

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

March 27, 2006

A special meeting of the Board of Regents of the University of Minnesota was held on Monday, March 27, 2006, at 4:00 p.m. in the Boardroom, 600 McNamara Alumni Center.

Regents present: Patricia Simmons, presiding; Peter Bell, Frank Berman, Dallas Bohnsack, John Frobenius, Steven Hunter, David Metzen, and Lakeesha Ransom. Regents Clyde Allen, Anthony Baraga, David Larson, and Cynthia Leshar participated via telephone.

Staff present: President Robert Bruininks; Senior Vice President Robert Jones; Vice Presidents Kathryn Brown, Charles Muscoplat, Kathleen O'Brien, Richard Pfutzenreuter, and Linda Thrane; General Counsel Mark Rotenberg; and Executive Director Ann Cieslak.

**RESOLUTION RELATED TO USE OF UNIVERSITY LAND TO
CREATE A NATURE RESERVE IN DAKOTA COUNTY**

Vice Chair Simmons called the meeting to order and stated that the purpose of the special meeting was to consider a resolution that would authorize the administration to proceed with a request to the Legislature to approve a plan that would create a large metropolitan nature reserve and provide funding for an on-campus football stadium.

The following resolution related to use of University Land to create a nature reserve in Dakota County was presented for review and approval:

WHEREAS, the University of Minnesota is the state's only land grant research institution providing world class teaching, discovery and outreach opportunities; and

WHEREAS, the University of Minnesota is the owner of approximately 2840 acres of undeveloped land located west of US Highway 52 in Dakota County near Rosemount, mostly lying south of 170th Street (the "subject property") constituting a portion of UMore Park, whose location and qualities make preservation in its present condition as agricultural and natural space with public access highly desirable; and

WHEREAS, ownership of this land now places the University in a unique position to partner with the State of Minnesota to create a large metropolitan area nature reserve and also provide state funding for an on-campus football stadium; and

WHEREAS, this environmentally valuable land will become permanently protected by the University and the state from inappropriate development; and

WHEREAS, the University will retain permanent rights to use the land to further its research, education and outreach mission; and

WHEREAS, the accomplishment of the foregoing public purposes will be furthered by an agreement between the University and the Minnesota Department of Natural Resources for cooperative oversight of the use of the land;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents endorses legislation to assure permanent preservation of the subject property through cooperative oversight by the University and the Minnesota Department of Natural Resources, contemplating eventual transfer of the subject property to the State, conditioned upon payments to the University of sufficient funds to service \$124 million of University-issued debt for football stadium construction, and the University's right in perpetuity to continue to use the land for educational, research, outreach, scientific and agricultural purposes.

A motion was made and seconded to approve the resolution.

Bruininks reported that adoption of the proposal would result in a new financial partnership between the State of Minnesota and the University that would increase state funding for construction of a football stadium on the Twin Cities campus and provide for permanent protection of more than 2,800 acres of University-owned land in Dakota County. He reviewed details of the proposal as contained in the docket materials. Essentially, the State of Minnesota would commit up to \$9.4 million per year for 25 years to service debt on a Gopher football stadium. At the end of 25 years, the University would sell approximately 2,800 acres of environmentally sensitive land at UMore Park in Dakota County to the State Department of Natural Resources (DNR) for \$1 and the land would become a nature preserve. The University would continue to be able to use the land for educational, research, outreach, scientific and agricultural purposes during the 25 years and in perpetuity after sale of the land to the State. Bruininks added that the annual state contribution of \$9.4 million would provide sufficient resources to support 50 percent of the projected cost of the stadium and would allow the University to reduce the planned student fee contribution by one-half.

Bruininks introduced Vice President Muscoplat who provided information regarding planning issues for the subject property and Vice President Pfutzenreuter who reviewed the financial issues involved in the proposal.

Bruininks concluded the presentation by stating that he believes this is a "win/win" opportunity that would provide great benefit to both the University of Minnesota and the State of Minnesota.

The Board engaged in an extended discussion. A number of Regents expressed strong support for the resolution. Board members indicated that the proposal was a good business decision; it was financially sound; consistent with the guiding principles relating to the development of an on campus stadium and the principles for UMore Park; and it reduces student fees. Regent Metzen stated that protecting this environmentally sensitive property is the best decision for University and the State.

A number of concerns were also raised. Regent Baraga stated it was critical that this proposal not set a precedent for future financial transactions. He added that there has to be assurance that the land will only be used for the purpose stated.

Regent Berman raised a number of technical questions relating to language in the resolution and provided some suggested revisions. He stated that he would like the language to be clear that the University will maintain authority to decide which

educational, research, outreach, scientific and agricultural uses it will conduct on the property. He also expressed concerns about the proposal, indicating that after review, he is not convinced the proposal for the land is in the best interests of the University. He added that he would be reluctant to vote in favor of the resolution before receiving the report from the external consultant that was hired to provide advice on planning for the future of UMore Park.

In response to a question from Regent Bell, Rotenberg reported that the proposed legislation does not restrict the University, as the landowner, regarding any uses of the remaining land in UMore Park. It is presumed that the University would work cooperatively with the DNR to develop plans relating to wildlife management and other permitted uses. Bell urged that any negotiations with the DNR be directed at maximizing the University's options for use of the remaining property in UMore Park.

Regent Frobenius requested that language be added to the resolution that would credit the University for setting aside this portion of land to be used as a nature reserve as it relates to any zoning requirements that might be applicable in any future development of the remaining land in UMore Park.

Vice Chair Simmons thanked members of the Board for their input and called for a five minute recess to provide time for revisions to be made to the proposed resolution to incorporate suggested changes.

The meeting reconvened and the following revised resolution was presented:

WHEREAS, the University of Minnesota is the state's only land grant research institution providing world class teaching, discovery and outreach opportunities; and

WHEREAS, the University of Minnesota is the owner of approximately 2840 acres of undeveloped land located west of US Highway 52 in Dakota County near Rosemount, mostly lying south of 170th Street (the "subject property") constituting a portion of UMore Park, whose location and qualities make preservation in its present condition as agricultural and natural space with public access highly desirable; and

WHEREAS, ownership of the subject property now places the University in a unique position to partner with the State of Minnesota to create a large metropolitan area nature reserve and also provide state funding for an on-campus football stadium; and

WHEREAS, this environmentally valuable subject property will become permanently protected by the University and the state from inappropriate development; and

WHEREAS, the University will retain permanent rights to use the subject property to further its research, education and outreach mission; and

WHEREAS, the accomplishment of the foregoing public purposes will be furthered by an agreement between the University and the Minnesota Department of Natural Resources for cooperative oversight of the use of the subject property;

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents endorses legislation to assure permanent preservation of the subject property through cooperative oversight by the University and the Minnesota Department of Natural Resources, contemplating eventual transfer of the subject property to the State, conditioned upon payments to the University of sufficient funds to service \$124 million of University-issued debt for football stadium construction, the University's right in perpetuity to continue to use the subject property for its University-determined educational, research, outreach, scientific and agricultural purposes, and that the

University receive full credit for the area of the subject property in the making of land use decisions regarding the remainder of UMore Park, based on area, open space, density or like requirements.

After a short discussion, the previous motion was withdrawn and a motion was made and seconded to approve the revised resolution.

Vice Chair Simmons called on Secretary Cieslak for a roll call vote. The votes were cast as follows:

Regent Allen	Yes
Regent Baraga	Yes
Regent Bell	Yes
Regent Berman	No
Regent Bohnsack	Yes
Regent Frobenius	Yes
Regent Hunter	Yes
Regent Larson	Yes
Regent Leshner	Yes
Regent Metzen	Yes
Regent Ransom	Yes
Regent Simmons	Yes

Secretary Cieslak announced there were 11 votes in favor of the motion and one vote against the motion. Regent Berman submitted a written document to be filed with the docket material in the Board Office indicating his reasons for voting against the resolution.

The meeting adjourned at 5:46 p.m.

ANN D. CIESLAK
Executive Director and
Corporate Secretary