

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

December 9, 2004

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, December 9, 2004, at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Dallas Bohnsack, presiding; Clyde Allen, Frank Berman, John Frobenius, David Metzen, and Lakeesha Ransom.

Staff present: Chancellors Kathryn Martin and Samuel Schuman; Vice Presidents Kathleen O'Brien and Richard Pfutzenreuter; Executive Director Ann Cieslak; Executive Associate Vice President Al Sullivan; Associate Vice Presidents Margaret Carlson, Steven Spehn, and Laurie Scheich.

Student Representatives present: Richard Laager and Andrew Sorsoleil.

CAPITAL BUDGET AMENDMENTS

On-Campus Football Stadium Project Planning & Environmental Review

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services, the FY2005 capital budget is amended to increase the budget for the project as follows.

On-Campus Football Stadium Project Planning & Environmental Review

Project costs: \$1.5 million

Funding for increase: Donated funds, contributions from the University of Minnesota Alumni Association, and other non-state expenses

Estimated completion date: 12 months from beginning

O'Brien noted an addition to the docket materials (on file in the Board Office) to reflect the estimated cost of the environmental review process to be \$1 million, with the remainder of funds for supporting the project management and planning process.

The committee voted unanimously to recommend approval of the Capital Budget Amendment.

Jones Hall Rehabilitation

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and Vice President for University Services, the FY2005 capital budget is amended to increase the budget for the project as follows:

Jones Hall Rehabilitation

Original estimated projects costs: \$8,000,000

Increase in project costs: \$700,000

Revised estimated project costs: \$8,700,000

Funding for increase: Redirection of Repair and Replacement Funds

Estimated completion date: Fall 2005

Schematic plans: approved by Board

Associate Vice President Perkins reported that during the design of the project it became evident the scope of work required to restore the exterior masonry was significantly underestimated. He summarized the basis for the request, project scope, and source of funds, as detailed in the docket materials and the presentation on file in the Board Office.

In response to questions and concerns expressed by a number of committee members, Perkins explained that adequate due diligence was followed during the design phase of the project. Staff have changed a number of processes to avoid similar situations in the future.

The committee voted unanimously to recommend approval of the Capital Budget Amendment.

Purchase of 717 Delaware Street SE, Minneapolis, Twin Cities Campus

The committee reviewed a proposal to amend the FY2005 Capital Budget by \$4,853,500 to incorporate funding for the purchase of 717 Delaware Street SE, Minneapolis, Twin Cities campus. The property is adjacent to existing University facilities and provides an opportunity for future expansion of the campus, though no short- or long-term use has been identified.

The item will return for action at a future meeting of the committee.

Swenson Science Building Insurance Project, Duluth Campus

The committee reviewed a proposal to amend the FY2005 Capital Budget by at least \$1,000,000 to incorporate funding for the James L. Swenson Science Building Reconstruction project on the Duluth campus. Vandals recently caused more than \$8,000,000 of damage to the building, which was under construction and nearly completed.

Associate Vice President Perkins and John King, Duluth campus Facilities Management Director, summarized the extent of the damage, the reconstruction progress to date, project challenges, and insurance coverage, as detailed in the docket and materials distributed at the meeting. The University's insurance program will fund the reconstruction.

The item will return for action at a future meeting of the committee.

Student Housing & Fire Life Safety Projects, Crookston Campus

The committee reviewed a proposal to amend the FY2005 Capital Budget by \$4,300,000 to incorporate funding for the Centennial Hall Student Housing Project on the Crookston campus. The project addresses two objectives related to student housing on the campus: 1) to provide a fire suppression system in all student residences; and 2)

to construct additional apartment-style housing units to meet the demand for that style of housing.

The item will return for action at a future meeting of the committee.

Gay Hall Fire Life Safety Project, Phase II, Morris Campus

The committee reviewed a proposal to amend the FY2005 Capital Budget by \$1,000,000 to incorporate funding for the Clayton A. Gay Hall I, Fire/Life Safety Upgrade project on the Morris campus. Gay Hall I will be upgraded as part of the University's system-wide plan to upgrade all student residential facilities to ensure that all students are housed in facilities equipped with current code compliance fire protection systems including sprinklers.

The item will return for action at a future meeting of the committee.

REAL ESTATE TRANSACTION

Purchase of 717 Delaware Street SE, Minneapolis, Twin Cities Campus

The committee reviewed a proposal to purchase the property at 717 Delaware Street SE, Minneapolis, Twin Cities campus for \$4,853,500. Director of Real Estate Susan Carlson Weinberg summarized the location and description of the property, basis for the request, and details of the proposed transaction as included in the docket materials. The property is adjacent to existing University facilities and provides an opportunity for a number of potential University uses.

The item will return for action at a future meeting of the committee.

ISSUES RELATED TO: SIX-YEAR CAPITAL PLAN

Vice President O'Brien led the discussion of issues related to the Six-Year Capital Plan (Plan). The Plan includes \$1.3 billion to be considered for capital improvements during FY 2004-5 to 2009-10 funded by State and University resources. The University component is funded by a combination of University debt obligations, local unit resources/fundraising and public/private partnerships. O'Brien reviewed the principles that guided development of the Plan, selection criteria for capital projects, the planning process undertaken to determine academic and programmatic needs, and how the facilities condition assessment has been valuable in determining capital projects.

O'Brien reported that since the November 2004 Board of Regents meeting, the Minnesota Department of Finance recommended an inflationary increase of approximately 8% for all capital requests under consideration. The projects being requested as part of the University's re-submittal of the 2004 capital request and the football stadium have been adjusted to reflect the new inflation schedule. The capital request was increased by \$4.3 million and the football stadium by \$12.8 million. O'Brien briefly addressed the capital improvement projects in the Plan as detailed in the docket materials on file in the Board Office, noting that the projects emphasize renewal of existing facilities.

In response to concerns expressed by Regent Frobenius, O'Brien stated that the administration is taking steps to strengthen the alignment between the institution's academic program and facilities decisions with the strategic positioning work.

**HOUSING & RESIDENTIAL LIFE PLANNING, PRINCIPLES, & OPTIONS:
TWIN CITIES CAMPUS**

Vice President O'Brien introduced Associate Vice President Scheich, Director of Housing and Residential Life Laurie McLaughlin, and Director of Planning and Architecture Orlyn Miller to report on the current demand and future need for Twin Cities on-campus housing. O'Brien reported that the University has worked to strengthen the housing and residential life program by increasing the number of housing units available on the Twin Cities campus and by providing greater support to personal development activities that are part of the housing and residential life programs. A work group was convened to assess the success of the housing and residential life program objectives, and to consider the potential impact of the Clinical Sciences Campus Plan on on-campus housing.

Scheich summarized the principles of the work group's report, explaining the role of on-campus housing in supporting the institution's academic mission and improving recruitment, retention, and graduation rates. Scheich provided information on the unique student-centered community on-campus housing offers to students and how this environment supports the personal growth of students.

McLaughlin presented the conclusions and recommendations of the work group (presentation materials on file in the Board Office). She discussed the status of on-campus housing, challenges faced by the University Greek community in its current Greek housing, the financial contributions of on-campus housing to the institution, and the impact of any possible Academic Health Center expansion. Miller discussed viable sites for potential expansion or relocation of student housing should it become necessary.

INFORMATION ITEMS

No information items were presented.

The meeting adjourned at 11:48 a.m.

**ANN D. CIESLAK
Executive Director and
Corporate Secretary**