

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

November 10, 2005

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, November 10, 2005, at 9:30 a.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellor Samuel Schuman; Senior Vice President Frank Cerra; Vice Presidents Charles Muscoplat, Kathleen O'Brien, and Richard Pfitzenreuter; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Executive Associate Vice President Al Sullivan; Associate Vice Presidents Michael Perkins, Donna Peterson, and Laurie Scheich.

Student Representatives present: Cassie McMahon and Tom Zearley.

REAL ESTATE TRANSACTION

A. Purchase of Two Floors, Stabile Building, 150 – 3rd Street SW, Rochester for Mayo-University of Minnesota Partnership for Biotechnology & Medical Genomics

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

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

Purchase of Condominium Unit 2, Stabile Building Condominium,
150 – 3rd Street SW, Rochester
Description of Property: The Stabile Building is owned by Mayo Clinic
Rochester (Mayo).
Purchase price: \$21,726,000
Funding source: A \$21,726,000 grant from the State of Minnesota

Senior Vice President Cerra explained the significance of the University of Minnesota and the Mayo Clinic partnership, the goals of the research project, and its potential to advance biotechnology and medical genomics. He also summarized the bonding bill that appropriated funds to the University for the facility.

Director of Real Estate Susan Carlson Weinberg summarized the basis for the request, location and description of the property, details of the transaction, use of the

property, and source of funds, as detailed in the docket materials on file in the Board Office.

The committee voted unanimously to recommend approval of the purchase of Two Floors, Stabile Building, 150 – 3rd Street SW, Rochester for Mayo-University of Minnesota Partnership for Biotechnology & Medical Genomics.

SCHEMATIC PLANS

A. UMM/Morris School District #769 Joint Use Football Facility

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

The schematic plans for the UMM/Morris School District #769 Joint Use Football Facility are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Vice President O'Brien reported that the condition of the existing Morris campus athletic field turf is below average and deteriorates as the season progresses. The spectator seating is outdated and the press, coaches', and scorer's booth is supported by scaffolding and difficult to access. The local school district also has identified the need for a new football facility; this project consists of the development of a new football facility that will be used by both the Morris campus and the Morris School District.

Associate Vice President Perkins presented the schematic plans for the proposed facility as included in the docket and associated materials on file in the Board Office.

The committee voted unanimously to recommend approval of the schematic plans for the UMM/Morris School District #769 Joint Use Football Facility.

CAPITAL BUDGET AMENDMENTS

A. Gibson-Nagurksi Training & Equipment Room Renovation, Twin Cities Campus

The committee reviewed a proposal to amend the FY2006 Capital Budget by \$950,000 to incorporate funding for the Gibson-Nagurski Training and Equipment Room Renovation on the Twin Cities campus. The Gibson-Nagurski Football Complex houses the coaching administration, training and rehabilitation areas, team meeting spaces, and the primary practice facility for the football program. Renovation of the athletic medicine suite within the complex will provide water therapy facilities, rehabilitation areas, and a remodeled equipment room.

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

A. University Office Plaza, Suite 450, 2221 University Avenue, Minnesota Daily Relocation, Twin Cities Campus

The committee reviewed a proposal to amend the FY2006 Capital Budget by \$1,300,000 to incorporate funding for the University Office Plaza, Suite 450 remodeling project located on the Twin Cities campus for the *Minnesota Daily* Relocation. The project will move the *Minnesota Daily* from its current rental space and into space owned by the University. This will keep the newspaper's entire operation in a single location in close proximity to the campus.

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

REAL ESTATE TRANSACTIONS

A. Purchase of 8.94 Acres at 601 - 25th Avenue SE & 2302 Marshall Avenue SE, Minneapolis

The committee reviewed a proposal to purchase 8.94 acres at 601 - 25th Avenue SE, and 2302 Marshall Avenue SE, Minneapolis, Twin Cities campus for \$7,025,000. Director of Real Estate Susan Carlson Weinberg explained the location and description of the property, basis for the request, and details of the proposed transaction as included in the docket materials. The property consists of 8.94 acres of vacant land located contiguous to University-owned property. The property provides an opportunity to serve a number of potential University needs in conjunction with future expansion of the Twin Cities campus.

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

A. Sale of 2.352 Acres & Supercomputer Center Building at 1200 Washington Avenue South, Minneapolis

The committee reviewed a proposal to sell 2.352 acres and the Supercomputer Center Building at 1200 Washington Avenue South, Minneapolis, for \$4,300,000. Director of Real Estate Susan Carlson Weinberg reviewed the location and description of the property, basis for the request, and details of the proposed transaction as included in the docket materials. The University has not occupied any part of the building since the Supercomputing Institute was relocated to Walter Library in 2001 and the building has become functionally obsolete for the institution's own uses.

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

A. Permanent Easement & Temporary Construction Easement to Metropolitan Council for Empire Wastewater Treatment Facility Expansion, Dakota County (UMore Park)

The committee reviewed a proposal for a permanent easement and temporary construction easement to the Metropolitan Council for Empire Wastewater Treatment Facility Expansion at UMore Park in Dakota County. Director of Real Estate Susan Carlson Weinberg explained the location and description of the property, basis for the request, and details of the proposed transaction as included in the docket materials. The property consists of 36.83 acres of permanent easement and 56.82 acres of temporary construction easement (for a two-year period) at UMore Park in Rosemount and Empire Township, Dakota County. The consideration to be paid by the Metropolitan Council is \$1,275,000.

In response to a question, Vice President Charles Muscoplat stated that the expansion of this pipe would accommodate future development of the UMore Park if development were to occur and preserves the University's flexibility for use of the land.

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

BOARD OF REGENTS POLICY: *CAMPUS HEALTH AND SAFETY*

Vice President O'Brien introduced Associate Vice President Laurie Scheich to present proposed amendments to Board of Regents Policy: *Campus Health and Safety*, as included in the docket and associated materials distributed at the meeting. The proposed amendments have been structured for clarity and consistency with other Board policies. The amendments reflect formatting changes and are not substantive in nature.

In response to questions from Regents, O'Brien noted that the draft amendments were reviewed by the general counsel's office for issues such as risk management.

Scheich noted that the policy applies to all University campuses and facilities and clarifies the definition of campus health and safety to include:

- Personal security and safety;
- Protection of environmental, physical, and fiscal resources;
- Workplace safety;
- Safe and healthful facilities; and
- Emergency management.

The policy also outlines the role of students, faculty, and staff in complying with internal and external policies to fulfill their role in maintaining a safe and healthy campus community. Scheich noted that several University entities were involved in reviewing and recommending amendments.

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

SIX-YEAR CAPITAL IMPROVEMENT PLAN: PRINCIPLES, PROCESS & PRIORITIES

Vice President O'Brien and Executive Associate Vice President Sullivan led the discussion of principles and processes guiding development of the Six-Year Capital Improvement Plan (Plan). The Plan establishes the next capital request to be presented to the State for consideration; sets priorities and direction for continued capital and academic planning efforts; defines the boundaries of additional University debt; and identifies responsibility for capital fundraising. The Plan does not identify specific projects for the 2010 State Capital Request, but rather identifies a financial placeholder while specific projects are defined through the Strategic Positioning process, and also specifies projects with permission to seek funds from the federal government.

O'Brien provided an overview of the capital improvement planning and oversight process, indicating how potential projects are identified and considered for inclusion in the Plan. The Plan has been developed based on principles ensuring long-term academic excellence by:

- Aligning capital projects with the University's strategic positioning goals and action steps of 1) recruiting and educating talented and qualified students; 2) supporting world-class faculty and staff; and 3) enhancing and effectively using resources and infrastructure;
- Promoting asset stewardship by investing in our existing facilities and infrastructure;
- Addressing academic and service unit priorities;
- Leveraging space utilization opportunities;
- Upholding the institution's financial position and debt capacity.

Sullivan highlighted several representative capital projects that demonstrate alignment with strategic positioning principles, noting that many projects apply to more than one principle.

Associate Vice President Perkins described how the building forensics studies conducted on several Twin Cities campus buildings, including Northrop Auditorium and Folwell Hall. The study will identify essential work and estimate costs required to stabilize buildings. O'Brien emphasized that further deterioration and increased costs would result if building stabilization issues are not addressed in a timely manner.

A copy of the presentation is on file in the Board Office.

CONSENT REPORT

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

- A. Purchase of 30 Acres in Section 17, Township 135 North, Range 35 West, Wadena County, for a Forest Resources Field Test Site for Tree Improvement Research; and
- B. Agreements for Paleolimnology Symposium in Duluth, June 24-July 1, 2006.

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

INFORMATION ITEMS

Vice President O'Brien and Michael Berthelsen, University Services Finance Officer, presented information on the University's utilities budgets, projected costs increases, and management's plan to mitigate rising fuel prices.

A copy of the presentation is on file in the Board Office.

The meeting adjourned at 11:37 a.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary