

**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS
Facilities Committee
July 10, 2003**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, July 10, 2003, at 1:45 p.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: Chancellor Samuel Schuman; Executive Director Ann Cieslak; Vice President Kathleen O'Brien; Associate Vice Presidents Michael Perkins, Richard Pfitzenreuter, and Steven Spehn.

Student Representatives present: Cameron Brauer and Josh Colburn.

CONSENT REPORT

Vice President O'Brien presented the capital budget amendment as presented in the docket materials, and including the following:

- To the Carlson School of Management, \$254,000 to incorporate additional funding for the Suite 1-151 Brand Enterprise Laboratory Remodeling project. The project provides an intensive learning experience managing a professional services firm.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Consent Report.

REAL ESTATE TRANSACTION

Agreement to Place TCF ATMS on the Twin Cities Campus

Vice President O'Brien presented the license agreement to place twelve TCF ATMs in various Twin Cities campus locations. The committee had reviewed the agreement at the June 2003 committee meeting. Details about the agreement are included in the docket materials on file in the Board Office.

Proceeds from the agreement will be allocated at an institutional level for expenses related to supporting the UCard and for student programs.

A motion was made and seconded and the committee voted unanimously to recommend approval of the license agreement.

REAL ESTATE TRANSACTION

Amendment to Land Lease for Radisson Hotel Metrodome Mortgage Refinance

Associate Vice President Pfitzenreuter and Director of Real Estate Susan Carlson Weinberg summarized the amendment to the land lease for the Radisson Hotel Metrodome as included in the docket materials on file in the Board Office. The amendment authorizes the administration to permit University Inn Property, LLC, owner of the hotel, to refinance its current mortgage with Canpartners Realty Holding Company IV LLC.

The amendment of the lease will be accomplished by a one-time waiver of the land lease conditions requiring permanent financing and that the loan be made by a commercial or savings bank, trust company, pension fund, savings and loan institution or an insurance company, or subsidiary of such institutions.

A motion was made and seconded to approve the execution of the lease amendment. A lengthy discussion ensued and many concerns were raised, including the level of risk the University is assuming in approving the amendment and the consequences to the University if the Radisson Hotel defaulted on the mortgage. Associate General Counsel Kenneth Larson addressed some of the concerns, stating that the University could step in, pay off the mortgage, and assume control of the property.

The committee voted by a majority of 4 to 2 to recommend approval of the motion with Regents Berman and Frobenius voting against the motion.

Later in the meeting, this item was raised again. A motion was made, seconded, and the committee voted unanimously to rescind the action taken previously.

Another motion was made, seconded, and the committee voted unanimously to postpone action on the land lease for the Radisson Hotel Metrodome until September 2003. The committee requested that the administration provide information on the value of the land and possible options for the University.

SCHEMATIC PLANS: ARBORETUM VISITOR CENTER, PHASE II, MINNESOTA LANDSCAPE ARBORETUM, CHANHASSEN, MINNESOTA

Vice President O'Brien presented background information on the proposed Visitor Center, Phase II project, which addresses the need for a larger facility for visitor services at the Minnesota Landscape Arboretum, a space that is designed to move the facility forward in its education, research and outreach mission. In March 2003 the committee discussed the Design Guidelines, and a capital Budget Amendment was approved to complete funding for the project.

Minnesota Landscape Arboretum Director Peter Olin and University Architect John Grundtner presented the Schematic Plans. In response to concerns raised regarding construction and square-footage costs for this project, O'Brien stated that it would be important for the committee to review the bids for several projects to gain an understanding of how the costs are determined.

A motion was made and seconded, and the committee voted unanimously to recommend approval of the Schematic Plans for the Visitor Center, Phase II, Minnesota Landscape Arboretum.

DESIGN GUIDELINES: SOCIAL SCIENCE BUILDING REHABILITATION, MORRIS CAMPUS

Vice President O'Brien provided background information on the Social Science Building Rehabilitation Project on the Heritage Hall on the Morris Campus. The project will provide classroom and faculty office space for the Social Sciences Division.

Chancellor Schuman and University Architect John Grundtner presented the Design Guidelines as included in the docket materials on file in the Board Office. It was noted that the design preserves the character of the original building and the historic image of the Heritage Mall.

DESIGN GUIDELINES: JACKSON HALL END CAP/STAIR ENCLOSURE, TWIN CITIES CAMPUS

Vice President O'Brien provided background information on the Jackson Hall End Cap/Stair Enclosure, a project that entails the rehabilitation of the east façade of Jackson Hall that was disturbed during construction of the Molecular and Cellular Biology (MCB) Building. Funding for this project was provided as part of the budget for the MCB Building. O'Brien introduced University Architect John Grundtner, who presented the Design Guidelines as included in the docket materials.

In response to a question, Grundtner stated that construction would begin after the Schematic Plans are approved. He added that it is likely the sidewalk in front of Jackson Hall would be closed for a period of time to avoid closing Washington Avenue to automobile traffic.

Schematic Plans for the Jackson Hall End Cap/Stair Enclosure will be presented to the committee at a future meeting.

DESIGN GUIDELINES: ADMINISTRATION BUILDING ADDITION, SOUTHERN RESEARCH AND OUTREACH CENTER, WASECA

Vice President O'Brien provided background information on the Administration Building addition to the Southern Research and Outreach Center in Waseca, and introduced Associate Dean Michael Schmitt, College of Agricultural, Food and Environmental Sciences. Schmitt stated that the addition will provide faculty offices, work space for University and community programmatic functions, and the office of the district extension director for south-central Minnesota. An existing meeting room will be remodeled to provide a downlink site for educational and community use.

University Architect Grundtner presented the Design Guidelines. Concerns were raised about the costs of construction, which for this project are in excess of \$400 per square foot. Vice President O'Brien explained that the information technology to be installed in the building increases the construction costs. She will provide a more detailed cost estimate for the committee when the Schematic Plans are presented at a future meeting.

COMMITTEE WORKPLAN: 2003-04 PRELIMINARY DISCUSSION

Vice President O'Brien presented the proposed workplan for 2003-04. O'Brien suggested that workplan items include policy issues, and oversight and continuous improvement issues; and financial and cost controls, as detailed in the docket materials on file in the Board Office.

Regents had a number of suggestions, including construction cost details for previous projects and comparisons with private industry, cost differentiation between projects in the Twin Cities and those on coordinate campuses.

INFORMATION ITEMS

No information items were presented this month.

The meeting adjourned at 4:00 p.m.

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

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