

Year 2003-04

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**December 11, 2003**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, December 11, 2003, at 9:00 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; Senior Vice President Frank Cerra; Vice Presidents Kathryn Brown and Kathleen O'Brien; Interim Vice President David Hamilton; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Provost David Carl; Associate Vice Presidents Margaret Carlson; Gerald Fischer; Michael Perkins, and Steven Spehn.

Student Representatives present: Travis Amiot and Jacob Elo.

**SCHEMATIC PLANS: ST. PAUL CHILLED WATER FACILITY, PHASE I,  
PART B (CHILLER PLANT), TWIN CITIES CAMPUS**

Vice President O'Brien presented background on the St. Paul Chilled Water Facility, noting that the project was approved as part of the Higher Education Asset Preservation and Replacement Appropriation (HEAPR) in 2002, and the FY2003 Capital Budget. In October 2003, the Board of Regents approved the distribution system for a centralized chiller plant on the St. Paul Campus. O'Brien introduced University Architect John Grundtner and Michael Denny, Consultant, Capital Planning and Project Management, who presented the Schematic Plans. A copy of the presentation is on file in the Board Office.

Denny stated that the administration has evaluated five potential sites for the chiller plant. Several factors make the abandoned Natural Resources Building located at 1518 Cleveland Avenue, the most desirable site for the project: shorter construction time, reduced costs, academic and neighborhood preference, and the preservation of an historic structure. He added that the scope of the project has been enlarged to increase capacity to serve more buildings and retire obsolete chillers while reducing annual operating costs by over \$2 million.

Grundtner presented the Schematic Plans. He summarized how the interior of the building will be restructured to accommodate the chillers and pumps while preserving the exterior architectural features.

A motion was made and seconded to recommend approval the Schematic Plans for the St. Paul Chilled Water Facility, Part B (Chiller Plant).

In response to questions, Denny confirmed that although the area has been thoroughly evaluated to determine the path of the distribution piping, unforeseen conditions could arise that might impact the Phase I budget. During the initial design phase electrical capacity problems were discovered that were not part of the initial project scope. During Phase II these problems will be further assessed and repaired. Denny stated that there are sufficient funds to complete the project as originally planned in Phase I, II, and III HEAPR funds.

The committee voted unanimously to recommend approval of the Schematic Plans.

**SCHEMATIC PLANS: JONES HALL REHABILITATION, TWIN CITIES CAMPUS**

Vice President O'Brien introduced College of Liberal Arts (CLA) Dean Steven Rosenstone, who addressed the programmatic aspects of the Jones Hall Rehabilitation and University Architect John Grundtner, who presented Schematic Plans. This project renovates a building located in the historic Knoll District of the Twin Cities campus. The facility will provide office and outreach space for the CLA Language Center and the University's Admissions Welcome Center, and is an essential component of the plan to develop Nicholson and Folwell Halls as technology rich instructional centers.

A motion was made and seconded to recommend approval of the Schematic Plans for the Jones Hall Rehabilitation.

In response to a question, Grundtner stated that the estimated construction costs include upgrading the wiring and ventilation system, sprinkler installation, the addition of an elevator, and other items necessary to make the building code compliant.

The committee voted unanimously to recommend approval of the Schematic Plans.

### **SCHEMATIC PLANS: GATEWAY PLAZA LANDMARK, TWIN CITIES CAMPUS**

Vice President O'Brien provided background on the Gateway Plaza Landmark, a project to enhance the Gateway Plaza and Scholars Walk on the Twin Cities campus. The Board of Regents previously approved Schematic Plans for the Scholars Walk, which will recognize in a physical way the University's most distinguished scholars and teachers and encourage outstanding scholarly achievement. O'Brien introduced Larry Laukka, Chief Executive Officer of the University Gateway Corporation, and Associate Vice President Gerald Fischer. University Architect John Grundtner presented the Schematic Plans.

Laukka stated that this is the final link of the Scholars Walk, which will be a pathway from Oak Street and Washington Avenue to Appleby Hall. The Gateway Plaza Landmark is designed to honor University alumni, contain the plaza, provide signage to the McNamara Alumni Center, and serve as a campus major entrance. Grundtner summarized the dimensions, materials, and estimated project costs as included in the docket materials on file in the Board Office.

A motion was made and seconded to recommend approval of the Schematic Plans for the Gateway Plaza Landmark.

In response to a question, Fischer stated that the University Foundation, which is a member of the University Gateway Corporation, will raise funds for the project.

The committee voted unanimously to recommend approval of the Schematic Plans.

### **SCHEMATIC PLANS: SPORTS AND HEALTH CENTER EXPANSION, DULUTH CAMPUS**

Vice President O'Brien introduced Chancellor Martin, who provided background on the Sports and Health Center Expansion project on the Duluth campus. The project arose out of the need for additional recreational space to meet the growing student population on the Duluth campus. Martin noted that students have been closely involved in the planning process and had voted to provide part of the financial support for the project through student service fees assessed over a twenty-year period.

University Architect John Grundtner presented the Schematic Plans and project rationale. The project consists of a two level addition to the Sports and Health Center that will house fitness and conditioning facilities to be used by Recreational Sports, Intercollegiate Athletics, and Health, Physical Education, and Recreational Sports (HPER).

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Schematic Plans for the Sports and Health Center Expansion on the Duluth.

### **SCHEMATIC PLANS: SOCIAL SCIENCE BUILDING REHABILITATION, MORRIS CAMPUS**

Vice President O'Brien provided background information on the Social Science Building Rehabilitation on the Morris campus, and introduced University Architect John Grundtner, who presented the Schematic Plans. A copy of the presentation is on file in the Board Office.

Grundtner summarized the history of the Social Science Building, noting its designation on the National Register of Historic Places. The building was originally constructed for the West Central School of Architecture and has been remodeled to accommodate social science programs and improve accessibility. He also presented the project rationale, estimated construction costs, funding sources, and the design elements.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Schematic Plans for the Social Science Building Rehabilitation.

### **SCHEMATIC PLANS: ADMINISTRATION BUILDING ADDITION, SOUTHERN RESEARCH AND OUTREACH CENTER, WASECA, MINNESOTA**

Vice President O'Brien introduced Associate Dean Phil Larsen, Agricultural Food and Environmental Sciences, and Associate Professor Gregg Johnson, Southern Research and Outreach Center (SROC), Waseca. University Architect John Grundtner presented the Schematic Plans.

Larsen stated that this project updates the existing facility to create a research, outreach, and education center for local and long distance education throughout southeast and south-central Minnesota. The addition completes the network of interactive television conference facilities and will provide office space to accommodate the increase in faculty and professional appointments.

Grundtner summarized the design elements, funding sources, and construction costs as included in the presentation on file in the Board Office.

O'Brien noted a correction to the cost estimates as included in the docket materials on file in the Board Office: Construction costs are \$828,700, or \$71.00 per gross square foot; non-construction costs are \$251,300, or \$21.00 per gross square foot, for a total of \$92.00 per gross square foot for the project.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Schematic Plans for the Administration Building Addition, Southern Research and Outreach Center, Waseca.

Regents raised concerns about construction costs of several of the projects presented and the need for developing a benchmark for those costs. O'Brien stated that initial data from peer institutions suggests that the University's costs are not excessive compared to those institutions, but agreed to bring comparison data to the committee. She added the administration has been advised that cost per square foot is not always the best measurement of performance. She intends to bring performance measurements to the committee and discuss what these costs mean in terms of the enduring nature of the University's facilities and operating costs.

## REAL ESTATE TRANSACTIONS

### • **Five-Year Lease for Fairview Health Services' Use of Space in Various Academic Health Center Buildings, Twin Cities Campus**

Vice President O'Brien introduced Senior Vice President Frank Cerra and Director of Real Estate Susan Carlson Weinberg to present the real estate transactions. Cerra stated that in conjunction with the sale of University Hospital to Fairview Health Services (Fairview), the University executed three leases to provide space for Fairview in various Academic Health Center buildings. One lease, called the transitional lease, is for space for administrative and clinical laboratory activities. Weinberg described the terms of the transitional lease and the proposed five-year lease as detailed in the docket materials on file in the Board Office.

In response to questions, Cerra stated that all transactions involving Fairview follow appropriate University and Board of Regents policies, and are completed after review by internal legal counsel. He confirmed the proposed rental fees are based on fair market value.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Five-Year Lease for Fairview Health Services' Use of Space in Various Academic Health Center Buildings, Twin Cities campus.

### • **Five-Year Lease for Fairview Health Services' Use of Space in the Minnesota Molecular and Cellular Therapeutic Facility, Twin Cities Campus**

This item is a proposed five-year lease with the Fairview Health Services (Fairview) for its use of space on the lower level in the Minnesota Molecular and Cellular Therapeutic Facility on the Twin Cities campus. Fairview will use the space for the translational development of novel cell engineering methods, scale-up, and cGMP production.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Five-Year Lease for Fairview Health Services' Use of Space in the Minnesota Molecular and Cellular Therapeutic Facility, Twin Cities campus.

## CAPITAL BUDGET AMENDMENTS

### • **Veterinary Diagnostic Laboratory Tissue Digester Addition, Twin Cities Campus**

Vice President O'Brien stated that this project was originally approved in 2002 for the purchase and installation of a tissue digester for the Veterinary Diagnostic Laboratory. Further analysis of where the digester could be installed on the St. Paul campus and a demonstration on how the digester is operated at a peer institution indicated the need for an addition to the Veterinary Diagnostic Laboratory building to house the tissue digester. O'Brien also summarized the proposed sources of funding (\$1,025,000) as detailed in the docket materials on file in the Board Office.

### • **Willey Hall Minnesota Population Center Remodeling, Twin Cities Campus**

This capital budget amendment (\$1,600,000) will fund the remodeling of Willey Hall for the Minnesota Population Center.

#### **DESIGN GUIDELINES: VETERINARY DIAGNOSTIC LABORATORY TISSUE DIGESTER ADDITION, TWIN CITIES CAMPUS**

Vice President O'Brien introduced University Architect John Grundtner, who presented the Design Guidelines and project rationale for the proposed Veterinary Diagnostic Laboratory tissue digester addition on the Twin Cities campus.

Grundtner reported that disposal of diseased animal remains in a safe and effective way has become increasingly difficult. The installation of a tissue digester offers many advantages and more manageable risks for the disposal of these remains. He summarized the dimensions of the proposed addition to the Veterinary Diagnostic Laboratory building and the equipment the addition would house. O'Brien noted that this method of waste disposal will significantly reduce waste disposal costs and be more environmentally sound.

A lengthy discussion ensued. Concerns were raised about the construction costs, the process by which this project was proposed in the capital budget, and the financing plan. O'Brien addressed the concerns, stating that the project may have been brought forward in 2002 due to a programmatic need, and since then it was determined that an addition to the Veterinary Diagnostic Laboratory will function more effectively for the institution. She added that Associate Vice President Pfitzenreuter will summarize the financing mechanism when this item returns for action at a future meeting of the committee, and that the appropriate materials will be included in the docket materials.

Regent Frobenius commented that while the goal is to minimize capital budget amendments, it is not always possible to research all potential costs related to the purchase and installation of capital equipment.

#### **DESIGN GUIDELINES: WILLEY HALL MINNESOTA POPULATION CENTER, TWIN CITIES CAMPUS**

Vice President O'Brien introduced College of Liberal Arts Dean (CLA) Steven Rosenstone, who presented the programmatic elements of the Willey Hall Minnesota Population Center (MPC) renovation. Rosenstone reported that the MPC is a University-wide interdisciplinary cooperative for demographic research, serving many researchers from six colleges and thirteen departments, employing eighty-eight staff on externally funded research projects. As a leading developer and disseminator of demographic data, the MPC also serves a broader audience of over 6,000 demographic researchers worldwide.

The MPC is currently housed in several off-campus locations, resulting in operating inefficiencies, rental expenses, and the inability to charge indirect cost

recovery to federal grants.

University Architect John Grundtner presented the Design Guidelines for the project, which involves renovating existing unoccupied space in the lower level of Willey Hall. He estimated construction costs, project timeline, and the estimated annual operating cost, as detailed in the presentation on file in the Board Office. In response to a question, Grundtner explained that the design includes controlled points of entry to address security concerns and maintain confidentiality of data.

### **CONSENT REPORT**

Vice President O'Brien presented the Consent Report as detailed in the docket materials and including the following:

- Amend the FY 2004 Capital Budget by \$500,000 to incorporate funding for the Mayo Elevator #8 Modernization project located on the Twin Cities Campus.

A motion was made and seconded, and the committee unanimously recommended approval of the Consent Report. The committee also recommended that future capital budgets include contingency funds for similar projects.

### **INFORMATION ITEMS**

Vice President O'Brien announced that due to time constraints the information item, Capital Planning and Project Management: Workplan, has been postponed to a future meeting of the committee. O'Brien introduced Lyndel King, Director, Weisman Art Museum and Dean Tom Fisher, College of Architecture and Landscape Architecture, who briefly discussed the Public Art Project for Rapson Hall (the Architecture Addition and Remodeling Project).

The meeting adjourned at 11:27 a.m.

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

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