

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

June 7, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, June 7, 2007 at 9:04 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, Maureen Cisneros, Linda Cohen, John Frobenius, and Steven Hunter.

Staff present: Chancellor Jacqueline Johnson; Vice Presidents Timothy Mulcahy, Kathleen O'Brien, and Richard Pfitzenreuter; Acting Executive Director Carol Kraus; and Associate Vice Presidents Michael Berthelsen and Michael Perkins.

Student Representatives present: Adam Engelman and Jim Irrgang.

SCHEMATIC PLANS

A. Malosky Stadium Reconstruction, Duluth Campus

Vice President O'Brien announced that the UMD administration requested that the review and action of schematic plans for the Malosky Stadium Reconstruction project be delayed until a future committee meeting in order to accommodate further design work.

REAL ESTATE TRANSACTIONS

**A. Purchase of 1.2 Acres from City of Minneapolis, Huron Boulevard,
Twin Cities Campus**

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

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

Purchase of 1.2 acres described as the right-of-way of Huron Boulevard between University Avenue SE and 4th Street SE, Minneapolis.

Details of transaction: The University will pay the City of Minneapolis \$838,224 (\$16.04 per square foot) in cash at closing. In addition, the University will release the City of Minneapolis from its June 2006 commitment to provide future benefits to the University in the form of reduced prices for city-owned property the University acquires in the future, in the amount of \$358,026.

Source of funds: University debt.

Vice President O'Brien reminded the committee that the item had been presented for review at the May 2007 committee meeting.

The committee voted unanimously to recommend approval of the purchase of 1.2 acres from the City of Minneapolis.

CAPITAL BUDGET AMENDMENT

A. Biomass Heating Plant Addition (Morris Campus)

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

On the recommendation of the President and the Vice President for University Services, the FY2007 Capital Budget is amended to increase the budget for the following project:

Biomass Heating Plant Addition, Morris campus.

Scope of Project: Biomass gasification facility that will be connected to the south side of the existing heating plant.

Cost Estimate: \$8,956,000.

Capital Funding: Legislative Appropriation - \$4,000,000; Initiative for Renewable Energy and the Environment Grant - \$1,000,000; University Debt - \$1,000,000; University of Minnesota Morris - \$600,000; Corn Growers Association - \$20,000; Agricultural Utilization Research Institute Grant - \$5,000; USDA/DOE Grant - \$631,000; Institutional Resources - \$1,700,000.

Estimated completion date: Summer 2008.

Vice President O'Brien informed the committee that the amendment had been reviewed at the March 2007 committee meeting. Associate Vice President Perkins presented the basis for the request, the project scope, and the construction schedule as detailed in the docket materials. Morris Vice Chancellor Lowell Rasmussen explained that the primary reason for the lengthy planning stage of this project is the complicated nature of a facility that will serve both as a heating plant and a research facility.

In response to a question from Regent Baraga, Rasmussen reported that if the biomass gasification unit proves to be ineffective, the plant will be able produce heat from natural gas. In response to a question from Regent Frobenius, Rasmussen stated that the Morris campus could have saved approximately \$400,000 in heating costs last year with the unit.

Vice President Pfutzenreuter explained to the committee that the funding stream labeled as Institutional Resources is a strategic positioning allocation from central reserves.

The committee voted unanimously to recommend approval of the capital budget amendment for the Biomass Heating Plant Addition, Morris campus.

ISSUES RELATED TO: ANNUAL CAPITAL IMPROVEMENT BUDGET FY2008

Vice President O'Brien presented issues related to the Annual Capital Improvement Budget (Budget) for FY2008, which authorizes projects totaling \$71.5 million to begin design or construction during the next fiscal year. She reported that the overall budget and list of projects had been decreased since being reviewed by the

Board in May 2007 because of the lack of a capital bonding bill being passed by the legislature.

O'Brien summarized several projects included in the 2008 Budget, including the repurposing of the Carlson School of Management, steam infrastructure improvements for the East Gateway District, and design funding for the Weisman Art Museum addition. She also noted several potential additions to the 2008 Budget.

In response to a question from Regent Frobenius, Vice President Pfitzenreuter explained that the lack of a capital bonding bill will force the University to take on the debt for the renovation of the 717 Delaware Building, which will result in the Academic Health Center contributing approximately \$1.5 million per year in debt service for 20 years.

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

CONSENT REPORT

There were no Consent Report items this month.

INFORMATION ITEMS

Vice President O'Brien referred committee members to the Information Items contained in the docket materials, including:

- Overview of the NOVA Experiment Laboratory Project; and
- University of Minnesota Rochester Campus Master Plan Process.

The meeting adjourned at 10:10 a.m.



CAROL E. KRAUS
Acting Executive Director and
Corporate Secretary