

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

September 6, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, September 6, 2007 at 10:00 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, Dallas Bohnsack, Maureen Cisneros, David Larson, and Patricia Simmons.

Staff present: Chancellors Charles Casey, Jacqueline Johnson, and Kathryn Martin; Senior Vice President Robert Jones; Vice President Kathleen O'Brien; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen, Michael Perkins, and Donna Peterson.

Student Representatives present: Nathan Olson and Jim Irrgang.

REAL ESTATE TRANSACTIONS

A. Purchase of 22.68 Acres from LaMinora Properties Inc., Lot 2, Sec. 18, Township 68 North, Range 19 West, St. Louis County

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Purchase of 22.68 acres from LaMinora Properties Inc., Lot 2, Sec. 18, Township 68 North, Range 19 West, St. Louis County.
Details of transaction: The University will pay LaMinora Properties, Inc. \$36,855 in cash at closing for fee simple title to property. Closing will occur at the conclusion of the environmental review process for the NOvA Experiment.
Source of funds: University funds.

Vice President O'Brien noted that the transaction had been reviewed by the committee at the July 2007 meeting.

The committee voted unanimously to recommend approval of the purchase of 22.68 Acres from LaMinora Properties, Inc. in St. Louis County.

B. Purchase of 23.22 Acres from the State of Minnesota, Department of Natural Resources, Lot 3, Sec. 18, Township 68 North, Range 19 West, St. Louis County

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Purchase of 23.22 acres from the State of Minnesota, Department of Natural Resources, Lot 3, Sec. 18, Township 68 North, Range 19 West, St. Louis County.

Details of transaction: The University will pay the State of Minnesota \$24,000 in cash at closing for fee simple title to property. Closing will occur at the conclusion of the environmental review process for the NOvA Experiment.

Source of funds: University funds.

Vice President O'Brien noted that the transaction had been reviewed by the committee at the July 2007 meeting.

The committee voted unanimously to recommend approval of the purchase of 23.22 Acres from the State of Minnesota, Department of Natural Resources, in St. Louis County.

REAL ESTATE TRANSACTION

A. Conversion of 120 Acres at the Fens Research Facility in Zim, Minnesota into a Wetland Bank (Duluth Campus)

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

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Execution of a perpetual conservation easement to dedicate 120 acres at the Fens Research Facility, Zim, Minnesota, to wetland banking.

Details of transaction: The Minnesota Board of Water and Soil Resources (BWSR) will pay \$9,000 per acre for the easement consideration, and \$6,000 per acre for the development of the wetland, related transactional costs, 5 years of monitoring and reporting, and care of site in perpetuity.

Susan Weinberg, Director of Real Estate, announced that the transaction was being presented for review and action in order to comply with BWSR RFP deadlines for wetland banking. In response to a question from Regent Simmons, Tom Malterer, Director of the Peat Program at the University's Natural Resources Research Institute, reported that the wetland banking will not result in any negative implications for local residents.

The committee voted unanimously to recommend approval of the conversion of 120 acres at the Fens Research Facility in Zim, Minnesota into a Wetland Bank.

SCHEMATIC PLANS

A. Chester Park School Renovation (Duluth Campus)

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

The schematic plans for the Chester Park School Renovation Project, Duluth, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Gregory Fox, University of Minnesota Duluth (UMD) Vice Chancellor for Finance and Operations, and John Rashid, UMD Associate Director for Facilities Management, presented information on the project and explained that the renovation will meet the programmatic needs of the College of Education, Music Department, and the Sea Grants Program. In response to a question from Regent Larson, Rashid explained that building a new facility on this site would cost nearly \$10 million more than the renovation project.

The committee voted unanimously to recommend approval of schematic plans for the Chester Park School Renovation Project, Duluth.

CAPITAL BUDGET AMENDMENT

A. East Gateway District, Metropolitan Council Sewer Work

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

On the recommendation of the President and the Vice President for University Services, the FY2007 Capital Budget is amended to increase the budget for the following project:

East Gateway District, Metropolitan Council Sanitary Sewer Work, Minneapolis, Twin Cities campus.

Scope of Project: Connection of a new sanitary sewer drop shaft for the Metropolitan Council to the existing sanitary sewer line for the East Gateway District.

Cost Estimate: \$1,800,000.

Capital Funding: Metropolitan Council - \$1,800,000.

Estimated completion date: Winter 2009.

Vice President O'Brien informed the committee that the amendment was being presented for review and action at this time so that the work can be done simultaneously with other University construction in the East Gateway district. She presented the basis for the request, the project scope, and the construction schedule as detailed in the docket materials.

The committee voted unanimously to recommend approval of the capital budget amendment for the East Gateway District, Metropolitan Council Sewer Work, Minneapolis, Twin Cities campus.

REAL ESTATE TRANSACTION

A. Purchase of 2001 Plymouth Avenue N., Minneapolis, for Northside Partnership Program

The committee reviewed a proposal for the purchase of 2001 Plymouth Avenue N., Minneapolis, for the Northside Partnership Program. Director of Real Estate Susan Weinberg summarized the location and description of the property and the source of funds, as detailed in the docket materials. Senior Vice President Jones provided background information on the Northside Partnership Program and how the eventual renovation of the existing facility will provide a physical presence for the University on the North side of Minneapolis.

In response to a question from Regent Larson, Vice President O'Brien indicated that building a new facility on the site would be approximately double the cost of the proposed renovation. In response to a question from Regent Bohnsack, Jones explained that the Northside Program will be implemented as an urban outreach and research center and that an executive director will eventually be hired to lead the program.

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

FACILITIES CONDITION ASSESSMENT UPDATE

Vice President O'Brien introduced Associate Vice President Michael Berthelsen and Sean Schuller of Facilities Management to present the Facilities Condition Assessment, a comprehensive evaluation of the condition of the institution's campus facilities and infrastructure portfolio, as contained in the docket materials. The presenters provided an overview for all campuses of gross square feet, estimated replacement value, and the projected short-term renovation and restoration needs. Highlights of the presentation included:

- The University currently has approximately 28 million gross square feet on all campuses and an average building age of 42 years.
- The replacement value of buildings on all University campuses is \$5.6 billion and the projected 10-year needs are \$2.27 billion.
- The University's Facility Condition Needs Index (FCNI - percentage of facilities that need renovation/replacement within the next ten years) reveals the University's needs as significantly higher than the national average for higher education institutions.

In response to a question from Regent Simmons, Berthelsen explained that reaching the University's targeted FCNI will require better decision-making in terms of whether to renovate or replace buildings. He added that the University is examining the best practices of peer institutions with excellent FCNI scores such as Stanford and Michigan. Regent Metzen commented that although the University has traditionally lagged in facilities maintenance, HEAPR funding from the state has improved the situation in recent years.

COMMITTEE WORKPLAN, 2007-08

Vice President O'Brien summarized the development of the committee workplan for the coming year in accordance with Board of Regents Policy: *Board Operations & Agenda Guidelines*. O'Brien detailed the topics proposed for discussion each month. The committee expressed support for the workplan.

CONSENT REPORT

A motion was made and seconded to recommend approval of the Consent Report including:

- Agreements for University facilities and services for The Society for the Study of Evolution Conference, June 19-25, 2008; and
- Conveyance of 32.3 Acres and Temporary Easements Encumbering 3.52 Acres in Waseca County (Southern Research and Outreach Center).

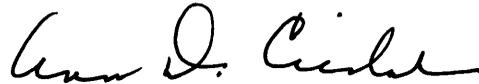
The committee voted unanimously to recommend approval of the Consent Report.

INFORMATION ITEMS

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

- Capital Planning and Project Management Semi-Annual Report;
- Facilities Management Leadership Team; and
- Hanson Hall Landscape Enhancements.

The meeting adjourned at 11:45 a.m.



ANN D. CIESLAK
Executive Director and
Corporate Secretary