exterior grounds and site requirements. Vistas or points of interest					
	Environmental and/or EPA Issues					
	Public right-of-way(s) and/or easements.					
	Adequate capacity of existing utilities? Utility extensions required? Age of central plant.					
	Under/Above ground storage tanks. Hazardous material handling/storage.					
	Access to public transportation.					
	Vehicle/pedestrian access and circulation					
	Parking and basis for sizing					
Additional Site work, raising of site, other mitigation, special transportation access						

BUILDING OPERATIONS	Special MEP issues					
	System Compatibility Issues (existing equip )					
	Telecommunications/Voice/Data/Audio					
	Lighting Requirements					
	Acoustical or Sound Separation Requirements					
	Security Requirements					
	Special Equipment					
	Food Service Operations					
	Shipping and Receiving					
	Waste and Refuse Removal, Containment					
BUDGET ISSUES	Have life cycle costs been addressed?					
	Are additional operating funds available and approved?					
	Is leased space or temporary facilities required for project?					

**General Note**

\*This page is to be used as a guide as to the information that will be looked for by FP&C in determining the completeness of the form.

**PROPERTY AND FACILITIES COMMITTEE**  
**CONSENT AGENDA**



**Request from LSU Agricultural Center to Approve a  
Lease of Property for Solar Farm Development  
Southeast Research Station, Washington Parish  
Franklinton, Louisiana**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter":

D.2 (a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by the University.

**1. Summary of Matter**

The LSU AgCenter is requesting that the Board of Supervisors approve the lease of a portion of the Southeast Research Station property for the purpose of developing a utility scale Solar Photovoltaic Generating System (Solar Farm). The proposed parcel to be leased includes approximately 531.3 acres of the total 832 acres at this location.

The lease of a portion of the University property is governed both by Louisiana law and by LSU Presidential Memorandum 6 ("PM-6"). Pursuant to those provisions in PM-6 and La. R.S. 17:3361, et seq, LSU AgCenter will solicit proposals (RFP) from top Solar Development Firms using a competitive proposal process and select the proposal that is most advantageous to LSU by committee. As required by PM-6, negotiation of the lease terms will be coordinated with the office of the President.

Pursuant to La. R.S. 17:3361 et seq, and PM-6, it is also required to construct improvements on the University property that will further the University's educational, scientific, research or public service functions. The AgCenter will accomplish this through development of "University Purpose Enhancement Programs". The mission of the University Purpose Enhancement Programs is to encourage further research, education and outreach in the field of renewable energy and sustainability and related fields. The construction of the LSU AgCenter Solar Farm would create a unique opportunity to engage faculty, students and the community in meaningful experiential involvement furthering LSU's educational, scientific, research and public service functions.

Potential Programs could include:

- Curriculum opportunities, career training and certificate programs and specific job creation and training programs.
- Engineering, physics and business/economic programs and research.
- Other research opportunities could include:
  - Low maintenance turf grass
  - Small ruminant grazing
  - Wildlife habitat
  - Aesthetic enhancements
  - Community and agriculture producer education and BMP development for farmers to incorporate "green energy" technology.

We are requesting authorization and approval from the Board of Supervisors in principle to lease

a portion containing approximately 531.3 acres. The AgCenter is further requesting the Board of Supervisors to authorize and empower the President at this time to sign any subsequent lease(s) regarding the Southeast Research Station Solar Farm Development Lease which the President believes is in the best interest of LSU.

## **2. Review of Business Plan**

This lease will generate revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

## **3. Fiscal Impact**

The lease(s) is anticipated to provide approximately \$25,000 per year in revenue during the development phase (approximately 5 years) and potentially \$250,000 per year once constructed and on-line.

## **4. Description of Competitive Process**

The lease of a portion of the University property is governed both by Louisiana law and by LSU Presidential Memorandum 6 (“PM-6”). Pursuant to those provisions in PM-6 and La. R.S. 17:3361, et seq, LSU AgCenter will solicit proposals (RFP) from top Solar Development Firms using a competitive proposal process and select the proposal that is most advantageous to LSU by committee. As required by PM-6, negotiation of the lease terms will be coordinated with the office of the President.

## **5. Review of Legal Documents**

One or more Lease Agreements between the Lessee(s) and the LSU Board of Supervisors

## **6. Parties of Interest**

- LSU Board of Supervisors
- LSU AgCenter
- Lessee(s)
- Entergy

## **7. Related Transactions**

None

## **8. Conflicts of interests**

None.

## **ATTACHMENTS**

- I. Vice President Letter
- II. Request for Proposals – available on the Board of Supervisors’ website
- III. Lease Agreement Draft(s) & Exhibits – available on the Board of Supervisors’ website

## **RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President

of LSU, to execute lease agreement(s) with highest responsive and responsible proposer for the purpose of developing a Solar Farm, development of University Purpose Enhancement Programs and generating revenue for the LSU AgCenter to be utilized to address budget shortfalls and/or supplement other priority programs.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of LSU, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the lease any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors.





## Office of Vice President for Agriculture

101 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4161  
FAX: (225) 578-4143

Development  
(225) 578-7360  
FAX: (225) 578-4143

Governmental Relations  
(225) 578-4967  
FAX: (225) 578-4143

Accounting Services  
103 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4648  
FAX: (225) 578-0735

Ag Leadership  
106 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-3659  
FAX: (225) 578-5805

Communications  
128 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-2263  
FAX: (225) 578-4524

Facilities Planning  
210 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-8731  
FAX: (225) 578-7351

Human Resource Management  
and Diversity  
103 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-2258  
FAX: (225) 578-8284

Information Technology  
118 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4020  
FAX: (225) 578-3629

International Programs  
160-C Hatcher Hall  
110 LSU Union Square  
LSU Box 16090  
Baton Rouge, LA 70803-0106  
(225) 578-6963  
FAX: (225) 578-6775

Sponsored Programs and  
Intellectual Property  
104 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-6030

April 5, 2016

Dr. F. King Alexander, President  
LSU System  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808

RE: **Significant Board Matter**  
Lease of Property – Solar Farm Development  
Southeast Research Station  
Washington Parish  
Franklinton, Louisiana

Dear Dr. Alexander:

In consideration of the current State budget situation and the AgCenter's response to streamline and consolidate research and extension activities at the Southeast Research Station, the LSU AgCenter is requesting that the Board of Supervisors approve the lease of a portion of the property for the purpose of developing a utility scale Solar Photovoltaic Generating System (Solar Farm). The proposed parcel to be leased includes approximately 531.3 acres of the total 832 acres at this location. The lease of a portion of the Southeast Research Station is governed both by Louisiana law and by LSU Presidential Memorandum 6 ("PM-6"). Pursuant to those provisions in PM-6 and La. R.S. 17:3361, et seq, LSU AgCenter will solicit proposals (RFP) from top Solar Development Firms using a competitive proposal process and select the proposal that is most advantageous to LSU by committee. As required by PM-6, negotiation of the lease terms will be coordinated with your office.

The AgCenter is further requesting the Board of Supervisors to authorize and empower you at this time to sign any subsequent lease(s) regarding this parcel of property at the Southeast Research Station which you believe is in the best interest of LSU.

As this project is in support of the AgCenter and its mission, we enclose herewith our request for approval and ask that it be placed on the agenda of the Board of Supervisors May 6, 2016 meeting.

I certify that, to the best of my knowledge, I have provided all necessary documentation and that the information contained therein is complete, accurate, and in compliance with Article VII, Section 8 of the Bylaws of the Board of Supervisors. I agree to cooperate in any issues related to this matter. Please let me know if any additional information is needed.

Sincerely,

William B. Richardson  
Vice President for Agriculture  
Dean of the College of Agriculture

WBR:dgf

Attachments

xc: Mr. Phil Elzer  
Mr. Rogers Leonard  
Mr. Danny Mahaffey  
Mr. Dale G. Frederick



Louisiana State University  
Agricultural Center

REQUEST FOR PROPOSALS

Solicitation for:

Solar Photovoltaic Generating System

Issued: April 4, 2016

Proposals Due: April 25, 2016 at 3:00 p.m. CST

Louisiana State University Agricultural Center  
Request for Proposal Solar Photovoltaic Generating System (Solar Farm)

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- 2.2 Inquiries About the RFP
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- 4.3 Business Proposal and Qualifications
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Site Plan Exhibit A – This is a general map Not to Scale.

## Request for Proposals

## Solar Photovoltaic Generating System (Solar Farm)

SECTION ONE  
GENERAL INFORMATION

## 1.1 INTRODUCTION

This is a Request for Proposals ("RFP") issued by the Louisiana State University Agricultural Center ("AgCenter" or "LSU AgCenter"). AgCenter requires the services of a professional, qualified solar farm developer (each, a "Respondent", and collectively, the "Respondents"). The proposed development

AgCenter will consider Proposals (hereinafter defined) from national, regional, and local solar farm development entities/teams with the funding, knowledge, and experience to develop a solar farm of up to 50 megawatt ("MW") at the location identified in Exhibit A of this RFP. It is the intent of AgCenter to solicit responses to this RFP in accordance with the terms, conditions and other specifications contained in this RFP.

The proposed development is to consist of a utility scale, up to 50 megawatt, solar farm development at the Southeast Research Station in Washington Parish, Louisiana. As identified in Exhibit A the available Solar Development Area is adjacent to an operational dairy that will remain in operation. Available Solar Development acreage is approximately 531.3 acres.

## 1.1.1. LSU AGCENTER DESCRIPTION

The Louisiana State University Agricultural Center, known as the LSU AgCenter, is an institution under the supervision and management of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the "LSU Board of Supervisors"). The AgCenter's mission is to provide the people of Louisiana with research-based educational information that will improve their lives and economic well-being. The LSU AgCenter includes the Louisiana Agricultural Experiment Station, which conducts Agricultural and Renewable Natural Resource-based research, and the Louisiana Cooperative Extension Service, which extends the knowledge derived from research to the people of the state. The LSU AgCenter plays an integral role in supporting agricultural industries, enhancing the environment, and improving the quality of life through its 4-H youth, family and consumer sciences, and community development programs.

At the LSU AgCenter we aim to develop the best use of natural resources, conserve and protect the environment, enhance development of existing and new agricultural enterprises, and develop human and community resources.

## 1.2 DEFINITIONS

The following are explanations of terms and abbreviations appearing throughout this RFP. Other special terms may be used in this RFP, but they are more localized and defined where they appear, rather than in the following list:

“AgCenter” or “LSU AgCenter” means the Louisiana State University Agricultural Center.

“Ground Lease” means the lease of the Property by the LSU Board of Supervisors to the Successful Respondent pursuant to La. R.S. 17:3361 et seq. for the construction and operation of a Solar Photovoltaic Generating System.

“LSU Board of Supervisors” means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

“Project” means the lease of the Property for and the financing, design, engineering, construction, operation and maintenance of a Solar Photovoltaic Generating System (“Solar Farm”) on the Property, and entering into a power purchase agreement with Entergy.

“Property” means the land reflected on Exhibit “A” hereto that will be leased by LSU Board of Supervisors to the Successful Respondent.

“Proposal Due Date and Time” means 3:00 p.m. CST on April 25, 2016.

“Proposal” means an offer to develop and implement the Project in response to this RFP.

“Respondent” means an offeror responding to this RFP with a Proposal.

“Solar Farm” means a Solar Photovoltaic Generating System.

“Successful Respondent” means the Respondent awarded the Project and enters into a power purchase agreement with Entergy and a ground lease with the LSU Board of Supervisors.

“University Purpose Enhancement Programs” means those programs related to LSU’s mission to encourage further research, education, and outreach in the field of renewable energy and sustainability or related fields.

### 1.3 PURPOSE OF THE RFP

The purpose of this RFP is to invite potential Respondents to submit Proposals for the lease of the Property, financing, design, engineering, construction, operation and maintenance of a proposed Solar Farm and to conduct related services as requested pursuant to this RFP. Notwithstanding anything in this RFP to the contrary, it is AgCenter's desire for the Solar Farm to be up to 50 MW in size; however, Respondents may propose a smaller size or several different sizes, especially if it will make the Project more viable.

To the extent allowed by law, due regard will be given for the protection of proprietary information contained in all Proposals received; however, Respondents should be aware that all materials associated with their submittals are subject to the provisions of Louisiana's Public Records Act (La. R.S. 44:1 et seq.) and all applicable rules, regulations or judicial decisions related thereto.

#### 1.4 SCOPE OF THE RFP

This document contains the following information that may be useful to any person or entity wishing to submit a Proposal:

Section One - A general description of the many factors affecting the RFP and Proposal process.

Section Two - The specific information covering RFP and Proposal procedures.

Section Three - A description of the services to be provided by any Successful Respondent and required qualifications for any Respondent.

Section Four - A description of the required format and subject content of any acceptable Proposals offered in response to this RFP.

Section Five - A general discussion of the method that will be used by AgCenter's evaluation team in selecting the Successful Respondent with whom to commence Ground Lease negotiations.

Exhibit A - Description of the Property.

#### 1.5 PROPOSAL ADDRESS, DUE DATE AND TIME

**For consideration by AgCenter, all Proposals must be submitted to Debra Langlois at [dlanglois@agcenter.lsu.edu](mailto:dlanglois@agcenter.lsu.edu) by 3:00 p.m. CST on April 25, 2016 (the "Proposal Due Date and Time").**

Proposals must be transmitted electronically via email ONLY; hardcopy or fax submittals will NOT be accepted. If the submittal is over 20 MB in file size, the Respondent may send a link to the submittal through a file-sharing application such as Dropbox, Box, Hightail, or similar applications. Confirmation emails will be sent as soon as the AgCenter contact person has been able to download and view the submittal. Respondents who do not receive confirmation emails should follow up with an email request for confirmation, to ensure their submittals have been successfully transmitted. After all documents have been uploaded and receipt has been confirmed, AgCenter will not revisit any file sharing link, so no late additions or revisions will be reviewed.

Other than as instructed, Respondents shall not modify Proposal form(s) or qualify their Proposals, Respondents shall not submit to AgCenter a re-typed, word-processed, or otherwise recreated version of the Proposal form(s) or any other AgCenter-provided

document. AgCenter has the right to waive disqualification due to irregularities in submittals, at its sole discretion.

## 1.7 LOCAL SUPPLIER PROGRAM

There is a reasonable expectation by AgCenter that Respondents will incorporate Louisiana-based business enterprise participation in this Project, including, but not limited to, planning, design, materials, construction, oversight, and/or financing.

## 1.8 DISCUSSION FORMAT

AgCenter reserves the right to conduct discussions and/or interviews, either oral or written, with one or more of the Respondents determined by AgCenter to be reasonably viable for selection for award. If discussions are held, AgCenter may request the Respondents submit best and final offers.

Notwithstanding anything in this RFP to the contrary, AgCenter reserves the right to reject any and all Proposals received for any reason whatsoever or for no reason, or to award, the Project to Respondent of AgCenter's choice on the basis of initial Proposals received. Therefore, each Proposal should contain the Respondent's best terms. AgCenter reserves the right to reopen discussions after receipt of best and final offers, if it is clearly in AgCenter's best interests to do so.

Following evaluation of the best and final offers, AgCenter may select for negotiation the offers that AgCenter deems, in its sole discretion, are most advantageous to AgCenter, considering all facets and evaluation factors in this RFP, including, but not limited to, lease rental, experience and contributions to or enhancement of University Purpose Enhancement Programs.

AgCenter also reserves the right to conduct or seek clarifications to resolve minor issues. If only clarifications are sought, best and final offers may not be requested. AgCenter retains sole authority to determine whether contact with Respondents is for clarification or discussion.

## 1.9 TIMELINE

The following timeline is intended to illustrate the anticipated timeline for this RFP:

- RFP issued/available: April 4, 2016
- Written questions due: April 11, 2016 3:00 p.m. (CST)
- Written responses to questions available: April 15, 2016
- Proposals due: April 25, 2016 at 3:00 p.m. (CST)

## 1.10 RFP REVISIONS AND ADDENDA

If it becomes necessary to revise or supplement any part of this RFP or if any additional data is necessary for an exact interpretation of provisions of this RFP prior to the Proposal Due Date and Time, a supplement or addendum will be issued by AgCenter. If



such addenda issuance is necessary, AgCenter reserves the right to extend the Proposal Due Date and Time to accommodate such interpretations or additional data requirements.

END OF SECTION ONE

SECTION TWO  
PROPOSAL PROCEDURES

2.1 PRE-PROPOSAL CONFERENCE

A Pre-Proposal Conference will not be held.

2.2 INQUIRIES ABOUT THE RFP

All inquiries and requests for information affecting this RFP must be submitted by email only to:

Dale G. Frederick

dfrederick@agcenter.lsu.edu

and with the subject line reading: “AgCenter Solar RFP 2016” no later than 3:00p.m. Central Standard Time on April 11, 2016. AgCenter reserves the right to determine whether any questions should be answered. If responses are provided, copies of AgCenter’s written responses will be issued via Addendum and or distributed to all who are known to have received a copy of the original RFP.

Inquiries, either written or oral, are not to be directed to any consultant or staff member of AgCenter or LSU. Such action may disqualify Respondent from further consideration as the Successful Respondent. No negotiations, decisions or actions shall be initiated by any Respondent other than through the submission of a Proposal pursuant to this RFP.

2.3 PROPOSAL SUBMISSION

Proposals for the Project in response to this RFP must be received on or before the Proposal Due Date and Time, following the instructions in Section 1.5 of this RFP. Each copy of the Proposal must follow the format indicated in Section Four of this RFP. Unnecessarily elaborate brochures or other presentations, beyond that sufficient to present a complete and effective Proposal, are not desired.

2.4 GROUND LEASE NEGOTIATIONS

After selection of the Successful Respondent by AgCenter’s evaluation team, negotiations will commence with respect to a final Ground Lease. If at any time, in AgCenter’s sole opinion, the negotiation activities have become ineffective, or the AgCenter does not consummate a Ground Lease with the Successful Respondent within what AgCenter deems, in its sole opinion, to be a reasonable period of time, then AgCenter will cease all negotiations with that Respondent and inform that Respondent that it is no longer the Successful Respondent, and AgCenter may begin negotiations with the Respondent that AgCenter, in its sole discretion, determines to be the next highest ranked Respondent or determine that no such alternate and acceptable Proposal exists. This process may be repeated and may continue until both the then next highest ranked

Respondent and AgCenter agree on a final Ground Lease, or until AgCenter determines that no acceptable alternative Proposal exists.

Execution of the Ground Lease is subject to approval of the LSU Board of Supervisors at a regularly scheduled or special meeting of the LSU Board of Supervisors. The AgCenter expects to bring a request for approval of a DRAFT Ground Lease to a meeting of the LSU Board of Supervisors on May 6, 2016.

END OF SECTION TWO

### SECTION THREE SPECIFICATIONS

#### 3.1 SCOPE, QUALIFICATIONS, STANDARDS AND ADDITIONAL REQUIREMENTS

##### 3.1.1. SCOPE

AgCenter is seeking an entity, or a team of entities, to provide a cost effective solar photovoltaic generating system on Property owned by the LSU Board of Supervisors. AgCenter desires such a proposer to finance, design, construct, own, operate and maintain an up to 50 MW Solar Farm to be located on property owned by AgCenter, and to enter into a power purchase agreement with Entergy and a land lease agreement with the LSU Board of Supervisors for a period of time to be negotiated by the parties.

The scope of services to be provided by the Successful Respondent shall also include, but not be limited to, securing all permits and approvals from any and all applicable governmental and regulatory entities, and all labor, applicable taxes, services, and equipment necessary to produce a fully operational solar photovoltaic generating system.

AgCenter intends the Successful Respondent to enter into a land lease with the LSU Board of Supervisors and work with AgCenter on University Purpose Enhancement Programs for research, teaching, and extension/outreach opportunities. The final project program details must ensure a safe working environment for both the Successful Respondent's employees and LSU and AgCenter employees and students, and protect the integrity of solar system equipment installed and owned by the Successful Respondent. Respondents are encouraged to creatively propose and suggest additional revenue streams and revenue generating opportunities for AgCenter in connection with this Project.

##### 3.1.2. QUALIFICATIONS

###### Statement of Qualifications

Please provide in your response to Section 4.3.3 a statement of qualifications containing the following elements (maximum of 5 pages, less is appreciated):

- 3.1.2.1 Experience: Experience on a minimum of three similar projects with preference given to public/private partnerships.
- 3.1.2.2 Project Team/Partner Resources: Your proposed project team, including professional backgrounds and experience.
- 3.1.2.3 References: At least three client or partner references. Public partner references are preferred.

#### 3.1.4. STANDARDS TO BE FOLLOWED

Each Respondent is responsible for design and installation compliance with all local, state and federal laws and regulations, LSU and AgCenter policy, and current industry standard quality. This Project is contingent upon the Successful Respondent obtaining any and all required approvals to develop the Property for the proposed use as described in this RFP.

#### 3.1.5. ADDITIONAL REQUIREMENTS AND EXPECTATIONS OF THE SUCCESSFUL RESPONDENT

The Successful Respondent shall secure from applicable governmental entities having jurisdiction and any applicable utility company, all of the required rights, permits, licenses, approvals, and interconnection agreements, at no cost to AgCenter.

The Successful Respondent shall make exploratory excavations at the planned site for foundation analysis, and confirm the soil conditions prior to preparing the final foundation submittal. The Successful Respondent shall evaluate the site for grading and for appropriate drainage, and address any specific requirements associated with any wetlands or related issues.

The Successful Respondent shall provide AgCenter with submittals of the construction plans and specifications in sufficient detail for review. AgCenter will review for:

- Compatibility with planned uses of proposed site;
- Certifications on the strength calculations;
- Potential conflicts with existing equipment (particularly buried equipment);
- Maintenance;
- Aesthetics;
- Drainage and erosion control; and
- Environmental compliance.

During the start-up, AgCenter, and/or its independent engineer, shall be allowed to observe and verify system performance.

The Successful Respondent shall provide one (1) set of operation, maintenance, and parts manuals for the installed solar PV system. The manual shall cover all components, options, and accessories used. It shall include maintenance, troubleshooting, and safety precautions specific to the supplied equipment. The Successful Respondent shall also provide one set of as-built drawings in AutoCAD 2006 or newer. These requirements shall be delivered upon activation of the solar photovoltaic generating system on the Property.

The Successful Respondent shall keep the Solar Farm in good condition and operation at all times during the term of the Land Lease

### 3.1.6. GENERAL INFORMATION

Respondents are expected to use their own initiative in formulating their Proposal to this RFP.

AgCenter encourages Respondents, in their respective Proposals; to be as creative and generous as possible regarding other benefits to AgCenter, because the financial aspects and the University Purpose Enhancement Programs aspects of this proposed Project will be major considerations in selecting the Successful Respondent.

### 3.2 CONFERENCES AND COMMUNICATION

Following the award of the Project to the Successful Respondent, regular progress communication/meetings between AgCenter's Solar Farm Project Management Team and the Successful Respondent will be scheduled and will commence.

### 3.3 CONSULTING SERVICES

From time to time, AgCenter may require complimentary consulting assistance from the Successful Respondent regarding the Project and related activities.

### 3.4 LENGTH OF GROUND LEASE TERM

AgCenter desires to have a Ground Lease with a total term or length up to forty (40) years, inclusive of any option periods. However, in addition to negotiating a financial proposal based on the foregoing proposed maximum 40-year term, AgCenter encourages each Respondent to be creative and to propose other terms for the Ground Lease if it so desires; each Respondent may submit multiple suggestions or proposals in this regard with various or differing rental structures and the justifications therefore. Notwithstanding the above, any Ground Lease term extensions will be subject to satisfactory performance by the Successful Respondent.

END OF SECTION THREE

## SECTION FOUR PROPOSAL PREPARATION INSTRUCTIONS

### 4.1 GENERAL

To facilitate the timely evaluation of Proposals, a standard format for Proposal submission has been developed and is documented in this Section Four. All Respondents are required to format their Proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondents' Proposals, or the Proposal(s) may be rejected.
- The transmittal letter should be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below.
- Each Proposal must be no longer than 30 pages of 10 pt. type with margins at minimum 1".

### 4.2 TRANSMITTAL LETTER

The transmittal letter must address the following topics:

#### 4.2.1. SUMMARY OF ABILITY AND DESIRE TO PERFORM THE PROJECT

The transmittal letter must briefly summarize the Respondent's ability to supply the requested services that meet the requirements set forth in Section Three of this RFP and to perform the Project. The letter must also contain a statement indicating the Respondent's willingness to provide the requested services subject to the terms and conditions set forth in this RFP including, but not limited to, a Ground Lease with the LSU Board of Supervisors and supporting University Purpose Enhancement Programs.

#### 4.2.2. SUMMARY OF ABILITY TO MEET THE REQUIRED QUALIFICATIONS AND STANDARDS

The transmittal letter must state that the Respondent meets the required qualifications and standards to be followed that are listed in this RFP. Any exceptions must be noted and an explanation provided if applicable.

#### 4.2.3. SUMMARY OF MILESTONES

Information contained in the technical proposal regarding dates of milestone events must be summarized. Each Respondent will specifically describe the expected implementation procedures the Respondent proposes to use. In order to demonstrate feasibility, a timetable setting forth appropriate milestones should be included in Respondent's Proposal, with sufficient detail explaining how Respondent will meet those milestones.

#### 4.2.4. PROPOSAL LIFE

A statement must be included that indicates the length of time during which AgCenter may rely on all Proposal commitments. Any Proposal accepted by AgCenter for the purpose of negotiations of a final Ground Lease must remain in effect at least through the negotiation period and subsequent approval by the LSU Board of Supervisors at a regularly scheduled or special meeting of the LSU Board of Supervisors.

#### 4.2.5. SIGNATURE OF AUTHORIZED REPRESENTATIVE

A person duly and properly authorized and empowered to commit the Respondent to its Proposal, including, but not limited to, any representations contained therein, must sign the transmittal letter. Such person's authority to so act must be consistent with the information contained in Section 4.3.11 of this RFP.

#### 4.2.6. SYSTEM DESCRIPTION SUMMARY

Each Proposal shall include a summary description reflecting the following information for all proposed Solar Farm system sizes:

- (a) Total System Size,
- (b) Number of Panels,
- (c) Panel Wattage,
- (d) Annual Solar Panel Degradation Factor,
- (e) Panel Manufacturer,
- (f) Proposed County of Origin of Manufactured Panels,
- (g) Indication as to whether Louisiana Installation Labor will be utilized,
- (h) Total Estimated Cost,
- (i) Annual Estimated Output for each contract year, and
- (j) Length of Term of Power Purchase Agreement.

### 4.3 BUSINESS PROPOSAL

The business proposal section must address all of the following topics, unless otherwise indicated.



#### 4.3.2. GENERAL

This optional subsection 4.3.1 may be used to introduce or summarize any information that the Respondent deems relevant or important to successful acquisition of the Project and the rendering of services requested in this RFP.

#### 4.3.3. RESPONDENT'S LEGAL STRUCTURE

The legal form of the Respondent's business organization (e.g., corporation, limited liability company, partnership, etc.), the state in which it was formed or incorporated, the types of business ventures in which said entity is involved, and an organizational chart of the entity, are to be included in this section. If the entity includes more than one product division, the division responsible for the provision of the requested services in the United States must be described in more detail than other components of the entity. If the Respondent is a team of multiple entities, the teaming arrangement must be fully and completely described in this section.

#### 4.3.4. RESPONDENT'S CAPABILITIES AND QUALIFICATIONS

Describe the Respondent's experience and capabilities in providing similar work in scope of services, size and complexity, and provide a detailed Statement of Qualifications as required by Section 3.1.2. Indicate if the Respondent has ever failed to timely complete any work or project awarded to it. If so, please indicate and describe the date, where and why. Provide an affirmative statement or proof that the Respondent does not have a record of substandard work. Describe any pending litigation against the Respondent and any other factors that could affect the Respondent's ability to perform and complete the Project.

#### 4.3.5. FACILITIES AND RESOURCES

The Respondent should include information with regard to its resources that it deems advantageous to the successful provision of the requested services and the Project. This might include management capabilities and experience, technical resources, and operational resources not directly assigned to this Project, but available if needed.

#### 4.3.6. GROUND LEASE

A Ground Lease agreement will be negotiated after a qualifying Proposal has been selected. Respondents should be familiar with typical LSU Board of Supervisors ground lease agreement provisions, including but not limited to utility connections, facility alterations, maintenance and operation, etc.

#### 4.3.7. UNIVERSITY PURPOSE ENHANCEMENT PROGRAMS

The mission of the University Purpose Enhancement Programs is to encourage further research, education and outreach in the field of renewable energy and

sustainability and related fields. The construction of the AgCenter Solar Farm would create a unique opportunity to engage faculty, students and the community in meaningful experiential involvement furthering LSU's educational, scientific, research and public service functions.

Potential Programs could include:

- Curriculum opportunities, career training and certificate programs and specific job creation and training programs.
- Engineering, physics and business/economic programs and research.
- Other research opportunities could include:
  - Low maintenance turf grass
  - Small ruminant grazing
  - Wildlife habitat
  - Aesthetic enhancements
  - Community Education

The Respondent is encouraged to be creative in providing a list of potential programs that would be viable and helpful to the solar industry based on Respondent's knowledge and past experiences.

It is understood that certain programs may require approval of the Successful Respondent before implementation. AgCenter will not make any use of the Property that would jeopardize the solar equipment or system or its effectiveness for solar energy production.

#### 4.3.8. GROUND LEASE RENTAL

Each proposal should contain the Respondent's best terms. However, AgCenter reserves the right to open discussions and negotiate lease terms as necessary to receive the best value possible, including, but not limited to, the highest rental for the Property.

#### 4.3.9. REFERENCES

The Respondent should include a list of at least three (3) clients or entities for whom it has provided projects or services that are the same or similar to those described in this RFP. The more similar they are to those requested in this RFP, the greater weight will be attached to the references in AgCenter's evaluation process. Listed clients or entities may be contacted to determine the quality of work performed and personnel assigned to the Project, and all such information will be provided to AgCenter's evaluation team and used in the scoring of the Proposals.

Respondent should include the following information for each reference: a) Name of the entity; b) Initial dates that service started; c) Date of the most recent engagement; d) List of services performed; e) Responsible official or contact person; and f) Address, telephone number and email address.

#### 4.3.10. INTENTIONALLY OMITTED

#### 4.3.11. WARRANTIES

Each Respondent shall provide affirmative statements of the following representations and warranties:

- (a) The Respondent represents and warrants that it is willing and able to comply with the State of Louisiana's and, where applicable, the LSU Board of Supervisors', laws, rules, policies and regulations.
- (b) The Respondent represents and warrants that all of the information set forth in and provided by it in connection with its Proposal and this RFP is true, accurate and complete.

#### 4.3.12. AUTHORIZING DOCUMENT

The Respondent's personnel signing the transmittal letter for its Proposal must be legally and properly authorized and empowered by the Respondent to commit the Respondent contractually. This section shall contain appropriate proof of such authority. A copy of the entity's governing documents (i.e., corporate bylaws, articles of incorporation, and/or a corporate resolution adopted by the board of directors) establishing this authority will fulfill this requirement.

#### 4.3.13. RESPONDENT'S POWER PURCHASE AGREEMENT REQUIREMENTS

This section is optional. If the Respondent wishes to include any language or information concerning its proposed power purchase agreement other than that required by this RFP, it should be included in this section.

### 4.4 TECHNICAL PROPOSAL

The technical proposal must be divided into sections as described below.

RFP language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and a paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. Any referenced document must be included as an appendix to the technical proposal, with referenced sections clearly marked; this appendix will not be considered as part of the Proposal's total page length limit. If there are multiple references or multiple documents, these must be listed and organized for ease of use by AgCenter.

#### 4.4.1. PROJECT APPROACH

The description must indicate, at least generally, the methodology that the Respondent will follow to fulfill the requirements of the Project; as much explanation as reasonably necessary must be included. AgCenter intends that each

Respondent provide a detailed and comprehensive description of all services that the Respondent will provide if it enters into a power purchase agreement and associated Ground Lease pursuant to this RFP.

#### 4.4.2. PERSONNEL DESCRIPTION

Each Respondent should provide a detailed description of the principal supervisory and management staff, including partners, managers, other supervisors and specialists, who will be responsible for the implementation of the Project.

#### 4.4.3. IDENTIFICATION OF ANTICIPATED POTENTIAL PROBLEMS

The Proposal should identify and describe any anticipated potential problems, the Respondent's approach to solving these problems, and any special assistance that may be requested from AgCenter.

#### 4.4.4. GENERAL SECTION

Generally describe how Respondent will meet or exceed each of the minimum and preferred technical qualifications. Describe unique features or qualifications that Respondent can offer AgCenter.

#### 4.4.5. DESIGN ENGINEERING AND PERMITTING

The Respondent shall design/engineer a ground-based solar photovoltaic generating system to maximize the solar energy resources at the proposed site, taking into consideration the proposed installation site, available solar resources, shading hazards, applicable zoning, ordinances, installation cost, contingent approvals, and other relevant factors.

The Respondent shall provide conceptual design documents that provide the following information:

- System description;
- Equipment details and description;
- Layout of installation;
- Layout of equipment;
- Selection of key equipment;
- Preliminary specifications for equipment procurement and installation.
- Preliminary engineering associated with structural and mounting details;
- Anticipated performance of equipment components, subsystems;
- Integration of solar photovoltaic generating system with other power sources;
- Electrical grid interconnection requirements;
- Controls, monitors, and instrumentation;
- Web-based performance monitoring system; and
- Anticipated foundation of support system

The Respondent shall submit conceptual design documents to AgCenter for review. Specifications shall be submitted in MS Word format.

The Respondent shall propose an appropriate location boundary and layout for the solar photovoltaic inverter equipment and its related components and environmental control systems that will meet the following criteria:

- Ease of maintenance and monitoring;
- Efficient operation;
- Low operating losses;
- Secured location and hardware; and
- Compatibility with existing facilities.

#### 4.4.6. MONITORING, PUBLIC OUTREACH AND UNIVERSITY PURPOSE ENHANCEMENT PROGRAMS

Monitoring of system performance and providing public education and outreach are critical elements of this Project. The Respondent shall propose a turnkey data acquisition and display system that allows AgCenter to monitor, analyze and display historical and live solar electricity generation data. The regularly collected data should reflect, but not be limited, to the following:

- System performance and availability;
- Average and accumulated output;
- Capacity factor; and
- Degradation.

The data acquisition system shall be designed for turnkey, remote operation. Data shall be transmitted via Internet or telephone from each site to a server managed by the Successful Respondent. Data storage, management and display will be the responsibility of the Successful Respondent.

A critical element to this Project is the support for and interaction with the University Purpose Enhancement Programs. The Respondent shall propose a list of potential programs that would be viable and helpful to the solar industry based on Respondent's knowledge and past experiences, and each Respondent shall respond to the "Potential Programs" listed in 4.3.6 as to its acceptance of and anticipated support for those Potential Programs and the Potential Programs' viability to coexist with the Solar Farm. Include explanation and justification to any that are found unacceptable.

#### 4.4.7. RESPONDENT QUESTIONNAIRE

This section requires information about each Respondent that will assist AgCenter in evaluating capabilities. Please provide responses in the order listed below:

- 4.4.7.1 Please provide a brief description and history of your entity (or team), including the ownership structure thereof.

- 4.4.7.2 Has your entity's name (or any team member's name) changed in the last 5 years? If so, please reference the current and all former name(s) of your entity or team member's entity.
- 4.4.7.3 Is your entity (or team members' entity), or the parent entity of any such entity, currently involved in or the subject of any bankruptcy, dissolution or similar proceedings
- 4.4.7.4 Please indicate whether, at the end of the Ground Lease, if your entity would remove the Solar Farm or permit ownership thereof to transfer to AgCenter.
- 4.4.7.5 Describe any web-based transaction and reporting capabilities that your entity (or any team member's entity) would offer AgCenter.

Please provide a brief analysis of current trends in the solar industry. Describe factors that may impact supply, demand, and/or pricing over the next five (5) years. Indicate the number of entities in the United States and/or internationally that your company services or serviced either directly or as a third party solar developer. Provide any other relevant information about your entity (or your team, if appropriate) that demonstrates its capability (or the team's) to perform the services requested under this RFP.

END OF SECTION FOUR

SECTION FIVE  
PROPOSAL EVALUATION

5.1 PROPOSAL EVALUATION PROCEDURE AND CRITERIA

AgCenter will appoint a Proposal Evaluation Team to evaluate the Proposals, and the evaluation process will use the following evaluation criteria and scoring in connection therewith:

- Transmittal Letter and Proposal Format (5 possible points)
- Experience and References (10 possible points)
- Business Proposal excluding Revenue Structure and Financial Strength (15 possible points)
- Technical Proposal (15 possible points)
- Proposed Revenue Structure (25 possible points)
- Financial Strength (10 possible points)
- Other Factors deemed by AgCenter to be beneficial (20 possible points)

The procedures for evaluating the Proposals against the evaluation criteria are summarized as follows:

- 5.1.1. Each Proposal will be evaluated for mandatory criteria including minimum qualifications and standards. Proposals that are incomplete or otherwise do not conform to the submission requirements may be eliminated from consideration.
- 5.1.2. Each Proposal will also be evaluated on the business approach, the technical aspects, and other criteria. The opportunity for and projection of revenue generation will be of importance in the evaluation of Proposals.
- 5.1.3. Based on the results of this evaluation the qualifying Proposal determined to be the most advantageous to AgCenter for the Project (taking into account all of the evaluation factors) may be selected by AgCenter for further action such as Ground Lease negotiations. If however, AgCenter decides in its sole opinion that no Proposal is sufficiently advantageous to AgCenter, AgCenter may take whatever further action it deems necessary or appropriate to fulfill its needs, including, but not limited to, termination of the RFP process. See also Section 2.4 above. AgCenter reserves the right to reject all Proposals for any reason whatsoever or for no reason.

END OF SECTION FIVE

**END OF REQUEST FOR PROPOSAL**

**GROUND LEASE AGREEMENT  
FOR SOLAR ENERGY GENERATION**

This GROUND LEASE AGREEMENT FOR SOLAR ENERGY GENERATION (the "Lease") is entered into effective as of first day of \_\_\_\_\_, 2016 (the "Effective Date") by and between

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY AND AGRICULTURAL AND MECHANICAL COLLEGE**, a public constitutional corporation domiciled in East Baton Rouge Parish, Louisiana, herein appearing through and represented by F. King Alexander, President of Louisiana State University and Agricultural and Mechanical College, hereunto authorized by resolution of said Board of Supervisors, hereinafter referred to as "Lessor,"

and

\_\_\_\_\_, a \_\_\_\_\_ corporation, hereinafter referred to as "Lessee."

**RECITALS:**

A. Lessor is the owner of approximately \_\_\_\_\_ acres of land situated in \_\_\_\_\_ Parish, Louisiana, and more particularly described in Exhibit A attached to and made a part of this Lease (the "Property"), which Property is utilized by and for the benefit of the LSU AgCenter (herein "LSU AgCenter"), an institution under the supervision and management of the Lessor.

B. Subject to and upon the terms and conditions set forth in this Lease, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor, the Property and other rights and appurtenances described herein for purposes of solar energy generation.

C. The use of the Property by Lessee for the purposes of solar energy generation in conjunction with educational, research and public service programs of the LSU AgCenter will further and enhance the missions of the LSU AgCenter.

D. Lessee desires to enhance and benefit the LSU AgCenter's programs and its teaching, research and public service missions.

E. Unless otherwise defined, all capitalized terms used in this Lease shall have the meanings given in Exhibit B attached to and made a part of this Lease.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and benefits herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:



**ARTICLE I.  
LEASE OF PROPERTY**

In consideration of the Rent to be paid and the covenants and agreements to be performed by Lessee, as hereinafter set forth, Lessor does hereby lease, demise and let unto Lessee the Property, together with all rights-of-way, easements, servitudes, licenses, tenements, roadways, easements, approaches, structures, and appurtenances belonging or relating thereto.

**ARTICLE II.  
TERM**

**[THE TERM OF THIS LEASE (THE “INITIAL TERM”) AND ANY RENEWAL PERIODS ARE SUBJECT TO NEGOTIATION BETWEEN THE PARTIES. LESSOR WILL AGREE TO A TERM OF NO MORE THAN THIRTY (30) YEARS FROM THE EARLIER OF A DATE AGREED TO BY THE PARTIES OR A DATE ON WHICH CONSTRUCTION OF THE SOLAR FACILITIES ON THE PROPERTY HAS PASSED ITS INITIAL PERFORMANCE TESTS AND BEGUN DELIVERING ELECTRICITY TO THE ELECTRIC COMMUNITY GRID IN COMMERCIAL QUANTITIES.]**

**ARTICLE III.  
USE AND PURPOSE**

Section 3.1 Use of Property for Solar Energy Purposes.

Lessor and Lessee agree that Lessee shall use the Property for Solar Energy Purposes. Lessee’s use of the Property shall comply at all times with all applicable laws, orders, ordinances, zoning ordinances, regulations, and statutes of any federal, state, parish or municipal government now or hereafter in effect, including all environmental laws and regulations. Use of the Property by Lessee for recreational activities such as fishing, hunting, off-road vehicle riding, camping, and hiking are expressly prohibited.

Section 3.2 Use of Solar Facilities to Benefit LSU AgCenter.

Lessor and Lessee also agree that the use of the Property for Solar Energy Purposes serves the mission of Lessor and the LSU AgCenter by providing opportunities for enhanced educational and real world experience to LSU students and collaborative research for LSU faculty members and students, as well as by providing potential service opportunities at the undergraduate, graduate and doctoral levels. Lessor agrees that only such activities that do not impede or damage Lessee’s use of the Property for Solar Energy Purposes will be considered.

**ARTICLE IV.  
RENT**

Lessee agrees to pay Lessor for lease of the Property during the Initial Term in the amount of (\$\_\_\_\_\_) (the “Rent”) per Lease Year. **[RENT MAY BE SET AT ONE RATE**

**DURING THE DEVELOPMENT PERIOD, AND AT A HIGHER RATE DURING AN OPERATING PERIOD.]** Except as otherwise set forth herein, in the event this Lease is cancelled or terminated pursuant to its terms during a Lease Year, the Rent shall be prorated accordingly. Rent shall be payable annually on the first business day of each and every Lease Year; provided however, that the first year's Rent shall be paid within 10 business days of final execution of this Lease. Rent shall be payable annually to the following location: LSU AgCenter, Office of Accounting Services, 103 Efferson Hall, 110 LSU Union Square, Baton Rouge, Louisiana 70803.

#### **ARTICLE V. OPTIONS TO RENEW**

Upon written notification by Lessee to Lessor sixty (60) days prior to the end of the Initial Term, and upon a proper showing acceptable to Lessor that permanent improvements which further the educational, scientific, research or public service functions of Lessor, have been constructed, placed or made upon the Property by Lessee, Lessee shall have the right and option to renew this Lease for one (1) additional term of \_\_\_\_\_ (\_\_\_) years (the "Renewal Term"), immediately subsequent to the expiration of the Initial Term. Lessee agrees to pay Lessor, as applicable, Rent for the Property during the Renewal Term as follows: **[SUBJECT TO NEGOTIATION]**

#### **ARTICLE VI. CONSTRUCTION OF SOLAR FACILITIES**

Section 6.1 Pre-Development Phase. At its sole cost and expense, and in consideration of the lease of the Property by Lessor to Lessee, Lessee agrees to construct Solar Facilities on the Property in a good and workmanlike manner, and in accordance with the provisions of this Lease. Construction of said Solar Facilities, subject to Section 6.2 hereof, shall commence no later than \_\_\_\_\_. In the event that construction of such Solar Facilities has not commenced on or before \_\_\_\_\_, Lessor may cancel this Lease upon sixty (60) days prior written notice to Lessee. After obtaining the consent of Lessor in accordance with Section 6.2 below, and prior to the commencement of development and/or construction activities on the Property, Lessee shall provide to Lessor a Development Commencement Notice stating the date on which Lessee expects to commence construction. During the period from the Effective Date until the delivery of the Development Commencement Notice to Lessee (such period being the "Pre-Development Phase"), (i) Lessee may use and occupy the Property on a non-exclusive basis for agricultural, grazing and hunting purposes, so long as the Property is maintained substantially in accordance with its condition as of the Effective Date and in compliance with all applicable laws, (ii) Lessee shall not modify or extend any leases or other agreements granting other parties rights to use or possess the Property without Lessee's prior written consent, or enter into new leases or any other agreements or otherwise grant (actively or permissively) any rights to other parties to use or possess the Property unless such leases or agreements are terminable without cause and without any payment or other obligation upon thirty (30) days prior written notice, and

(iii) Lessor shall not make any alterations to the Property that would interfere with the Solar Energy Purposes.

Section 6.2 Plans and Specifications/Change Orders. At least forty-five (45) days prior to commencement of any Work, proposed final plans and specifications approved by the University Construction Monitor shall be delivered to the LSU Representative for his review. The LSU Representative shall approve or disapprove such proposed final plans and specifications in writing within thirty (30) days of receipt thereof. Any request for change orders to the Plans and Specifications, whether issued before or after the Authorization to Proceed is given, shall be made to the LSU Representative, who shall approve or disapprove such request in writing within seven (7) days (excluding Saturdays, Sundays or state or federal holidays) of having received such request in writing from Lessee. Any change in work and materials relating to construction of the Improvements which either (1) materially alters the exterior appearance of any Improvements, regardless of the cost thereof, or (2) materially alters the quality of materials or the interior appearance of any buildings forming part of the Improvements and costs more than Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00), is subject to the prior review and approval of the LSU Representative, which approval shall not be unreasonably withheld, delayed or conditioned. Lessee shall notify the LSU Representative in writing of any such proposed changes in work or materials, and provide to the LSU Representative copies of the proposed changes, and the LSU Representative shall either approve or disapprove any such changes within seven (7) days (excluding Saturdays, Sundays or state or federal holidays) after receipt of such notice from Lessee. If the LSU Representative fails to respond within such seven (7) day period (excluding Saturdays, Sundays or state or federal holidays), it shall be deemed that LSU approves such changes. All notifications to the LSU Representative for requests for change orders to the Plans and Specifications shall include copies of the proposed change orders and copies of the approvals by the Contractor, the Architect, Lessee and the University Construction Monitor of such change orders, and shall further include sufficient information for the LSU Representative to make a determination whether to approve or disapprove such changes in the Work or materials. Complete copies of all final change orders shall be provided to the LSU Representative no later than the commencement of the Work represented by the change order, even if LSU Representative approval is not required. Changes in work or materials relating to construction of the Improvements whether or not required to be submitted to the LSU Representative by this section shall be submitted in writing (unless written submission is waived by the University Construction Monitor) to and received by the University Construction Monitor who shall either approve or disapprove any such changes within four (4) days (excluding Saturdays, Sundays or state or federal holidays) after receipt of such request and copies of the proposed changes from Lessee. If the University Construction Monitor fails to respond within such four (4) day period (excluding Saturdays, Sundays or state or federal holidays), it shall be deemed that he approves such change(s).

Notwithstanding anything to the contrary contained in this Lease, no material change order to the Construction Contract which substantially deviates from the Plans and Specifications as originally approved shall be implemented without the prior written consent of the LSU Representative. Furthermore, and notwithstanding anything to the contrary contained in this

Lease, no Work or construction shall commence for the Improvements until the LSU Representative has issued the Authorization to Proceed, which authorization may be given on a phase-by-phase basis.

Section 6.3 Completion of Work. Unless delayed by Force Majeure, at its own expense Lessee agrees make best reasonable efforts to achieve Substantial Completion of all phases of the Work on or before \_\_\_\_\_, 20\_\_, but in any event to complete all Work on or before \_\_\_\_\_, 20\_\_. No work shall commence until the LSU Representative has given written consent to the notice to proceed and written approval to the final proposed plans and specifications. The commencement and completion dates set forth herein may be extended by a written request issued by Lessee and approved in writing by the LSU Representative.

Section 6.4 Construction Contract. The Work shall be performed on behalf of Lessee pursuant to the terms of the Construction Contract. Lessee shall not enter into a proposed Construction Contract or materially amend it thereafter, without the prior written approval of the LSU Representative. The LSU Representative shall approve or disapprove the proposed final contract within ten (10) days of receipt from Lessee. Where appropriate, the Construction Contract and Payment and Performance Bonds shall be recorded properly with the Clerk of Court of East Baton Rouge Parish prior to commencement of the Work. Lessee shall include a liquidated damages clause acceptable to the LSU Representative in the proposed Construction Contract. Board and Lessee hereby acknowledge the following, and, to the extent practically and legally possible, the Construction Contract and all subcontracts entered into by the Contractor shall acknowledge expressly that the parties thereto have been informed of the following:

6.4.1. The Work will be performed solely and exclusively for Lessee.

6.4.2. Lessee is a separate legal entity from LSU AgCenter and Board. It is not acting as agent for LSU AgCenter or Board, and Lessee has no authority to obligate LSU AgCenter or Board to any extent whatsoever.

6.4.3. Neither Board nor the State of Louisiana shall be liable, directly or indirectly, for the payment of any sums whatsoever or for the performance of any other obligation whatsoever arising out of the Work performed pursuant to this Lease.

6.4.4. Lessee has no ownership interest in the Property on which the Work will be performed. The Work shall not give rise to any rights against the Property, Board or LSU AgCenter.

6.4.5. It is understood and agreed that the Board, its members, employees and agents including but not limited to the LSU Representative and the University Construction Monitor, shall owe no legal duty to or assume any liability or responsibility to any party as a result of or in connection with any consent, approval or review given or undertaken in connection with the Work. No party shall infer, based on any consent, approval or review given

or undertaken by the Board, its members, employees and agents including but not limited to the LSU Representative and the University Construction Monitor, agreement with or endorsement of the particular matter at issue; rather, such consent, approval or review shall only be deemed to indicate “no objection” to the particular matter at issue.

Section 6.5 Payment and Performance Bonds. Lessee shall require that the Contractor provide a performance and labor and materials payment bond(s) with a corporate surety authorized to do business in the State of Louisiana. Said bond(s) shall be for the greater of the full amount of the Contract Sum or the Guaranteed Maximum Price as defined and established in the Construction Contract. Both Lessee and Board shall be obligees under the bond(s).

Section 6.6 Rights Concerning the Property During Construction. To the extent necessary, Lessee and the Contractor shall have the right to occupy and use the Property, with reasonable ingress to and egress from the Property, during the Term of this Lease and, with the prior written consent of the University Construction Monitor, shall fence or block off that area of the Property necessary to perform the Work in a safe and secure manner. Except for unknown or unforeseen and unforeseeable defects, Lessee assumes all responsibility for the condition of the Property during the Term of this Lease. Lessee shall maintain the Property and any Improvements or construction thereon in a reasonably prudent manner at all times during and after the Work. Board shall not be responsible for any maintenance or repairs to the Improvements and Work during the Term of this Lease. The University Construction Monitor and the LSU Representative and any other individuals authorized by the LSU Representative shall at all times have access to the Property and the exercise of all rights as owner except as otherwise provided herein, even those not specifically acknowledged herein. Lessee accepts the Property for the purposes herein outlined without any recourse whatsoever against Board.

Section 6.7 Access over Adjoining Property During Construction. Board hereby grants to Lessee a servitude of access over and across the Property and such other land owned by Board only in so far as such is reasonably necessary in order for Lessee to fulfill its obligations hereunder, provided, however, that (1) such access routes are approved in writing by the University Construction Monitor; and (2) Lessee shall not unreasonably interfere with Board’s (or Board’s lessee’s) use of such other land.

Section 6.8 LSU Rules and Regulations; Access During Construction. Lessee agrees that it will comply with all Board and LSU AgCenter regulations, policies and mandates with regard to all contractors and personnel entering the Property and any other land for purposes of construction, which rules and regulations will be addressed at the pre-construction conference, and that it will secure, at its own expense, all necessary permits and licenses from all regulatory agencies or bodies. Lessee shall make these same requirements of the Contractor. At all times during construction, the University Construction Monitor, the LSU Representative and any individuals authorized by the LSU Representative shall have the right but not the obligation to enter the Property and review the Work to determine that it is being performed in compliance with the Plans and Specifications and in a good and workmanlike manner.

Section 6.9 Signage. Before erecting or placing any sign upon the Property or the Improvements, Lessee shall submit the design specifications of such sign to the LSU Representative for approval. Lessee may only erect or place signage hereunder if it has obtained the prior written approval of the LSU Representative.

Section 6.10 Acceptance of Construction. Lessee and Board acknowledge that the Work may be undertaken and completed in two or more phases. Lessee and Board agree to work together to identify and facilitate completion of all warranty and Punch List items within the first year following acceptance of each phase of the Work. Lessee will not accept any portion of the Work without the written approval of the LSU Representative. Board reserves the right to refuse to approve the acceptance of any phase of the Work unless monies equal to the value of the Punch List deficiencies are withheld by Lessee and designated for payment to the Contractor only upon completion of the Punch List items. Lessee shall be obligated to complete the Punch List items. Final payment shall not be made to the Contractor until the LSU Representative agrees in writing that the Punch List items have been completed.

Section 6.11 Funds for Construction. At the LSU Representative's request, prior to the commencement of any phase of the Work, Lessee shall satisfy the LSU Representative that the total amount of money needed to complete the Work, or phase of the Work being undertake, has been collected or acquired by Lessee and is dedicated to that use. At the LSU Representative's sole option, Lessee may be required to provide a letter of credit, a performance bond, or a dedicated escrow account to guarantee its performance.

Section 6.12 On-Site Construction Inspector. If in the LSU Representative's sole discretion it becomes necessary, Lessee at Lessee's expense shall hire an on-site construction inspector or clerk of the works for full time supervision of the Work.

Section 6.13 Inspection and Survey. Lessee shall inspect the Property and arrange for any necessary boundary surveys, topographical surveys, soil borings and other site investigations at its expense. Lessee accepts the Property in its present and existing condition.

Section 6.14 No Liens; Release of Recorded Liens. Lessee shall not suffer or permit any liens to be enforced against the Property, the Work, the Improvements, Board or LSU AgCenter by reason of a failure to pay for any work, labor, services or materials supplied or claimed to have been supplied to Lessee or to anyone through or under Lessee. If any such liens shall be recorded, Lessee shall cause the same to be released of record, or in the alternative, if Lessee in good faith desires to contest the same, Lessee shall be privileged to do so, but in such case, Lessee shall promptly deposit with the Recorder of Mortgages of \_\_\_\_\_ Parish a bond guaranteeing payment of any such liens and hereby agrees to indemnify, defend with an attorney of the LSU Representative's choice, and save Board harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure on said lien, cause the same to be discharged and released prior to the execution of such judgment.

Section 6.15 Ownership of Solar Facilities. Except as provided in Article XIX, Lessor shall have no ownership or other interest in any Solar Facilities or other Improvements constructed, erected or installed by Lessee on the Property.

**ARTICLE VII.  
REAL ESTATE TAXES AND ASSESSMENTS**

Section 7.1 Responsibilities. Lessee shall pay the amount of any increase in the real property taxes or assessments levied against the Property attributable to the installation of Solar Facilities on the Property (but not to any increase in the assessed value of the Property resulting from the existence of this Lease or the Rent payments hereunder). Lessee shall be liable for taxes or assessments attributable to (a) facilities installed on the Property by or on behalf of Lessee, (b) the underlying value of the Property itself (including any changes in the assessed value of the Property related to the existence of the Lease and the Rent payments hereunder), and (c) any property tax increases pertaining to any conveyance or transfer of the Improvements by Lessee pursuant to this Lease or otherwise that results in reassessment of the Property or Improvements for property tax purposes, including related penalties or interest. If any such tax or assessment may, at the option of the taxpayer, be paid in installments, Lessee may exercise the option to pay the same in installments. If Lessee elects to pay any such tax or assessment on the installment basis, then Lessee will pay only those installments that become due and payable during the Term. Lessee and Lessee agree to reasonably cooperate with each other to cause the taxing authority to separately bill Lessee for any real estate taxes and assessments for which it will be responsible.

Section 7.2 Right to Contest. Lessee, at its expense, shall have the right to contest or review by legal, administrative or other proceedings the amount or validity of any such tax or assessment imposed against the Property. Nothing contained herein shall imply any right on the part of Lessee to postpone such payment unless such proceedings or security given shall stay the collection thereof and the sale of the Property or Improvements to satisfy same. Lessee agrees to render all reasonable assistance to Lessee in contesting any taxes or assessments, including joining in the signing of any reasonable protests or pleading which Lessee may deem advisable to file, in which case Lessee agrees to reimburse Lessee for its reasonable out-of-pocket expenses, including reasonable attorneys' fees incurred in connection with providing such assistance. The proceedings referred to herein shall include, but shall not be limited to, appropriate appeals from any judgments, decrees or orders made in any such proceedings. In the event of any reduction, cancellation or discharge of such taxes or assessments as a result of such proceedings, and if Lessee had not already paid same, then Lessee will do so forthwith as they are finally levied, assessed or imposed. If there shall be any refund payable by the Governmental Authorities with respect thereto, Lessee shall be entitled to receive and retain same.

**ARTICLE VIII.  
UTILITIES AND OPERATING EXPENSES**

Section 8.1 Utilities. Lessee shall be solely responsible for payment of all utilities related to the Property and/or Improvements, including but not limited to charges for electricity, energy, light, heat, air conditioning, power, telephone, garbage or other trash removal and disposal, water, and sewer user fees. All utilities will be billed directly to and in the name of Lessee. Lessor shall have no responsibility to Lessee for the quality or availability of utilities or services to the Property or any Improvements thereon, including but not limited to electricity, gas, energy, telephone, garbage or trash removal and disposal, sewage or effluent removal or disposal, water or other utility or service.

Section 8.2 Operating Expenses. Lessee shall pay all expenses, costs, premiums and disbursements of any nature whatsoever accrued or incurred in connection with the lease, management, operation, maintenance, repair and insurance of the Property, including any and all Improvements thereon whether existing at the Effective Date or constructed on the Property during the Term.

Section 8.3 Utilities. Lessor agrees to grant any easements, rights of way, and licenses required by any public or quasi-public utility company with respect to construction, operation and use of the Solar Facilities during the Term, provided, however, that in each case such easement, right of way or license (i) does not materially impair the value, utility and remaining useful life of the Property, (ii) is reasonably necessary in connection with the construction, operation or use of the Solar Facilities or other Improvements, and (iii) does not cause the property or any portion thereof to fail to comply with all material requirements of Applicable Laws. Any cost associated with any such easement, right-of-way or license shall be borne exclusively by Lessee.

**ARTICLE IX.  
INDEMNITY**

Section 9.1 By Lessee. In addition to any other indemnification assumed by Lessee pursuant to this Lease, Lessee shall indemnify, hold harmless, and defend Lessor, its board members, employees and agents from and against any and all costs, expenses (including reasonable attorneys' fees), liabilities, losses, damages, suits, actions, fines, penalties, claims, or demands of any kind and asserted by or on behalf of any person or entity ("Losses") arising out of or in any way connected with: (i) any default by Lessee under any of the agreements, terms, covenants, or conditions of this Lease required to be performed by Lessee; (ii) any accident, loss, death or personal injury, or damage to or loss or theft of property caused or contributed to by Lessee, its invitees, customers, contractors, employees, affiliates or agents which occurs in or about the Property, or as a result of any use or occupancy of the Property by Lessee or Lessee's invitees, customers, contractors, employees, affiliates or agents, except to the extent that the same may be caused by the willful act or negligence of Lessor or any of Lessor's employees or agents, or by Lessor's breach of its obligations under this Lease; and (iii) any contamination of



the Property or Improvements, or any contamination of groundwater or surrounding lands because of or arising out of contamination of the Property or Improvements, caused or contributed to by the actions of Lessee or Lessee’s invitees, customers, contractors, employees, affiliates or agents on or after the Effective Date hereof.

Section 9.2 By Lessor. To the extent allowed by Applicable Law and except as otherwise set forth in this Lease, Lessor shall indemnify, hold harmless and defend Lessee from and against any and all Losses to the extent such Losses arise out of any default by Lessor under any of the agreements, terms, covenants, or conditions of this Lease required to be performed by Lessor or the breach of any representation or warranty made by Lessor hereunder.

**ARTICLE X.  
INSURANCE**

Section 10.1 Required Insurance, Types and Amounts. From the Effective Date through the Term hereof, Lessee shall at all times maintain or cause to be maintained, with respect to the Property and Improvements, insurance in the following types and amounts. Such insurance shall be with insurance companies duly licensed to do business in the State of Louisiana and bearing a rate of A+:XV in the latest Best Casualty Insurance Reports.

TYPE	AMOUNT
<p>Commercial General Liability Insurance for the following where the exposure exists:</p> <ul style="list-style-type: none"> <li>(a) Property-operations</li> <li>(b) broad form Lease liability</li> <li>(c) products/completed operations</li> <li>(d) use of Contractors and subcontractors</li> <li>(e) personal injury (bodily injury and death)</li> <li>(f) broad form property damage</li> <li>(g) explosion, collapse and underground property damage</li> <li>(h) independent Contractors</li> <li>(i) sprinkler leakage legal liability</li> </ul>	<p>Coverage in an amount not less than:</p> <ul style="list-style-type: none"> <li>\$2,000,000.00 per occurrence;</li> <li>\$5,000,000.00 General Aggregate; and</li> <li>\$5,000,000.00 Products &amp; Completed Operations Aggregate; less a commercially reasonable deductible. “Claims Made” form is not acceptable.</li> </ul>

Business Automobile Liability Insurance for bodily injury and property damage, covering owned automobiles, hired automobiles and leased automobiles.	Combined single limit of One Million Dollars (\$1,000,000.00) per occurrence
Worker's Compensation & Employer's Liability Insurance	Limits as required by the Labor Code of the State of Louisiana and Employer's Liability coverage. Employer's liability limit is to be \$1,000,000.00 when work is to be over.
Business Interruption Insurance covering loss of rents by reason or total or partial suspension of, or interruption in, the operation of Leased Property caused by the damage thereof.	12 months guaranteed rental revenue
Flood insurance, if applicable	In amounts determined by Lessor to be reasonable, but no more than the amount available under the National Flood Insurance Program.
Liquor liability insurance, if applicable	Limits of One Million (\$1,000,000.00) Dollars

**Section 10.2 Additional Insurance Requirements.** Lessee agrees that with respect to the above required insurance, Lessee shall: (a) Name Lessor, its board members, employees, and agents on all Commercial General Liability and Property Damage insurance policies as additional insureds and loss payees, as applicable; (b) Provide Lessor with thirty (30) days advance notice, in writing, of any cancellation or material change in coverage of any required insurance; (c) Prior to the Effective Date, provide Lessor with a Certificate of Insurance evidencing the above required insurance prior to the Effective Date and thereafter with certificates evidencing renewals or replacements of said policies or insurance at least thirty (30) days prior to the expiration or cancellation of any such policies; and (d) provide to Lessor upon request complete certified copies of all required insurance policies.

**Section 10.3 No Recourse.** Neither Lessee nor the insurance companies issuing the required policies shall have any recourse against Lessor for payment of premiums or for assessments under any form of the policies.

Section 10.4 Deductibles and SIR's. Any deductibles or self-insured retentions must be declared to and accepted by Lessor in writing in advance. Lessee shall be responsible for all deductibles and self-insured retentions.

Section 10.5 No Special Limitations. The coverage required hereunder shall contain no special limitations on the scope of protection afforded to Lessor and its board members, officers, agent, and employees.

Section 10.6 Failure to Purchase or Maintain Insurance. Lessee's failure to purchase and/or maintain, either itself or through its contractor(s), any required insurance, shall not relieve Lessee from any liability or indemnification hereunder.

Section 10.7 Occurrence Based Policies. All insurance required hereunder shall be occurrence coverage. Claims-made policies are not allowed.

## **ARTICLE XI. REPAIRS AND MAINTENANCE**

Lessee at its expense shall perform all maintenance and make all repairs to the Property and to the Improvements including, but not limited to, the Solar Facilities to be erected by it on the Property which may be necessary to maintain the same in good condition and repair, and which may be necessary in order that the Property and Improvements shall conform to Applicable Laws, and to the requirements of all policies of insurance in force.

## **ARTICLE XII. CONDEMNATION**

If during this Lease all of the Property or such part thereof as to render the remaining portion, in the reasonable judgment of Lessor, unsuitable for the business purposes of Lessee, are acquired by Governmental Authority other than Lessor by exercise of the power of eminent domain or otherwise, this Lease shall terminate at the time possession must be surrendered to such authority for all purposes except the enforcement of rights then accrued hereunder, and prepaid or unpaid Rent shall be adjusted between the Lessor and Lessee as of such date. If only such portion of the Property is so acquired by the exercise of such power as will, in the reasonable judgment of the Lessor, leave the remaining part suitable for the business purposes of Lessee, the yearly payments of Rent from the date of such acquisition shall thereafter be reduced in the same proportion as the amount of acreage acquired by such authority bears to the acreage of the entire Property. Nothing contained in this Article shall in any way prejudice or interfere with any claim which Lessee may have against the Governmental Authority exercising the power of eminent domain for the destruction of or interference with the leasehold interest or the business of Lessee in the Property or Improvements. For the purposes of this Article, acquisition of all or a portion of the Property by Governmental Authority other than Lessor by means of voluntary negotiations and contract shall be deemed to be acquisition by exercise of the power of eminent domain.

**ARTICLE XIII.  
MINERAL EXPLORATION AND PRODUCTION.**

This Lease is subject to any and all presently existing and properly recorded mineral reservations and mineral leases granted by Lessor or its predecessors-in-interest, which cover some or all of the Property as of the Effective Date. In order to permit the simultaneous use of the Property for Solar Projects and mineral resource development, Lessor and Lessee agree to work cooperatively together to ensure that Lessor can benefit from the exploitation of the mineral resources on or under the Property, and reasonably conduct mineral exploration and production activities related to the Property, and Lessee can undertake development of a Solar Project with reasonable certainty that the exploitation of the mineral resources will not interfere with or adversely affect the Solar Project or unobstructed access to sunlight on the Property; provided, however, that nothing shall preclude the exploration, mining, development, extraction and production of oil, gas, sulphur or other minerals from or under the Property (or rights-of-way, lakebeds, waterways or other strips adjacent or contiguous to the Property) by means of directional or horizontal drilling or utilized or pooled operations with the well and all surface equipment located off the Property, without, in either case, any well bore or mine shaft penetrating any depth beneath the Property above the subsurface depth of five hundred feet (500') feet nor shall such well bore or mine shaft impair the subjacent support of the Property or of any improvements now or hereafter situated on the Property.

**ARTICLE XIV.  
WAIVER AND DISCLAIMER OF WARRANTIES.**

Notwithstanding anything to the contrary set forth in this Lease, Lessee accepts the Property in its "as is" and present and existing condition, at Lessee's sole risk and without any warranty of any kind or nature, whether express or implied, contractual or statutory and whether as to the condition (patent or latent) or state of repair of the Property or the fitness of same for Lessee's purposes or for any other purpose whatsoever. Lessor shall not be responsible for any latent vice or defect or change of condition in the Property, and Lessee waives and renounces such warranties and releases Lessor from any liability related to the Property, and Lessee assumes responsibility and liability for the entire Property.

**ARTICLE XV.  
DEFAULT BY LESSEE**

Section 15.1 Default. Each of the following shall be deemed an "Event of Default" by Lessee hereunder and a material breach of this Lease:

15.1.1. Whenever Lessee shall fail to pay any sum payable by Lessee to Lessor or to any third party under this Lease on the date upon which the same is due to be paid and such failure shall continue for seven (7) days from said due date;

15.1.2. Whenever Lessee shall fail at any time to continuously maintain insurance in the types and amounts set forth in this Lease, or to otherwise comply with all of the requirements of Article X of this Lease;

15.1.3. Whenever Lessee shall fail to keep, perform, or observe any of the covenants, agreements, terms, or provisions contained in this Lease that are to be kept or performed by Lessee other than with respect to payment of any sums of money, and Lessee shall fail to commence and take such steps as are necessary to remedy the same within thirty (30) days after Lessee shall have been given a written notice specifying the same, or having so commenced, shall thereafter fail to proceed diligently and with continuity to remedy the same;

15.1.4. Whenever an involuntary petition shall be filed against Lessee under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import or a receiver of Lessee or for all or substantially all of the property of Lessee shall be appointed without acquiescence, and such petition or appointment is not discharged within ninety (90) days after the happening of such event;

15.1.5. Whenever Lessee shall be dissolved or liquidated, or shall file a voluntary petition under any bankruptcy or insolvency law or under the reorganization provisions of any law of like import, or whenever Lessee shall fail within ninety (90) days to lift any execution, garnishment, or attachment of such consequence as shall materially impair Lessee's ability to carry on its operations, or whenever Lessee shall make a general assignment for the benefit of its creditors, or shall enter into an agreement of composition with its creditors or whenever an Order for Relief shall be granted with respect to such party pursuant to Title 11 of the United States Code or whenever such party shall seek relief under any other law for the benefit of debtors; and

15.1.6. Whenever Lessee shall fail to provide adequate assurance of future performance of this Lease within sixty (60) days after (i) the granting of an Order for Relief with respect to Lessee pursuant to Title 11 of the United States Code, or (ii) the granting of the relief sought in an involuntary proceeding against Lessee under any bankruptcy or insolvency law. As used in this Section 15.1.6, "adequate assurance of future performance of this Lease" shall include, but shall not be limited to, adequate assurance (i) of the source of the consideration due hereunder; and (ii) that assumption or assignment of this Lease shall not breach any provision, such as a use, management, or ownership provision, in this Lease, any other lease or any financing agreement, relating to the Property.

Section 15.2 Lessor's Right. Without in any way limiting Lessor's rights at law or otherwise, if any one or more Events of Default should occur, then Lessor has the right to immediately terminate this Lease, in which case Lessee's right of possession of the Property shall cease, this Lease shall be terminated and, notwithstanding anything to the contrary in this Lease, Lessor shall not owe any refund of any amounts previously paid to Lessor by Lessee, and Lessor at its option shall be subrogated to the rights of Lessee.

Section 15.3 Performance of Lessee's Other Obligations. If Lessee fails to perform or observe any of its covenants, agreements, or obligations hereunder (other than the payment of sums of money) for a period of thirty (30) days after notice of such failure (unless the default is of such a nature that it cannot be cured within a 30-day period, in which event no default shall occur as long as Lessee commences to cure such default within the 30-day period and thereafter, in good faith, diligently and with continuity, prosecutes the curing of the default), then in addition to all other rights provided herein Lessor shall have the right, but not the obligation, at its sole election (but not as its exclusive remedy), to perform or observe the covenants, agreements, or obligations that are asserted to have not been performed or observed, at the expense of Lessee and to recover all costs, expenses, and attorney fees incurred in connection therewith, together with legal interest thereon from the date expended until repaid. Any performance or observance by Lessor pursuant to this subsection shall not constitute a waiver of Lessee's failure to perform or observe.

Section 15.4 Election of Remedies. All of Lessor's remedies under this Article XV are cumulative. Either party may restrain any breach or threatened breach of any covenant, agreement, term, provision or condition herein contained, but the mention herein of any particular remedy shall not preclude either party from any other remedy it might have, either in law or in equity.

Section 15.5 Bankruptcy. If a petition is filed by or against Lessee for relief under the Bankruptcy Code, and Lessee (including, for purposes of this Section, Lessee's successor in bankruptcy, whether a trustee or Lessee as debtor in possession) assumes and proposes to assign, or proposes to assume and assign, this Lease pursuant to the provisions of the Bankruptcy Code to any person or entity who has made or accepted a bona fide offer to accept an assignment of this Lease on terms acceptable to Lessee, then Notice of the proposed assignment setting forth (a) the name and address of the proposed assignee, (b) all of the terms and conditions of the offer and proposed assignment, and (c) the adequate assurance to be furnished by the proposed assignee of its future performance under this Lease, shall be given to Lessor by Lessee no later than twenty (20) Days after Lessee has made or received such offer, but in no event later than ten (10) Days prior to the date on which Lessee applied to the Bankruptcy Court for authority and approval to enter into the proposed assignment. Lessor, as landlord, shall have the prior right and option, to be exercised by Notice to Lessee given at any time prior to the date on which the court order authorizing such assignment becomes final and non-appealable, to receive an assignment of this Lease upon the same terms and conditions, and for the same consideration, if any, as the proposed assignee, less any brokerage commissions that may otherwise be payable out of the consideration to be paid by the proposed assignee for the assignment of this Lease. If this Lease is assigned pursuant to the provisions of the Bankruptcy Code, Lessor, as landlord: (i) may require from the assignee a deposit or other security for the performance of its obligations under this Lease in an amount substantially the same as would have been required by landlord upon the initial leasing to a tenant similar to the assignee; and (ii) shall receive, as additional Rent, any and all further sums as are required of Lessee under this Lease. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed without further act or documentation to have assumed all of Lessee's obligations arising

under this Lease on and after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Lessor an instrument confirming such assumption. No provision of this Lease shall be deemed a waiver of Lessor's rights or remedies under the Bankruptcy Code to oppose any assumption and/or assignment of this Lease, to require a timely performance of Lessee's obligations under this Lease, or to regain possession of the Property if this Lease has neither been assumed or rejected within sixty (60) Days after the date of the order for relief or within such additional time as the Bankruptcy Court may have fixed. Notwithstanding anything in this Lease to the contrary, all amounts payable by Lessee to or on behalf of Lessor under this Lease, whether or not expressly denominated as Rent, shall constitute Rent for the purposes of Section 502(b)(6) of the Bankruptcy Code. Provided further that no provision herein regarding assignment of this Lease by Lessee shall be considered to waive or modify any other provision of this Lease governing Lessee's ability to assign or sublease, and the provisions of this Section are included herein for the sole purpose of providing for the situation in which Lessor is compelled by the Bankruptcy Court to acquiesce in an assignment of this Lease approved by the Bankruptcy Court.

**ARTICLE XVI.  
DEFAULT BY LESSOR.**

Section 16.1 Default. If (i) Lessor's representations and/or warranties set forth herein, or Lessee's exclusive right to use or peaceful enjoyment of, the Property is materially inaccurate or fails to be true in a material way as of the date hereof or any time thereafter, or (ii) Lessor defaults in the performance of any of its covenants or agreements contained herein and such default continues for sixty (60) days after Lessee has notified Lessor in writing of the existence of such default, Lessee may, at its option, pursue any remedies available to Lessee by Applicable Law.

Section 16.2 No Liability for Consequential Damages. Notwithstanding anything in this Lease to the contrary, Lessor shall not be liable to Lessee for any consequential damages of any type, nor shall Lessor be liable for any land preparation or other expenses.

**ARTICLE XVII.  
ASSIGNMENT AND SUBLETTING**

Lessee may not assign this Lease or any interest herein, nor may Lessee sublet the Premises or any part thereof, to any person or entity without the prior written consent of the Lessor. Lessor may not assign this Lease or any interest herein, or any part thereof, to any person or entity without the prior consent of Lessee. Lessor or Lessee, as the case may be, shall not be released from any liability as to the terms of this Lease by such assignment or sublease unless the assignee agrees to assume all obligations hereunder.

**ARTICLE XVIII.  
REPRESENTATIONS, WARRANTIES AND COVENANTS  
[DALE NEEDS TO LOOK AT ALL OF THESE]**

Section 18.1 Lessee's Representations, Warranties and Covenants. Lessee hereby represents, warrants and covenants to Lessee as follows:

18.1.1. Care and Appearance. Lessee shall keep the Property clean and free of debris created by Lessee, its contractors, or others brought onto the Property by Lessee. After completion of construction, Lessee shall maintain good stewardship of the Property by restoring all surfaces not occupied by Improvements to a condition reasonably similar to their condition as of the Effective Date, as is reasonably practicable and re-seeding all surfaces as is reasonably prudent in order to prevent soil erosion.

18.1.2. Liens. Subsequent to completion of the Solar Facilities, Lessee shall keep the Property free and clear of all liens and claims of liens for labor and services performed on, and materials, supplies or equipment furnished to, the Property in connection with Lessee's uses pursuant to this Lease. Lessee may, however, elect to contest the validity of any lien if within ninety (90) days after it receives notice of the lien filing, Lessee bonds around or establishes appropriate reserves for the lien or Lessee otherwise removes the lien from the Property pursuant to Applicable Law.

18.1.3. Requirements of Governmental Agencies. During the Term, Lessee, at its expense, shall comply in all material respects with valid laws, ordinances, statutes, orders and regulations of any Governmental Authority applicable to the Solar Project on the Property. Lessee shall have the right in its sole discretion, to contest by appropriate legal proceedings, brought in the name of Lessee or in the names of both Lessee and Lessee where appropriate or required, the validity or applicability to the Property, Solar Facilities or Solar Project of any law, ordinance, statute, order, regulation, tax, property assessment or the like now or hereafter made or issued by any federal, state, county, local or other Governmental Authority. Lessor shall cooperate in every reasonable way in such contest, at no out-of-pocket expense to Lessor. Any such contest or proceeding, including any maintained in the name of Lessee, shall be controlled and directed by Lessee, but Lessee shall protect, defend, indemnify and hold harmless Lessor from Lessee's failure to observe or comply with the contested law, ordinance, statute, order, regulation or property assessment, including, but not limited to, Lessor's out-of-pocket expenses.

18.1.4. Estoppel Certificate by Lessee. Lessee shall at any time and from time to time during the Term within twenty (20) days after a written request by Lessor, but not more often than once each calendar quarter, execute and deliver to Lessor a written statement certifying that this Lease is in full force and effect (or modified and stating the modification).

Section 18.2 Lessor's Representations, Warranties and Covenants. Lessor hereby represents, warrants and covenants to Lessee as follows:



18.2.1. Lessor's Authority. Lessor (and the undersigned representative of Lessor, if any) has full power, authority, capacity and legal right to enter into, execute and deliver this Lease. Each person signing this Lease on behalf of Lessor is authorized to do so. When signed by Lessor, this Lease constitutes a valid and binding agreement enforceable against Lessor and the Property in accordance with its terms.

18.2.2. Legal Status. Lessor (a) is a body corporate under the laws of Louisiana; (b) is duly qualified to transact business in Louisiana; and (c) has all necessary approvals, governmental and otherwise, has full power and authority to own the Property and carry on its business as now conducted and proposed to be conducted.

18.2.3. Conflict with Other Agreements. Neither the execution and delivery of this Lease, nor incurring of the obligations set forth herein, nor compliance by Lessor with the terms and provisions of the Lease, will conflict with or result in a default under, any indebtedness or any contract, deed of trust, loan, agreement, lease or other agreements or instruments pertaining to Lessor and/or the Property.

18.2.4. No Brokers. Neither Lessor nor any of its respective officers, board members or employees has employed any broker or finder or incurred any liability for any brokers' fees, commissions or finders' fees as a result of the execution of this Lease.

18.2.5. Litigation. There are no current, pending or contemplated actions, administrative inquiries or proceedings, suits, arbitrations, claims or proceedings commenced by any person or governmental entity affecting Lessor and/or the Property or any portion thereof.

18.2.6. Violations of Law. Lessor has not received notice from any Governmental Authority pertaining to the violation of any law or regulation affecting the Property or any portion thereof, and Lessor has no knowledge of any facts which might be a basis for any such notice.

18.2.7. No Interference. Lessor covenants and agrees that Lessee shall have the quiet use and enjoyment of the Property during the Term in accordance with the terms of this Lease without hindrance or interruption from Lessor or any other person or persons claiming by, through or under Lessor, but does not otherwise warrant peaceable possession without hindrance or interruption. Without limiting the generality of the foregoing, Lessor shall not disturb or interfere with the unobstructed flow of radiant energy emitted by the sun upon, over and across the Property, whether by placing towers or antennas of any type, planting trees or constructing buildings or other structures or facilities, or by engaging in any other activity on the Property that might delay the installation of, disrupt, or otherwise cause a decrease in the output or efficiency of the Solar Facilities, however any existing trees, buildings, towers or structures may remain except \_\_\_\_\_, which may be removed by Lessor, and \_\_\_\_\_ which may be removed by Lessee at Lessee's cost and at Lessor's option, moved to other property owned by Lessor.

18.2.8. Liens and SNDA. Except as may be disclosed as of the Effective Date in the real property records of the parish in which the Property is located, there are no unrecorded liens, encumbrances, leases, mortgages, deeds of trust (except as disclosed to Lessee in writing), or other exceptions to Lessor's fee title ownership of the Property or to Lessor's right, title or interest in the Property. Lessor shall use Lessor's best efforts to obtain a recordable subordination, non-disturbance and attornment agreement in form reasonably acceptable to Lessee (an "SNDA") from each party that holds a lien (recorded or unrecorded) against the Property that is superior to this Lease, in which such party agrees, among other things, not to disturb Lessee's use or rights under this Lease or terminate this Lease. If Lessor is unable to deliver all SNDA's within thirty (30) days after written request by Lessee, no Rent will be due and payable until all required SNDA's are delivered to Lessee. If Lessor is unable to obtain an SNDA from a lienholder that holds a mortgage, deed of trust, tax lien or other lien that is senior to this Lease (if any), Lessee shall be entitled (but not obligated) to make payments in fulfillment of Lessor's obligations to the lienholder and offset the amount of such payments against amounts due Lessor under this Lease. The SNDA shall be in a form reasonably acceptable to Lessee and shall be recorded following its execution.

18.2.9. Requirements of Governmental Agencies. Lessor shall fully cooperate with Lessee, at no out-of-pocket expense to Lessor, with regard to Lessee's compliance with and procurement of any land use permits and approvals, building permits, environmental impact reviews or any other approvals required for the financing, construction, installation, relocation, replacement, maintenance, operation or removal of any Solar Project or Transmission Facilities or other Solar Facilities, including execution of applications for such approvals. In connection with any application by Lessee for a governmental use permit, approval, authorization or other consent, or any governmental review of any previously issued permit, including, without limitation, for the installation, continued operation, modification or replacement of the Solar Project or Transmission Facilities or other Solar Facilities on the Property, Lessor agrees not to directly or indirectly oppose any such application or approval (if granted) at any administrative, judicial or legislative level.

18.2.10. Third Parties. There are no currently existing options, rights of refusal, sales contracts or other such rights in favor of any third parties relating to the Property or any interest therein that could materially interfere with the development, construction or operation of the Solar Project on the Property or that could otherwise materially and adversely affect Lessee's use and enjoyment of the Property in accordance with the terms of this Lease.

18.2.11. Estoppel Certificates from Lessor. Lessor shall at any time and from time to time during the Term within twenty (20) days after a written request by Lessee, but not more often than once each calendar quarter, execute and deliver to Lessee a written statement certifying that this Lease is in full force and effect (or modified and stating the modification). Such statement shall also state the dates on which amounts due to Lessor have been paid and that there are no known defaults existing at the time of execution of the statement, or that defaults exist and the nature of such defaults. Lessor and Lessee agree, and the statements presented by Lessor shall explicitly so provide, that each statement provided by Lessor pursuant to the

preceding sentence shall not bar any rights or remedies of Lessor under this Lease in connection with any claims against Lessee arising or accruing prior to the date of such statements.

18.2.12. Assignment by Lessor. If Lessor sells or otherwise transfers any interest in all or part of the Property, Lessor shall, prior to such sale, obtain a written agreement of the purchaser or transferee to be bound by all terms of this Lease.

**ARTICLE XIX.  
SURRENDER OF THE PROPERTY; DISPOSITION OF  
IMPROVEMENTS; HOLDING OVER**

Upon termination or the expiration of this Lease, Lessee shall peaceably quit, deliver up, and surrender the Property to Lessor. If Lessee does not surrender possession of the Property at the termination or expiration of this Lease, such action shall neither extend the Term nor reconduct the Lease. Lessor shall not be deemed to have accepted a surrender of the Property by Lessee, or to have extended the Term, other than by execution of a written agreement specifically so stating. At Lessor's sole discretion, Lessee agrees to restore the Property, at the termination or expiration of this Lease, to the same general condition as existed at the commencement of this Lease. All additions, changes, alterations or other Improvements shall be the property of Lessee during the Term, and shall, at the sole discretion of Lessor, be removed by Lessee, at Lessee's expense, within ninety (90) days following the termination or expiration of this Lease, unless Lessor agrees in writing that Lessee shall not be so required. If Lessor does not require Lessee to remove any such additions, changes, alterations or other Improvements, then ownership of such additions, changes, alterations or other Improvements shall automatically vest in Lessor. Notwithstanding anything to the contrary set forth in this Lease, Lessor shall have no obligation to reimburse Lessee for any of Lessee's assets or Improvements left on the Property at the termination or expiration of the Lease.

**ARTICLE XX.  
PERMITS AND AUTHORIZATIONS**

Lessor and Lessee acknowledge that the use of the Property for the purposes described in Article III hereof requires various permits and/or authorizations to be issued, and approvals given, by federal, state and/or local Governmental Authority. Lessee agrees that Lessor shall have the right to terminate this Lease if all such permits, authorizations and/or approvals necessary for the use of the Property are not secured within a reasonable time or are (wholly or partially) revoked or cancelled for any reason during the Initial Term or any Renewal Term of this Lease. Lessee agrees to diligently seek and obtain all permits or other approvals from federal, state and/or local Governmental Authority as are required for Lessee to fulfill its purposes and to utilize the Property for Lessee's Permitted Use.

**ARTICLE XXI.  
ENVIRONMENTAL MATTERS**

Section 21.1 Prior Environmental Use. Lessor makes no covenant, representation or warranty as to the suitability of the Property for any purpose whatsoever or as to the physical condition thereof or with respect to the contamination by any chemical, material or substance. Lessee acknowledges that portions of the Property may have been used for the storage, treatment, presence, existence, release, discharge, use, manufacture, generation, abatement, removal, disposal, handling or transportation of any Hazardous Material in, to, on, under, from or about the Property and any improvements thereon, any of which may have resulted in contamination of the Property by Hazardous Materials. Lessee acknowledges that it has inspected the Property, observed its physical characteristics and existing conditions and has had the opportunity to conduct such investigations and studies (including, without limitation, environmental audits, site assessments and samplings) on and of the Property as it deems necessary for its intended use and occupancy under this Lease.

Section 21.2 Environmental Definitions. For the purposes of this Article and this Lease, the following terms and conditions shall have the meanings ascribed thereto:

21.2.1. “Environmental Activity” or “Environmental Activities” means any storage, presence, existence, discharge, release, threatened release, use, generation, manufacture, abatement, removal, disposal, handling or transportation of any Hazardous Material in, to, on, under, from or about the Property and any improvements thereon.

21.2.2. “Environmental Laws” means all state, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, or approvals, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of Hazardous Materials, industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, including without limitation, the regulations of the federal Public Health Service and Department of Transportation concerning the transport of etiologic agents or similar agents, the regulations of the Nuclear Regulatory Commission concerning radioactive materials and waste, the regulations of the Occupational Safety and Health Administration, and including without limitation the following Environmental Laws: The Clean Air Act (42 U.S.C.A. §1857, et. seq.); the Federal Water Pollution Control Act (33 U.S.C. §1251 et. seq.); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901 et. seq.); Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC §§9601, et seq., as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601 et. seq.); the Clean Water Act (33 U.S.C. §1251 et. seq.); the Safe Drinking Water Act (42 U.S.C. §30 et. seq.); the Occupational Safety and Health Act (29 U.S.C. §651 et. seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135 et. seq.); and the Louisiana Environmental Quality Act (La. R.S. 30:2001 et. seq.);

including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

21.2.3. “Environmental Rules” means Environmental Laws pertaining to Hazardous Materials, Environmental Activities or other environmental matters.

21.2.4. “Governmental Agency” or “Governmental Agencies” means any federal, state or local authority having jurisdiction over the Property and any Improvements thereon with respect to Environmental Activities conducted, or alleged to be conducted, thereon or Hazardous Materials located, or alleged to be located thereon.

21.2.5. “Hazardous Material” or “Hazardous Materials” means any flammable or explosive materials, petroleum or petroleum products, oil, crude oil, natural gas or synthetic gas usable for fuel, asbestos or asbestos containing material, polychlorinated biphenyls, urea formaldehyde foam insulation, radioactive materials, lead, hazardous waste or substances or toxic waste or substances, including without limitation, any substances now or hereafter defined as or included in the definition of “hazardous substances”, “hazardous waste”, “hazardous material”, “toxic material”, or “toxic substance” under any applicable Environmental Laws.

Section 21.3 Compliance with Environmental Rules. Lessee shall comply with and maintain the Property and any Improvements thereon in compliance with any Environmental Laws pertaining to Hazardous Materials, Environmental Activities, or other environmental matters (collectively for the purposes of this Section referred to as “Environmental Rules”) and shall be responsible for all costs thereof. Lessee shall not dispose of, release, treat, store or discharge any Hazardous Materials that were not present on or under the Property on the Effective Date of this Lease, on, at, under, about or from the Property. Lessee shall promptly provide Lessor with true, accurate and complete copies of all required or requested permits, variances, approvals, notices, submissions, reports and other information to and from any and all Governmental Agencies having authority over the Property and any Improvements thereon and environmental matters with respect thereto. Lessee authorizes Lessor to communicate with any Governmental Agency regarding Environmental Activity or environmental condition of the Property or any Improvements thereon. If Lessee shall breach the covenant provided in this Section, then, in addition to all other rights and remedies that may be available to Lessor under this Lease, at law or in equity, Lessor may require Lessee to take all actions and to reimburse Lessor for the costs of any and all actions taken by Lessor, as are necessary to comply with all applicable Environmental Rules and to abate any significant present or potential health risk with respect to any Environmental Activity conducted or permitted on, or any Hazardous Material, other than Hazardous Material that was present on or under the Property or any Improvements thereon on the Effective Date of this Lease and not caused or contributed to by Lessee or Lessee’s board members, employees, agents, contractors or invitees. Lessee’s obligation under this Article shall survive the expiration or earlier termination of this Lease.

Section 21.4 Lessor Right to Inspect and Cure. Lessor shall have the right in its sole and absolute discretion, but not the duty, to enter upon and inspect the Property, at any

reasonable time and manner and after reasonable notice to Lessee, to determine whether Lessee is complying with the Terms of this Lease, including without limitation, Lessee's compliance with all applicable Environmental Rules. Lessee hereby grants to Lessor, its agents, employees, consultants, and contractors, the right to enter the Property and Improvements thereon and, after reasonable notice, to perform such tasks to the Property and Improvements as are reasonably necessary to conduct such reviews, inspections and investigations. Lessor shall use reasonable efforts to minimize interference with the business of Lessee, but Lessor shall not be liable for any interference caused as a result of this right to inspect.

**Section 21.5 Notice of Environmental Default.** In the event Lessor discovers any breaches under this Article or any violations of applicable Environmental Rules pursuant to the foregoing inspections or otherwise, Lessor shall give Lessee written notice of the violation, and Lessee shall have thirty (30) days in which to cure the violation, unless the violation is of a nature that it cannot be reasonably cured within the 30-day period, in which event no default shall occur as long as Lessee commences to cure the violation within the 30-day period, and thereafter, in good faith, diligently and with continuity prosecutes to completion the curing of such violation.

**Section 21.6 Environmental Liens.** Lessee shall promptly notify Lessor as to any liens threatened or attached against the Property pursuant to any Environmental Laws. In the event that a lien is filed against the Property or any Improvements thereon, other than a lien arising or resulting from any Hazardous Material that was present on or under the Property prior to the Effective Date of this Lease, then Lessee shall within thirty (30) days from the date that the lien is filed against the Property and any Improvements thereon, and at any rate prior to the date any Governmental Agency or other party commences proceedings to foreclose on such lien, either (i) pay the claim and remove the lien from the Property and any Improvements thereon; or (ii) furnish either (a) a bond satisfactory to the Governmental Agency and Lessor in the amount of the claim out of which the lien arises, (b) a cash deposit in the amount of the claim out of which the lien arises, or (c) other security satisfactory to the Governmental Agency and Lessor in an amount sufficient to discharge the claim out of which the lien arises.

**Section 21.7 Environmental Indemnity.** Lessee agrees to protect, indemnify, defend, reimburse and hold harmless Lessor and Lessor's board members, employees, and agents from and against any and all loss, cost, penalty, fine, liability, damage, or expenses (including without limitation attorney's fees, court costs and litigation expenses), arising out of or resulting from (a) the presence of any Hazardous Materials in, at, on, under or about the Property and any Improvements thereon caused by Lessee's use, or use by any party for whom Lessee is legally responsible, of the Property or any Improvements thereon; (b) any Environmental Activity conducted by Lessee or any other party for whom Lessee is legally responsible on the Property during the Term; (c) any violation of any Environmental Laws by Lessee pertaining to the condition of the Property; (d) any Environmental Activity thereon to the extent caused by Lessee or caused by anyone else acting on behalf of Lessee or for whom Lessee is responsible during the Term; or (e) the breach of any warranty or covenant or inaccuracy of any representation of Lessee contained in this Lease. This obligation shall survive the expiration or earlier termination

of this Lease. To the extent allowed by Applicable Law, Lessor agrees to protect, indemnify, defend, reimburse and hold harmless Lessee from and against any and all loss, cost, penalty, fine, liability, damage, or expenses (including without limitation attorney's fees, court costs and litigation expenses), arising out of or resulting from (a) the presence of any Hazardous Materials in, at, on, under or about the Property and any Improvements thereon, wherein such Hazardous Materials were present prior to the Effective Date of this Lease and not caused or contributed by Lessee or Lessee's board members, employees, agents, contractors or invitees, or (b) the breach of any warranty or covenant or inaccuracy of any representation of Lessor contained in this Lease. This obligation shall survive the expiration or earlier termination of this Lease.

Section 21.8 Binding Effect. The provisions of this Article shall be binding upon Lessor and Lessee and shall inure to the benefit of Lessor and Lessee, and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Section 21.9 Third Party Activities. In the event of any damage, liability or loss to persons or property located on the Property that result from, or arise out of or in connection with, the presence of any Hazardous Materials in, at, on, under or about the Property or any Improvements thereon or any Environmental Activity thereon to the extent the presence of such Hazardous Materials or Environmental Activity thereon is not due to Lessee's Environmental Activities, but due to the actions of a third party for whom neither Lessee or Lessor is legally responsible ("Third Party Environmental Activities"), Lessor and Lessee agree to look to the person or entity responsible for such Third Party Environmental Activities, and not to the other party to this Lease, for recovery of any loss, damage, cost, expense or penalty incurred by them as a result of such Third Party Environmental Activities.

Section 21.10 Air and Water Quality Guidelines. Lessee shall be in compliance with all air and water quality guidelines and mandates set forth by the Louisiana Department of Agriculture and Forestry and the Louisiana Department of Environmental Quality.

## ARTICLE XXII. FURTHER CONSIDERATION

**[REQUEST FOR PROPOSAL WILL ENCOURAGE PROPOSERS TO INCLUDE AS FURTHER CONSIDERATION OPPORTUNITIES RELATED TO THE SOLAR FACILITIES THAT WILL PROVIDE TANGIBLE BENEFITS TO THE LSU AGCENTER AND TO THE COLLEGE OF AGRICULTURE INCLUDING, BUT NOT LIMITED TO, INTERNSHIPS, TRAINING AND COLLABORATIVE OPPORTUNITIES FOR FACULTY, RESEARCH OPPORTUNITIES, AND GRANT AND CONTRACT SUPPORT.]**

**ARTICLE XXIII.  
MISCELLANEOUS PROVISIONS**

Section 23.1 Entire Agreement; Amendments. This Lease and all Exhibits attached hereto constitute the entire agreement between Lessee and Lessee respecting its subject matter and supersede all prior agreements, understandings, negotiations and discussions, whether or oral or written, of the parties pertaining to the subject matter thereof. Any agreement, understanding or representation respecting the Property, or any other matter referenced herein not expressly set forth in this Lease or a subsequent writing signed by both parties is null and void. This Lease shall not be modified or amended, except in writing signed by both parties. No purported modifications or amendments, including, without limitation, any oral agreement, course of conduct or absence of a response to a unilateral communication, shall be binding on either party unless set forth in writing executed by it or by a duly authorized officer or agent.

Section 23.2 Notices. All notices, requests and communications required or permitted by this Lease, shall be given in writing by (i) personal delivery (confirmed by courier delivery service), (ii) expedited delivery service with proof of delivery, (iii) facsimile and confirmed in writing by mail, or (iv) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

Such notices when given by Lessee shall be addressed to the Lessor as follows:

Board of Supervisors of Louisiana State University  
and Agricultural and Mechanical College  
104B University Administration Bldg.  
3810 W. Lakeshore Dr.  
Baton Rouge, LA 70808

with a copy to:

LSU AgCenter  
Attn: Director, Facilities Planning  
210A J. Norman Efferson Hall  
Baton Rouge, LA 70803

Such notices when given by Lessor shall be addressed to the Lessee as follows:

with a copy to:



Any party may change its address for purposes of this Section 23.2 by giving written notice of such change to the other party in the manner provided in this section. Except as expressly provided herein, any notice provided for herein shall become effective only upon and at the time of first receipt by the party to whom it is given, unless such notice is only mailed by certified mail, return receipt requested, in which case it shall be deemed to be received two (2) business days after the date that it is mailed. Either party may, by proper written notice hereunder to the other party, change the individual address to which such notice shall thereafter be sent; provided, however, such new notice address will be effective ten (10) business days after delivery of notice of the new notice address. Rent payments shall be made payable to Lessor as provided in Article IV above, which Rent payments may be made via regular mail addressed as shown in Article IV, but shall not be timely unless received by Lessor on or before the date on which they are due.

Section 23.3 Parties Bound. The terms, conditions, and provisions of this Lease shall inure to and be binding upon Lessor and Lessee and their respective successors, heirs and assigns.

Section 23.4 Rights and Remedies. The rights and remedies granted herein to Lessor and to Lessee are cumulative and the use of one shall not exclude or waive the right to use the others.

Section 23.5 Applicable Law. The construction, interpretation, and validity of the provisions of this Lease shall be governed by the laws of the State of Louisiana without regard to its conflicts of law provisions, and Lessor and Lessee agree that the courts sitting in the State of Louisiana shall have jurisdiction over all disputes arising out of the interpretation of the Terms and conditions and enforcement of this Lease. The exclusive venue for any litigation between the parties arising out of this Lease shall be the 19<sup>th</sup> Judicial District Court for the Parish of East Baton Rouge, State of Louisiana.

Section 23.6 Severability. If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby; and each term and provision of this Lease shall be valid and enforceable to the full extent permitted by Applicable Law. If this Lease or the terms hereof are found to be in excess of the longest duration permitted by Applicable Law, then the provisions of Article II which specify the term of duration hereof shall be severed from this Lease, and the Term instead shall expire on the latest date permitted by Applicable Law.

Section 23.7 Counterparts: This Lease may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. This Lease may be executed by facsimile, in pdf format or electronic signature and if so executed shall be equally binding as an original copy of this Lease executed in ink by the parties.

Section 23.8 Recording. This Lease shall not be recorded. However, a Notice of Lease in the form attached hereto as Exhibit C for recording may be prepared by Lessee at any time and, at Lessee's expense, filed with the appropriate parish or other applicable local Governmental Authority office for recording, and Lessor agrees to execute and deliver any such Notice of Lease to Lessee upon Lessee's request.

Section 23.9 Force Majeure. If Lessee or Lessor shall be delayed, hindered, or prevented from performance of any of its obligations (other than to pay Rent or any other liquidated sum of money) by reason of Force Majeure (and the party asserting Force Majeure shall not otherwise be in default hereunder) the time for performance of such obligation shall be extended for the period of such delay, but in no event in excess of twenty-four (24) months from notice by the defaulting party reasonably satisfactory to the other party that an event of Force Majeure has occurred and is continuing.

Section 23.10 Successors and Assigns. This Lease shall constitute a real right and covenant running with the Property, and this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party's successors and assigns, if any.

Section 23.11 Survival. Any terms and provisions of this Lease pertaining to rights, duties, or liabilities extending beyond the expiration or termination of this Lease shall survive the end of the Term.

Section 23.12 Relationship of the Parties. Nothing contained in this Lease shall be construed by the parties hereto, or by any third party, as constituting the parties as principal and agent, partners or joint venturers, nor shall anything herein render either party liable for the debts or obligations of any other party, it being understood and agreed that the only relationship between Lessor and Lessee hereunder is that of lessor and lessee.

Section 23.13 Cumulative Remedies. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or now or after the date of the Lease existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Lessor or Lessee of any one or more of the rights or remedies provided for in this Lease or now or after the date of the Lease existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor or Lessee of any or all of their other rights or remedies provided for in this Lease or now or after the date of the Lease existing at law or in equity or by statute or otherwise.

Section 23.14 No Waiver. No failure by either party to insist upon strict performance of any agreement, covenant, or term of this Lease or to exercise any right or remedy granted to such party upon a breach hereof and no acceptance of any performance during the continuance of a breach shall constitute a waiver of any breach. No obligation of Lessor or Lessee shall be deemed waived or modified except by written instrument signed by the party in whose favor the obligation runs. If Lessor or Lessee should waive a particular breach, condition or covenant herein, the waiver shall be limited to the particular breach, covenant or condition at the time of the waiver and shall not be construed as a waiver in the future of the same or different breach, covenant or condition.

Section 23.15 No Accord and Satisfaction. No payment by Lessee, or acceptance by Lessor of an amount that is less than the amount due from Lessee to Lessor, shall be treated otherwise than as a payment on account. The acceptance by Lessor of a check for a lesser amount with an endorsement or statement thereon or upon any letter accompanying such check, that such lesser amount is payment in full, shall be given no effect, and Lessor may accept such check without prejudice to any other rights or remedies that Lessor may have against Lessee

Section 23.16 Good Faith Dealing. Lessor and Lessee agree to act in good faith and in a commercially reasonable manner in connection with the exercise of their rights and obligations as contained in this Lease.

Section 23.17 Exclusivity of Representations and Warranties. It is the explicit intent and understanding of the parties that neither party nor any of its respective representatives, advisors or agents is making any representation or warranty, whatsoever, express or implied, other than those set forth in this Lease, and neither party is relying on any statement, representation, or warranty, oral or written, express or implied, made by the other party or such other party's representatives, advisors or agents, except for the representations and warranties expressly set forth in this Lease.

Section 23.18 Tax Credits. If under Applicable Law Lessee becomes ineligible for any tax credit, benefit or incentive for alternative energy expenditure established by any local, state or federal government, then, at Lessee's option, Lessee and Lessee shall amend this Lease or replace it with a different instrument, so as to convert Lessee's interest in the Property to a substantially similar interest that makes Lessee eligible for such tax credit, benefit or incentive; provided, however, that any such change shall not materially reduce Lessee's rights or benefits hereunder.

Section 23.19 Captions. The captions in this Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Lease or the scope or content of any of its provisions.

Section 23.20 Attorney's Fees. Should any action be brought arising out of this Lease, including, without limitation, any action for declaratory or injunctive relief, to the extent allowed by Applicable Law, the prevailing party shall be entitled to reasonable attorneys' fees and costs

and expenses of investigation, all as actually incurred, including, without limitation, attorneys' fees, costs and expenses of investigation incurred in appellate proceedings or in any action or participation in, or in connection with, any case or proceeding under the United States Bankruptcy Code, or any successor statutes, and any judgment or decree rendered in any such actions or proceedings which shall include an award thereof.

Section 23.21 No Partnership. Nothing contained in this Lease shall be construed to create a partnership or joint venture between the parties or their successors in interest. The parties hereto shall at all times treat this Lease as a lease for federal income tax purposes.

Section 23.22 Time. If the final day of any period of time set forth in any provision of this Lease falls on a Saturday, Sunday or legal holiday under the laws of Louisiana, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or such legal holiday.

Section 23.23 Gender and Number. Within this Lease, words of any gender shall be held and construed to include the other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires.

Section 23.24 Construction. The parties acknowledge that their attorneys have reviewed and revised this Lease and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any amendments or exhibits hereto.

Section 23.25 Counterparts. This Lease may be executed in multiple counterparts, no one of which need be executed by all parties hereto, each of which shall constitute an original. Counterparts thus executed shall together constitute one and the same instrument.

[Signatures appear on the following pages]

[Signature page for Ground Lease Agreement for Solar Energy Generation  
by and between Board of Supervisors of Louisiana State University and Agricultural and  
Mechanical College and \_\_\_\_\_]

**IN WITNESS WHEREOF**, the parties hereto have executed this Ground Lease Agreement for Solar Energy Generation as of the dates indicated on the attached Acknowledgments.

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

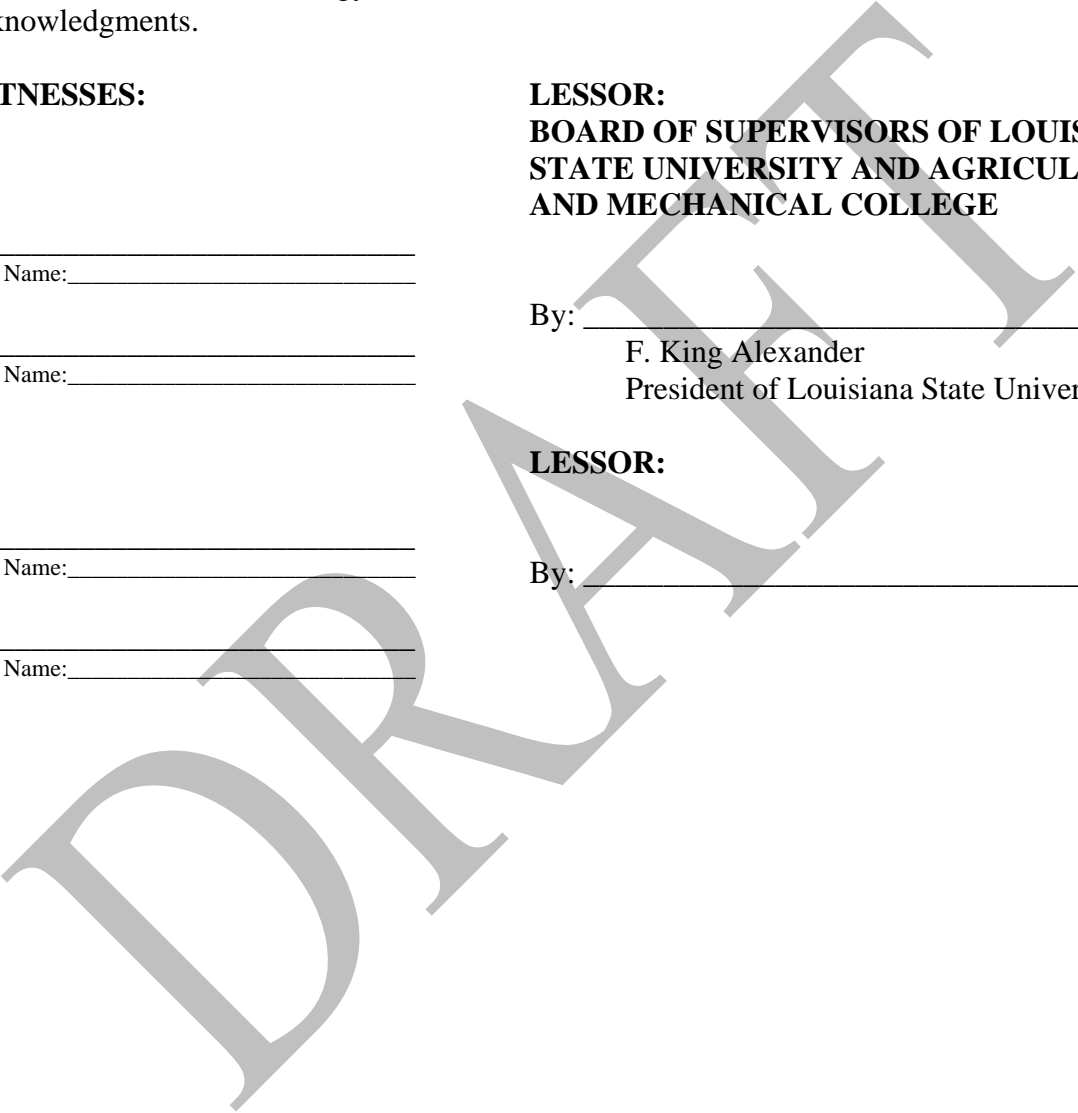
\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**LESSOR:**  
**BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE**

By: \_\_\_\_\_  
F. King Alexander  
President of Louisiana State University

**LESSOR:**  
By: \_\_\_\_\_



**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_ day of \_\_\_\_\_, 2016, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared F. King Alexander, appearing herein in his capacity as President of LSU, and appearing on behalf of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“Board of Supervisors”), a public constitutional corporation organized and existing under the laws of the State of Louisiana, who, being by me first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing Lease for Ground Lease Agreement for Solar Energy Generation on behalf of said Board of Supervisors with full authority of its Board of Supervisors and that said instrument is the free act and deed of said Board of Supervisors and was executed for the uses, purposes and benefits therein expressed.

**IN TESTIMONY WHEREOF**, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

**WITNESSES:**

**BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND AGRICULTURAL  
AND MECHANICAL COLLEGE**

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
F. King Alexander  
President of Louisiana State University

\_\_\_\_\_  
Print Name:

\_\_\_\_\_  
NOTARY PUBLIC

STATE OF \_\_\_\_\_

COUNTY/PARISH OF \_\_\_\_\_

**ACKNOWLEDGMENT**

**BE IT KNOWN** that on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, before me, the undersigned Notary Public, duly commissioned and qualified in and for the above County/Parish and State, and in the presence of the undersigned competent witnesses, personally came and appeared \_\_\_\_\_, appearing herein in his/her capacity as \_\_\_\_\_ of \_\_\_\_\_, a corporation, who, being by me and first duly sworn, declared and acknowledged to me, Notary, that he executed the above and foregoing instrument on behalf of said corporation with full authority of its \_\_\_\_\_ and that said instrument is the free act and deed of said \_\_\_\_\_ and was executed for the uses, purposes and benefits therein expressed.

**IN TESTIMONY WHEREOF**, Appearer has executed this acknowledgment in the presence of the undersigned competent witnesses and me, Notary, after due reading of the whole.

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC

**EXHIBIT "A"**  
**PROPERTY**

DRAFT



**EXHIBIT “B”  
DEFINITIONS**

All capitalized terms referenced or used and not otherwise defined in this Lease shall have the meanings set forth below:

1. **“Applicable Law”** refers to all laws, statutes, rules, regulations, ordinances, building codes, resolutions and orders of any Governmental Authority, including but not limited to applicable rules, regulations and architectural standards of LSU AgCenter and Board, applicable to the parties and substantially affecting the ability of the parties to meet their obligations hereunder; provided, however, that this definition shall not be interpreted as waiving protections granted to any party against future laws impairing the obligations of contracts between the parties and/or any third parties.
2. **“Architect”** refers to any architect or other design professional, including their permitted successors and assigns, engaged by Lessee to perform architectural or design services with respect to any phase of the design and/or construction of the Improvements or to any substitute or successor architect or other design professional engaged by Lessee.
3. **“Authorization to Proceed”** refers to the authorization that must be given in writing by the LSU Representative before any Work can begin, which authorization shall be required for each phase of the Work, if the Work is divided into phases by Lessee and the LSU Representative.
4. **“Construction Contract”** refers to one or more agreements for the construction of the Improvements entered into by and between the Lessee and a Contractor, including all amendments, modifications, exhibits, schedules, supplements, addenda and change orders to all such agreements.
5. **“Contractor”** refers to the contractor or contractors selected by Lessee to construct the Improvements and their permitted successors and assigns.
6. **"Development Commencement Notice"** means written notice by Lessee to Lessor delivered as set forth in Section 6.1 stating the date on which Lessee expects to commence construction on the Property of the Solar Facilities.
7. **"Effective Date"** has the meaning set forth in the introductory paragraph on Page 1.
8. **“Environmental Activity” or “Environmental Activities”** has the meaning as set forth in Section 21.2.1.
9. **"Environmental Laws"** has the meaning set forth in Section 21.2.2.
10. **“Environmental Rules”** has the meaning set forth in Section 21.2.3.
11. **“Force Majeure”** means the occurrence of any event that prevents or delays the performance by Lessor or Lessee of any obligation imposed upon it hereunder (other than

payment of any liquidated sum of money) and the prevention or cessation of which event is beyond the reasonable control and without the fault or negligence of the obligor, including, but not limited to, acts of God, labor unrest including, but not limited to, slowdowns, picketing or boycotts, strikes, flood, earthquake, storm, fire, lightening, explosion, power failure or power surge, vandalism, theft, the cutting of power, transmission or other lines, wires or cables to a solar energy project by persons other than employees of Lessee, epidemic, war, revolution, riot, civil disturbance, sabotage, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state, or local legislative, executive, administrative or judicial agency or body which in any of the foregoing cases, by exercise of due foresight such party could not reasonably have expected to avoid, and which, by the exercise of due diligence, it is unable to overcome.

12. **“Governmental Agency” or “Governmental Agencies”** has the meaning set forth in Section 21.2.4.
13. **“Governmental Authority”** refers to any and all jurisdictions, entities, courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies or authorities of any nature whatsoever of any governmental unit (federal, state, county, parish, district, municipality, city or otherwise) whether now or hereafter in existence.
14. **“Hazardous Material” or “Hazardous Materials”** has the meaning set forth in Section 21.2.5.
15. **“Improvements”** refers to the Solar Facilities and/or any other construction, addition, alteration or work constructed by Lessee on the Property in accordance with the terms of this Lease.
16. **“Initial Term”** means that portion of the Term in effect pursuant to Article II hereof.
17. **“Lease”** means this Ground Lease Agreement for Solar Energy Generation.
18. **“Lease Year”** means each period of twelve (12) consecutive months beginning on each \_\_\_\_\_ 1 during the Initial Term and Renewal Term of this Lease.
19. **“Lessee”** means \_\_\_\_\_.
20. **“Lessor”** means Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.
21. **“Losses”** shall have the meaning set forth in Section 9.1 hereof.
22. **“LSU Representative”** refers to the President of LSU or his designees.
23. **“Payment and Performance Bonds”** refers to payment and performance bonds required in connection with performance of the Work and described in Article VI of this Lease.

24. **“Plans and Specifications”** refers to one or more sets of final plans and specifications, including any amendments, addenda, or supplements for design of the Solar Facilities or other Improvements, materials selection and method of construction for the construction of the Solar Facilities or other Improvements, and for all Work related thereto, which have been approved, in writing, by the LSU Representative.
25. **“Permitted Use”** means Solar Energy Purposes.
26. **"Pre-Development Phase"** means the period from the Effective Date until the delivery to Lessee of the Development Commencement Notice.
27. **"Property"** has the meaning set forth in the Recitals and on Exhibit A hereto.
28. **“Punch List”** refers to a list prepared by the Architect and approved by the University Construction Monitor and the LSU Representative, which sets forth those items of Work to be completed following Substantial Completion and prior to final acceptance.
29. **“Rent”** means the amount payable to Lessor pursuant to Article IV hereof.
30. **“Renewal Term”** means any portion of the Term in effect pursuant to Article V which is subsequent to the Initial Term.
31. **"Solar Energy Purposes"** means converting solar energy into electrical energy, and collecting, transmitting and distributing the electrical energy so converted, together with any and all other activities ancillary or related thereto, including (i) determining the feasibility of solar energy conversion, including studies on solar irradiance, light direction and other meteorological data and extracting soil samples, and all other testing, studies or sampling desired by Lessee; (ii) constructing, installing, using, replacing, relocating, controlling and removing from time to time, and maintaining and operating Solar Facilities and a Solar Project; and (iii) undertaking any other activities, whether accomplished by Lessee or a third party authorized by Lessee, that Lessee reasonably determines are necessary, useful or appropriate to accomplish any of the foregoing, including without limitation, (a) the right to erect, construct, reconstruct, replace, relocate, remove, control, maintain and use Transmission Facilities from time to time, and (b) the right, as reasonably necessary, to remove, trim, prune, top or otherwise control the growth of any tree, shrub, plant or other vegetation; dismantle, demolish, and remove any improvement, structure, embankment, impediment, berm, wall, fence or other object, on or that intrudes (or could intrude) into such Property that could obstruct, interfere with or impair the Solar Facilities or the use of the Property by Lessee, all in connection with a Solar Project.
32. **"Solar Facilities"** means all facilities, structures and equipment utilized or otherwise necessary for the conversion of solar energy to electricity and the subsequent storage, transmission, collection and distribution of the electricity so converted, including Solar Generating Units, Transmission Facilities, electric transformers, energy storage facilities, telecommunications equipment, meteorological towers, solar energy measurement

equipment (including pyranometers), maintenance buildings, control buildings, and related and associated facilities, structures and equipment.

33. **"Solar Generating Unit"** means any photovoltaic or concentrated solar power generation unit which converts sunlight into electrical current.
34. **"Solar Project"** means any and all Solar Facilities and other improvements that are constructed, developed or operated by or on behalf of Lessee as an integrated system to generate and deliver electrical power through one or more common meters to purchasers or users of such power.
35. **"SNDA"** has the meaning set forth in Section 18.2.8.
36. **"Substantial Completion"** refers to the date or dates on which (a) the Architect has certified to Lessee that the Work (or, if approved by the University Construction Monitor and the LSU Representative, any portion of the Work) has been completed substantially in accordance with the Plans and Specifications, subject to customary Punch List items remaining to be completed, (b) the University Construction Monitor and the LSU Representative have given written approval of the Architect's certificate, which approval shall not be unreasonably delayed, withheld or conditioned, and (c) governmental permits, certificates and approvals required to allow beneficial use (and occupancy, where appropriate) of Improvements by the Lessee have been obtained, including, if appropriate, but not limited to, a Certificate of Occupancy (whether temporary or final) and State Fire Marshal approval.
37. **"Term"** means the Initial Term and the Renewal Term, if any.
38. **"Transmission Facilities"** means, collectively, in connection with the Solar Project, whether located on the Property or elsewhere, (i) underground and above ground wires and cables for the collection and transmission of electrical energy and/or for communication purposes, together with any and all necessary and proper foundations, towers, footings, cross arms and other appliances and fixtures for use in connection with said wires and cables on, along and in the Property; and (ii) one or more substations or interconnection or switching facilities from which Lessee or others that generate energy may interconnect to a utility transmission system or the transmission system of another purchaser of electrical energy.
39. **"University Construction Monitor"** one or more persons designated and authorized in writing from time to time by the President of LSU or his designee to monitor Lessee's construction progress during the construction phase of the Work who shall be either a licensed architect or a licensed engineer. The initial University Construction Monitor shall be \_\_\_\_\_.
40. **"Work"** refers to all work and activities required to be undertaken by Lessee in order to design and construct the Improvements including, without limitation, the transportation and storage of materials, the securing of work sites and staging areas, the design, planning, construction of facilities and all necessary utility placements, relocations, tie-

ins and upgrades, and compliance with all applicable permitting, certification and approval requirements.

DRAFT

**EXHIBIT "C"**  
**NOTICE OF LEASE**

**THIS NOTICE OF LEASE**, dated as of \_\_\_\_\_, 2016, is made and entered into by and between Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("Lessor") and \_\_\_\_\_ ("Lessee"), pursuant to Section 23.8 of that certain Ground Lease Agreement for Solar Energy Generation by and between Lessor and Lessee entered into effective as of \_\_\_\_\_, 2016 (the "Lease"), for the purpose of making effective as to third parties the terms of the Lease.

1. Declaration of Lease: Lessor and Lessee entered into a Lease effective as of \_\_\_\_\_, 2016 wherein Lessor leased to Lessee the property more fully described on Exhibit "A" attached hereto ("Property").

2. Name and Address of Lessor and Lessee:

**LESSOR:**

Board of Supervisors of Louisiana State University  
and Agricultural and Mechanical College  
104B University Administration Bldg.  
3810 W. Lakeshore Dr.  
Baton Rouge, Louisiana 70808

**LESSEE:**

3. Term of the Lease: The Initial Term of this Lease shall be ten years, commencing on \_\_\_\_\_, 2016.

4. Renewal Options: Upon written notification by Lessee to Lessor sixty (60) days prior to the end of the Initial Term, and upon a proper showing acceptable to Lessor that permanent improvements which further the educational, scientific, research or public service functions of Lessor, have been constructed, placed or made upon the Property by Lessee, Lessee shall have the right and option to renew this Lease for one (1) additional term of \_\_\_\_\_ (\_\_\_) years (the "Renewal Term"), immediately subsequent to the expiration of the Initial Term.

5. Conflict of Terms: This Notice of Lease is executed pursuant to the provisions contained in the Lease, and is not intended to vary the terms and conditions of the Lease. In the event of any conflict between the terms of this Notice of Lease and the Lease, the Lease shall control. This Notice of Lease is being recorded to give notice of the existence of said Lease to third parties as contemplated by La. R.S. 9:2742 and the statutes and jurisprudence of the State of Louisiana.

**IN WITNESS WHEREOF**, the parties have executed this Notice of Lease for Ground Lease Agreement for Solar Energy Generation to be effective on the \_\_\_\_ day of \_\_\_\_\_, 2016.

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**WITNESSES:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

**LESSOR:**

**BOARD OF SUPERVISORS OF LOUISIANA  
STATE UNIVERSITY AND  
AGRICULTURAL AND MECHANICAL  
COLLEGE**

By: \_\_\_\_\_  
F. King Alexander, President  
Louisiana State University

**LESSEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

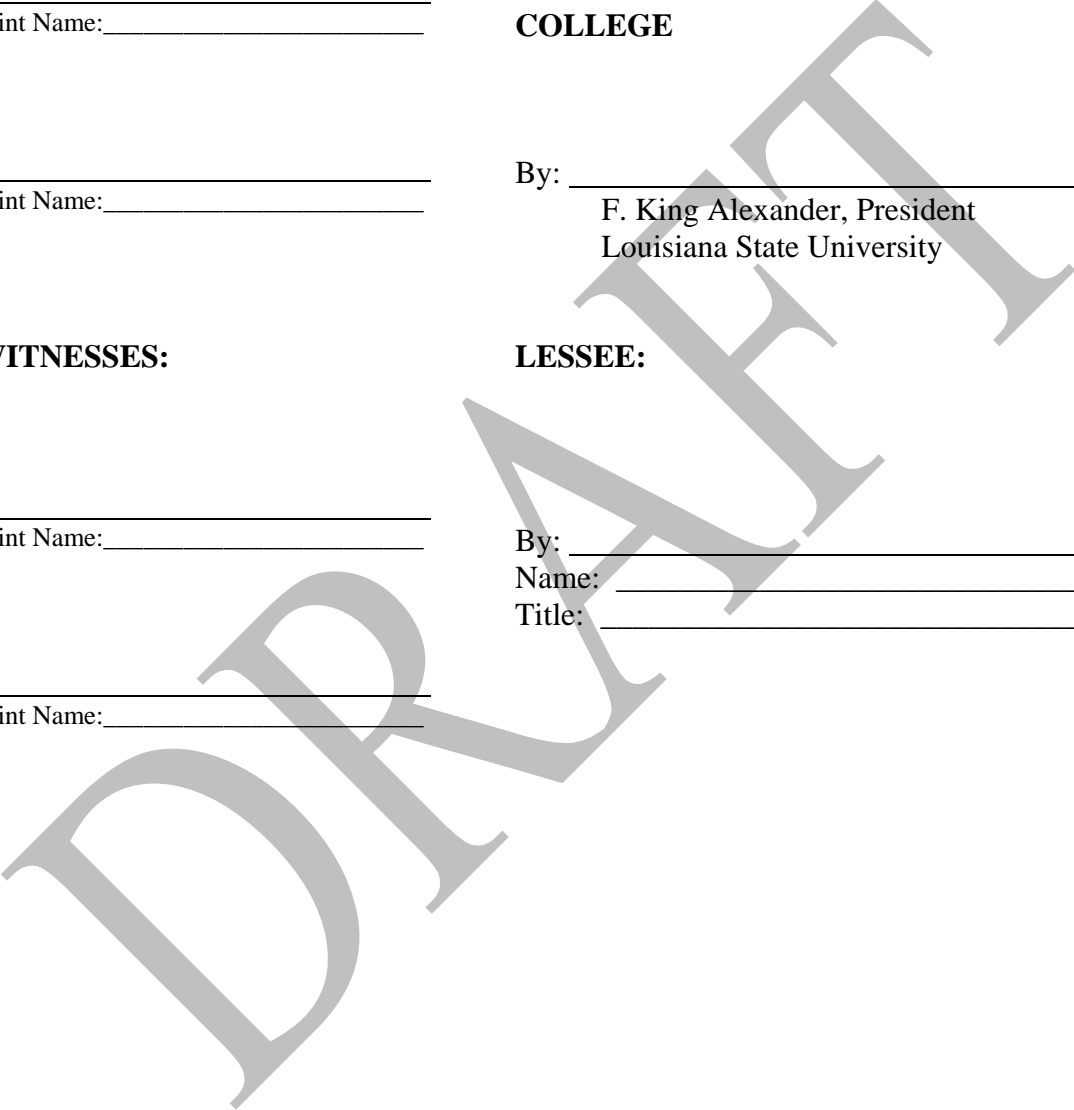


EXHIBIT A DESCRIBES A PARCEL OF LAND BELONGING TO THE LSU AGRICULTURE RESEARCH STATION CONTAINING APPROXIMATELY 5313 ACRES. THE PROPERTY IS BOUND TO THE WEST BY EXISTING PROPERTY BOUNDARY (BEARING N01°14'W) AND LA. HWT. 16, NORTH BY THE EXISTING PROPERTY BOUNDARY (BEARING N89°32'E), TO THE EAST BY THE EXISTING PROPERTY BOUNDARY BETWEEN THE EAST OF SECTIONS 16 & 12) AND WEST OF SECTIONS 15 & 12, AND TO THE SOUTH BY THE EXISTING PROPERTY BOUNDARY AS DESCRIBED IN THE LEGAL PROPERTY DESCRIPTION.

SYMBOL	AREA	ACREAGE
	SOLAR DEVELOPMENT	5313 ACRES
	DAIRY	2858 ACRES
	WATER BODIES	
	WOODED AREA	

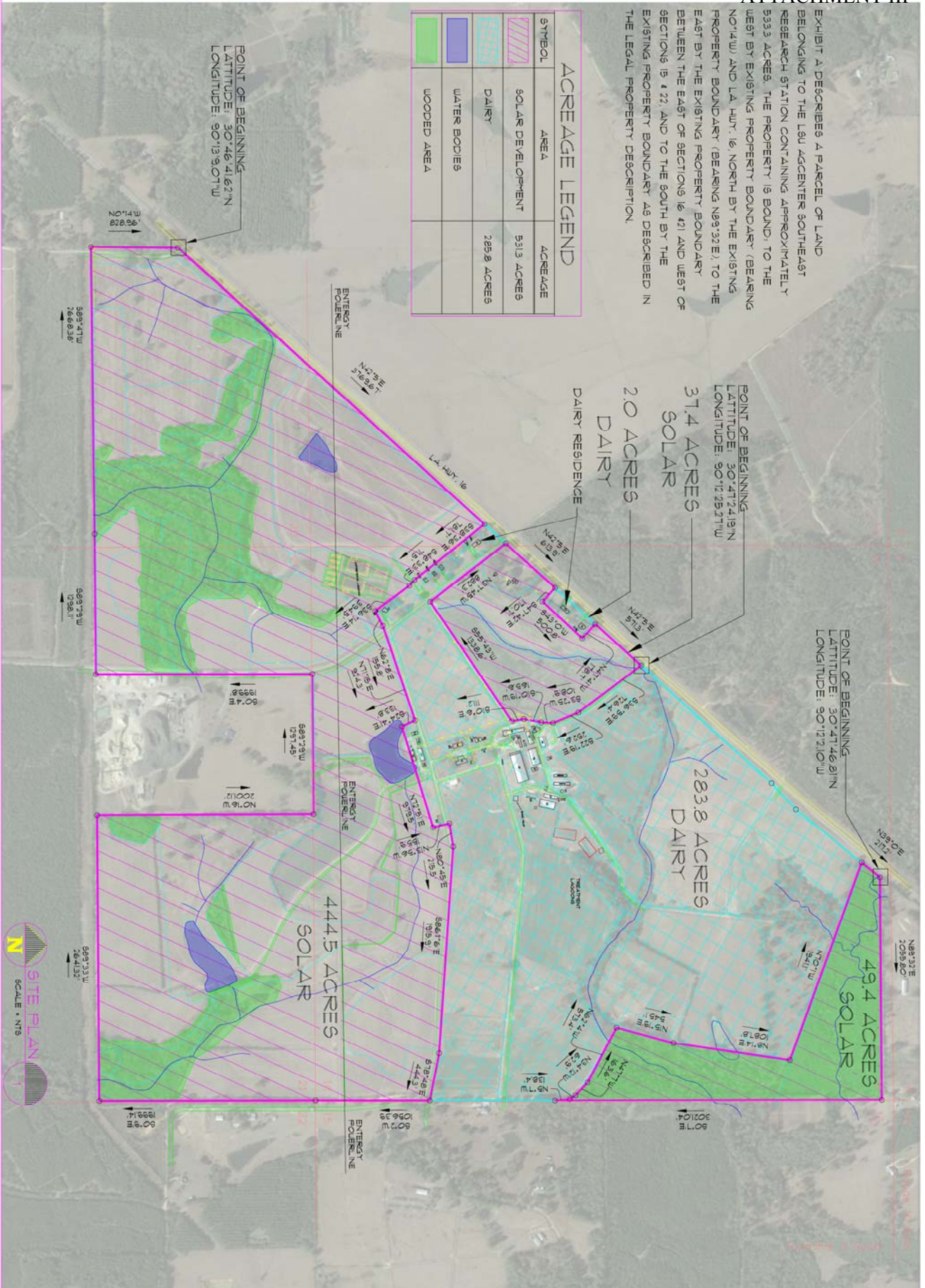


EXHIBIT A  
SOUTHEAST RESEARCH STATION

ENGINEER: \_\_\_\_\_ SCALE: AS SHOWN  
 DRAWN BY: SR/NT SHEET 1 OF 1 SHEETS  
 DATE: 5/6/2016 FILE NAME: SOUTH





**Request from LSU Agricultural Center to Approve a  
Right of Way and Servitude Agreement  
Sweet Potato Research Station, Franklin Parish  
Chase, Louisiana**

**To: Members of the Board of Supervisors**

**Date: May 6, 2016**

Pursuant to Article VII, Section 8, D.2(a) of the Bylaws of the Louisiana State University Board of Supervisors, this matter is a "significant board matter":

D.2 (a) The assignment, lease, transfer, encumbrance or sale of land, mineral rights, rights-of-way, servitudes, or other immovable property owned or controlled by the University.

**1. Summary of Matter**

American Midstream (MIDLA), LLC is requesting a 30' Right of Way and Servitude adjacent to an existing Right of Way owned by MIDLA to install a new 12" natural gas pipeline. The new pipeline service will replace the pipeline in existing ROW that dates back to the 1920's. Upon termination of the old pipeline service the property within the existing ROW will revert back to LSU.

**2. Review of Business Plan**

The proposed Right of Way and Servitude has no negative impact on LSU AgCenter operations.

**3. Fiscal Impact**

The requested ROW includes a total of 0.69 acres and MIDLA is offering payment of \$2100 which is full fair market value for the property.

**4. Description of Competitive Process**

None

**5. Review of Legal Documents**

- Right of Way and Servitude agreement
- Offer letter
- Survey Plat
- Comparable sales for appraisal

**6. Parties of Interest**

- LSU Board of Supervisors
- LSU AgCenter
- MIDLA, LLC

**7. Related Transactions**

None

**8. Conflicts of interests**

None.

**ATTACHMENTS**

- I. Vice President Letter
- II. Right of Way and Servitude Agreement, Offer Letter, Survey Plat, & Comparable Sales Appraisal

**RESOLUTION**

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College does hereby authorize F. King Alexander, President of LSU, to execute the Right of Way and Servitude Agreement with MIDLA, LLC.

**BE IT FURTHER RESOLVED** that F. King Alexander, President of LSU, or his designee, be hereby authorized by and empowered for and on behalf of and in the name of the Board of Supervisors, in consultation with General Counsel, to include in the Right of Way and Servitude Agreement any and all provisions and stipulations that he deems in the best interest of the Board of Supervisors."



Office of Vice President for Agriculture

101 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4161  
FAX: (225) 578-4143

Development  
(225) 578-7360  
FAX: (225) 578-4143

Governmental Relations  
(225) 578-4967  
FAX: (225) 578-4143

Accounting Services  
103 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4648  
FAX: (225) 578-0735

Ag Leadership  
106 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-3659  
FAX: (225) 578-5805

Communications  
128 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-2263  
FAX: (225) 578-4524

Facilities Planning  
210 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-8731  
FAX: (225) 578-7351

Human Resource Management  
and Diversity  
103 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-2258  
FAX: (225) 578-8284

Information Technology  
118 Knapp Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-4020  
FAX: (225) 578-3629

International Programs  
160-C Hatcher Hall  
110 LSU Union Square  
LSU Box 16090  
Baton Rouge, LA 70803-0106  
(225) 578-6963  
FAX: (225) 578-6775

Sponsored Programs and  
Intellectual Property  
104 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, LA 70803-0106  
(225) 578-6030

April 4, 2016

President F. King Alexander  
Office of the President  
3810 West Lakeshore Drive  
Baton Rouge, LA 70808

RE: **Significant Board Matter**  
Right of Way and Servitude Agreement  
Sweet Potato Research Station  
Franklin Parish  
Chase, Louisiana

Dear Dr. Alexander:

American Midstream (MIDLA), LLC is requesting a 30' Right of Way (ROW) adjacent to an existing Right of Way owned by MIDLA to install a 12" natural gas pipeline. The new pipeline service will replace the pipeline in existing ROW that dates back to the 1920's. Upon termination of the old pipeline service the property within the existing ROW will revert back to LSU. The requested ROW includes a total of 0.69 acres and MIDLA is offering payment of \$2100 which is fair market value for the property.

The proposed Right of Way and Servitude has no negative impact on LSU AgCenter operations and requests that it be placed on the agenda of the Board of Supervisors May 6, 2016 meeting.

I certify that, to the best of my knowledge, I have provided all necessary documentation and that the information contained therein is complete, accurate, and in compliance with Article VII, Section 8 of the Bylaws of the Board of Supervisors. I agree to cooperate in any issues related to this matter. Please let me know if any additional information is needed.

Sincerely,

William B. Richardson  
Vice President for Agriculture  
Dean of the College of Agriculture  
Chalkley Family Endowed Chair

WBR:dl

Attachments

cc: Dr. Phil Elzer  
Dr. Rogers Leonard  
Mr. Danny Mahaffey  
Mr. Dale Frederick

**RIGHT OF WAY AND SERVITUDE AGREEMENT**

**STATE OF LOUISIANA**  
**PARISH OF FRANKLIN**

Tract No.: NAT-FR-008.000

For and in consideration of TEN AND NO/100 (\$10.00) DOLLARS in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, that Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, whose address is 3810 West Lakeshore Drive, Baton Rouge, LA 70808, hereinafter referred to as “**GRANTOR**”, whether one or more, does hereby grant, bargain, sell and convey to **AMERICAN MIDSTREAM (MIDLA), LLC**, a Delaware limited liability company (“**GRANTEE**”), with offices at 1400 16th Street, Suite 310, Denver, Colorado 80202, its successors and assigns, a non-exclusive thirty foot (30’) right-of-way, servitude and easement (the “Right-of-Way”) for the purpose of laying, constructing, maintaining, operating, repairing, replacing, protecting, inspecting, and removing or abandoning in place one (1) pipeline no larger than twelve inches in diameter (12”) and any and all necessary appurtenances thereto, for the transportation of crude petroleum products, natural gas, distillate, condensate, liquefied petroleum gas, any hydrocarbon in a liquid state, any product in liquid state which is derived in whole or in substantial part from any hydrocarbon, and any mixture or mixtures thereof, over, under, upon, through and across the following described lands (the “Land”) owned by GRANTOR in Franklin Parish, State of Louisiana, to wit:

That portion of property known as “Tract No. 1”, being more particularly described as the Northwest quarter (NW1/4); Northwest quarter of Southwest quarter (NW1/4 of SW1/4); West Half of Northeast quarter (W1/2 of NE1/4); and Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of Section 24, Township 13N, Range 7E; Less and Except the following tracts or parcels of land to-wit:

- (a) All that part of the Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of section 24, Township 13N, Range 7E lying east of the right of way of the N.O. & N.W.R.R. containing 15.4 acres, more or less, and being more particularly described as follows: Beginning at a point where the eastern boundary line of the N.O. & N.W.R.R. right of way crosses the south line of the Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of Section 24, and running east along said line three (3) chains and nine (9) links; thence due North twenty (20) chains and one (1) link; thence due west twelve (12) chains and twenty-nine (29) links to said eastern boundary line of said N.O. & N.W.R.R. right of way; thence in a southeasterly direction along the eastern boundary of said right of way line to the point of beginning.
- (b) A tract or parcel of land in the Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of Section 24, Township 13N, Range 7E, containing three (3) acres, more or less, and being more particularly described as follows: Beginning at a point where the western boundary of the N.O. & N.W.R.R. right of way crosses the south line of the Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of said Section 24, and running thence northwestward five (5) chains and forty-four (44) links; thence run southeastward eight (8) chains and sixty-two (62) links; thence south one (1) chain and fifty (50) links to the south line of said Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of Section 24; thence east along said line to the point of beginning.
- (c) A tract or parcel of land in the Northeast quarter of Northeast quarter (NE1/4 of NE1/4) of Section 24, Township 13N, Range 7E, containing two (2) acres, more or less, and being more particularly described as follows: Commencing at the southwest corner of Northeast quarter of

Northeast quarter (NE1/4 of NE1/4) of Section 24, Township 13N, Range 7E, and run east along the south boundary of the above mentioned quarter section a distance of approximately 379.5 feet to the southwest corner of property of H. L. Yates, thence north 24°30' west along the west boundary of property of H. L. Yates and that now owned by J. S. Johnson, a distance of 99 feet to the northwest corner of J. S. Johnson property; thence north 65°30' east along the north boundary of J. S. Johnson property 103.32 feet for a point of beginning; thence from said point of beginning run north 65°30' east along the north boundary of J. S. Johnson property 417.42 feet to the west side of State Highway right of way, thence North 24°30' west along the west side of State Highway right of way 208.71 feet; thence south 65°30' west 417.42 feet; thence south 24°30' east 207.71 feet back to point of beginning.

- (d) A tract or parcel of land in the North half of Northeast quarter (N1/2 of NE1/4) of Section 24, Township 13N, Range 7E, containing three (3) acres, more or less, and being more particularly described as follows: Beginning at a stake on the south bank of the canal and the West boundary of the right of way of the highway about 15.00 chains west of the northeast corner of Section 24, Township 13N, Range 7E, and run thence south 24 ½° east along the west boundary of said right of way 3.47 chains to a stake; thence in a westerly direction parallel with the south bank of the canal 9.48 chains to a stake; thence north 24 ½° west parallel with the west boundary of the said right of way of the highway 3.47 chains to a stake on the south bank of the canal; thence east along the south bank of said canal 9.48 chains to the point of beginning, in an Act of Sale and Contract from J. O. Jones and Thelma Pee Jones to Board of Supervisors of Louisiana State University and Agricultural & Mechanical College, filed June 2, 1949, at Book 72, Page 100, of the Deed Records of Franklin Parish, Louisiana.

The locations shown on the plat labeled Exhibit "A", copies of which are attached hereto and made a part hereof. The center line of the pipeline shall be as close as practicable to the center of said right-of-way. The right-of-way as above described is granted by the GRANTOR and accepted by GRANTEE under and subject to the following provisions and stipulation, to-wit:

1. Upon completion of the laying of said pipeline, GRANTEE will provide and set visible monuments of concrete, pipeline markers, or other durable material where the pipeline enters and leaves the land of GRANTOR, where the pipeline changes direction, and all road, utility crossings, stream and major ditch crossings.

2. GRANTEE shall have the right of ingress and egress to and from said right-of-way, but shall enter and leave said right-of-way from its ends except in cases of emergency. In addition, GRANTEE shall have the right of ingress and egress to and from said right-of-way on established public road or roads of GRANTOR; and GRANTEE agrees that it will repair, as soon as practicable, all damage to said roads caused by it in its use and operations hereunder. In the event GRANTEE enters and leaves said right-of-way at its ends, GRANTEE shall put in gates, cattle gaps or stiles, as reasonably required by GRANTOR, singly or in combination, at the ends of said right-of-way, and in the event it does erect gates at said points of entrance and exit, it will keep said gates securely locked in order to prevent strangers from entering the premises and to prevent cattle from straying therefrom. The said right of ingress and egress as above set forth shall be restricted to GRANTEE's employees and/or agents for the sole and only purpose of constructing, maintaining, operating, replacing, protecting, repairing, changing the size of, inspecting and removing said pipelines. It is agreed, however, that during construction of the lines, GRANTEE may, if necessary and if agreeable to GRANTOR, cross adjacent lands of GRANTOR at locations pointed out by GRANTOR, and thereafter repair and pay for such additional damages as may be caused by GRANTEE and suffered by GRANTOR by reason of said crossings. Any temporary access roads and/or temporary rights of way shall be compensated at a rate to be decided by GRANTOR and GRANTEE prior to such use by GRANTEE. During construction, GRANTEE shall maintain all fences that it crosses so as to prevent cattle from going or coming into the premises of GRANTOR.

3. GRANTEE agrees that it will repair, as soon as practicable, all damage to roads, sidewalks, bike paths, or other flat work on or adjacent to this right-of-way caused by it in its use and operations hereunder. GRANTEE's right of ingress and egress as above set forth shall be restricted to GRANTEE's employees, contractors, and/or agents and assigns for the sole and only purposes granted in this agreement. When GRANTEE intends to perform any work on the pipeline other than visual inspection, it shall notify GRANTOR, unless an emergency prevents such notice and approval; provided, however, that a failure to notify GRANTOR shall not be deemed a material default hereunder.

4. GRANTEE shall not fence said right-of-way or construct any building or other structure thereon; and the pipeline shall be placed underground and buried so that the top of the pipeline is at least forty-eight inches (48") below the surface of the ground or when paralleling within fifty (50') feet of an existing pipeline, to substantially the same cover of the existing pipeline to the extent practicable. In no event shall the top of the pipeline be buried less than forty-eight (48") inches below the surface of the ground.

5. The drainage of GRANTOR's lands traversed by said right-of-way shall not be unreasonably interfered with, and GRANTEE shall not obstruct said drainage during construction or at any time thereafter, all measures shall be taken to ensure immediate and proper repairs of any such disruption in drainage. After initial construction, and at all times thereafter that work on the pipeline is performed, GRANTEE will grade and maintain the land contours as nearly as practical to their original levels within the construction route. GRANTEE agrees that the pipeline will be installed with a minimum of at least four (4) feet of cover under the bottom of the drainage ditches now existing.

6. GRANTEE shall pay for any damages to growing crops, livestock, drainage, utilities, fences, buildings, sidewalks, bike paths, roads, other structures and marketable timber on the land caused by GRANTEE's construction operations , with such compensation being in an amount which includes the reasonable value of any research which is damaged, lost or set back by the activities of GRANTEE hereunder.

7. To the extent GRANTEE excavates any portion of the surface of the Right of Way, GRANTEE shall utilize the "double ditching" method of excavating. GRANTEE shall remove the surface soil separately for the full length and width of the pipeline trench to a depth of not less than ten (10) inches. All subsoil material which is removed from the trench will be place in a second stockpile that is separate from the topsoil stockpile. In backfilling the trench the stockpiled subsoil material will be placed back into the trench first followed by the topsoil stockpile. GRANTEE shall have the right to use additional workspace that is reasonably necessary, adjacent to the permanent and temporary servitudes, to separate such soil and shall not be subject to the compensation provisions as set forth in the above item 3. GRANTEE shall tractor tread tamp over and above the pipeline (or otherwise adequately pack the ditch). At the time of such filling and tamping said pipeline ditch shall be, as nearly as practical, free of water; and in case of sinking or caving, GRANTEE shall take the necessary steps to refill and re-level the location to its condition prior to construction, including GRANTEE's responsibility to correct any future caving or sinking. Upon completion of the construction, GRANTEE will clear all debris from the premises by removing same, and will level off the ground above the pipeline as nearly as practicable to that prior to the construction. Upon completion of construction in each area, all pasture lands shall be reseeded with Bermuda grass.

8. GRANTOR reserves the right to fully use and enjoy the lands included in said right-of-way for all purposes other than those herein granted, except GRANTOR shall not construct or maintain nor permit to be constructed or maintained on said right-of-way any house, structure, or obstruction, on or over said right of way. Without limiting the generality of the above, GRANTOR particularly reserves the right to cross said right-of-way with roadways, and to cross the right-of-way with fences, electric lines, drainage lines, sewer lines, water lines, gas lines and other utilities as may be necessary at any angle of not less than forty-five (45) degrees to GRANTEE's pipeline over and across said right-of-way, said lines or utilities to be adjacent to such roads or existing roads, if reasonably possible. Additionally, not less than 60 days prior to the commencement of any work which may impact the pipeline, with the exception of the construction of a fence, GRANTOR shall send GRANTEE two sets of all final plans. In addition, at least 48 hours prior to commencing any excavation or other construction activity in the

vicinity of the right of way, pipeline, or facilities, GRANTOR shall notify LOUISIANA One-Call System, telephone 1-800-272-3020. All work in the vicinity of the pipeline must be done in accordance with generally accepted engineering practices and safety procedures. GRANTEE and GRANTOR will mutually agree upon any necessary gates in fences.

9. In constructing, maintaining and operating said pipeline, GRANTEE shall observe the safety practices current in the industry. To insure safety of GRANTOR's operations after initial construction, GRANTEE shall notify GRANTOR of any planned maintenance or operation work affecting or potentially effecting GRANTOR's utilities at least five (5) days in advance of planned work. In the event of emergency work, GRANTEE shall notify GRANTOR's Facility Services Department and LSU Ag Center Facilities Planning—(225) 578-8731 no later than 24 hours after the emergency or as soon as reasonably possible where potential damage to GRANTOR's utilities exist.

10. GRANTEE hereby assumes all liability for and agrees to pay for all damages, including environmental damages, to all property of any nature and kind, and all losses resulting from such injuries and damages, regardless of when such damages or losses are incurred, caused by GRANTEE's construction, operation, maintenance, inspection, replacement, abandonment in place, or removal, of said pipeline, and agrees to indemnify GRANTOR, save it harmless and defend it from any and all claims, demands and causes of action for damage to property or injury to or death of persons or for environmental damage, including any claims arising under the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and other applicable federal and state environmental laws, arising in connection with, caused by or resulting from GRANTEE's construction, operation, maintenance, inspection, replacement, protection, repairing, changing the size of, abandonment in place, or removal of GRANTEE's pipeline hereunder or the exercise by GRANTEE of any of the rights herein granted except to the extent that such claims, demands, or causes of action result from GRANTOR's gross negligence or willful misconduct, of GRANTOR, their contractors, agents or assigns. GRANTEE's liability and indemnity, hold harmless and related obligations as described in this agreement shall survive the terms of this agreement and extend to GRANTOR after any transfer or reversion of the property or property rights to GRANTOR or to any third party. The indemnity, hold harmless and defense provisions as provided above are applicable, but not limited to claims, demands, or suits for bodily injury, illness, disease, death, loss of services, maintenance, cure, property or wages, which may be brought by GRANTEE's employees, agents and/or assigns, and the agents, employees and/or assigns of their subcontractors, incident to, arising out of, in connection with or resulting from the activities of GRANTEE, its employees, agents and/or assigns or their subcontractors and their employees, agents and/or assigns or in connection with the work to be performed, services to be rendered or materials to be furnished under this Agreement, provided, however, that GRANTEE shall not indemnify and hold GRANTOR harmless from claims, demands or suits due to the gross negligence or willful misconduct on the part of GRANTOR.

11. In all disputes involving discharge of oil, hydrocarbons, saltwater or other noxious substances on the property in the vicinity of the pipeline, GRANTEE shall bear the burden of proving these substances did not originate from its pipeline operations covered by this agreement and that the presence of such substances did not damage the property or GRANTOR's other property.

12. GRANTEE accepts the grant of said right-of-way subject to any and all recorded pre-existing leases, servitudes, rights-of-way and mineral rights or other rights heretofore granted and reserved affecting said land. The grant is also made by GRANTOR and accepted by GRANTEE without warranty or recourse against GRANTOR, even for the return of all or any portion of the consideration paid for this servitude.

13. After the pipeline provided for herein shall have been constructed and put into operation, should GRANTEE fail to use the same for the purposes herein provided for a period of thirty-six (36) consecutive months, then and in that event this right-of-way agreement and servitude shall be terminated, and GRANTEE shall remove the pipeline within one year from date of termination of said right-of-way agreement, unless after notice to GRANTOR, the President notifies GRANTEE not to remove the pipeline and to transfer ownership of the pipeline to GRANTOR. GRANTEE shall notify GRANTOR in writing, by United States mail, certified, return receipt requested, to the Director of the Louisiana Agricultural Experiment Station, and the Executive Vice President of the Board of Supervisors of Louisiana State University and

Agricultural and Mechanical College of the termination of the right-of-way agreement and servitude and its intent and plan to remove the pipeline. GRANTOR shall not be prejudiced in requiring this removal if it is not aware that the servitude has terminated or has expired. Failure to notify or remove said pipeline within the above specified period, shall constitute an abandonment of any claim whatsoever to said pipeline on the part of GRANTEE, but shall not remove GRANTEE'S obligation to remove the pipeline. Upon removal of the pipeline GRANTEE shall reasonably restore the premises as nearly as possible to their present condition. If the pipeline is not required to be removed GRANTEE shall take all practical steps to leave the pipeline in a safe (including environmentally safe) condition, in accord with the highest industry standards for abandoning pipelines.

14.The consideration for this Agreement shall cover damages which are reasonably contemplated when a pipeline is installed or operations are conducted on an undeveloped property in this area and are incurred as a result of the initial construction of the pipeline. Abnormal damages, if not mutually agreed upon, shall be ascertained and determined by three disinterested persons, one to be appointed by GRANTOR, one to be appointed by GRANTEE, and the third by the two so appointed as aforesaid, and the award of the amount of damages so fixed by such three persons, or two of them, shall be final and conclusive.

15.GRANTEE shall conduct operations on the property in a manner so as to conform with all local, state, and federal rules, ordinances, laws, and regulations applicable to GRANTEE.

16.GRANTEE shall provide to GRANTOR evidence of Commercial General Liability insurance in the amount of Five Million Dollars (\$5,000,000.00) covering bodily injury and property damage, including sudden and accidental pollution coverage.

17.This instrument may be executed in several counterparts, and any such counterpart shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

18. The covenants and obligations of this right of way shall run with the land. Except to a parent, subsidiary, affiliated or related company, the rights herein granted may not be assigned without the prior written consent of GRANTOR, with such assignment including GRANTOR's standard conditions to assignment, which consent shall not be unreasonably withheld, nor shall consent be required for any mortgage, pledge or other type of encumbrance of the .pipeline servitude.

Should any provision of this grant be held, in a final and unappealable decision by a court of competent jurisdiction, to be either invalid, void, or unenforceable, the remaining provisions hereof shall remain in full force and effect, unimpaired by the holding. Notwithstanding any other provision of this grant, the parties agree that in no event shall the term of this grant be longer than the longest period permitted by applicable law.

*[Signature Page Follows]*



**IN WITNESS WHEREOF**, GRANTOR has executed this Right-of-Way and Servitude Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

Witnesses:

GRANTOR

\_\_\_\_\_  
Print Name: \_\_\_\_\_

\_\_\_\_\_  
Board of Supervisors of Louisiana State  
University Agricultural & Mechanical College

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Witnesses:

AMERICAN MIDSTREAM (MIDLA),  
LLC

\_\_\_\_\_  
Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENTS**

**STATE OF LOUISIANA**  
**PARISH OF** \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015, before me, Notary, personally came and appeared \_\_\_\_\_, to me known, who, being by me first duly sworn, did say that he is the \_\_\_\_\_ of the **Board of Supervisors of Louisiana State University Agricultural & Mechanical College**, and that the foregoing instrument was signed on behalf of said Board by its \_\_\_\_\_ and that he/she acknowledged this instrument to be the free act and deed of said limited liability company.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary ID No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_

**STATE OF** \_\_\_\_\_  
**COUNTY OF** \_\_\_\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 2015, before me, Notary, personally came and appeared \_\_\_\_\_, to me known, who, being by me first duly sworn, did say that he is the \_\_\_\_\_ of **AMERICAN MIDSTREAM (MIDLA), LLC**, and that the foregoing instrument was signed on behalf of said limited partnership by its \_\_\_\_\_ and that he/she acknowledged this instrument to be the free act and deed of said limited liability company.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary ID No.: \_\_\_\_\_  
My Commission Expires: \_\_\_\_\_



**Hatch Mott MacDonald**  
101 West Crosley Street  
Monroe, LA 71291  
[www.hatchmott.com](http://www.hatchmott.com)

October 7, 2015

Board of Supervisors OF Louisiana State University  
And Agricultural and Mechanical College  
% Dale G. Frederick, M.S., P.E.  
Director, LSU AgCenter Facilities Planning  
207 J. Norman Efferson Hall  
110 LSU Union Square  
Baton Rouge, Louisiana 70803-0106

RE: Offer to Acquire Servitude, Franklin Parish, LA  
Tract NAT-FR-008.000; Volume 72, Page 100

Dear Mr. Fredrick:

The purpose of this letter is to make you a formal offer for the acquisition of a pipeline right of way and servitude, as more fully described in the enclosed Right of Way and Servitude Agreement (the "Agreement").

Our representatives have been in contact with you to discuss a new proposed pipeline that will be constructed, owned and operated by American Midstream (Midla), LLC ("Midla"). Midla is in the process of planning and constructing a pipeline for the transportation of natural gas between Winnsboro, Louisiana and Natchez, Mississippi. The proposed 12" pipeline would replace a 1920s Midla pipeline and extend approximately 52 miles with approximately 80 percent of the pipeline expected to be adjacent to existing servitudes and rights-of-way.

The rights granted to Midla and those retained by LSU are described in the enclosed Agreement. The servitude's or right-of-way's location across the property is depicted on the plat attached to the enclosed Agreement. If you see anything that is not correct, please contact us as soon as possible.

Midla is offering to pay you the total sum of Two-Thousand, One-Hundred Dollars and no/100 (\$2,100.00) as full consideration and compensation for the servitude or right-of-way (the "Offer").

As agreed in our previous contact I am including for you a reference of several properties near the center of our routing proposal of similar characteristics and use of which we have derived our base for the "fair market value offer" and as well a spreadsheet summarizing the same.

If the Offer is acceptable to you, please sign two (2) of the Agreements before a Notary Public and return two (2) fully executed originals to our attention. Also a W-9 tax form is required to be completed and returned with the Agreement.

Upon receipt of the fully executed Agreement and W-9 tax form, I will mail a check to you in the amount set forth in Midla's Offer or deliver it to the local LSU Office, whichever is your preference. Of course, if you would prefer to meet and deliver these documents to one of our representatives in order to expedite the payment, please let us know and we can make arrangements for a meeting at a mutually convenient date, time, and place.

If you have any questions, please do not hesitate to contact us at 318-280-9825, and we will be happy to discuss this Offer with you. Thank you for your time.

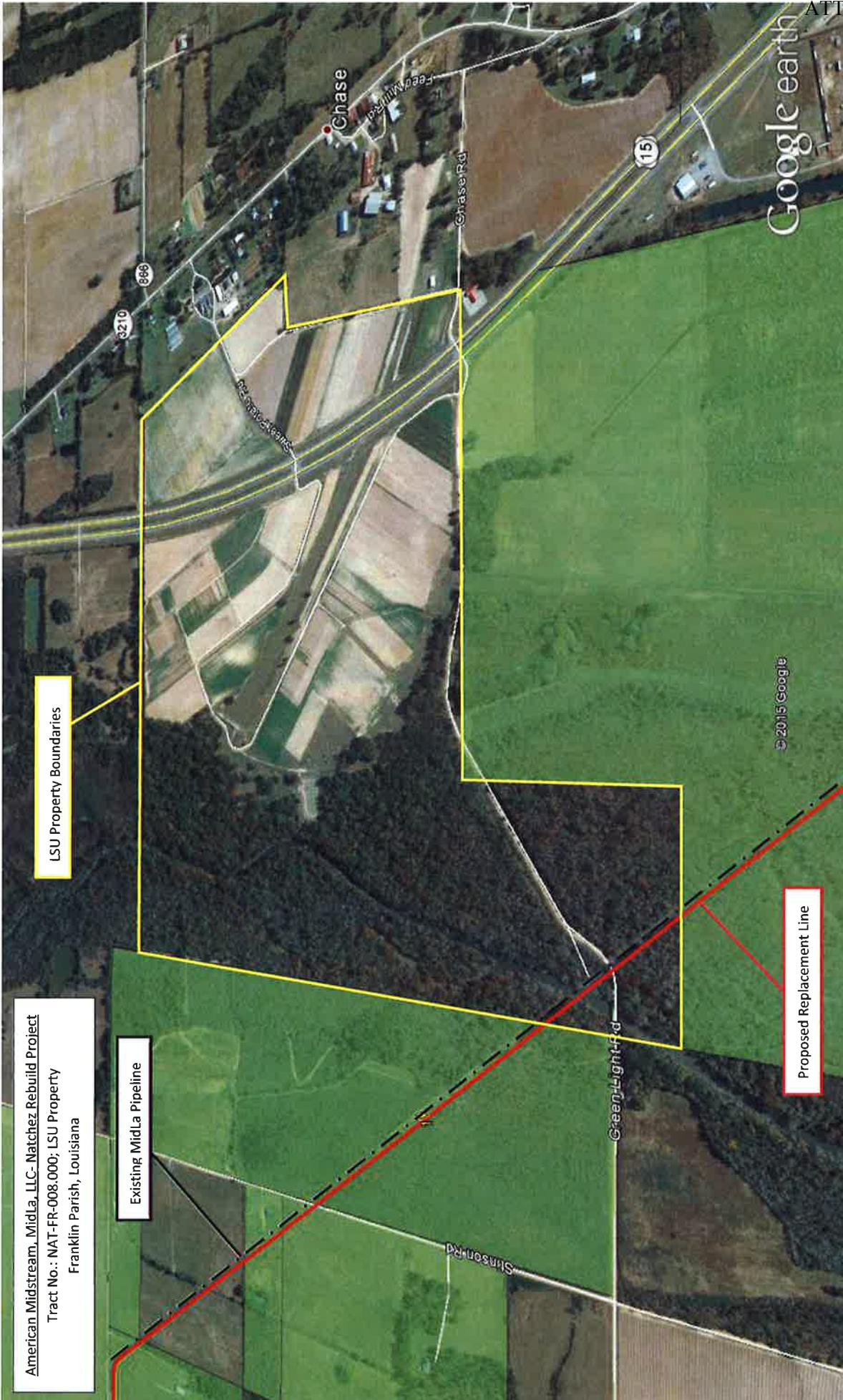
Sincerely,

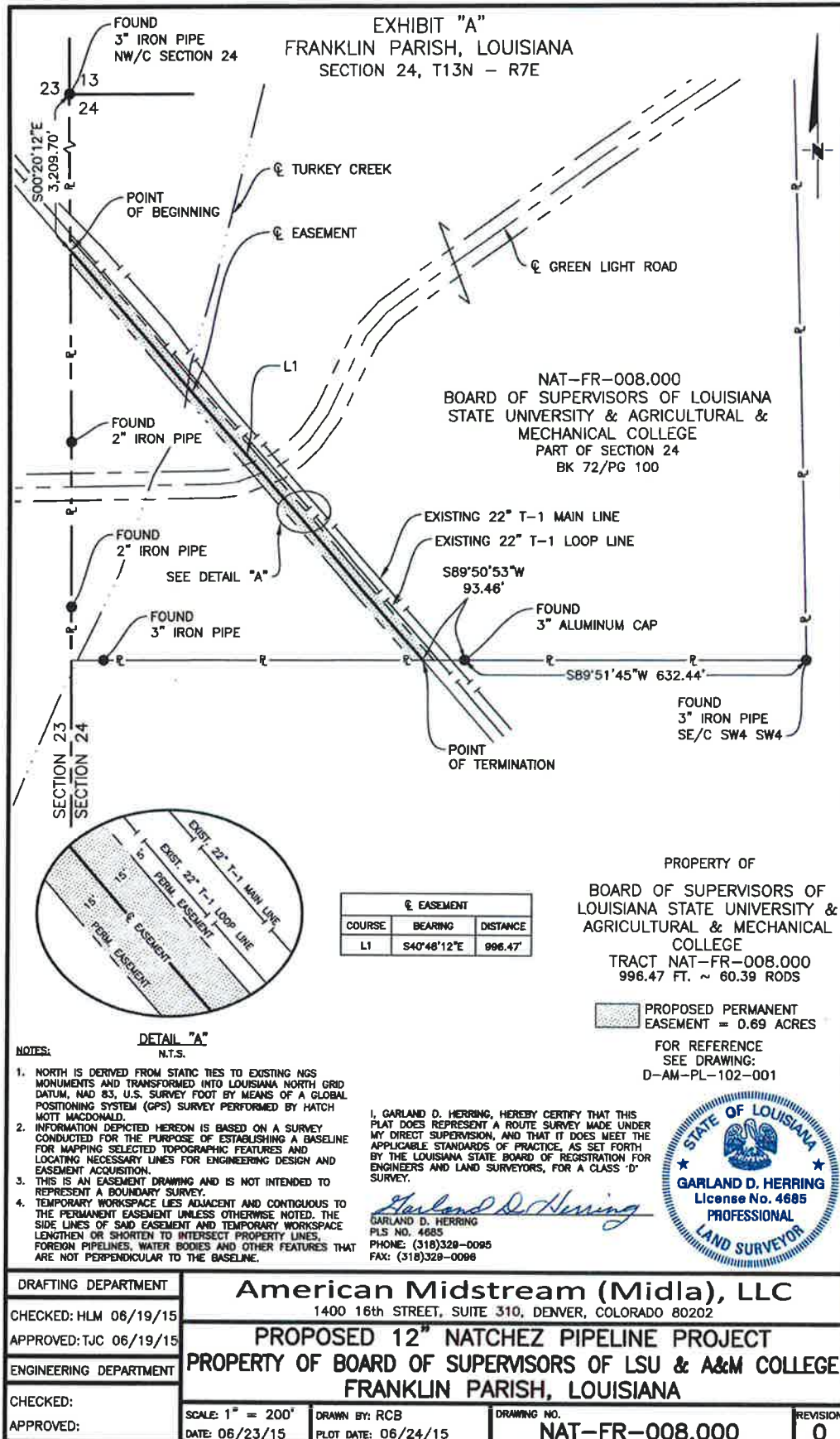
A handwritten signature in blue ink that reads "Douglas Powe". The signature is written in a cursive style with a period at the end.

Douglas Powe,  
Right-of-Way Representative  
Hatch Mott McDonald  
101 Crosley Street  
West Monroe, Louisiana 71291

Enclosures:

Proposed Servitude and Right of Way Agreement  
W-9 Form





American Midstream, MidLa, LLC - Natchez Re-Build Project										
* Land Value Comparable Sales *										
Item/Property Sale Number	Sale Date	Parish/County	State	Recording Information		Acreage	Total Land Value	Price Per Acre Value		
				Deed Book	Page					
1	April, 2015	Catahoula	Louisiana	272	458	152	\$410,400.00	\$2,700.00		
2	April, 2015	Catahoula	Louisiana	272	458	306.02	\$1,000,000.00	\$3,268.00		
3	October, 2014	Concordia	Louisiana	459	809	602	\$1,354,500.00	\$2,250.00		
4	April, 2014	Concordia	Louisiana	448	1953	435.5	\$875,000.00	\$2,009.00		
5	December, 2013	Concordia	Louisiana	447	2756	1041	\$2,100,000.00	\$2,017.00		
6	May, 2014	Concordia	Louisiana	449	182	321	\$642,000.00	\$2,000.00		
7	October, 2013	Concordia	Louisiana	447	1675	53.15	\$175,395.00	\$3,300.00		
8	October, 2013	Concordia	Louisiana	466	14	110	\$241,375.00	\$2,194.00		
<b>American Midstream, MidLa, LLC - PRICE PER ACRE OFFER: \$3,000.00</b>							<b>AVERAGE PRICE PER ACRE VALUE: \$2,467.25</b>			
* Land Sales Comparables derived from Land Sales Samplings from properties similar in characteristics and acreage as subject property owned by The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College. Detailed Property Sale Record and Property Description attached.										

## Timber/Recreational Sale #1

PARISH	Catahoula
CLASSIFICATION	Timber/Recreational
DATE	April, 2015
RECORDED	Bk 272 Pg 458
GRANTOR	Ellis
GRANTEE	Lord
NEAR TOWN	Sicily Island

## SITE

1. SIZE	152 acres
3. Access	Public

## IMPROVEMENTS

None

CONSIDERATION	\$ 410,400
PRICE PER ACRE	\$ 2,700

FINANCING	Conventional--cash deed
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SOIL TYPES	Sharkey/Tensas Clay Loams
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HAZARDS	Frequent Flood
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## INDICATIONS

Land Value	\$ 410,000
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located southeast of Sicily Island with only minor frontage to public roadway. The tract lies along Bayou Louis with recreational fishing potential. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 5 miles southwest of the subject property with similar market potential.

## Timber/Recreational Sale #2

PARISH	Catahoula
CLASSIFICATION	Timber/Recreational
DATE	April, 2015
RECORDED	Bk 272 Pg 458
GRANTOR	S2 Property
GRANTEE	Low Point Land Management
NEAR TOWN	Sicily Island

## SITE

1. SIZE	:	306.02 acres
3. Access		ROW

## IMPROVEMENTS

None

CONSIDERATION	\$ 1,000,000
PRICE PER ACRE	\$ 3,268

FINANCING	Conventional--cash deed
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SOIL TYPES	Sharkey Clay Loams
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HAZARDS	Frequent Flood
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## INDICATIONS

Land Value	\$ 1,000,000
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located southeast of Sicily Island with apparently ROW access about 1/8 mile from nearest public road. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 3 miles south of the subject property with similar market potential.



## Timber/Recreational Sale #3

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	October 2014
RECORDED	Bk 459 Pg 809
GRANTOR	Sunrise Land, LLC
GRANTEE	Duck, Deer & Docs, LLC
NEAR TOWN	Monterey

## SITE

1. SIZE	:	602 acres
3. Access		Private/ROW

## IMPROVEMENTS

None

CONSIDERATION	\$ 1,354,500
PRICE PER ACRE	\$ 2,250

FINANCING	Conventional--cash deed
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SOIL TYPES	Dundee/Alligator/Tensas Clay Loams
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HAZARDS	Undulating Topography
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## INDICATIONS

Land Value	\$ 1,354,500
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located west of Monterey with apparent access by ROW and private road. The tract lies along Black River lake with recreational fishing potential. The standing timber has little merchantable value at sale. The tract is located in an area subject to flood hazard and has undulating topography often holding water with no real potential for alternative use. Soils are mostly heavy clay loams. This tract is located about 25 miles southwest of the subject property with similar market potential.

## Timber/Recreational Sale #4

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	April, 2014
RECORDED	Bk 448 Pg 1953
GRANTOR	Englreth
GRANTEE	Brignac
NEAR TOWN	Ferriday

## SITE

1. SIZE	:	435.5 acres
3. Access		Public

## IMPROVEMENTS

None

CONSIDERATION	\$ 875,000
PRICE PER ACRE	\$ 2,009

FINANCING	Conventional--cash deed
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SOIL TYPES	Sharkey/Dowling/Tensas/Alligator Clay Loams
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HAZARDS	Frequent Flood Undulating Topography
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## INDICATIONS

Land Value	\$ 875,000
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located west of Ferriday with good frontage to public roadway. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 15 miles south of the subject property with similar market potential. The property is subject to Duck's Unlimited Easement restricting future timber harvest and future use.

## Timber/Recreational Sale #5

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	December 2013
RECORDED	Bk 447 Pg 2756
GRANTOR	Marilyn, LLC
GRANTEE	Esperanze Plantation, LLC
NEAR TOWN	Ferriday

## SITE

1. SIZE	:	1041 acres
3. Access		Public

## IMPROVEMENTS

None

CONSIDERATION	\$ 2,100,000
PRICE PER ACRE	\$ 2,017

FINANCING	Conventional--cash deed
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SOIL TYPES	Commerce Bruin SCL
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HAZARDS	Frequent Flood
	Borrow Pits
	River side of Mississippi River Levee

## INDICATIONS

Land Value	\$ 2,100,000
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located south of Ferriday with adequate frontage to public roadway. The tract lies along the river side of the Mississippi River levee. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are mixed silty clay loams. This tract is located about 20 miles southeast of the subject property with similar market potential.

## Timber/Recreational Sale #6

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	May 2014
RECORDED	Bk 449 Pg 182
GRANTOR	Szot, ETAL
GRANTEE	JPL Investments Etal
NEAR TOWN	Monterey

## SITE

1. SIZE	321 acres
3. Access	ROW

## IMPROVEMENTS

None

CONSIDERATION	\$ 642,000
PRICE PER ACRE	\$ 2,000

FINANCING	Conventional--cash deed
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SOIL TYPES	Sharkey Clay Loams
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HAZARDS	Frequent Flood Undulating Topography
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## INDICATIONS

Land Value	\$ 642,000
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located south of Monterey with only apparent ROW access from nearest public road. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 35 miles southwest of the subject property with similar market potential.

## Timber/Recreational Sale #7

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	October 2013
RECORDED	Bk 447 Pg 1675
GRANTOR	Wilson Land Co.
GRANTEE	Cynthia Bayou
NEAR TOWN	Monterey

## SITE

1. SIZE	53.15 acres
3. Access	Public

## IMPROVEMENTS

None

CONSIDERATION	\$ 175,395
PRICE PER ACRE	\$ 3,300

FINANCING	Conventional--cash deed
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SOIL TYPES	Tensas/Alligator/Dundee Clay Loams
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HAZARDS	Frequent Flood Undulating Topography
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## INDICATIONS

Land Value	\$ 175,395
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located northwest of Monterey with access by ROW to public roadway. The tract was purchased as "Add On" to existing ownership. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 18 miles southwest of the subject property with similar market potential.

## Timber/Recreational Sale #8

PARISH	Concordia
CLASSIFICATION	Timber/Recreational
DATE	October 2013
RECORDED	Bk 466 Pg 14
GRANTOR	Reeves
GRANTEE	Haun Hunting Camp, LLC
NEAR TOWN	Clayton

## SITE

1. SIZE	:	110 acres
3. Access		Public

## IMPROVEMENTS

None

CONSIDERATION	\$ 241,375
PRICE PER ACRE	\$ 2,194

FINANCING	Conventional--cash deed
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SOIL TYPES	Tensas/Alligator/Dundee Clay Loams
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HAZARDS	Frequent Flood Undulating Topography
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## INDICATIONS

Land Value	\$ 241,375
Timber Value	No significant Merchantable Value

## COMMENTS:

This is a native hardwood tract with good recreational potential. At sale there are no improvements of contributory value. The tract is located west of Clayton with access by ROW to public roadway. The standing timber has little merchantable value at sale. The tract is located in an area subject to frequent flood hazard with no real potential for alternative use. Soils are heavy clay loams. This tract is located about 10 miles south of the subject property with similar market potential