



Facilities, Planning & Operations Committee

December 2015

December 10, 2015

1:15 pm - 3:15 p.m.

West Committee Room, McNamara Alumni Center

FAC - DEC 2015

1. Real Estate Transaction - Review/Action

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4. Long-Range Campus Planning: Academic Health Center Strategic Facilities Plan

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

December 10, 2015

AGENDA ITEM: Real Estate Transaction

Review **Review + Action** Action Discussion

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Susan Carlson Weinberg, Director of Real Estate

PURPOSE & KEY POINTS

In accordance with Board of Regents Policy: *Reservation and Delegation of Authority*, review and approve the following Real Estate Transaction:

- Purchase of 21.76 Acres and Buildings Thereon at 701 24th Avenue SE, Minneapolis; and Ten-Year Lease of Approximately 664,000 Square Feet of Buildings Space at 701 24th Avenue SE, Minneapolis to Murphy Warehouse Company (Twin Cities Campus)

The University will purchase the subject property for the sum of \$17,975,000. The transaction includes a partial donation to the University by the seller of the remaining value of the property the seller estimates at \$2,000,000. Closing is scheduled to occur on or before December 21, 2015. A 10-year lease back to the owner, Murphy Warehouse Company, will cover 664,000 square feet of building space at the subject property, subject to early termination rights for portions of the leased premises by both the lessee and the University. Additional details of this transaction and its financial impact are described in the transaction information pages.

PRESIDENT'S RECOMMENDATION

The President recommends approval of the following Real Estate Transaction:

- Purchase of 21.76 Acres and Buildings Thereon at 701 24th Avenue SE, Minneapolis; and Ten-Year Lease of Approximately 664,000 Square Feet of Buildings Space at 701 24th Avenue SE, Minneapolis to Murphy Warehouse Company (Twin Cities Campus)

**PURCHASE OF 21.76 ACRES AND BUILDINGS THEREON TOTALING
APPROXIMATELY 706,000 SQUARE FEET AT 701 24TH AVENUE SE, MINNEAPOLIS;
AND TEN-YEAR LEASE OF APPROXIMATELY 664,000 SQUARE FEET OF BUILDING SPACE
AT 701 24TH AVENUE SE, MINNEAPOLIS, TO MURPHY WAREHOUSE COMPANY
(TWIN CITIES CAMPUS)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase the 21.76 acres and buildings thereon at 701 24th Avenue SE, Minneapolis, Hennepin County, Minnesota; and execute a ten-year lease to Murphy Warehouse Company covering approximately 664,000 square feet of building space at 701 24th Avenue SE, Minneapolis.

2. Property to be Purchased

The property to be purchased at 701 24th Avenue SE, Minneapolis, consists of 21.76 acres and 38 inter-connected building sections totaling 706,029 square feet, of which 691,709 is warehouse space. The property is located south of Elm Street and west of 24th Avenue SE. The legal description of the property: Lot 8 and the East 75 feet of Lot 7, Auditors Subdivision No. 200, Hennepin County, Minnesota.

The property is the largest privately owned land parcel in the City of Minneapolis. The property serves as the headquarters for the Murphy Warehouse Company, a full-service public warehousing and contract logistics services company.

3. Lease to Murphy Warehouse Company

The ten-year lease to Murphy Warehouse Company will cover 663,630 square feet of building space (649,280 square feet of warehouse space and 14,320 square feet of office space). The lessee will have the option for the lessee to release blocks of space (complete buildings) upon a notice of at least six months. The University will have the option of terminating the lease for 122,000 square feet of space identified for future occupancy by the University upon a notice of at least six months. Once the University exercises that termination right, the Murphy Warehouse lease will cover 541,488 square feet of building space.

4. Background and Basis for Request

The University currently leases approximately 21,000 square feet of warehouse space at 701 24th Avenue SE, Minneapolis for a University Bookstores distribution center, plus 1,800 square feet of refrigerated space for the storage of Department of Geology core samples. Because of these leases and the proximity of the property to the University's Minneapolis campus properties, the owner of the subject property contacted the University to advise that the property is for sale, provided the University would agree to leaseback portions of the property to the owner to provide sufficient time for the owner to relocate its warehouse operations elsewhere, which would also provide time for the University to identify uses of the property and secure funding for needed renovations. In the negotiations with the owner, it was determined that a bargain sale/partial donation transaction for University acquisition of the property was possible.

5. Details of Purchase Transaction and Lease Transaction

The bargain sale/partial donation transaction for purchase of the property will include a cash payment by the University in the amount of \$17,975,000, and a donation of the remaining property's value the seller estimates at \$2,000,000. The closing will occur on or before December 21, 2015. The owner of the property is Murphy Warehouse Company.

The leaseback to Murphy Warehouse Company will require an initial rent payment of \$3.20 per square foot, with annual increases. The lessee will also be responsible for the maintenance and operation of the central heating facility (including compensation costs for two Murphy Warehouse Company employees), the costs of snow removal, landscape maintenance, exterior lighting, and light building and parking lot maintenance for the entire property, as well as all non-capitalized interior repairs and maintenance and custodial services for the premises leased by Murphy Warehouse Company.

6. Use of Property

In addition to the space to be leased back to the Murphy Warehouse Company, the University will continue to house the University Bookstores distribution center and Department of Geology core samples at the property. Other potential University uses of the property in the future include the consolidation of storage in numerous locations at the present time.

7. Environmental

The University has completed a Phase I environmental site assessment, and will complete prior to the closing a limited Phase II environmental site assessment, to confirm the property is in acceptable environmental condition.

8. Source of Funding for Purchase; Use of Rents Received from Lease

The University will issue debt for the costs related to the purchase the property at 701 24th Avenue SE, Minneapolis.

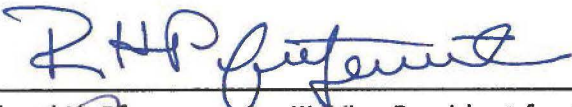
The rents received from the lessee on the 10-year lease will be used to pay the maintenance and operating costs for the property.

9. Recommendations

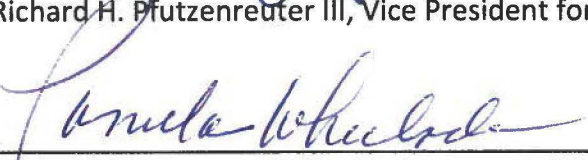
The above-described real estate transaction is appropriate:



Karen Hanson, Senior Vice President for Academic Affairs and Provost



Richard H. Pfutzenreuter III, Vice President for Finance and CFO



Pamela Wheelock, Vice President for University Services



701 - 24th Ave SE

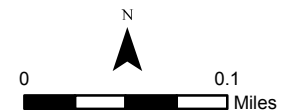
Real Estate Office



University of Minnesota

Purchase of Murphy Warehouse, Minneapolis East Bank Campus

- University Property
- Property to be Acquired



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office, MnGEO, Hennepin County

9/22/2015

Real Estate Transaction

Board of Regents Facilities, Planning, and Operations Committee
December 10, 2015



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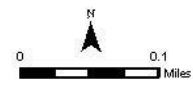


Real Estate Office

 University of Minnesota

**Purchase of Murphy Warehouse,
 Minneapolis East Bank Campus**

-  University Property
-  Property to be Acquired



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 Base Data: Real Estate Office, MnGO, Hennepin County
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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

December 10, 2015

AGENDA ITEM: Real Estate Transaction

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Susan Carlson Weinberg, Director of Real Estate

PURPOSE & KEY POINTS

In accordance with Board of Regents Policy: *Reservation and Delegation of Authority*, review the following Real Estate Transaction:

- Amendment to Phased Aggregate Mining Lease with Dakota Aggregates, LLC covering 1,722 Acres in Rosemount and Empire Township, Dakota County (UMORE Park)

The proposed amendment to the Dakota Aggregates phased aggregate mining lease will delay mining on certain parcels in Empire Township included in the leased premises to allow continued use by the College of Food, Agricultural, and Natural Resource Sciences for agricultural research purposes; extend the lease term by 20 years; and modify the Initial Advanced Minimum Royalty amounts related to the delayed mining. Additional details of this transaction and its financial impact are described in the transaction information pages.

BACKGROUND INFORMATION

In February 2015 the Board of Regents approved a resolution related to reorganization of the UMore Park Development Project. Information provided included an update on gravel mining and UMore Park planning activities, as well as analyses of the University's interests in UMore Park related to agricultural research, remediating contaminated property, its role in development activities and costs, and management and oversight roles, with a recommendation to enter into discussions with Dakota Aggregates regarding a longer moratorium on mining on certain plots.

In November 2010 the Board of Regents approved a 40-year lease to Dakota Aggregates, Inc. for phased aggregate mining of 1,722 acres, Dakota County (UMore Park).

**AMENDMENT TO PHASED AGGREGATE MINING LEASE
WITH DAKOTA AGGREGATES, LLC COVERING 1,722 ACRES
IN ROSEMOUNT AND EMPIRE TOWNSHIP, DAKOTA COUNTY
(UMORE PARK)**

1. Recommended Action

The President recommends the appropriate administrative officers receive authorization to execute an amendment to the lease granted to Dakota Aggregates, LLC for its phased aggregate mining on the 1,722 acres in Rosemount and Empire Township, Dakota County.

2. Description of Leased Premises

The subject 1,722 acres are located in the City of Rosemount and Empire Township in Dakota County. The leased premises generally cover the westerly 1/3 of the UMore Park property. See attached map.

3. Background and Basis for Request

The University entered into a lease covering 1,722 acres for phased aggregate mining by Dakota Aggregates, LLC on June 8, 2011. The lease grants to Dakota Aggregates rights for the use of up to 160 acres at any one time for mining, processing, and stockpiling of aggregate, sand, gravel, and other materials over a period of approximately 40 years, plus land for its plant facility, 190 acres. Activities on the leased premises in preparation for mining began in the fall of 2011. The University has retained its rights to use the portions of the leased premises which are not permitted for aggregate mining by the City of Rosemount or Empire Township. Dakota Aggregates, LLC anticipates obtaining necessary permits to commence mining activities on the Empire Township Property in the fall of 2017.

The first amendment to the lease was executed in 2013 and memorialized the lease commencement date of May 17, 2013 and modified the Annual Minimum Royalty due in the first Lease Year. A letter agreement in 2014 provided for limited changes to the Operations Plan.

The University now desires to retain the use of certain portions of the leased premises in Empire Township for agricultural research purposes beyond the dates anticipated when the 2011 lease and previous amendment and letter agreement were executed, and in exchange, Dakota Aggregates has requested a 20-year extension of the lease to provide additional time for completion of its mining activities in Empire Township.

4. Details of Transaction

The second amendment to the Dakota Aggregates lease will modify the June 8, 2011 lease as follows:

- A. The Lease Term for the mining in Empire Township will be extended Twenty (20) years, expiring on June 30, 2073.
- B. The Operations Plan and accompanying Phasing schedule for the Empire Township property will be revised to delay mining of portions of the leased premises located in Empire Township as follows: to 2017 for 166.10 acres (including portable asphalt plant location); to 2030 for 301.34 acres; and to 2040 for 240.12 acres.
- C. The Initial Advanced Minimum Royalty amounts of \$1,150,000 and \$500,000 to be paid by Dakota Aggregates shall be revised as follows:
 - i. \$387,750 on the earlier of September 1, 2017 or issuance of the Mining Permits for the Empire Township Property;
 - ii. \$112,250 on the earlier of April 1, 2030 or issuance of the Mining Permits for the Empire Township Property;
 - iii. \$518,875 on or before April 1, 2030 if the Mining Permits for the Empire Township Property have been issued; and
 - iv. \$631,125 on or before April 1, 2040 if the Mining Permits for the Empire Township Property have been issued.
- D. Base royalty adjustments will be made every 5 years by escalator, agreement or arbitration for Lease Years 11 through 60.
- E. The University's use of the Rosemount Research and Outreach Center Administration Building, located within the 1,722-acre leased premises, will end December 31, 2016.
- F. The Dakota Aggregates and University annual meeting will occur in October (rather than the spring) of each Lease Year.

7. Recommendations

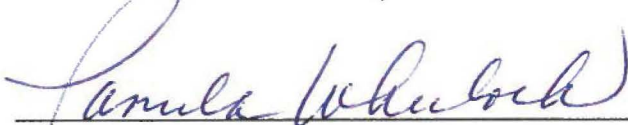
The above-described real estate transaction is appropriate:



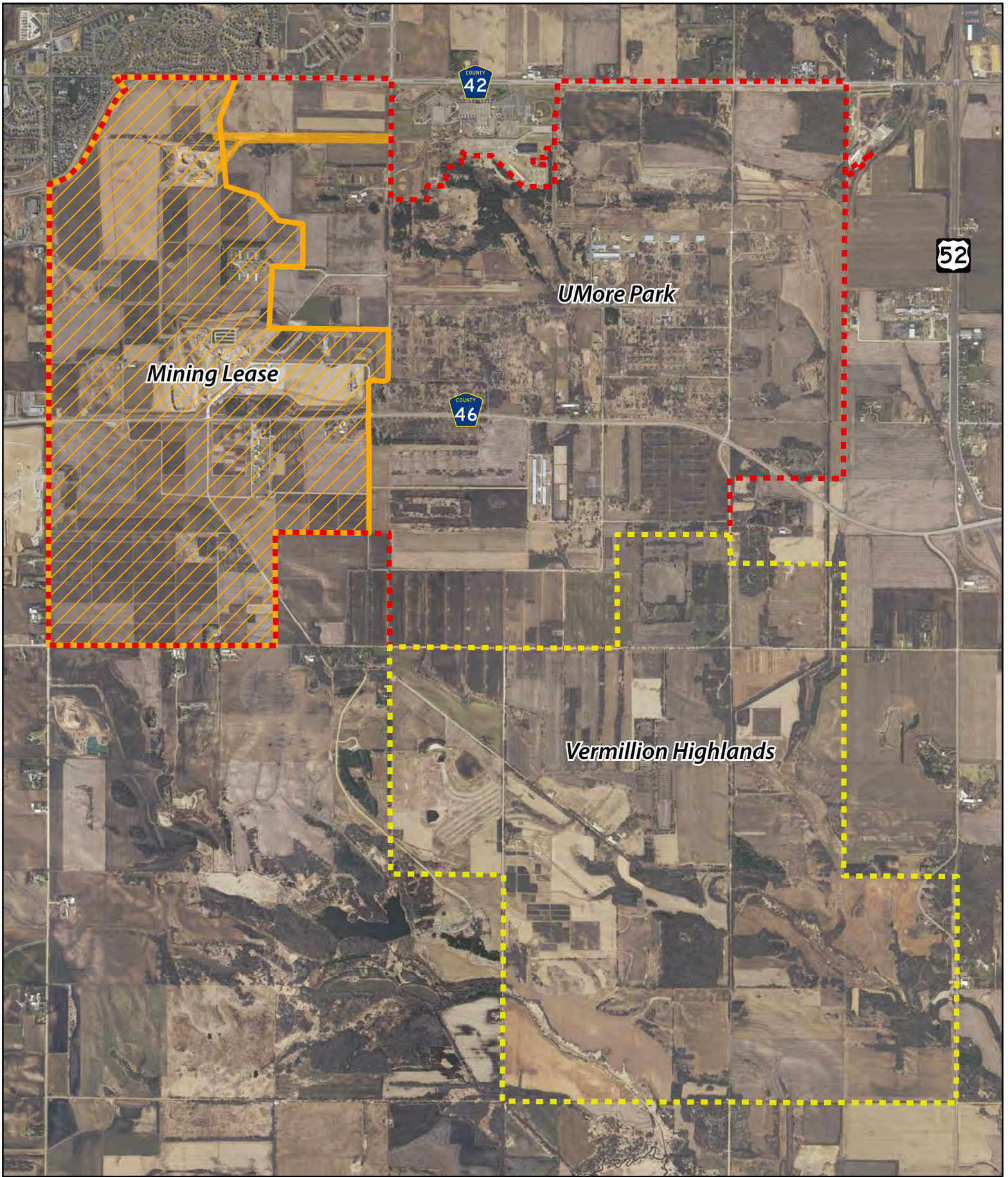
Karen Hanson, Senior Vice President for Academic Affairs and Provost



Richard H. Rfutzenreuter III, Vice President for Finance and CFO



Pamela Wheelock, Vice President for University Services



Real Estate Office



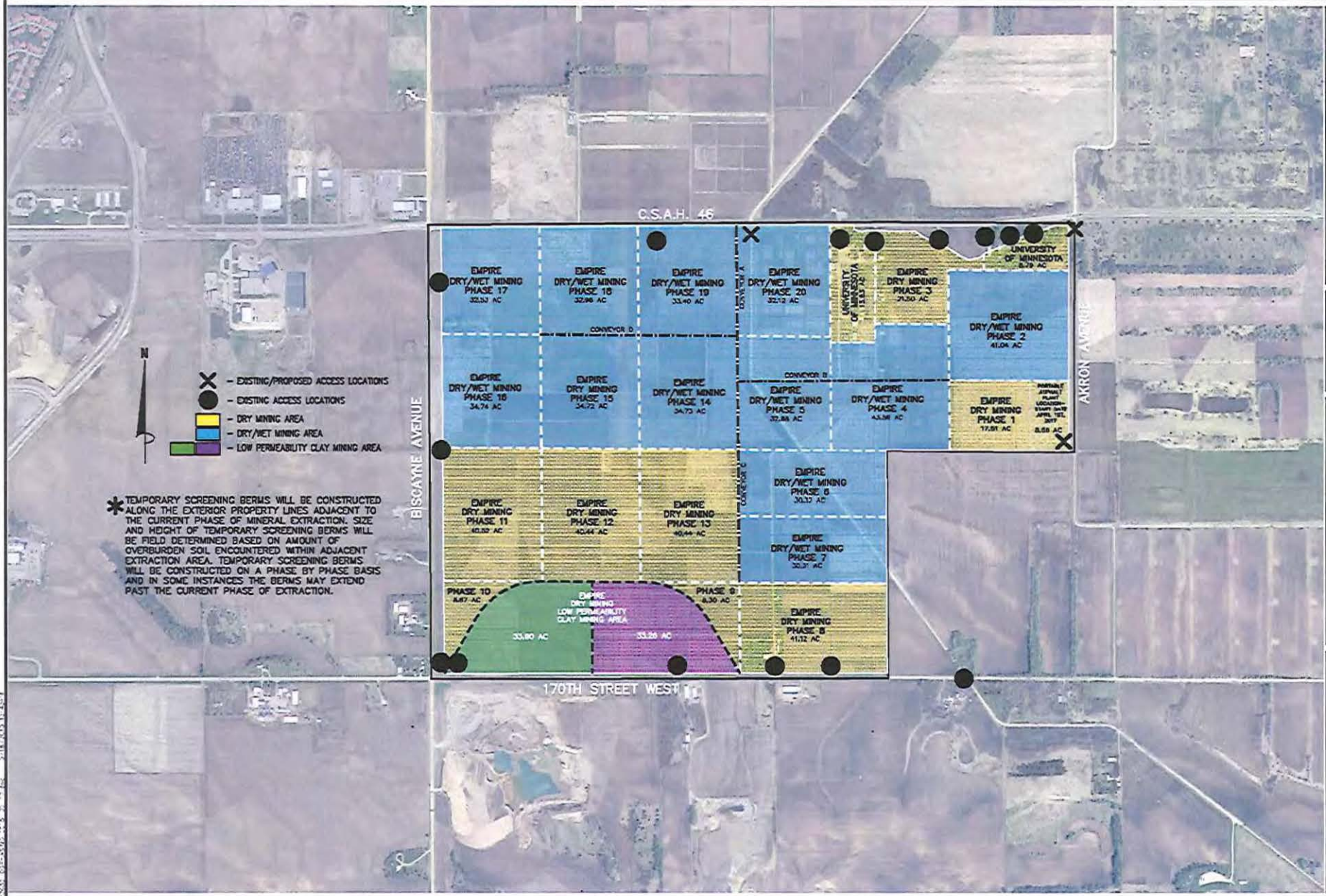
University of Minnesota

Lease to Dakota Aggregates, Inc. for Aggregate Mining at Umore Park



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office
Dakota County,
U-Services Enterprise GIS
11/24/2015



- X - EXISTING/PROPOSED ACCESS LOCATIONS
 ● - EXISTING ACCESS LOCATIONS
 Blue - DRY/WET MINING AREA
 Yellow - DRY MINING AREA
 Green/Purple - LOW PERMEABILITY CLAY MINING AREA

* TEMPORARY SCREENING BERMS WILL BE CONSTRUCTED ALONG THE EXTERIOR PROPERTY LINES ADJACENT TO THE CURRENT PHASE OF MINERAL EXTRACTION. SIZE AND HEIGHT OF TEMPORARY SCREENING BERMS WILL BE FIELD DETERMINED BASED ON AMOUNT OF OVERBURDEN SOIL ENCOUNTERED WITHIN ADJACENT EXTRACTION AREA. TEMPORARY SCREENING BERMS WILL BE CONSTRUCTED ON A PHASE BY PHASE BASIS AND IN SOME INSTANCES THE BERMS MAY EXTEND PAST THE CURRENT PHASE OF EXTRACTION.

James R. Hill, Inc.
 PLANNERS / ENGINEERS / SURVEYORS
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STATE OF MINNESOTA
 COUNTY OF DAKOTA
 DISTRICT OF CROW WING
 I, JAMES R. HILL, State Registered Professional Engineer, License No. 11250, do hereby certify that the above is a true and correct copy of the original as shown to me.

UMORE PARK MINING OPERATION-EMPIRE
 PHASING PLAN
 UNIVERSITY OF MINNESOTA
 1628 162TH STREET WEST, WOODBURN, MN 55086-1029

DRAWN BY	C.R.
DATE	9/18/15
REVISIONS	
CAD FILE	226.32-08PHASING
PROJECT NO.	226.32
	2.00

Empire Township Operations & Phasing Plan
Amendment to Mining Lease with Dakota Aggregates, LLC
Phase Mining of 1,722 Acres, Dakota County, UMore Park

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 11/16/2015

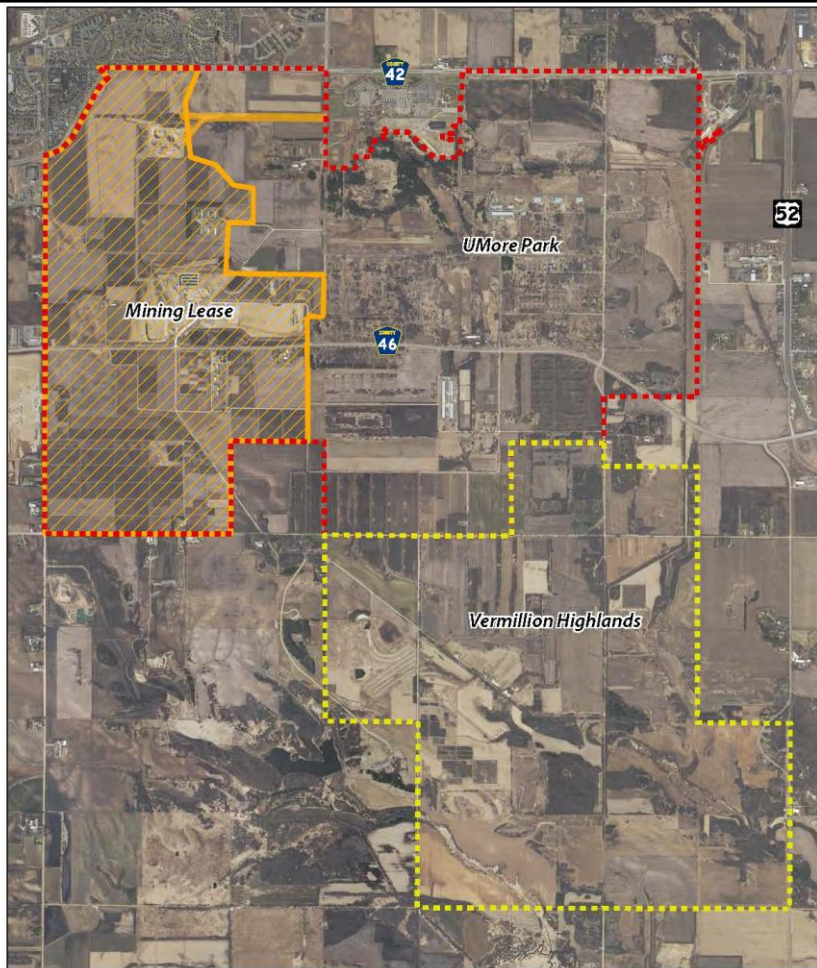
Real Estate Transaction

Board of Regents Facilities, Planning, and Operations Committee
December 10, 2015



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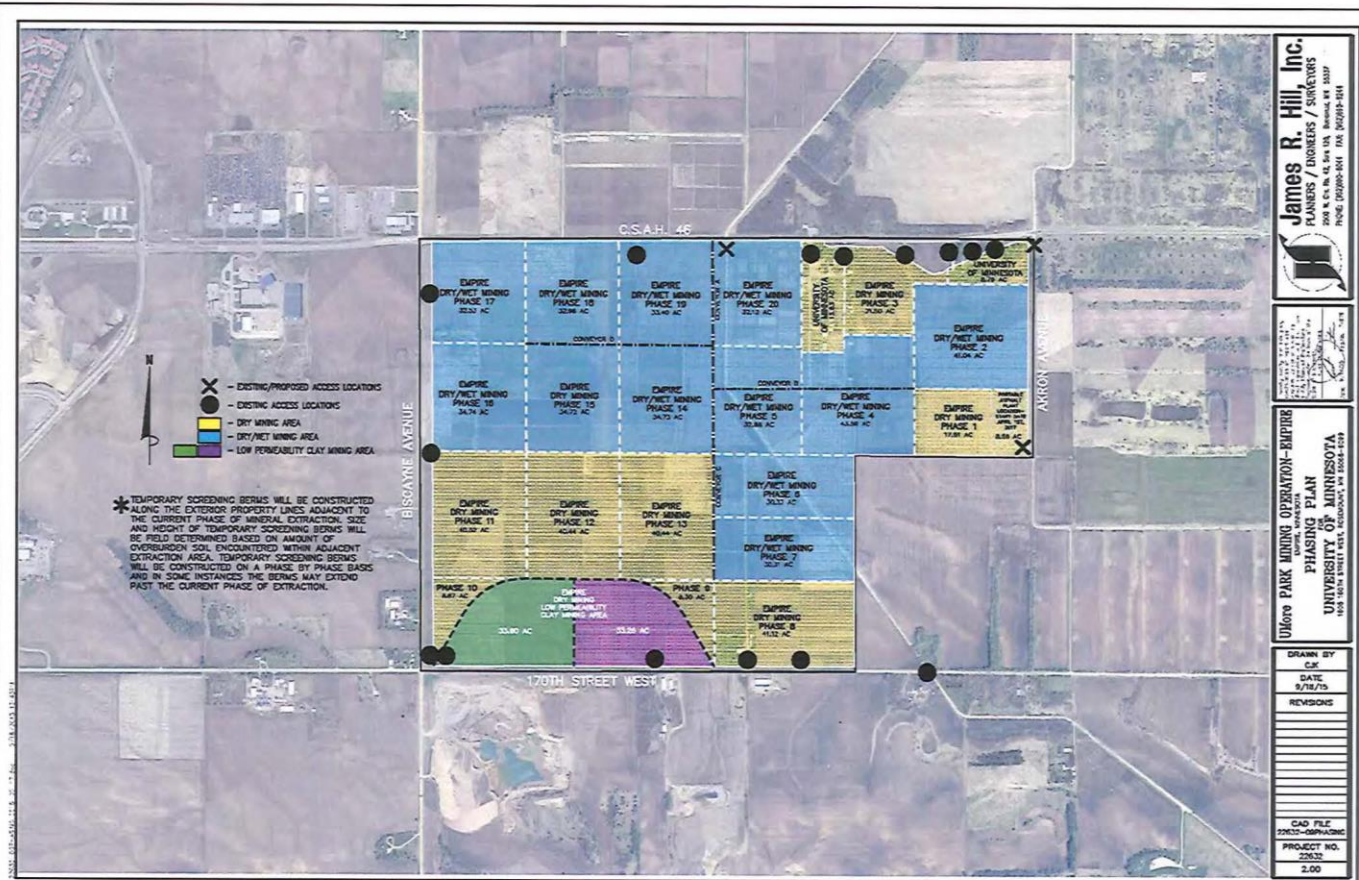
University of Minnesota

Lease to Dakota Aggregates, Inc. for
Aggregate Mining at Umore Park



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Base Data: Real Estate Office
Dakota County,
IT Services Enterprise GIS
11/24/2015



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 University of Minnesota

Empire Township Operations & Phasing Plan
Amendment to Mining Lease with Dakota Aggregates, LLC
Phase Mining of 1,722 Acres, Dakota County, UMore Park

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

11/16/2015



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

December 10, 2015

AGENDA ITEM: Long-Range Facility Planning Part 2: Assumptions and Criteria to Guide Future Six-Year Capital Planning

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Regent David McMillan
Pamela Wheelock, Vice President, University Services

PURPOSE & KEY POINTS

Planning for the University's campuses and facilities is a priority for the Board of Regents, with the Board providing strategic guidance to the administration in this area. The presentation will provide a brief recap of the process, criteria, and priorities that were used to develop the 2015 six-year capital plan that was approved in October. The majority of this item will engage committee members in a conversation about the criteria, priorities, and principles that should be used to guide the administration's development of future six-year capital improvement plans.

Questions for consideration include, but are not limited to:

1. What are the key assumptions that the administration should use to implement Board guidance around capital planning?
2. What goals or initiatives in the Twin Cities Campus Strategic Plan and associated academic plans need greater emphasis in the six-year capital plan?
3. What criteria should be used to prioritize and allocate resources?
4. What principles should be a part of the institution's HEAPR philosophy?
5. To what degree should the six-year plan reflect projects that are broader than those requesting state bond proceeds?
6. What drivers should influence the University's long-term financial plan to support capital needs?
7. What limiting factors (e.g. fundraising capacity, debt capacity, total cost of ownership, total cost of attendance) should be considered?
8. What priority should the University and the University of Minnesota Foundation place on capital projects in fundraising efforts?

BACKGROUND

This is the second in a series of discussions around strategy and vision for the future of the Twin Cities built campus. The following committee discussions are components of the larger scope:

- February 2015: Long-Range Campus Planning Part II: University Housing
- May 2015: Planning for University Facilities Across the Lifecycle
- September 2015: Long-Range Facility Planning Part I: Current Practice and Principles
- October 2015: Long-Range Facility Planning Part II: Assumptions and Criteria to Guide Future Six-Year Capital Planning
- December 2015: Long-Range Campus Planning Part I: Academic Health Center Strategic Facilities Plan

These will support the Board of Regents work session scheduled for February 2016 around a vision to guide long-term development and change in key areas of the Twin Cities campus, which is intended to provide the administration with strategic guidance on campus development and facility prioritization.

Long Range Facility Planning part II: Assumptions and Criteria to Guide Future Six-Year Capital Planning

Board of Regents Facilities, Planning, and Operations Committee
December 10, 2015



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Current Six-Year Planning Process





2015 Six-Year Plan Objectives

- Advance strategic plan priorities
- Enhance the campus-based experience
- Align projects with available revenue sources
- Increase utilization and functionality of physical assets
- Complete capital investment sequences
- Reduce total campus square footage





2015 Six-year Plan Strategic Emphases

- Renovate or Remove FCA Critical buildings
- Advance the Health Sciences
- Modernize Saint Paul campus research laboratories
- Expand capacity in STEM programs





Current HEAPR Project Selection Factors

- Projects selected from the list of HEAPR-eligible FCA identified needs
- The Plan for Every Building identifies high deficiency, high priority buildings
- Staff on each campus review/recommend projects
- Consideration is given to efficiencies gained from timing of other planned investments
- All projects are reviewed for statutory eligibility

PRIORITIES

- 1.
- 2.
- 3.





Questions for Discussion

- What are the key assumptions that the administration should use to implement Board guidance around capital planning?
- What goals or initiatives in the Twin Cities Campus Strategic Plan and associated academic plans need greater emphasis in the six-year capital plan?
- What criteria should be used to prioritize and allocate resources?
- What principles should be a part of the institution's HEAPR philosophy?
- To what degree should the six-year plan reflect projects that are broader than those requesting state bond proceeds?
- What drivers should influence the University's the long term financial plan to support capital needs?
- What limiting factors (e.g. fundraising capacity, debt capacity, total cost of ownership, total cost of attendance) should be considered?
- What priority should the University and the University of Minnesota Foundation place on capital projects in fundraising efforts?



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

December 10, 2015

AGENDA ITEM: Long-Range Campus Planning Part I: Academic Health Center
Strategic Facilities Plan

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Brooks Jackson, Vice President, Health Sciences and Dean, Medical School

PURPOSE & KEY POINTS

The Academic Health Center Strategic Facilities Plan (Plan) is in its final phases and is expected to be complete in January. A product of over a year’s work, the Plan defines future needs around modernizing facilities and optimizing existing assets to serve programmatic needs. It envisions near- and long-term campus land use patterns related to these programmatic needs.

When complete, the Plan will guide the future capital investment strategy for the academic health sciences and directly support the University’s six-year capital improvement plan. It will also serve as the foundation for future decisions around siting and facility strategy for specific capital investments. The final Plan document will be included as a component of the February Board work session addressing the vision to guide long-term development and change in key areas of the Twin Cities campus.

Goals and Objectives

Four primary goals were identified at the outset of this planning process, and those goals have been reaffirmed through the work of University staff and external consultants. They are:

1. Create a 10-year plan for improving the quality and ‘right sizing’ space based on the main programmatic drivers in the academic health sciences – clinical space, educational space, research space, and administrative support.
2. Identify programmatic priorities that will increase utilization of retainable spaces while improving connectivity between mission-related programs.
3. Work towards a reduction in occupied space by 20%, including the elimination of obsolete facilities.
4. Better integrate the academic health sciences district within the campus.

Phase I

The first phase of the Plan defined the majority of programmatic needs of the academic health sciences at the University, based on a prescribed process and consultant support that relied on nationwide best practices, as well as comprehensive consultation with the six schools of the academic health sciences. The purpose of Phase I work was to understand the current state and identify programmatic priorities based on the Academic Health Center's (AHC) needs. This work was reported on at the June 2014 committee meeting.

The key findings of Phase I of this work will direct capital project activity according to the following drivers:

- Invest in contemporary education and learning environments.
- Provide clinical research facilities to support emerging activity.
- Allocate office space to reflect work styles and create efficiency.
- Facilitate shared administrative and academic support services to build efficiency, enhance the identity of the academic health sciences, and promote collaboration.

Phase I results assumed steady enrollment of academic health sciences students.

In planning for change within the schools of the academic health sciences, some questions were not resolved. They included the need for additional work to validate programmatic needs for clinical research activity; and the extent of cultural change required to build an even more integrated AHC while retaining individual school identity.

Phase II

The second phase of the Plan focuses on the investment sequence for existing and future buildings that support academic health sciences activity focused south of Washington Avenue. Phase II was built on the results of the Phase I work related to education and learning needs, office spaces, and clinical research demands. Phase II was charged with creating a facilities and capital investment strategy based on realistic financial parameters that would support the AHC's future needs.

The outcomes for the Phase II work are as follows:

- A defined strategy for each building.
- A rationale that supports current and future six-year plan investment sequences and realizes strategies to support academic health sciences.
- Flexible initiatives that can address unforeseen drivers of change.
- Identification of swing space needs related to specific capital investments.

The amount of space located south of Washington Avenue and assigned to academic health sciences totals more than 4 million gross square feet (GSF), or about 2 million assigned square feet (ASF). The space is used for clinical care, research facilities, teaching, and other uses that support these functions, such as offices. Most of the square footage was built more than 30 years ago. Unlike many Twin Cities campus buildings, most of the buildings occupied by the academic health sciences are mixed in use, with multiple vertical and horizontal connections among them.

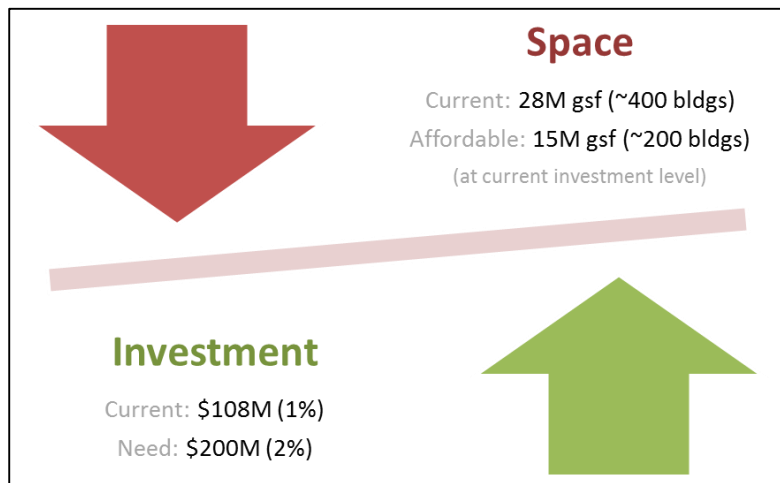
Key Findings

1. More than half of the buildings assigned to the AHC south of Washington Avenue are in poor or critical condition. Deferred maintenance for these buildings, as measured by 10-year renewal need in the annual facility condition assessment, is more than \$800 million (see table). This need is far greater than the resources available across the institution. Current renewal and replacement funds to maintain conditions in buildings campus-wide average a little more than \$3 per square foot. The 10-year renewal need, translated into a per square foot per building cost, ranges between \$43 on the low end (Jackson Hall) to more than \$425 on the highest end (VFW Research Center).

AHC Buildings south of Washington Avenue

	GSF	ASF	10-year \$/SF	10-year Renewal Need
Boynton Health	143,973	82,148	\$ 158	\$ 22,751,828
Children's Rehabilitation	70,852	41,453	\$ 215	\$ 15,211,808
Diehl Hall	199,722	130,592	\$ 289	\$ 56,244,273
Dwan / Masonic Cancer	184,098	87,571	\$ 150	\$ 27,576,896
Hasselmo Hall	280,225	143,300	\$ 83	\$ 23,281,417
Jackson Hall	150,393	69,430	\$ 43	\$ 6,494,382
Masonic Memorial	98,715	47,612	\$ 161	\$ 15,977,778
Mayo Memorial	861,665	439,884	\$ 262	\$ 226,010,033
Molecular Cellular Biology	259,982	147,804	\$ 71	\$ 18,546,315
Moos	671,507	343,361	\$ 358	\$ 240,236,648
Phillips-Wangensteen	577,101	283,589	\$ 302	\$ 63,312,511
Variety Club Research Center	99,946	50,720	\$ 237	\$ 23,709,304
VFW Research Center	25,977	13,291	\$ 427	\$ 11,104,976
Weaver-Densford	195,437	130,273	\$ 324	\$ 63,312,511
717 Delaware	201,334	123,487	\$ 117	\$ 23,655,393
925 Delaware	34,889	26,771	n/a	n/a
Total	4,055,816	2,161,286	n/a	\$ 837,426,073

2. Given the scale of required investment depicted in the table above, the success of any long-term investment strategy that will make an effective impact must act on three fronts simultaneously: 1) increase space utilization and reduce the amount of space that exists on the campus; 2) increase the amount of investment in renewal of existing facilities; and 3) focused, strategic investments in new facilities. There are correspondingly multiple paths to meet the variety of space needs within the Academic Health Sciences. The need for a balanced approach was outlined in the September 2015 facilities condition report, and illustrated in the graphic below.



3. Based on expectations of renewal and the desire to create a strong image and identity for the academic health sciences, the current plan continues key components of prior decisions made to support vitality in the Academic Health Center. For example, consistent with the Clinical Sciences Campus Plan strategy defined in 2005, clinical services will migrate toward the east to build on the establishment of the Clinics and Surgery Center at Fulton and Ontario Streets.
4. For the purposes of this Plan, the existing hospital functions will continue to be supported in their present locations.
5. Education and learning activities will be located in proximity to existing teaching resources and adjacent to the Green Line's East Bank station at Washington Avenue and Harvard Street as well as other core student destinations on campus such as clinical facilities. This is the traditional "AHC Core," bounded by Church Street (Mayo, Jackson Hall) on the west and VFW Research Center and Masonic Memorial on the east.
6. The consultant team has collaborated extensively with University staff to map out sequences and define a strategy for every building south of Washington Avenue. The assignment of demolition, renovation, and new construction are proposed in a near-to longer-term sequence. A variety of factors contribute to these projections of future uses. In addition to the physical adaptability and suitability of the building for re-use, the final plan will identify critical adjacencies and suggest potential relocation sequences associated with prime demolition targets.
7. The long-term vision for campus growth assumes continued expansion of the clinical functions, and renewal and re-use of existing facilities. Campus master planning calculations indicate that within the land currently held by the University, new construction of up to 700,000 GSF could occur without any demolition of existing facilities. When factoring in planned demolitions and new construction, an additional 1.3 million square feet could be accommodated in the AHC Core areas of campus. As a point of reference, the soon-to-be opened M Health Clinic and Surgery Center is 342,000 GSF in size.
8. Phase II planning has identified opportunities for backfill of space based on imminent events, such as research space in Mayo being vacated by the Microbiology department

moving to the soon-to-be completed research building in the Biomedical Discovery District, and the opportunity created by vacating more than 100,000 square feet of space by Fairview and University of Minnesota Physicians in the Phillips Wangensteen Building and Masonic Memorial Hospital associated with the opening of the Clinics and Surgery Center in February 2016.

9. Relocation and accommodation of existing activity is a critical commitment of time and space in order to realize the objectives of the Strategic Facility Plan. However, not every relocation will occur as the result of the development of a new facility. To that end, the need to map out a strategy of move out and move back to support renovation, as well as demolition and new construction, continues to be developed by University staff with support from the consultant team. The value of the AHC core as a compact, high-density, easily traveled, and convenient location for most of the AHC's activities puts a premium on renovation of existing facilities or redevelopment of existing built sites.
10. In support of the University's approved Six-Year Plan, three projects directly referenced in that plan are the health sciences education learning center, the clinical research facility, and the demolition of the Mayo Memorial Building with related investments to accommodate relocation.

Further Considerations

The biggest challenges for strategic facility planning related to the academic health sciences are to accurately predict the changing nature of health care delivery, education, and research, and to anticipate the pace at which those changes will occur. The opening and successful operation of the Clinics and Surgery Center is the start of a new clinical neighborhood for the academic health sciences. As this facility establishes itself as a destination for patients, it will define opportunities and challenges for future clinical projects in its immediate vicinity.

Related to the needs of the academic health sciences, consideration must be given to their context within the broader university. Educational facilities are a resource shared with disciplines outside the health sciences (such as the College of Biological Sciences and Science and Engineering). Transportation and wayfinding are especially important for visitors to the hospitals and clinics, and were a factor in the siting of the Clinics and Surgery Center. The provision of student services could include some university-wide offices as well as discipline-specific support.

Next Steps

The Plan document will be finalized in January, and final conclusions and recommendations will be presented to the Board as a component of the February work session addressing vision to guide long-term development and change in key areas of the Twin Cities campus. In order to best serve University interests, this will include long-term site planning for a variety of facilities which could include a new hospital. Sites will be evaluated from patient and practitioner points of view, and locations will be considered in light of facility and space efficiencies, opportunity costs for other university uses, important programmatic adjacencies for students, practitioners, and patients, as well as the ease of movement offered by transportation systems now and in the future.

BACKGROUND INFORMATION

Board members have received presentations and/or approved resolutions related to academic health sciences facilities at several recent meetings:

- September/October 2015: 2016 State Capital Request (Facilities, Planning & Operations committee; Finance committee; Board of Regents)
- July 2015: Twin Cities Campus Planning: Housing Strategy and AHC Facilities (Board of Regents)
- June 2015: Implementing the Master Plan: District Planning (Facilities & Operations committee)
- February 2015: Overview of the Governor's Blue Ribbon Committee on the University of Minnesota Medical School and Resolution Related to FY 2016-17 Biennial Budget Request (Board of Regents)

The Governor's Blue Ribbon Committee, convened in the fall of 2014, identified strategies to address two key priorities: improving the Medical School's capacity to conduct healthcare research, and thereby increasing the Medical School's national preeminence; and strengthening the Medical School's educational programs and curriculum to ensure medical students and residents are prepared to meet Minnesota's future health workforce needs.

The Blue Ribbon Committee's final report recommends "Investing in Core Facilities," two of which are located on the Twin Cities campus. The third priority, noted for the Duluth campus, requires greater definition to advance one of three program options, but is expected to create conditions that model interprofessional and team-based care. The Twin Cities facilities addressed in the report were defined by their purpose and function with a \$100 million planning value assigned to each project.

First is the proposal to create compelling and contemporary educational facilities that can be shared across the health sciences disciplines. More than 40% of the current learning environments are tiered, fixed seating lecture halls, which is of limited effectiveness for evolving models of teaching. As curriculum continues to change, the classroom configuration and pedagogical methods will be retooled in order to be effective. One of the first assessments that is already underway is to understand the most viable strategy combining both renovation and new construction to achieve the goal of an innovative, inter-professional learning center. This project is included in the 2016 State Capital Request.

The second facility will result in a combined clinical research, education, and learning facility. This will support new researcher hires within the Medical School, some of whom can be accommodated in existing spaces, and linked to the concept of Medical Discovery Teams defined in the Committee report. This expansion in facilities supports higher levels of faculty research, teaching, and care-giving activity across the health sciences, as well as higher patient volumes and productive research outputs. Clinical education and expanded clinical care for patients further supplements the cost-effectiveness of new facility development and allows a broader range of clinically based experience to occur for students, patients, and researchers.

Long Range Campus Planning part I: Academic Health Sciences Strategic Facility Planning Phase II

Board of Regents Facilities, Planning, and Operations Committee
December 10, 2015



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM



Agenda

- Strategic Facility Plan: Phase II update
- Education Learning Center predesign update (2016 capital request)



Strategic Planning Objectives: Fall 2014

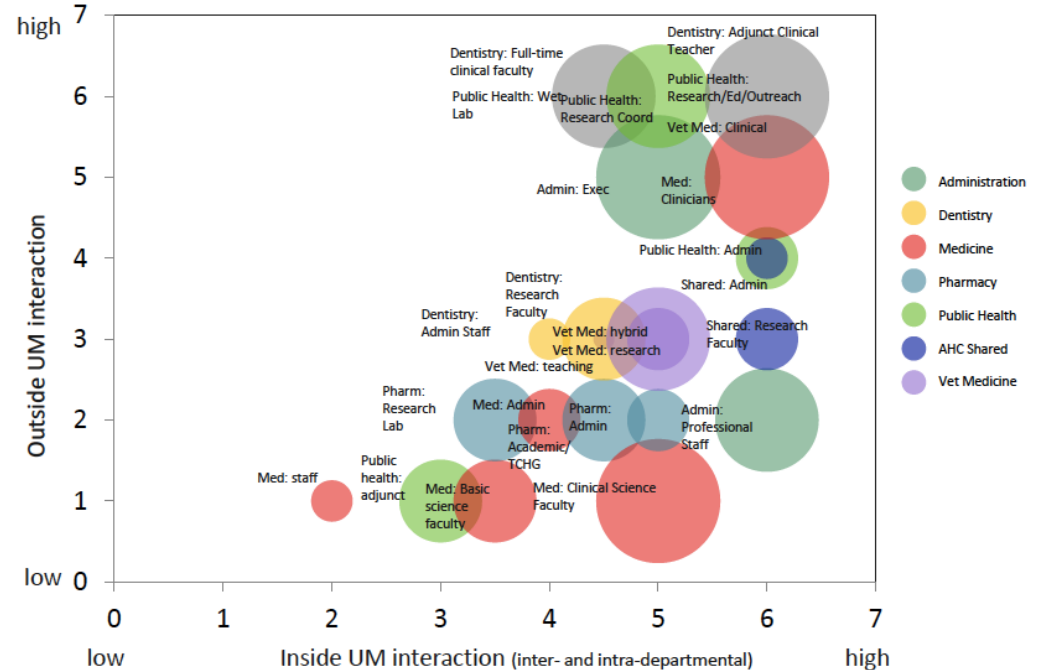
1. Create a 10 year plan for improving the quality and 'right sizing' space based on the main programmatic drivers in academic health sciences
2. Identify programmatic priorities that will increase utilization of retainable spaces while improving connectivity between mission related programs
3. Work towards a reduction in occupied space by 20% including the elimination of obsolete facilities
4. Better integrate the Academic Health Center district within the University of Minnesota campus



Findings: Workplace

- Space assigned/designed based on function not hierarchy
- Differences and similarities between functions within Schools
- Identified opportunities for potential synergy

Workplace Style Survey, AHC by School





Findings: Workplace

MOBILE CONNECTOR

Spends time in multiple locations, with high interaction outside UM (e.g., patients), and moderate-to-high interaction inside UM.

TEAMER

Stays closer to home, but highly interactive within their department. Less interactive across departments.

RESIDENTIAL CONNECTOR

Stays closer to home, but highly interactive within and across UM departments.

HEADS DOWN

Primarily at the desk with low-to-moderate levels of internal interaction, and low external interaction.

Net assignable square feet per person:

Baseline

Current AHC allocation*

195

Scenario 1

33% Residential Connectors
33% Teamers
33% Heads Down

163

Scenario 2

25% Mobile Connectors
25% Residential Connectors
25% Teamers
25% Heads Down

145

Scenario 3

45% Mobile Connectors
15% Residential Connectors
20% Teamers
20% Heads Down

127



Findings: Workplace

- Efficient space allocation
- Collaborative interactions
- Shared administrative and support services workplaces

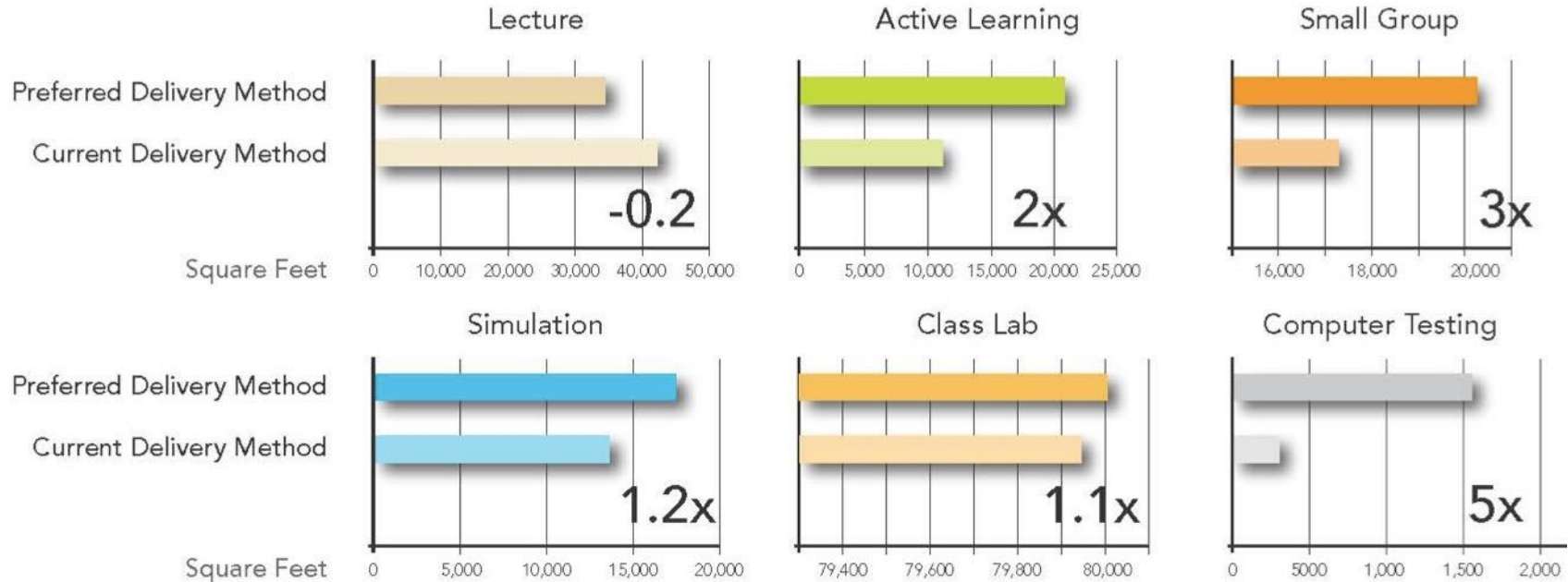
Recommended AHC Workplace Principles

Whether modified, fully renovated, or newly constructed, future AHC workspace should:

- Allocate space to individuals based on what people do, not hierarchy.
- Provide a more diverse range of spaces to reflect the diversity of what people do.
- Increase the flexibility in how every space can be used.
- Increase support for collaboration by increasing and enhancing collaborative spaces.
- Design collaborative and social spaces so that they can be shared between departments.
- Design social centers and connectors within office space.
- Increase visibility across and even between floors.
- Embed both departmental and AHC branding in all workspaces
- Integrate technology into space.



Findings: Learning

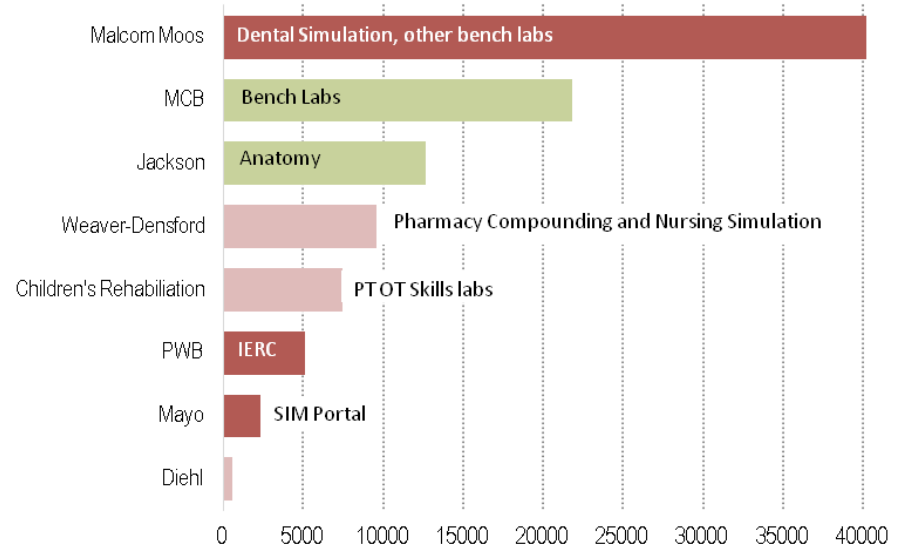




Findings: Learning

- Good quality space exists in poor quality buildings: these are considered anchor spaces
- Other facilities are versatile and useful in good condition (some teaching labs)
- Obsolete spaces must be renovated or removed and rebuilt

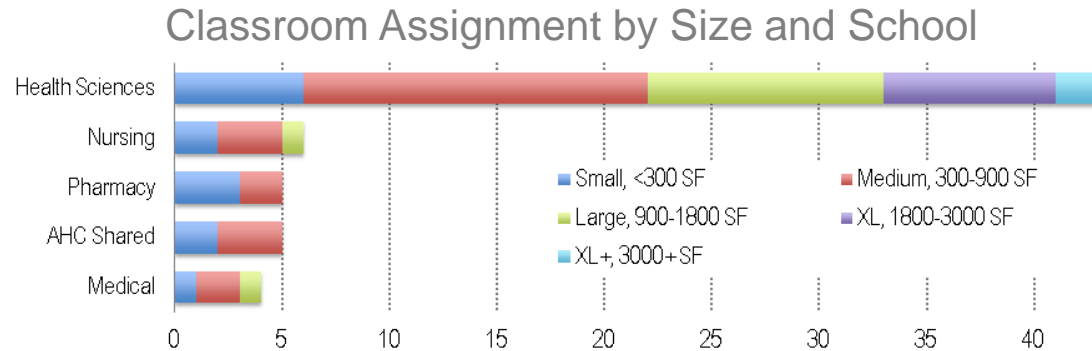
Class Labs by Condition and Location





Findings: Learning

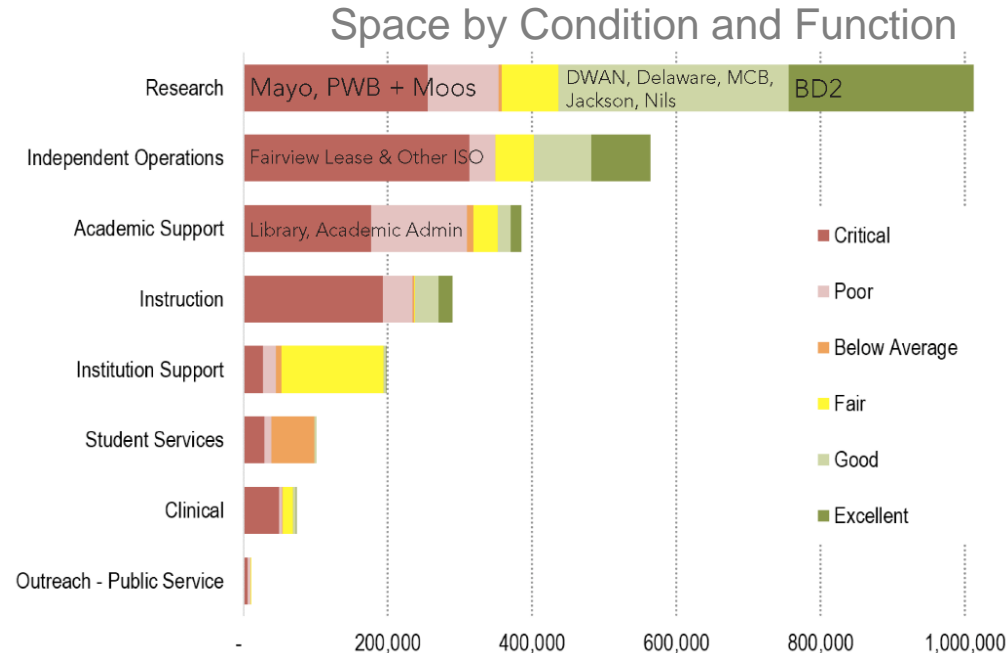
- Centrally managed classrooms offer efficiency
- Some specialized learning environments
- Similar demand for certain learning experiences (small group, technology-enhanced)



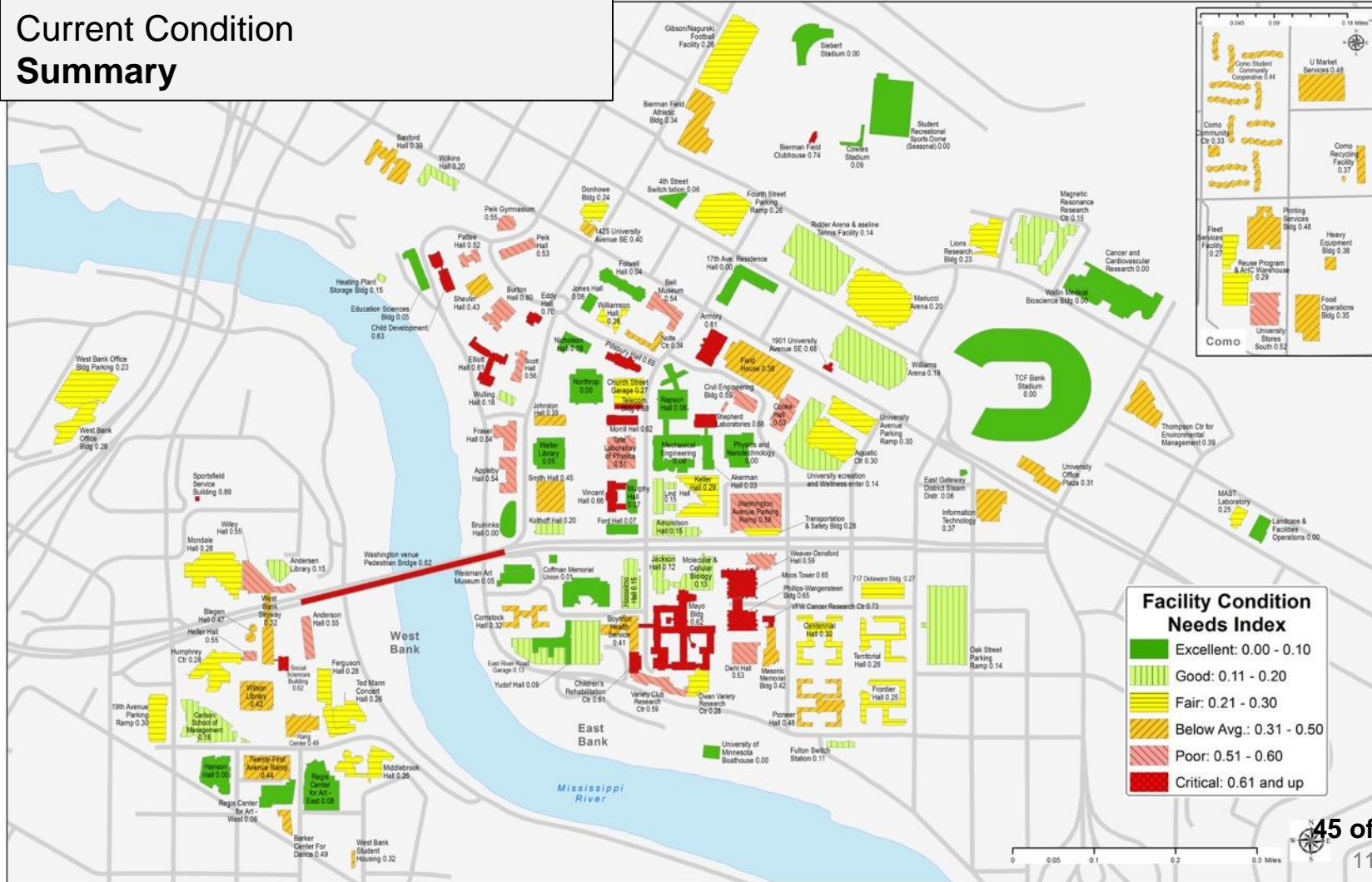


Facility Solutions in Broader Context

- Health sciences learning needs in clinical and non-clinical environments
- Enrollment trends
- Pedagogical changes
- Ability to provide the right type of space to meet needs



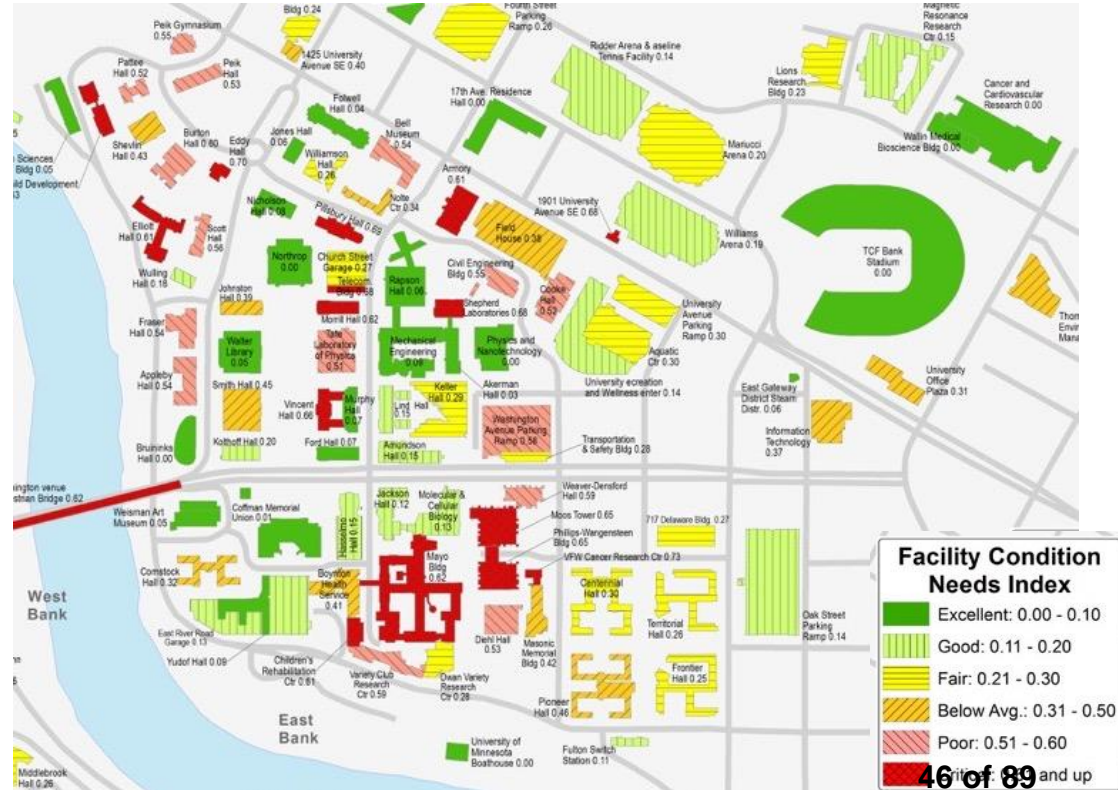
Current Condition Summary





Physical Condition of Facilities

- Critical ranked buildings represent a large amount of space in daily use (Mayo, Moos, PWB)
- Costs and programmatic impacts of continuing to use critical ranked space





Unresolved Challenges

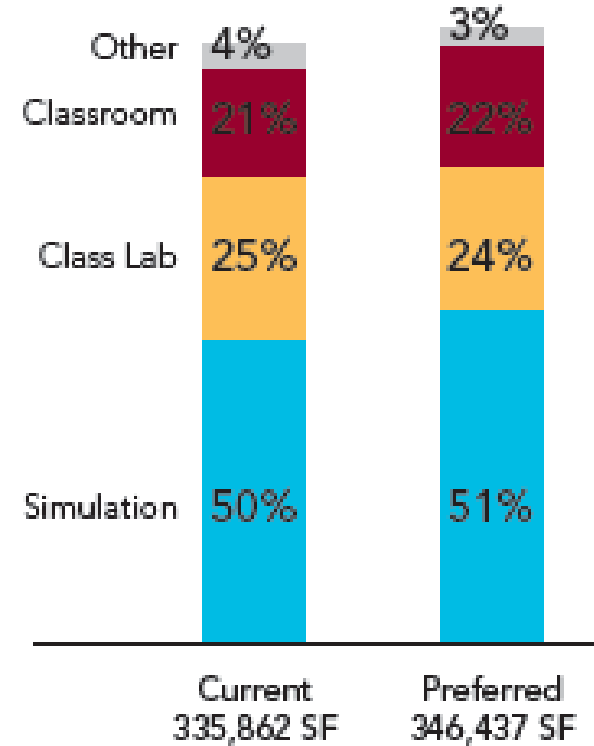
- Clinical training sites for most health science students are provided through community partners, not by the University
- Clinical learning starts earlier in student experience, demand for sites is increasing
- Learning through continuing education
- Clinical research facility needs will increase with grant funding





Facility-Related Recommendations: Phase I

- Create new learning environments and retain existing valued spaces
- Create clinical research facilities to support emerging activity
- Allocate office space to reflect work styles and create higher utilization and efficiency
- Centralize administrative hubs for efficiency, AHC identity, collaboration





Physical Asset Strategy:

PHASE II

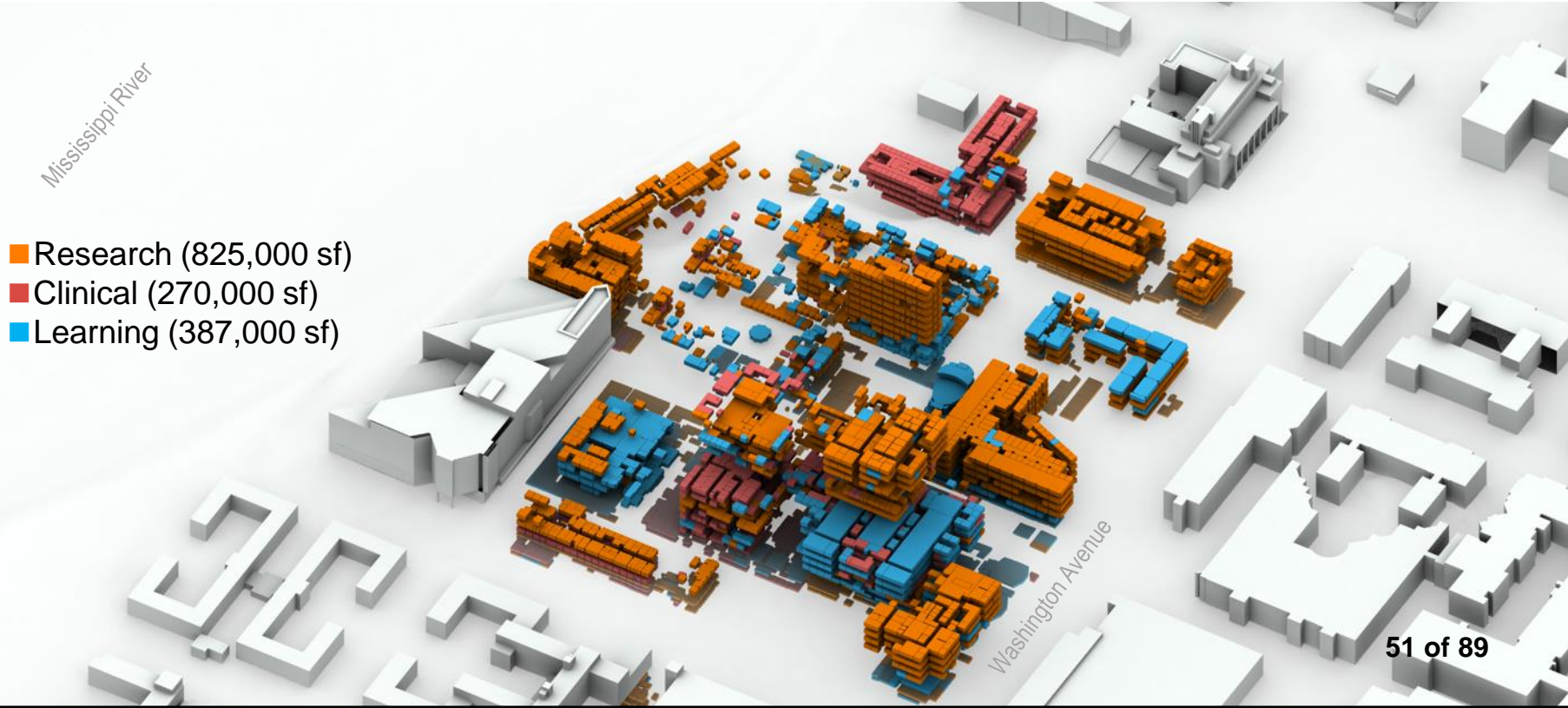


Phase II Goals

- Assign future of each asset by strategy, within broader institutional context
- Support Six Year Plan requests that directly affect AHC investment
- Allocate facility and capital resources to optimize physical assets
- Develop scenarios and understand opportunity costs

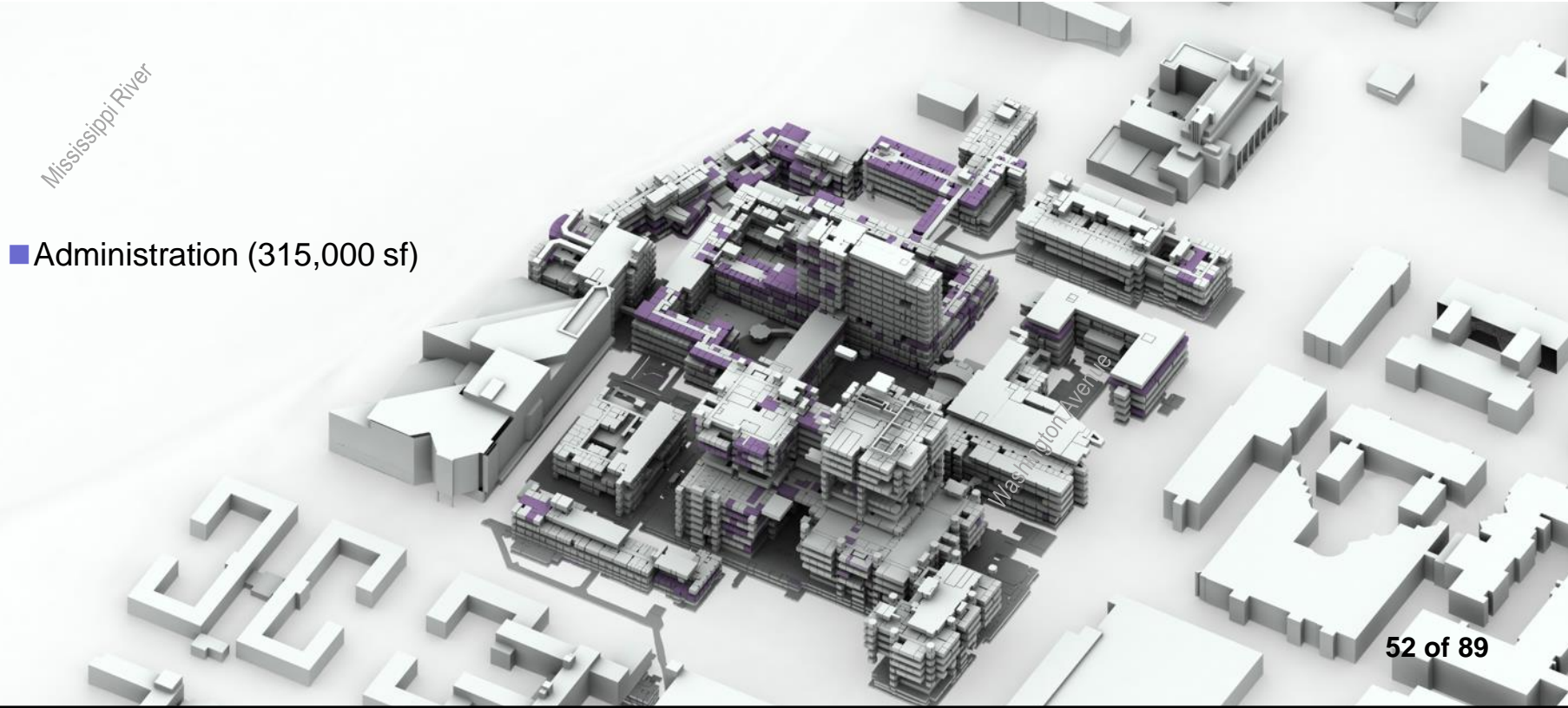


How Space is Assigned Today



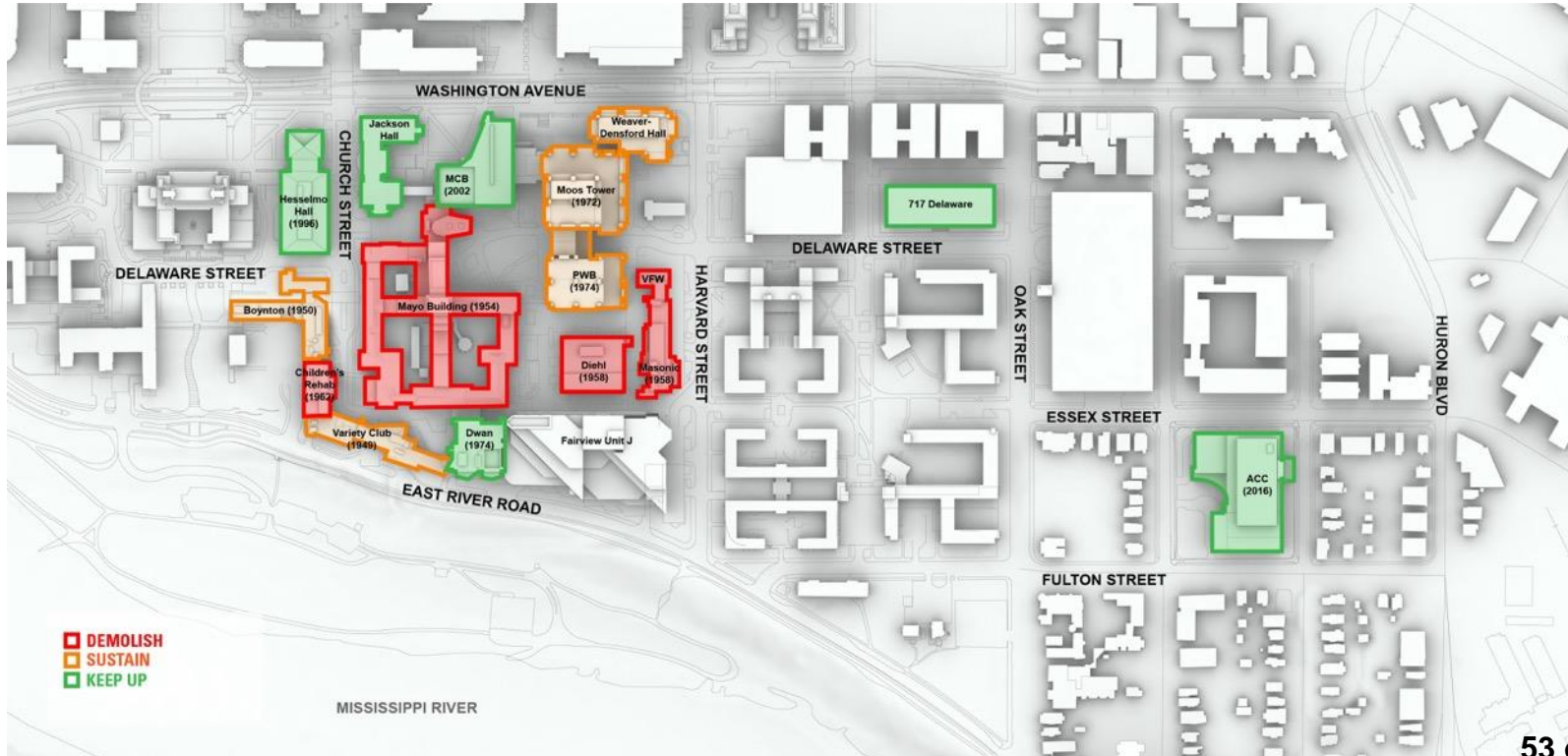


How Space is Assigned Today





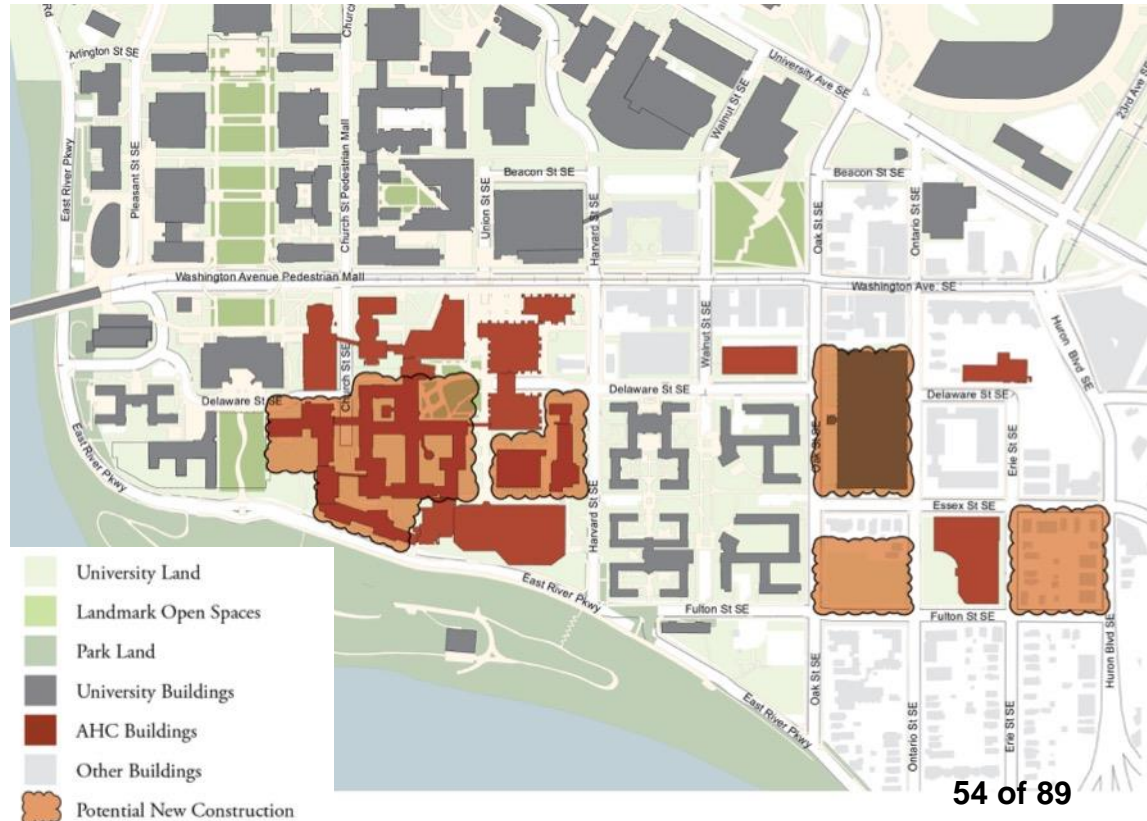
Building-by-Building Strategy





New Construction Sites

- Land that is immediately available
- Demolished buildings will be buildable sites (with some open space)





Connectivity, Access, Circulation





Academic Health Sciences

- Prepare the next generation of health professionals who will care for our families and communities
- Discover and deliver new treatments, cures, and ways to promote health
- Contribute to the economic vitality of our health industries in Minnesota





Programmatic and Facility Needs: Education

- Fundamental changes underway in health sciences education driven by the needs of students and health providers
- Modest enrollment increases expected
- Educational facilities do not support interprofessional education model
- Focus on modernizing on-campus facilities and partnering with communities across the state to develop advanced clinical training sites





Programmatic and Facility Needs: Clinical

- M Health Clinics and Surgery Center to open in February 2016
- Clinical training occurs at sites managed by partners, with a few exceptions
- Some clinics cannot provide contemporary care (Vet Med)

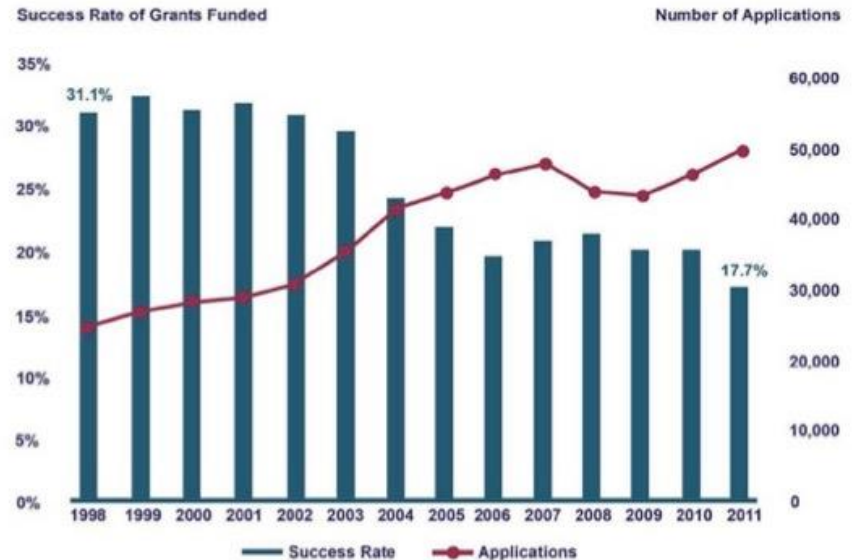




Programmatic and Facility Needs: Research

- Future research growth focused on clinical, translational, and population health research
- Need facilities that support and promote interdisciplinary and team based research

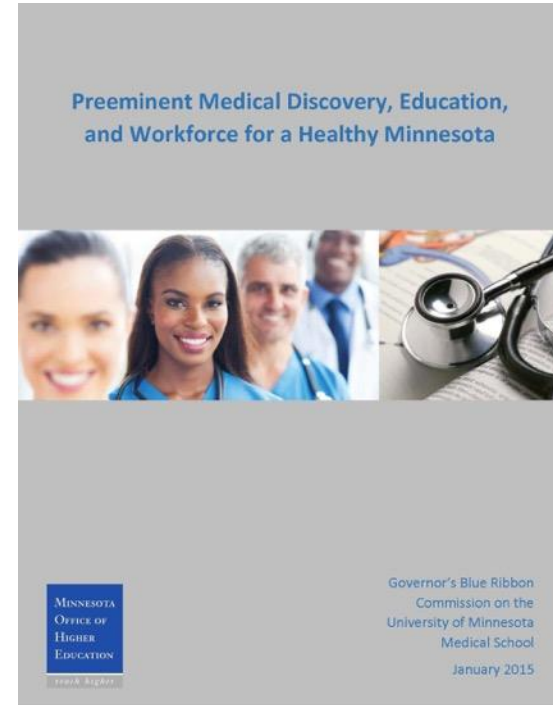
Number of NIH Research Applications and Funding Success Rates (1998 - 2011)





Blue Ribbon Task Force

- Strategy 7.1: Support interprofessional education and clinical research
- State appropriation to undertake planning and design to
 - a) renovate, modernize, expand medical and health sciences learning facilities and
 - b) advance clinical research





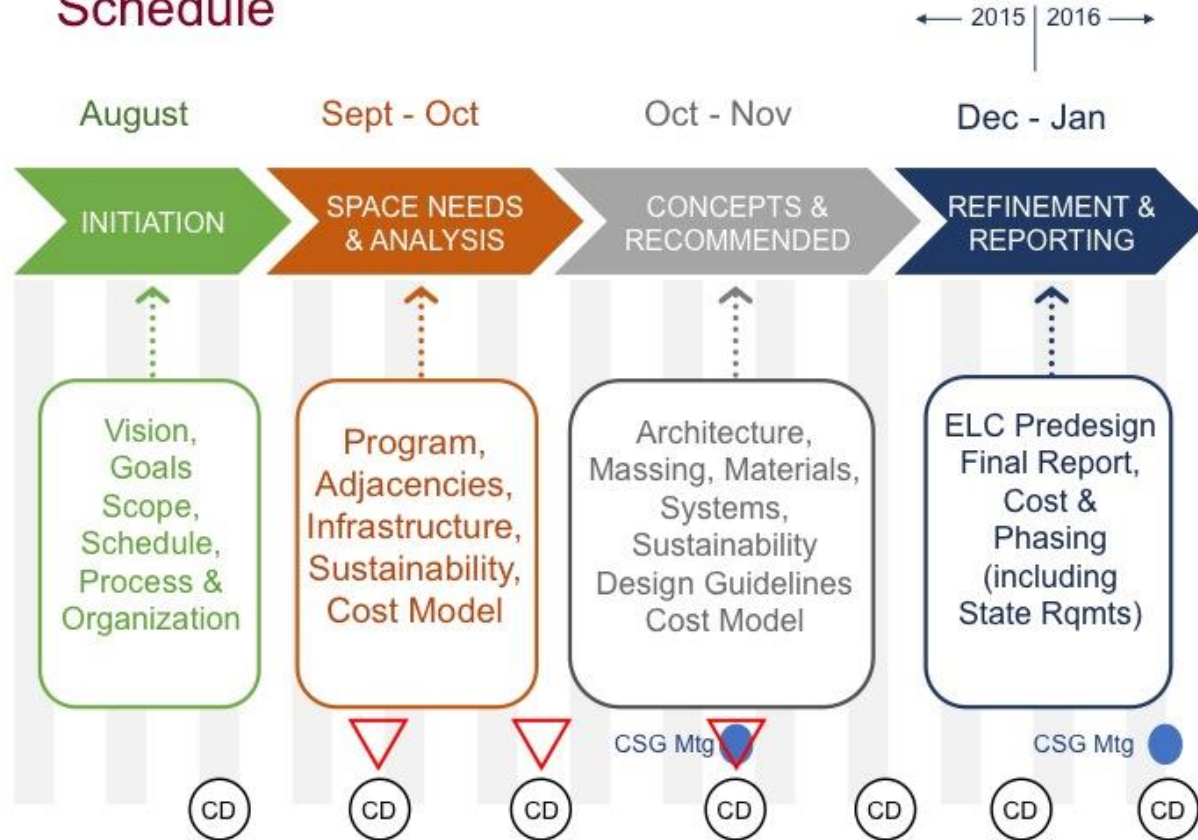
Six Year Plan Projects and Sequences

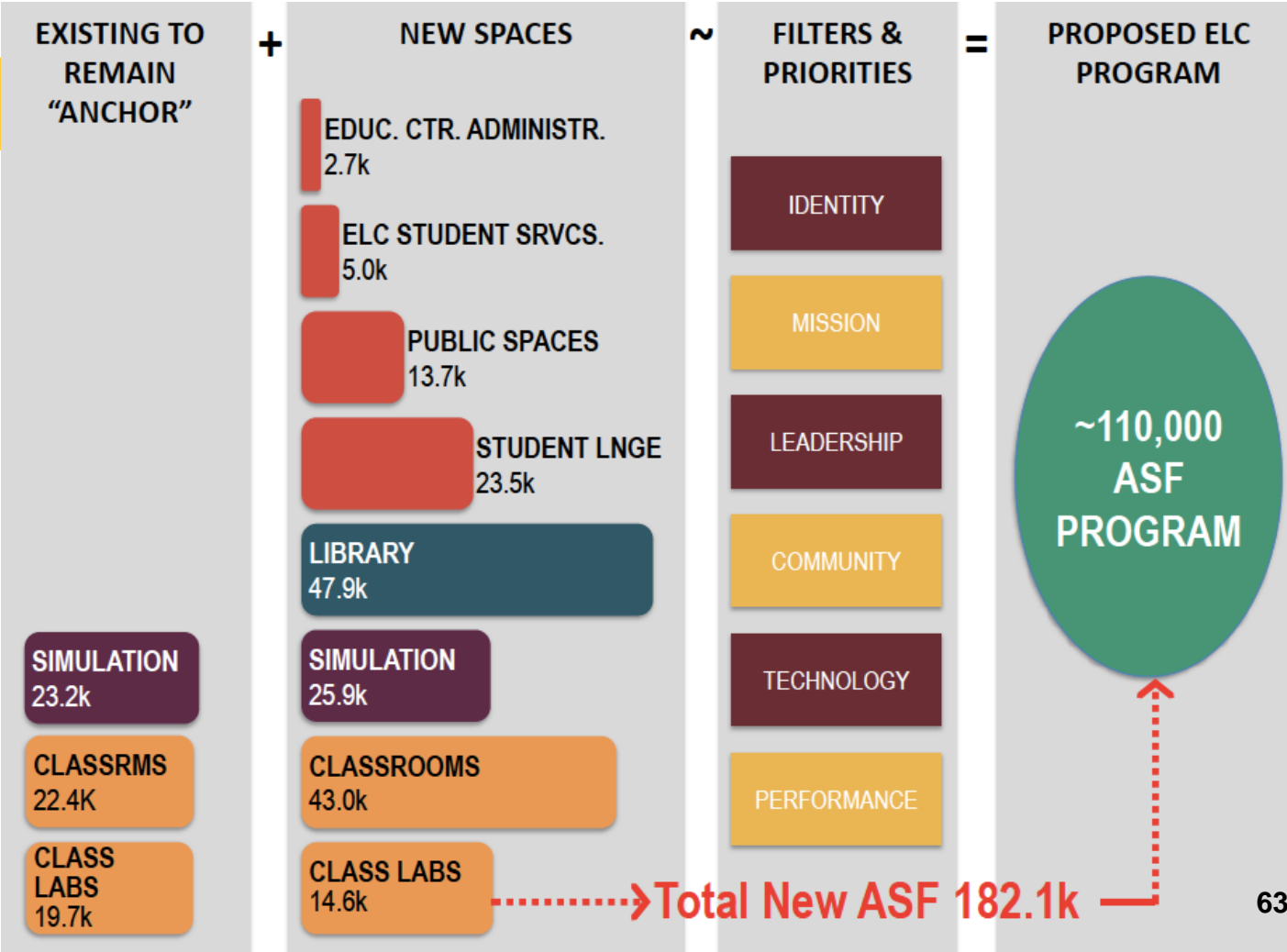
- Board has approved request for state funding, supported by the Blue Ribbon Commission recommendations in 2014-2015
- Advance the Health Sciences
 - Phase I: Health Science Education, 2016 (\$100M)
 - Phase II: Clinical Science, 2018 (\$100M)
 - Phase III: Mayo, 2020 (\$90M)





Education and Learning Center Predesign Schedule







	IDENTITY & SOCIAL	TEACHING	SIMULATION	LIBRARY
1ST PRIORITY ~50k ASF	I <i>Front Door</i> <i>Learning Commons</i> <i>Exhibition</i> <i>Student Lounges</i> <i>Student Services</i> <i>Academic Administration</i>	T <i>Active Learning</i> <i>Class Labs</i> <i>Small Group Classrooms</i> <i>Seminar</i> <i>Flat Floor Classrooms</i>	S <i>Immersive Sim (SimP+)</i> <i>IP Clinical Sim (AHC)</i> <i>OP Clinical Sim (IERC+)</i> <i>General Sim</i> <i>Additional Sim</i>	L <i>Emerging Technology</i> <i>Study Space</i> <i>Wangensteen</i> <i>Service Space</i> <i>Offices</i> <i>Open Stacks</i>
2ND PRIORITY ~30k ASF	L <i>Emerging Technology</i> <i>Study Space</i> <i>Wangensteen</i> <i>Service Space</i> <i>Offices</i>	S <i>Immersive Sim (SimP+)</i> <i>IP Clinical Sim (AHC)</i> <i>OP Clinical Sim (IERC+)</i> <i>General Sim</i>	T <i>Active Learning</i> <i>Class Labs</i>	I <i>Front Door</i> <i>Learning Commons</i> <i>Exhibition</i> <i>Student Services</i> <i>Academic Administration</i>
3RD PRIORITY ~20k ASF	S <i>Immersive Sim (SimP+)</i> <i>IP Clinical Sim (AHC)</i> <i>Enhanced IERC</i>	L <i>Emerging Technology</i> <i>Study Space (minimal)</i> <i>Wangensteen</i> <i>Service Space</i> <i>Offices</i>	I <i>Front Door</i> <i>Learning Commons</i> <i>Exhibition</i> <i>Student Services</i>	T <i>Active Learning</i> <i>Class Labs (minimal)</i>
4RD PRIORITY <i>minimal</i>	T <i>Active Learning (minimal)</i>	I <i>Front Door</i> <i>Learning Commons</i>	L <i>Emerging Technology</i> <i>Study Space (minimal)</i> <i>Service Space (minimal)</i> <i>Offices (minimal)</i>	S <i>Immersive Sim (SimP+)</i>
	~110,000k ASF	~110,000k ASF	~110,000k ASF	~110,000k ASF
FUTURE PHASES	Library: <i>Open Stacks</i> Simulation: <i>Replace IERC</i> <i>General Simulation</i> Teaching: <i>Flat Floor Classrooms</i> <i>Seminar Classrooms</i> <i>Small Group Classrooms</i> <i>Class Labs</i>	Simulation: Library: <i>Open Stacks</i> <i>Study Space</i> <i>Service Space</i> <i>Offices</i> Identity: <i>Student Lounges</i> <i>Exhibition</i> <i>Student Services</i> <i>Academic Admin.</i>	Teaching: <i>Flat Floor Classrooms</i> <i>Seminar Classrooms</i> Identity: <i>Student Lounges</i> <i>Academic Admin.</i> Library: <i>Existing Diehl Library to be replaced in future phases</i>	Identity: <i>Student Lounges</i> Teaching: <i>Flat Floor Classrooms</i> <i>Seminar Classrooms</i> <i>Small Group Classrooms</i> Simulation: <i>IP Clinical Sim (AHC)</i> <i>OP Clinical Sim (IERC)</i> <i>General Sim</i>



Decision Making Timeline

- Program Leadership Team Ranking Nov 20-24, Dec 8-9
- Investment Strategy Group Ranking Nov 30 - Dec 3
- Dean's Council Input Dec 8
- Capital Strategy Group Decision Dec 22
- Predesign Complete Feb 15
- Legislative Session start Mar 8



DISCUSSION



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

December 10, 2015

AGENDA ITEM: Information Items

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services

PURPOSE & KEY POINTS

To provide an update on the following information items:

- Capital Planning and Project Management Semi-Annual Project Report
- Minnesota Poultry Testing Lab, Project Summary for Schematic Design
- Combined Heat and Power Plant Status Update
- Executed Purchase of 600 25th Avenue SE and 649 26th Avenue Southeast

Information items are intended to provide the Board of Regents with information needed for them to provide their oversight responsibilities.

BACKGROUND INFORMATION

Capital Planning and Project Management Semi-Annual Project Report

This report includes projects in process that have been approved in the Capital Improvement Budget and for which the Board is required to approve the Schematic Design. The report highlights progress performed, challenges encountered in delivering the project scope of work within the approved budget, and schedule. The Capital Planning and Project Management Semi-Annual Project Report is presented in the summer and in the winter to provide performance information prior to the consideration of the Annual Capital Improvement Budget and the Six-Year Capital Plan.

Minnesota Poultry Testing Lab, Project Summary for Schematic Design (West Central ROC)

This project is 11,900 gross square feet which includes the renovation of the existing facility and an 8,235 square foot addition of laboratory and office space for avian flu and other disease testing. As a part of the Resolution related to FY2016 Capital Improvement Budget approved by the Board on June 25, 2015, the Board authorized that "all approvals related to the Poultry Testing Laboratory project shall follow the emergency approvals process as defined by Board of Regents Policy: *Board*

Operations and Agenda Guidelines Section II. Subd. 10.” The project’s schematic design was approved utilizing this process, and is included here for information.

Combined Heat and Power Plant Status Update

The committee requested an update on the CHPP project as one component of its 2015-2016 committee work plan. A project report was provided to the committee chair in November 2015 and is included here for information.

Executed Purchase of 600 25th Avenue SE and 649 26th Avenue SE

The University has completed its purchase of 600 25th Avenue SE and 649 26th Avenue SE, as authorized by the Board in June 2015. The attached information page includes detail about modifications to the purchase agreement and an outline of the near-term plan for the property.

Capital Planning & Project Management

Semi-Annual Project Report

December 1, 2015

Projects	Scope	Schedule	Budget	Project Budget	Est. Design Completion	Est Sub Completion
Projects in Design						
Athletes Village, UMTC	●	●	●	\$166,000,000	June 2016	January 2018
Bell Museum, UMTC	●	●	●	\$64,225,000	June 2016	August 2017
Chemistry and Advanced Material Science Building, UMD	●	●	●	\$43,000,000	November 2016	October 2017
Mechanical Lab Renovation, UMTS	●	●	●	\$5,045,000	December 2015	August 2016
Minnesota Poultry Testing Lab, Willmar	●	●	●	\$8,529,000	December 2015	August 2016
Residence Hall Dining Center Renovation, UMD	●	●	●	\$5,250,000	October 2015	August 2016
Projects in Construction						
Aquatic Invasive Species Lab, UMTC	●	●	●	\$6,750,000		December 2015
Bee Discovery and Pollinator Center, Landscape Arboretum	●	●	●	\$6,382,000		May 2016
Bee Research Laboratory, UMTC	●	●	●	\$6,450,000		September 2016
Combined Heat and Power Plant, UMTC	●	●	●	\$112,981,000		October 2016
M Health Clinics and Surgery Center, UMTC	●	●	●	\$165,372,086		December 2015
Tate Science and Teaching Renovation, UMTC	●	●	●	\$92,500,000		April 2017
Wellness Center, UMC	●	●	●	\$15,000,000		June 2016
Recently Completed Projects						
Biomedical Facilities - Microbiology Research Facility, UMTC	●	●	●	\$63,000,000		October 2015
Mechanical Engineering Building Infrastructure Remodel, Ph 2, UMTC	●	●	●	\$44,355,000		November 2015
Scholars Walk * The Gallery,* UMTC	●	●	●	\$2,000,000		October 2015
				Total Portfolio Budget:	\$806,839,086	
				Projects from \$1,000,000 - \$5,000,000:	1	
				Projects from \$5,000,000 - \$20,000,000:	7	
				Projects over \$20,000,000:	8	
				Total Project Count:	16	



Athletes Village, UMTC

Description

A new 321,000 SF Athletes Village supporting excellence in academics and advance training practices as well as a hub for the entire Athletics department.

Status Design development in progress. Approved schematic design, capital budget amendment and final notice at the Regents October 2015 meeting.

- Scope
- Schedule
- Budget



Bell Museum, UMTC

Description

A new museum and planetarium that will provide a center for research, education, and public engagement around Minnesota's natural environments.

Status Design development in progress. Approved schematic design and capital budget amendment for construction at the Regents September 2015 meeting.

- Scope
- Schedule
- Budget



Chemistry and Advanced Material Science Building, UMD

Description

A new 58,000 SF facility supporting chemical and applied science research and academics.

Status Design development in progress. Approved schematic design at the Regents October 2015 meeting. Full funding included in 2016 State Capital request.

- Scope
- Schedule
- Budget



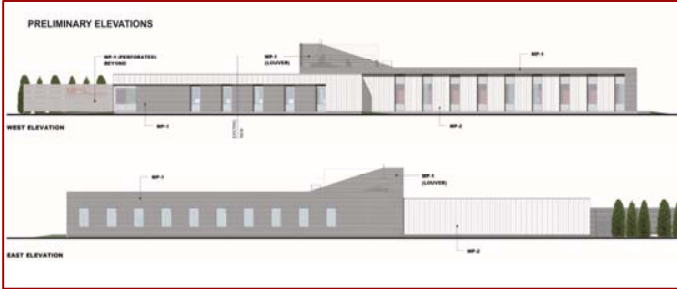
Mechanical Engineering Lab Renovations, UMTC

Description

The Lab Renovation project will renovate 30,000 SF on the 3rd and 4th floors of Mechanical Engineering for flexible research and teaching labs.

Status Construction documents in progress and are anticipated to be complete at the end of December 2015. Approved schematic design at the Regents June 2015 meeting.

- Scope
- Schedule
- Budget



Minnesota Poultry Testing Lab, Willmar

Description

This project is 11,900 gross square feet which includes the renovation of the existing facility and an 8,235 square foot addition of laboratory and office space for avian flu testing.

Status

Schematic design was submitted for approval in November 2015 following the emergency approval process. Construction start is anticipated January 2016.

- Scope
- Schedule
- Budget



Residence Hall Dining Center Renovation, UMD

Description

Renovation of 18,632 SF of the Residence Hall Dining Center to update space and to better serve student needs.

Status

Construction will begin March 2016. Approved schematic design and final notice at the Regents September 2015 meeting.

- Scope
- Schedule
- Budget

PROJECTS IN CONSTRUCTION



Aquatic Invasive Species Lab, UMTC

Description

Renovation of 10,170 SF that adds significant research, office, and building upgrades to the Minnesota Aquatic Invasive Species Research Center located on the St. Paul campus.

Status

Construction is underway. Substantial Completion expected in December 2015.

- Scope
- Schedule
- Budget



Bee Discovery and Pollinator Center, Landscape Arboretum

Description

A new 6,700 SF facility and 4,500 SF outdoor space that will create year-round learning opportunities for children and adults to learn about the lives of bees.

Status

Construction is underway. Substantial Completion expected in May 2016.

- Scope
- Schedule
- Budget



Bee Research Laboratory, UMTC

Description

A 10,700 SF academic research laboratory located on the St. Paul campus for research work in bee health and biodiversity, training and outreach.

Status Construction is underway. Substantial Completion expected in September 2016.

- Scope
- Schedule
- Budget



Combined Heat and Power Plant, UMTC

Description

Installation of new combined heat and power equipment in the existing Old Main Utility Building that will reduce the University's carbon footprint and provide the best long-term solution.

Status Substantial completion expected in October 2016. Evaluation of use of contingency funds for electrical distribution is anticipated at the June 2016 milestone.

- Scope
- Schedule
- Budget



M Health Clinics and Surgery Center, UMTC

Description

A new 341,000 SF facility to provide clinical space, support incorporation of education and research for team-based care, while enhancing patient care and experience.

Status Substantial completion is scheduled for December 2015. First patient day is scheduled for February 2016.

- Scope
- Schedule
- Budget



Tate Science and Teaching Renovation, UMTC

Description

Renovation of the existing facility and new construction, totaling 229,500 SF. Includes the rehabilitation of the exterior and new infrastructure to support the program.

Status Hazardous material abatement is complete and the utilities in Church St have been installed. Construction is in progress and interior demolition is underway.

- Scope
- Schedule
- Budget



Wellness Center, UMC

Description

New 36,700 SF facility includes a two-court gymnasium, suspended running track, classroom, fitness/cardio areas, general locker rooms, and a multipurpose room for group exercise.

Status Construction is in progress. Substantial completion is scheduled for June 2016.

- Scope
- Schedule
- Budget

RECENTLY COMPLETED PROJECTS



Biomedical Facilities - Microbiology Research Facility, UMTC

Description

Construction of a 89,000 SF facility to house laboratories, offices, and collaborative spaces for faculty, staff, and graduate students in the Department of Microbiology.

Status Project is complete.

- Scope
- Schedule
- Budget



Mechanical Engineering Building Infrastructure Remodel - Phase 2, UMTC

Description

Modernization of the original 144,733 SF facility built in 1948. This project has been broken into 2 phases for funding purposes, and has completed Phase 1 and Phase 2.

Status Project is complete.

- Scope
- Schedule
- Budget



Scholars Walk "The Gallery," UMTC

Description

Upgrade to the Wall of Discovery Corridor to enhance the pedestrian experience, provide opportunities to honor University achievements, and additional lighting for a safer environment.


Status Project is complete.

- Scope
- Schedule
- Budget

*Regents of the University of Minnesota
Office of the Board of Regents*

*600 McNamara Alumni Center
200 Oak Street S.E.
Minneapolis, MN 55455
612-625-6300*

December 1, 2015

To: President Eric Kaler 
From: Brian Steeves, Executive Director & Corporate Secretary
Re: *Emergency Approval*

Chair Johnson and Vice Chair McMillan approved your request for emergency approval of the following action (as described in the attached letter) on November 30, 2015, and December 1, 2015, respectively:

- Schematic design: Minnesota Poultry Testing Lab Expansion, Willmar

I understand that this information will be reported to the Board of Regents at the December 2015 meetings, as required by Board policy.

c: Pamela Wheelock, Vice President, University Services
Suzanne Smith, Assistant Vice President, Capital Planning and Project Management

UNIVERSITY OF MINNESOTA

Office of the President

202 Morrill Hall
100 Church Street Southeast
Minneapolis, MN 55455

November 30, 2015

The Honorable Dean Johnson, Chair
The Honorable David McMillan, Vice Chair
Board of Regents, University of Minnesota
600 McNamara Alumni Center, MC: 2015)
200 Oak Street SE
Minneapolis, Minnesota 55455

Dear Members of the Board:

The Resolution related to FY2016 Capital Improvement Budget approved by the Board of Regents on June 25, 2015, included Board authorization that “all approvals related to the Poultry Testing Laboratory project shall follow the emergency approvals process as defined by Board of Regents Policy: *Board Operations and Agenda Guidelines*, Section II. Subd. 10.” The policy reads as follows:

Upon the recommendation of the president, the Board chair, vice chair, and the respective committee chair may act on behalf of the Board when delay for Board approval poses a significant health, safety, or financial risk to the University. Any such emergency approvals will be brought to the next meeting of the Board, consistent with Board policy.

Board of Regents Policy: *Reservation and Delegation of Authority*, Article I, Section VIII, Subd. 9b, also states that:

“The Board reserves to itself authority to approve project schematic plans for projects with a value greater than \$2,000,000 that have an exterior visual impact.”

I am recommending use of this emergency process for Board approval of the following item:

Schematic Design: Minnesota Poultry Testing Lab – Review/Action.

Upon Board approval of schematic design, the University will be able to continue work on this state funded facility at an accelerated pace to meet the needs of Minnesota’s poultry farmers. The project is currently within the scope, schedule, and budget approved by the Board.

Thank you for your attention to this request. Additional information regarding this item is enclosed.

Sincerely,



Eric W. Kaler
President

Enclosures

cc: Brian Steeves, executive director and corporate secretary, Board of Regents
Pamela Wheelock, vice president, University Services
Suzanne Smith, assistant vice president, Capital Planning and Project Management

Driven to DiscoverSM

**MN Poultry Testing Lab Expansion
Willmar, MN
Project No. 26-892-15-2452**

1. Basis for Request:

In 2015 Minnesota poultry producers experienced a significant Highly Pathogenic Avian Influenza event into their live production system. This highly transmissible disease affected 110 poultry farms in 23 counties, resulting in the depopulation of over 9 million birds and a substantial impact to Minnesota's economy. Willmar is the center of Minnesota's poultry production, in close proximity to commercial and breeding poultry flocks, hatcheries, and poultry processing plants. The purpose of the Minnesota Poultry Testing Lab (MPTL) expansion project is to be able to test samples submitted from sick bird calls as quickly as possible to meet the demands locally for a short turn-around time rather than courier samples to the University's Veterinary Diagnostic Lab in St. Paul.

The existing 20 year old, 3,665 gross square foot facility is antiquated and inadequate to meet the demand. A state appropriation was made in special session to design, construct, furnish, and equip the expansion and renovation of the MPTL, including facility upgrades to substantially improve the laboratory's efficiency and ability to meet testing requirements, respond to avian influenza and other diseases of poultry, and effectively serve its client base.

2. Scope of Project:

The Minnesota Poultry Testing Laboratory is located in Willmar, Minnesota. This project is 11,900 gross square feet which includes the renovation of the existing facility and an 8,235 square foot addition of laboratory and office space. The construction of the new addition consists of laboratory and support space. The existing building will be repurposed for offices, conference rooms, shipping and receiving, and support space. Site improvements include a new loading dock area and parking.

3. Master Plan or Precinct/District Plan:

The MN Poultry Testing Lab is an independent facility which does not fall within a University Master Plan or Precinct/District Plan

4. Environmental Issues:

There are no environmental issues.

5. Cost Estimate:

Construction Cost	\$7,047,000
Non Construction Cost	1,482,000
Total Project Cost	<u>\$8,529,000</u>

6. Capital Funding:

<u>2015 State Appropriation</u>	<u>\$8,529,000</u>
Total Project Funds	\$8,529,000

7. Capital Budget Approvals:

The project was approved in the FY2016 Annual Capital Budget.

8. Annual Operating and Maintenance Cost and Source of Revenue:

The annual operation and maintenance cost is estimated at \$250,000.

9. Time Schedule: (Additional milestone maybe added or substituted if appropriate.)

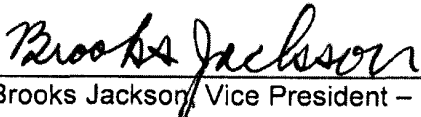
Proposed Design Completion	December 2015
Proposed Construction Completion	August 2016

10. Project Team

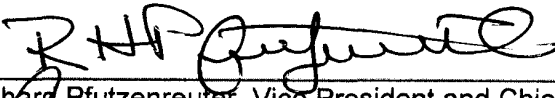
Architect:	Alliance Architects
Construction Manager:	McGough Construction

11. Recommendation:


The above described project scope of work, cost, funding, and schedule is appropriate:



Brooks Jackson, Vice President – Health Sciences



Richard Pfitzenreuter, Vice President and Chief Financial Officer

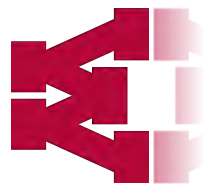


Pamela Wheelock, Vice President – University Services

MN Poultry Testing Lab Expansion
Willmar, MN
Project No. 26-892-15-2452

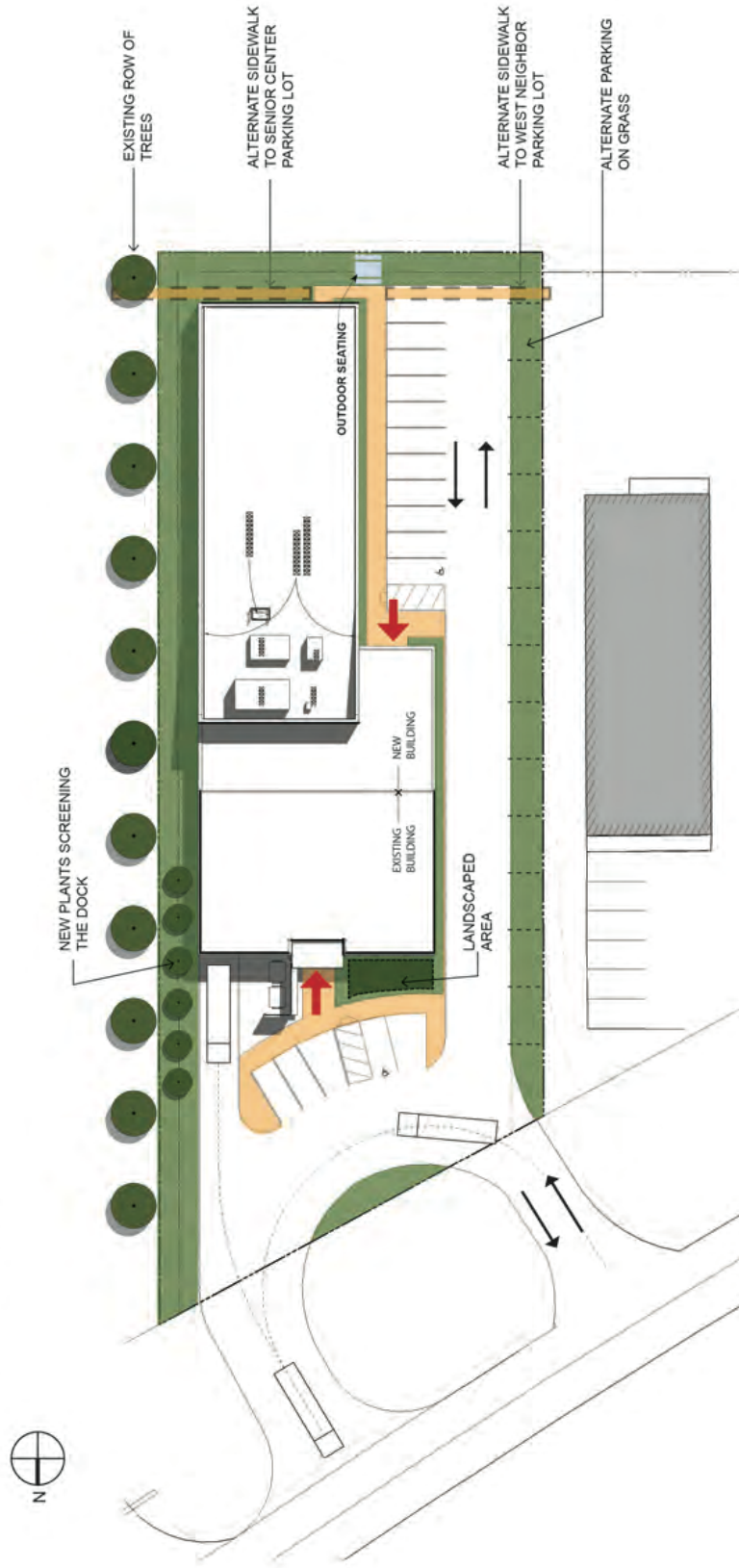
Site Location Map



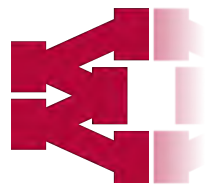


Schematic Design – Site Plan

SITE PLAN/LANDSCAPE PLAN



Data:
Parking: 16 stalls (+13 stalls on grass)
Total GSF: 11,900 GSF



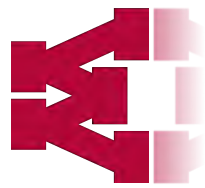
Schematic Design – Floor Plan

FLOOR PLAN



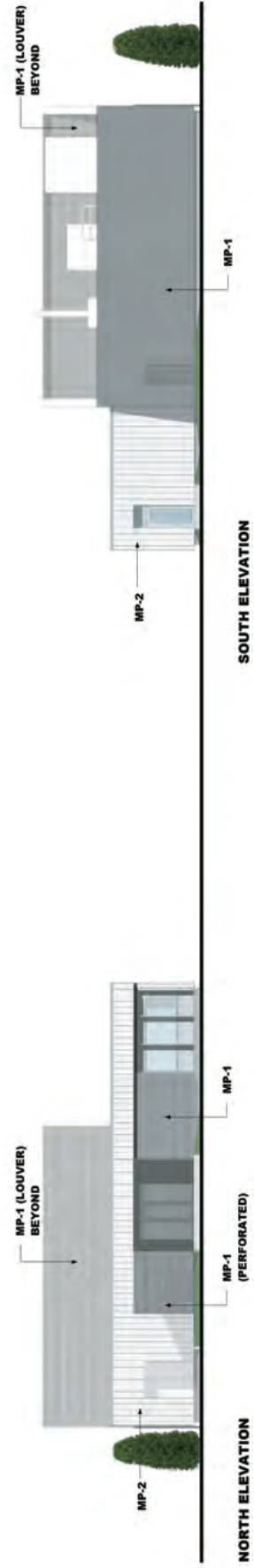
Department Legend

- BUILDING SUPPORT
- LAB
- OFFICE
- UNASSIGNED



Schematic Design - Building Exterior

PRELIMINARY ELEVATIONS



SOUTH ELEVATION


UNIVERSITY OF MINNESOTA

Twin Cities Campus

*University Services
Office of the Vice President*

*317 Morrill Hall
100 Church Street Southeast
Minneapolis, MN 55455
Office: 612-624-3557
Fax: 612-626-2278*

TO: Regent David McMillan, Chair - Facilities, Planning, and Operations Committee
FROM: Pamela Wheelock, Vice President for University Services
DATE: November 6, 2015
RE: Update on Combined Heat and Power Plant (CHPP)



You and members of the Facilities, Planning, and Operations Committee have asked for an update on the Combined Heat and Power Plant (CHPP) project, and it is an informational item on the December agenda. This memo serves to provide a project update, and will be added to the docket materials for the upcoming meeting.

Project Profile

The CHPP was developed in response to a projected shortage of reliable steam demand to the Minneapolis campus. The CHPP meets this current and projected demand through 2028 in the renovated Old Main facility. The project includes removing the equipment formerly used in the Old Main facility, renovating the facility, and adding a 25 MW Combustion Turbine Generator (CTG) with Heat Recovery Steam Generator (HRSB).

The CHPP solution has the added benefits of lowering utility operating costs (estimated at \$160-170 million over 30 years) and reducing the campus carbon footprint by 10-12%. The project also addresses past building deficiencies in Old Main (decommissioned in 2000 when the Southeast Plant opened but not remediated), surrounding site conditions including demolition and clean-up of the former Incinerator Building, rebuilding the utility road for safety and effective service, and replacing and expanding a retaining wall. The project also is an investment in future utility needs, providing dedicated space for a chilled water cluster-plant to serve the East Bank and a package boiler for steam capacity needs on the Minneapolis campus.

Last Board Action

In October of 2014, the Board of Regents approved a Capital Budget Amendment increasing the approved budget for CHPP by \$17.1 million to \$112.9 million to address cost increases due to site/project conditions, schedule challenges, and construction market inflation. In addition, the Board reviewed the potential need for an estimated additional \$5.9 million to make electrical distribution investments necessary to reliably distribute power generated from CHPP to the Minneapolis campus. At the time, final plans for the electrical distribution changes were not known, but staff indicated that either unused project contingency funds would be used and/or other funds would be identified – perhaps requiring Regent review and approval in a future Annual Capital Budget process.

CHPP Current Status: Scope, Schedule, and Budget

Scope (as outlined in the project profile above) has remained consistent since October 2014. The project is on track to deliver the full scope reviewed with the Board.

Schedule has remained consistent since October 2014. The project is on track to be substantially complete by October 2016 and fully operational by December 2016. All building demolition and clean up has been completed. Major equipment (turbine and boiler) has been fabricated and delivered into the building. Next phase is the installation of a substantial amount of wiring, piping, and control systems necessary to operate the CHPP. This phase will be challenging given the number of individuals needing to work in a contained space simultaneously or in close sequence.

Budget is on track with appropriate contingencies still in place. There is *no change* in expectations about project budget, though risk remains given the complexity of the work remaining.

Electrical Distribution Status

Scope has been defined as the upgrades required to our existing electrical distribution system to reliably distribute the electricity produced in the CHPP. The improvements consist of three major components.

1. Cable connections from the CHPP to the 4th Street and Fulton Street Electrical Switch-Stations.
2. Instrumentation, control systems and switch-gear upgrades within the switch stations to distribute the power received from CHPP to campus.
3. Duct bank and cable connections to Xcel's Gopher Sub-Station to provide standby power capacity for the campus.

Schedule. These projects are proceeding on schedule to distribute power from the CHPP next year. Further analysis has been done on what investments are necessary solely to ensure the operations of the CHPP versus other needed or desirable campus utility investments. In particular, the duct bank to Xcel's Gopher Sub-Station was completed this past summer and is ready for cabling. The miles of copper cable will be pulled through duct banks beginning November 2015 through May 2016. The cable and switch-gear upgrades within the stations will be also be completed this winter 2015/spring 2016 and be ready for operation in the summer of 2016.

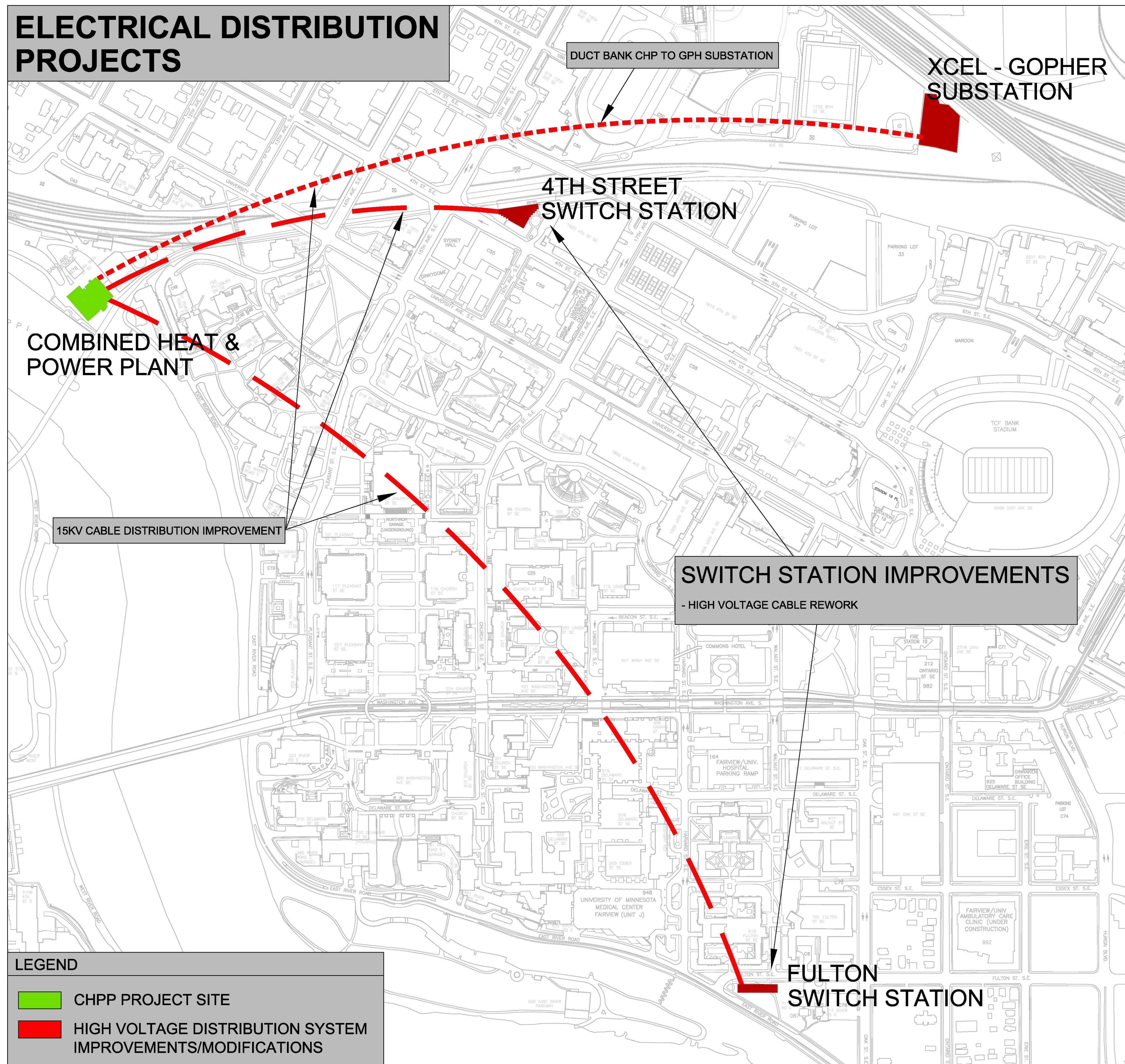
Budget. The plan is to fund these projects through unused CHPP contingency funds. If contingency funds are released from the project, any electrical distribution expenses that have been incurred will be moved into the CHPP project. In the interim, works is being funded with approved Electric Utility Distribution funds available through Regent approved annual capital budgets and funded through campus utility rates. This allows the work to proceed and have the investments ready when needed to receive power generated from the CHPP.

Current estimates for the electrical distribution remain within the \$5.9 million estimate. The availability of contingency is evaluated when project milestones are reached, and the first indication of that availability is scheduled for the summer of 2016.

Thank you for your continued interest in this project.

cc: Brian Steeves
President Eric Kaler
Mike Berthelsen
Suzanne Smith

ELECTRICAL DISTRIBUTION PROJECTS



LEGEND

- CHPP PROJECT SITE
- HIGH VOLTAGE DISTRIBUTION SYSTEM IMPROVEMENTS/MODIFICATIONS

PURCHASE OF 600 25TH AVENUE SE and 649 26TH AVENUE SE, MINNEAPOLIS (TWIN CITIES CAMPUS)

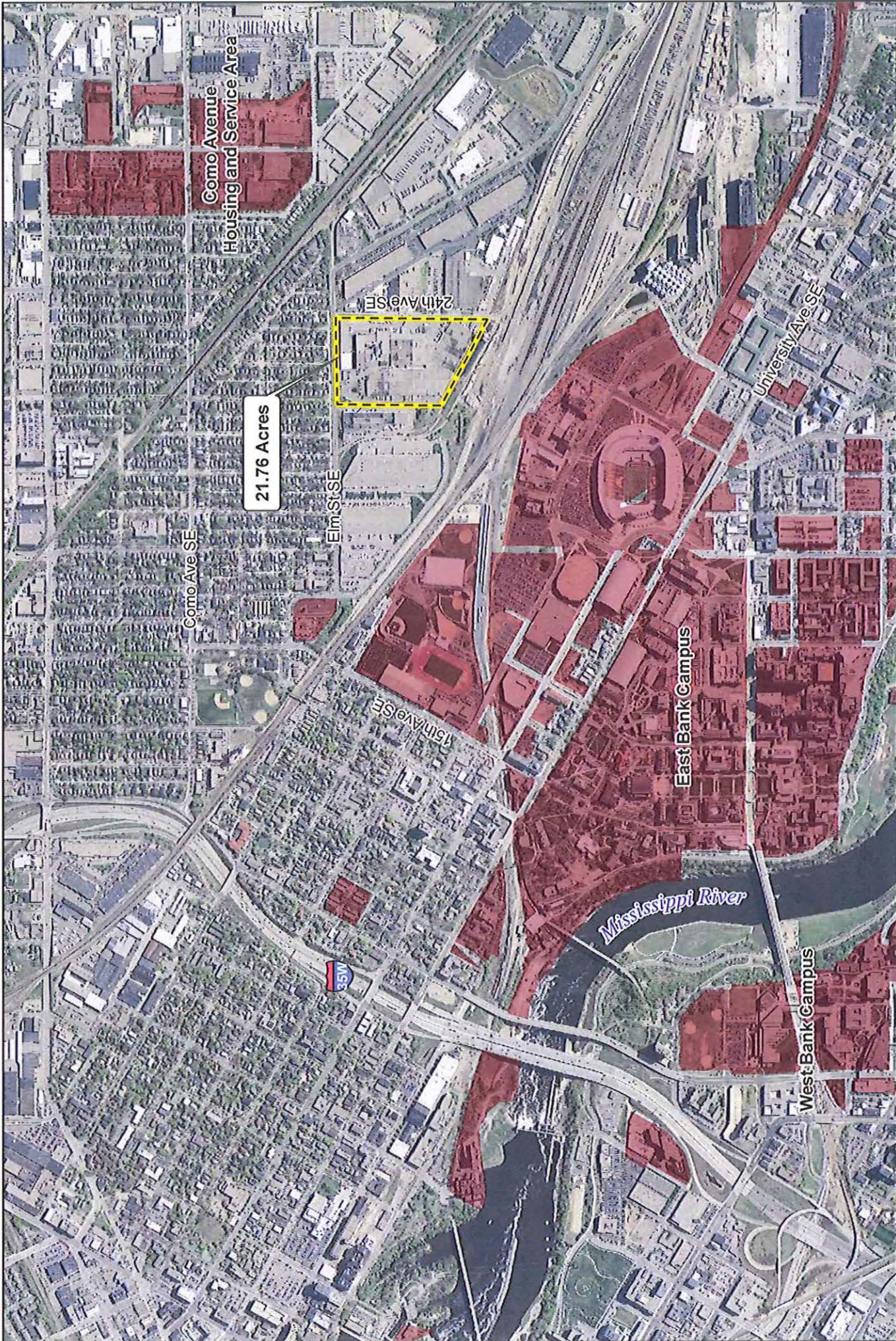
In June 2015, the Board of Regents approved a bargain sale/partial donation purchase transaction for the property at 600 25th Avenue SE and 649 26th Avenue SE, Minneapolis (aka Electrical Steel Elevator property and Riverland Ag, WhiteBox site). The property consists of 4.79 acres and structures thereon (see attached map). The purchase transaction the Board approved included a cash payment by the University in the amount of \$1,450,000, University reimbursement of seller's cost to demolish the steel elevators and other structures then estimated at \$578,000, and a donation by the seller to the University of the remaining value of the property the seller estimated at \$1,050,000.

The seller was unable to obtain a permit to demolish the structures on the property from the City of Minneapolis because the property had been identified on previous reports and surveys of properties in Minneapolis with potential historical significance, even though the seller determined the site was economically obsolete, the seller was unable to identify an alternative re-use of the site that was financially viable, and the site "as is" is dangerous and difficult and costly to secure. The City indicated that a historical study was required.

The University elected to restructure the purchase transaction and proceed with the purchase of the property. In the restructured transaction, the cash payment to the seller remained \$1,450,000, but the property was purchased "as is." At the closing, which was completed on November 17, 2015, the seller's demolition-related contracts with Hess Roise and Company (Historical Consultant), Oliver Real Estate Services (Demolition Consultant), and Veit Company (Demolition Contractor) were assigned to the University.

The University will be completing the historical study of the property and then, in accordance with and sensitive to the findings in the historical study, proceed with appropriate reuse for University purposes. However, due to the expected reduction in the price for recycled steel, the demolition project is now estimated at \$900,000. Capital Planning and Project Management (CPPM) will be managing these projects.

In the interim, Facilities Management, in conjunction with the University Police Department, will be implementing additional measures to further secure the site until demolition can be completed.



21.76 Acres

24th Ave SE

Como Ave SE

Elm St SE

15th Ave SE

University Ave SE

East Bank Campus

Mississippi River

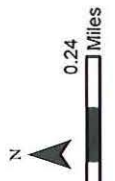
West Bank Campus

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office, MnGEO, Hennepin County
11/24/2015

**Purchase of Murphy Warehouse Property
701-24th Avenue SE, Minneapolis
(Twin Cities Campus)**

- University Property
- Property to be Acquired



PURCHASE OF 600 25TH AVENUE SE and 649 26TH AVENUE SE, MINNEAPOLIS (TWIN CITIES CAMPUS)

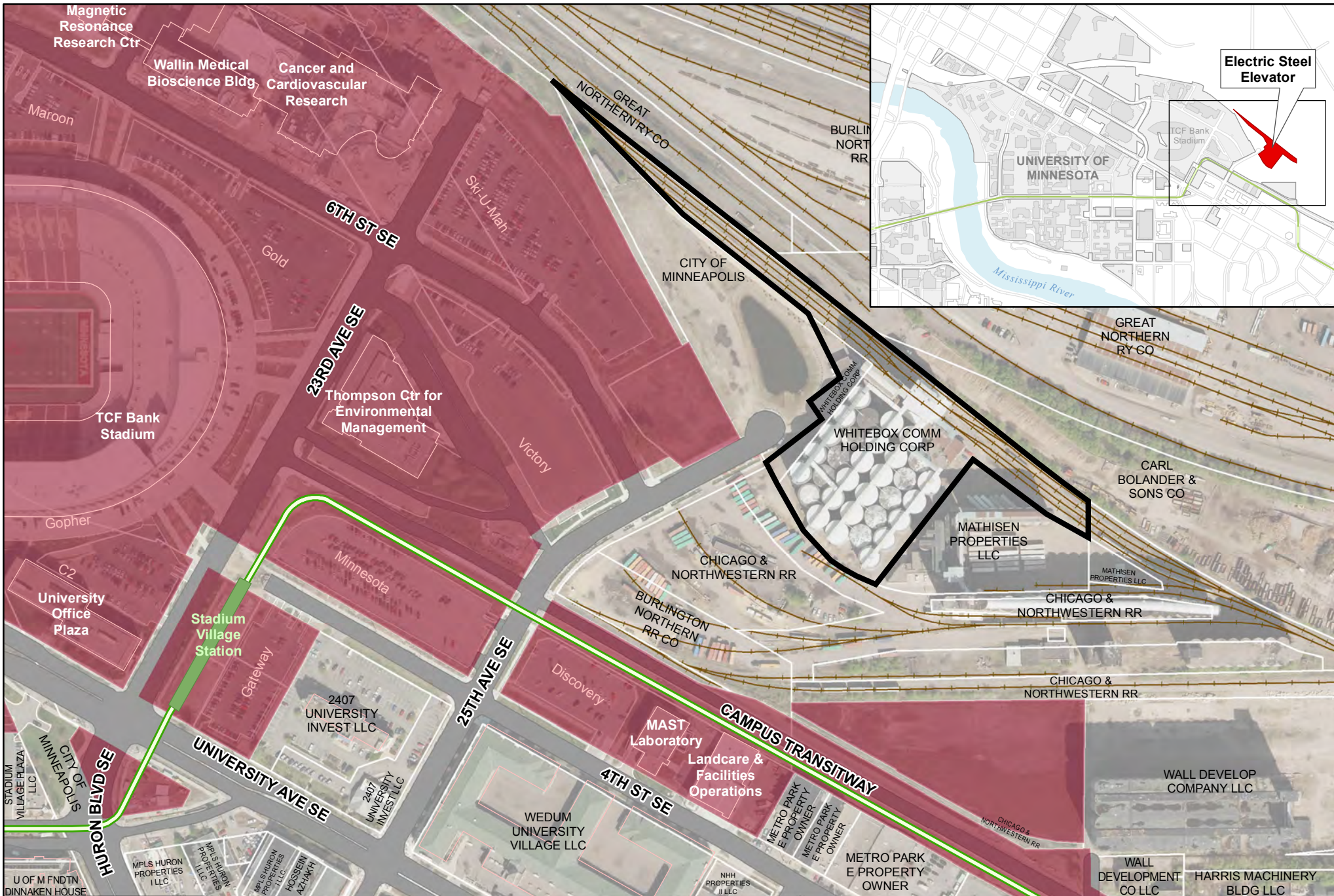
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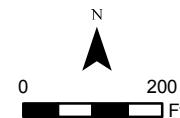
Real Estate Office



University of Minnesota

**Purchase of 4.79 Acres
Whitebox / Riverland Ag Corp.
Minneapolis, MN**

-  600 25th Ave & 649 26th Ave
-  University Property
-  Railroad Tracks



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office, Hennepin County

4/22/2015