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TO: Dr. Monty Sullivan
LCTCS President

THROUGH: Joseph Marin
Chief Operations Officer

FROM: Anthony Brown
Director of Operations, Risk and Emergency Management

DATE: January 24, 2020

SUBJECT: Escrow Agreement amendment between Jefferson Parish Economic
Development and Port District (JEDCO), LCTCS Facilities Corporation
and LCTCS Board of Supervisors

APPROVED
2/12/20
LCTCS BOARD OF SUPERVISORS

FOR BOARD ACTION

Recommendation: Staff recommends that the Board authorize the President to execute
an amendment, to extend by one year, an escrow agreement with the LCTCS Facilities
Corporation and Jefferson Parish Economic Development and Port District (JEDCO) for
the purpose of seeking funding for the construction of a road at the River City/Avondale
Campus. This amendment is subject to the approval of the LCTCS Facilities Corporation
and JEDCO.

Background: Construction of the Delgado Community College River City/Avondale
Campus was completed in August 2018, funded by Act 360 Funds, on property purchased
by the LCTCS Facilities Corporation from the Jefferson Parish Economic Development
and Port Commission (JEDCO). JEDCO desires to construct a road on property adjacent
to the new campus. The LCTCS Facilities Corporation purchased the property at less
than appraised value with a stipulation that an escrow account be established in the
amount of \$510,714 for possible use to construct a road for JEDCO. JEDCO, through
the Parish, is seeking funding through House Bill 2 to construct the road. This escrow
account would be used only if JEDCO was unsuccessful in obtaining funding for the road
construction through House Bill 2.

This amendment to extend the agreement is necessary because the current escrow
agreement expires on April 1, 2020 and, to date, complete funding has not been realized
by JEDCO. During the 2018-2019 Legislative Session, JEDCO was appropriated,
through HB2, \$200,000 in Priority 2 funding and \$1.35 million in Priority 5 funding.
During the November State Bond Commission meeting, JEDCO was provided a cash
line of credit of \$200,000 for planning of the road and a non-cash line of credit of \$1.35
million for construction.

JEDCO, if successful in obtaining full funding through House Bill 2, will return the full amount of the escrow account, with interest, to the LCTCS Facilities Corporation. The principal amount held in the escrow account will be delivered to JEDCO and any accrued interest will be paid to the LCTCS Facilities Corporation if JEDCO is unsuccessful in obtaining additional House Bill 2 funding for the road.

Fiscal Impact: N/A

History of Prior Actions: The Board of Supervisors approved the original agreement to establish the escrow account during the September 2015 meeting, and approved two, one year extensions of the agreement at the April 11, 2018 and April 10, 2019 meetings.

Benefits to the System: This amendment will provide a third one-year extension while JEDCO continues to seek funding for the construction of a road project, which, if successful, will make available \$510K in additional funding for campus construction costs at the River City/Avondale Campus project.



Approved for Recommendation to the Board
Dr. Monty Sullivan, President

2-12-20
Date