

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

February 8, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, February 8, 2007 at 10:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, John Frobenius, Steven Hunter, and Lakeesha Ransom.

Staff present: Chancellor Charles Casey; Senior Vice Presidents Frank Cerra and Robert Jones; Vice Presidents Steve Cawley, Kathleen O'Brien, and Richard Pfutzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Katie Jeremiason and Cassie McMahon.

CAPITAL BUDGET AMENDMENTS

A. Johnston Hall 2nd Floor Renovation, Twin Cities Campus

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 FY2007 Capital Budget is amended to increase the budget for the following project:

Johnston Hall 2nd Floor Renovation Project, Minneapolis, Twin Cities campus.

Scope of Project: Renovation of the 2nd floor of an existing building to address code issues, energy conservation concerns, and the administrative needs of the College of Liberal Arts.

Cost Estimate: \$1,420,000.

Capital Funding: College of Liberal Arts - \$1,420,000.

Estimated completion date: August 2007.

Vice President O'Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for Johnston Hall 2nd Floor Renovation, Minneapolis, Twin Cities Campus.

B. 90 Church Street Data Center HVAC Upgrades, Twin Cities Campus

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 FY2007 Capital Budget is amended to increase the budget for the following project:

90 Church Street Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.
Scope of Project: Upgrade the data center's heating, ventilation, and cooling system and improve the electrical system.
Cost Estimate: \$760,000.
Capital Funding: Office of Information Technology - \$760,000.
Estimated completion date: June 2007.

Vice President O'Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the 90 Church Street Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.

C. West Bank Office Building Data Center HVAC Upgrades, Twin Cities Campus

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 FY2007 Capital Budget is amended to increase the budget for the following project:

West Bank Office Building Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.
Scope of Project: Upgrade the data center's heating, ventilation, and cooling system and improve the electrical system.
Cost Estimate: \$726,000.
Capital Funding: Office of Information Technology - \$726,000.
Estimated completion date: June 2007.

Vice President O'Brien reminded the committee that the amendment had been reviewed at the December 2006 committee meeting. Associate Vice President Perkins presented the basis for the request, project scope, and construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the West Bank Office Building Data Center HVAC Upgrades, Minneapolis, Twin Cities campus.

CAPITAL BUDGET AMENDMENT

A. East Gateway District, Twin Cities Campus

The committee reviewed a proposal to amend the FY2007 Capital Budget by \$18,231,000 to incorporate funding for the East Gateway District project located on the Twin Cities campus.

Vice President O'Brien explained that the project will provide infrastructure support to the area of campus that will contain TCF Bank Stadium, a new medical bioscience facility, a landcare facility, and other future academic and research buildings. She reported that the funding will be applied to environmental remediation, road re-alignment, surface parking, stormwater management, and other infrastructure needs. Vice President Pfutzenreuter explained that the project will be funded by University debt.

In response to a question from Regent Baraga, O'Brien emphasized that the infrastructure work will need to be completed regardless of whether the Biomedical Research Facilities Authority is approved by the Legislature during the 2007 session. In response to a question from Regent Metzen, O'Brien reported that parking plans are being developed for several contingencies both during and after construction of TCF Bank Stadium and other buildings in the district.

In response to questions from several Regents, Pfutzenreuter described the infrastructure costs of the district as attributed to the University as a whole. Therefore, he stated that the debt service on the capital budget amendment funding will come from central operations and maintenance sources.

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

REAL ESTATE TRANSACTIONS

A. Five-Year Lease for 7,200 Rentable Square Feet at University Enterprises Laboratory, 1000 Westgate Drive, St. Paul, for Academic Health Center's Minnesota Lion's Eye Bank

The committee reviewed a proposal for a five-year lease for 7,200 rentable square feet at University Enterprises Laboratory (UEL), 1000 Westgate Drive, St. Paul, for the Academic Health Center's Lion's Eye Bank. Senior Vice President Cerra explained that UEL contains space that addresses the specific technical needs of the Lions Eye Bank. Director of Real Estate Susan Carlson Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials.

In response to a question from Regent Frobenius, Vice President Pfutzenreuter reported that UEL has recently begun seeking out opportunities to lease space at the facility due to modest vacancy rates.

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

B. Seven-Year Lease for 14,138 Rentable Square Feet at University Park Plaza, 2829 University Avenue SE, Minneapolis, for Academic Health Center

The committee reviewed a proposal for a seven-year lease for 14,138 rentable square feet at University Park Plaza, 2829 University Avenue SE, Minneapolis, for the Academic Health Center. Cerra identified a shortage of medical school space as the primary need for this real estate lease. Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials.

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

ENERGY AND UTILITIES: PRINCIPLES AND PROGRESS UPDATE

Vice President O'Brien introduced Associate Vice President Berthelsen and Jerome Malmquist, Director of Energy Management, to present information on energy management issues at the University, as detailed in the docket materials. The presenters noted progress made toward making the University's utilities and energy systems more cost effective, reliable, and sustainable. Berthelsen provided specific information on Facilities Management transformation efforts within Energy Management and the Twin Cities campus utilities master plan. Highlights of the presentation included:

- The University has increased efficiency as both BTUs per gross square foot and total BTUs have decreased substantially since 1988.
- Although coal and natural gas are the dominant fuel types used by the University, biofuels such as wood and oat hulls have been used more extensively in the past year.
- The total hours when the University lost either electrical power or steam power has either decreased or remained relatively constant in the past three years.

Berthelsen reported that the Twin Cities campus utilities master plan will provide a long-term 20-year vision for campus utilities and a six-year tactical plan for specific short-term needs.

In response to a question from Regent Frobenius, Malmquist stated that the current comprehensive planning is only taking place on the Twin Cities campus. O'Brien added that the Twin Cities utility master plan will provide a blueprint for coordinate campus planning. In response to a question from Regent Hunter, Malmquist reported that advances in energy technology might someday allow for an energy program run entirely on biofuels.

CONSENT REPORT

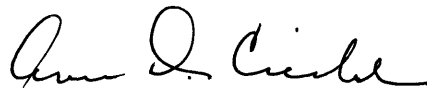
There were no Consent Report items this month.

INFORMATION ITEMS

Vice President O'Brien referred committee members to the Information Items contained in the docket materials, including:

- Final project review for 717 Delaware Phase II Renovation;
- Twin Cities Campus Area Neighborhood Impact Report;
- University activities to secure a lease of classroom, laboratory, and office space for University of Minnesota Rochester in the Centerplace Galleria Mall in Rochester; and
- Agreement between University and Minnesota Department of Natural Resources for cooperative management of UMore Park land.

The meeting adjourned at 12:05 p.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary