

Board Book

July 30, 2024

MISSISSIPPI BOARD OF TRUSTEES OF STATE
INSTITUTIONS OF HIGHER LEARNING

Board Meeting Outline

MISSISSIPPI BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING

IHL Board Meeting | July 30, 2024, 2:00 p.m. | IHL Board Room

CALL TO ORDER

Trustee Bruce Martin

REGULAR AGENDAS

FINANCE | Trustee Hal Parker

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OTHER BUSINESS/ANNOUNCEMENTS

EXECUTIVE SESSION IF DETERMINED NECESSARY

ADJOURNMENT

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1. **JSU - REQUEST FOR APPROVAL TO ENTER A LEASE AGREEMENT WITH
225 EAST CAPITOL STREET HOTEL, LLC**

Agenda Item Request: Jackson State University (“JSU”) requests approval to enter into a lease agreement with 225 East Capitol Street Hotel, LLC for the lease of one hundred fifteen (115) apartment units at the Walthall Building, located at 225 East Capitol Street, Jackson, MS 39201 for the purpose of housing students beginning in the 2024 Fall semester under a twenty-two (22) month agreement.

Contractor’s Legal Name: 225 East Capitol Street Hotel, LLC

History of Contract: This is a new lease agreement.

Specific Type of Contract: Lease agreement.

Purpose: The purpose of the agreement is to lease apartment units for the purpose of housing JSU students at the Walthall Building due to JSU experiencing an immediate shortage of housing for students for a period of twenty-two months beginning July 2024 in advance of the 2024 Fall Semester.

Scope of Work: Under this agreement, JSU will lease one hundred fifteen (115) units (single & double occupancy) at the Walthall Building, beginning July 30, 2024 through May 31, 2026. Under a separate lease, JSU will lease an adjacent building known as the Courthouse Lofts owned by CW Old, LLC, located at 224 East Capitol St., Jackson, MS. The Walthall and Courthouse Lofts referred to as the “Walthall Lofts” will include a total of 173 available single and double occupancy units. In addition, the Walthall Lofts will provide meeting rooms, complimentary rooms for program-related faculty/staff participants, banquet facilities, internet service, parking and access to a fitness center.

Term of Contract: Start Date: July 30, 2024 End Date: May 31, 2026.

Contract Amount: The total estimated cost of this agreement is \$3,936,680. (Note: The total amount is based on a July 28th start date. This amount will be adjusted based on the new start date anticipated to be July 30th. This cost is based on the rental of approximately 115 apartment units at a rate of \$1,556.00 per month for twenty-two months. The amount of the contract is offset by each student's actual boarding rate for the Fall semester in the amount of \$8,000 for single occupancy and \$6,000 for double occupancy per residential student and the student's actual boarding rate for the Spring semester in the amount of \$8,000 for single occupancy and \$6,000 for double occupancy per residential student.

Funding Source for Contract: The agreement will be funded with Auxiliary funds and Title III funds.

Termination Options: This agreement may be terminated for the following reasons:

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- failure to comply with E-verify warranties;
- violation of conflict of interest law;
- due to reduction of funds;
- by either party due to Force Majeure;
- default by tenant
- default by lessor
- upon mutual agreement

Contractor Selection Process: JSU Division of Business and Finance sought quotes and rates from various hotels within the Jackson Metropolitan area, including the Westin, Hilton Garden Inn Jackson/Downtown, the Walthall and Courthouse Lofts, and the Hilton – Jackson (North). The University evaluated each property based on availability, number of rooms, proximity and rate and found that the Walthall and Courthouse Lofts offered the best options. Therefore, the University began negotiating terms and rates with the Walthall and Courthouse Lofts. The Walthall and Courthouse Lofts were home to several of the JSU students during the 2023-2024 academic year and the facilities offered great rates, spacious room accommodations, excellent customer service, adequate study/meeting space, close proximity to the campus and several other amenities. After careful consideration, review, and discussions, the University selected the Walthall and Courthouse Lofts as the best option for the services and accommodations needed for the students at this time.

STAFF RECOMMENDATION: Legal staff has reviewed the proposed lease for compliance with applicable law and finds the same to be acceptable. Board staff recommends approval of this item.

2. **JSU – REQUEST FOR APPROVAL TO ENTER INTO A LEASE AGREEMENT WITH CW OLD, LLC**

Agenda Item Request: Jackson State University (“JSU”) requests approval to enter into a lease agreement with CW Old, LLC for the lease of fifty-eight (58) apartment units at the Courthouse Lofts, located at 224 East Capitol Street, Jackson, MS 39201 for the purpose of housing students beginning in the 2024 Fall semester under a twenty-two (22) month agreement.

Contractor’s Legal Name: CW Old, LLC

History of Contract: This is a new lease agreement.

Specific Type of Contract: Lease agreement.

Purpose: The purpose of the agreement is to lease apartment units for the purpose of housing JSU students at the Courthouse Lofts due to JSU experiencing an immediate

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shortage of housing for students for a period of twenty-two months beginning July 2024 in advance of the 2024 Fall Semester.

Scope of Work: Under this agreement, JSU will lease fifty-eight (58) units (single & double occupancy) at the Courthouse Lofts, beginning July 30, 2024 through May 31, 2026. Under a separate lease, JSU will lease an adjacent building known as the Walthall Building owned by 225 East Capitol Street Hotel, LLC. The Walthall and Courthouse Lofts referred to as the “Walthall Lofts” will include a total of 173 available single and double occupancy units. In addition, the Walthall Lofts will provide meeting rooms, complimentary rooms for program-related faculty/staff participants, banquet facilities, internet service, parking and access to a fitness center.

Term of Contract: Start Date: July 30, 2024 End Date: May 31, 2026.

Contract Amount: The total estimated cost of this agreement is \$1,985,456.00. (Note: The total amount is based on a July 28th start date. This amount will be adjusted based on the new start date anticipated to be July 30th. This cost is based on the rental of approximately 58 apartment units at a rate of \$1,556.00 per month for twenty-two months. The amount of the contract is offset by each student's actual boarding rate for the Fall semester in the amount of \$8,000 for single occupancy and \$6,000 for double occupancy per residential student and the student's actual boarding rate for the Spring semester in the amount of \$8,000 for single occupancy and \$6,000 for double occupancy per residential student.

Funding Source for Contract: The agreement will be funded with Auxiliary funds and Title III funds.

Termination Options: This agreement may be terminated for the following reasons:

- failure to comply with E-verify warranties;
- violation of conflict of interest law;
- due to reduction of funds;
- by either party due to Force Majeure;
- default by tenant
- default by lessor
- upon mutual agreement

Contractor Selection Process: JSU Division of Business and Finance sought quotes and rates from various hotels within the Jackson Metropolitan area, including the Westin, Hilton Garden Inn Jackson/Downtown, the Walthall and Courthouse Lofts, and the Hilton – Jackson (North). The University evaluated each property based on availability, number of rooms, proximity and rate and found that the Walthall and Courthouse Lofts offered the best options. Therefore, the University began negotiating terms and rates with the Walthall and Courthouse Lofts. The Walthall and Courthouse Lofts were home to several of the JSU students during the 2023-2024 academic year and the facilities offered

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great rates, spacious room accommodations, excellent customer service, adequate study/meeting space, close proximity to the campus and several other amenities. After careful consideration, review, and discussions, the University selected the Walthall and Courthouse Lofts as the best option for the services and accommodations needed for the students at this time.

STAFF RECOMMENDATION: Legal staff has reviewed the proposed lease for compliance with applicable law and finds the same to be acceptable. Board staff recommends approval of this item.

3. JSU – REQUEST FOR APPROVAL TO ADD A RESIDENCE HALL OPTION AND THE APPLICABLE OCCUPANCY RATES TO THE JSU STUDENT HOUSING RATES FOR FY2025 AND WAIVER OF THE 30-DAY REVIEW PERIOD

Agenda Item Request: Jackson State University (“JSU”) requests approval to add a residence hall (the “Walthall Lofts”, which includes the Walthall and the Courthouse Lofts) and the applicable single and double occupancy rates to the previously approved Student Housing Rates Template. On May 16, 2024, the Mississippi Board of Trustees of the State Institutions of Higher Learning approved the Jackson State University student housing rates for the Fiscal Year 2025. Upon IHL Board approval of the Walthall Loft Leases, JSU requests the Walthall Lofts and the Single & Double Occupancy rates be added to the previously approved JSU Student Housing Rates for FY2025. The Walthall Lofts property will be leased by JSU for the initial term of twenty-two (22) months.

| Walthall Lofts (12 months) | Single Occupancy Rate | Double Occupancy Rate |
|----------------------------|-----------------------|-----------------------|
| Studio | \$18,000.00 | N/A |
| Standard Room | \$19,200.00 | \$14,400.00 |
| Poolside Room | \$20,400.00 | \$15,600.00 |
| Premium Room | \$21,600.00 | \$16,800.00 |
| Walthall Lofts (10 months) | Single Occupancy Rate | Double Occupancy Rate |
| Studio | \$15,000.00 | N/A |
| Standard Room | \$16,000.00 | \$12,000.00 |
| Poolside Room | \$17,000.00 | \$13,000.00 |
| Premium Room | \$18,000.00 | \$14,000.00 |

All other IHL approved Student Housing Rates for the FY2025 remain unchanged.

STAFF RECOMMENDATION: Based on Board Policy 702.04C – *Consideration of Requests: Requests to establish tuition, and room and board charges shall not be considered until at least thirty days after they have been submitted to provide an opportunity for review by the Board and the Commissioner. The Board reserves the right to waive the thirty-day review requirement during periods of extreme time constraint.*

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Staff recommends that the Board waive the thirty-day review requirement of the rates and adopt for FINAL approval.

4. JSU – REQUEST FOR APPROVAL TO ENTER INTO A MANAGEMENT AGREEMENT WITH SODEXOMAGIC, LLC

Agenda Item Request: Jackson State University (“JSU”) requests approval to enter into a management agreement with SodexoMAGIC, LLC to manage Jackson State University dining services operations. This agreement with SodexoMAGIC has a term of ten (10) years with a retroactive effective date of July 1, 2024.

Contractor’s Legal Name: SodexoMAGIC, LLC

History of Contract: This is a new agreement. SodexoMAGIC has managed JSU’s food services since 2014. The University recently completed an RFP process where SodexoMAGIC offered the best proposal for the University’s food services.

Specific Type of Contract: Food Service Contract

Purpose: The purpose of this contract is to allow SodexoMAGIC to operate a campus food service program on JSU’s campus, providing meals including a la carte items and beverages, for reselling to students, faculty, staff, and guests.

Scope of Work: SodexoMAGIC will provide food services on the JSU campus.

Term of Contract: The term of the Agreement is ten (10) years commencing on July 1, 2024, and terminating on June 30, 2034. The length of the term is necessary to secure the capital investment funding required for improvements, brands refresh, repairs, and new dining options over the contract period. In the event this Agreement expires, and SodexoMAGIC continues to provide Services, this Agreement shall be deemed to continue on a month-to-month basis in accordance with the existing terms and conditions as of the expiration date (including any adjustment to fees in accordance with Section 9.2) until terminated by either Party on sixty (60) days' prior written notice.

Contract Amount: In lieu of a board plan commission, JSU will apply an “override” to the meal plans sold to students. The override is the difference between what JSU will charge the students and what SodexoMagic charges JSU. Over the life of the contract, the estimated override payable to JSU is \$21,086,797.00. SodexoMAGIC agrees to pay \$2,979,625.00 variable commissions over the term of the agreement. Total investments, allocations and/or in-kind contributions over the ten-year agreement are listed below:

| Investment/Allocation | Fund | Amount |
|------------------------------|--------------------|------------------|
| Investment #1 | Capital Investment | \$ 10,550,000.00 |

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|-------------------|---|-------------------------|
| Investment #2 | Capital Fund | \$ 6,100,000.00 |
| Investment #3 | Inaugural Fund | \$ 50,000.00 |
| Other Allocations | Meal Plan Scholarship Contribution | \$ 2,000,000.00 |
| Other Allocations | Presidential Catering Fund | \$ 802,472.00 |
| Other Allocations | Student Engagement Fund | \$ 1,282,660.00 |
| Other Allocations | Facility Enhancement Fund | \$ 500,000.00 |
| Other Allocations | Maintenance and Repair Allocation | \$ 1,031,749.00 |
| Other Allocations | Marketing and Promotions Allocation | \$ 1,031,749.00 |
| Other Allocations | Utilities | \$ 2,114,841.00 |
| Other Allocations | Swipe Out Hunger | \$ 435,627.00 |
| Other Allocations | Student Service Programming Fund (Sonic Boom) | \$ 100,000.00 |
| Other Allocations | Faculty Staff Meal per Month | \$ 254,500.00 |
| Other Allocations | JSU Magic Moment Fundraisers | \$ 1,500,000.00 |
| | TOTAL | \$ 27,753,598.00 |

| | | |
|---|--------------|------------------------|
| Contract Amount | | |
| Override Amount | | \$21,086,797.00 |
| Variable Commissions | | \$2,979,625.00 |
| Investment/Allocation/In-Kind Contributions | | \$27,753,598.00 |
| | TOTAL | \$51,820,020.00 |

The estimated total value to JSU over the life of the contract is **\$51,820,020.00**.

Funding Source for Contract: This is a revenue contract.

Termination Options: Termination options including the following:

- by breaches of material provision (“Cause”) by either party, which have not been remedied within the specific period as outlined in the contract;
- by either party for convenience, in whole or in part, with prior written notice;
- in the event of a reduction in funds.

Contract Selection Process: Competitive solicitations were sought through the RFP process and publicly advertised March 7, 2024 to March 14, 2024. A Pre-Bid Conference was held on March 15, 2024 in which all potential bidders could familiarize themselves with JSU operations, the campus layout, and community; a total of four vendors were represented at this meeting. Proposals were received by two vendors; Aramark and SodexoMAGIC. Proposals were evaluated based on their ability to deliver services that met the overall objective and functions described in this RFP, competitive fees, availability and access to technical support, experience, etc. Final bidders were also afforded the opportunity to present during in-person

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and virtual interviews, and submit their best and final offer. Based on the evaluation criteria referenced above and scoring as outlined in the RFP, SodexoMAGIC offered the best proposal of services, financial yield, and capital investments in the best interests of JSU.

STAFF RECOMMENDATION: Legal staff has reviewed the proposed lease for compliance with applicable law and finds the same to be acceptable. Board staff recommends approval of this item.

5. JSU – REQUEST FOR APPROVAL TO MODIFY THE APPROVED FLEX DOLLARS RATE AND WAIVER OF THE 30-DAY REVIEW PERIOD

Agenda Item Request: Jackson State University (“JSU”) requests approval to modify the previously approved Flex Dollar Rates. On May 16, 2024, the Mississippi Board of Trustees of the State Institutions of Higher Learning approved the Jackson State University tuition, room and board rates for the Fiscal Year 2025. During the recent RFP process and contract negotiations with Sodexo MAGIC for the management of JSU Dining Services, the University decided to reduce its overall flex dollar rates in favor of a better dining experience for the students. Therefore, JSU requests modification of the previously approved Platinum and Gold Flex Dollars rates, as follows:

| Flex Dollars (per semester) | IHL Approved Rate | New Rate |
|--------------------------------|-------------------|-----------------|
| Platinum: | \$400 (FY 2025) | \$300 (FY 2025) |
| Gold: | \$200 (FY 2025) | \$150 (FY 2025) |

Note: All other IHL approved rates to remain unchanged.

STAFF RECOMMENDATION: Based on Board Policy 702.04C – *Consideration of Requests: Requests to establish tuition, and room and board charges shall not be considered until at least thirty days after they have been submitted to provide an opportunity for review by the Board and the Commissioner. The Board reserves the right to waive the thirty-day review requirement during periods of extreme time constraint.*

Staff recommends that the Board waive the thirty-day review requirement of the rates and adopt for FINAL approval.