

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

May 10, 2007

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, May 10, 2007 at 1:45 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Chancellors Charles Casey and Jacqueline Johnson; Vice Presidents Kathleen O'Brien, and Richard Pfitzenreuter; Acting Executive Director Carol Kraus; and Associate Vice Presidents Terry Bock, Robert Kvavik, and Michael Perkins.

Student Representatives present: Katie Jeremiason and Cassie McMahon.

SCHEMATIC PLANS

A. Bell Museum, Twin Cities Campus

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

The schematic plans for the Bell Museum, St. Paul, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

In response to a question from Regent Baraga, Special Assistant to the President Alfred Sullivan reported that although the project is scheduled to be completed in two phases, the administration hopes to procure enough funding to complete the project at one time. In response to a question from Regent Frobenius, Vice President O'Brien explained that renovation of the existing Bell Museum for the College of Design is included in the six-year capital plan.

The committee voted unanimously to recommend approval of schematic plans for the Bell Museum, Twin Cities campus.

REAL ESTATE TRANSACTIONS

A. Seven-Year Lease at University Park Plaza, 6th Floor, for 14,148 Rentable Square Feet, 2829 University Avenue SE, for Academic Health Center, 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:

Seven-year lease for 14,148 rentable square feet at University Park Plaza, 2829 University Avenue SE, Minneapolis.

Details of transaction: Seven-year lease from approximately July 1, 2007 through June 30, 2014, with three successive options of three years each to continue the lease.

Lease costs: Base rent of \$9.50 per square foot for the first year of the lease, increasing 4 percent per year thereafter, plus a pro-rata share of the building operations costs (estimate of \$9.55 per square foot), or a total cost for the first year of \$269,329, or \$19.05 per rentable square foot.

Source of funds: Academic Health Center, Medical School.

Director of Real Estate Susan Weinberg reported that the space will be used for the Medical School's Clinical Neuroscience Center and the Medicine, Emergency Medicine, Neurology, and Dermatology Center (MEND). She noted that the committee reviewed the item at its March 2007 meeting.

The committee voted unanimously to recommend approval of the seven-year lease for 14,138 rentable square feet at University Park Plaza.

B. Ten-Year Lease at University Park Plaza, 7th Floor, for 9,040 Rentable Square Feet, 2829 University Avenue SE, for Office of Information Technology, 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:

Ten-year lease for 9,040 rentable square feet at University Park Plaza, 2829 University Avenue SE, Minneapolis.

Details of transaction: Ten-year lease from approximately July 1, 2007 through June 30, 2017, with three successive options of five years each to continue the lease.

Lease costs: Base rent of \$9.50 per square foot for the first year of the lease, increasing 4 percent per year thereafter, plus a pro-rata share of the building operations costs (estimate of \$9.55 per square foot), or a total cost for the first year of \$172,212, or \$19.05 per rentable square foot.

Source of funds: Office of Information Technology.

Weinberg reported that the amount of square feet had increased since being reviewed by the committee at the March 2007 meeting. She noted that the space will be utilized by support staff in the Office of Information Technology's Academic and Distributed Computing Services.

The committee voted unanimously to recommend approval of the ten-year lease for 9,040 rentable square feet at University Park Plaza.

REAL ESTATE TRANSACTION

A. Purchase of 5.375 Acres at 3141 Eustis Street and 3245 4th Street SE, Minneapolis (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 5.375 Acres at 3141 Eustis Street and 3245 4th Street SE, Minneapolis, Twin Cities campus.
Details of transaction: The University will pay \$3,512,025 for the property in cash at closing. The seller is St. Croix Partners, LLC.
Source of funds: University debt.

Vice President O'Brien reported that the real estate transaction was added to the agenda at the meeting due to the negotiation schedule. In addition, she explained that the transaction was being presented for review and action in order to accommodate the construction of new surface parking for the East Gateway District as soon as possible.

In response to a question from Regent Frobenius, O'Brien reported that although surface parking will continue to be needed after stadium construction, the acquired land could eventually house academic research facilities.

The committee voted unanimously to recommend approval of the purchase of 5.375 acres at 3141 Eustis Street and 3245 4th Street SE, Minneapolis.

REAL ESTATE TRANSACTIONS

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

The committee reviewed a proposal for the purchase of 1.2 acres from the City of Minneapolis, Huron Boulevard, Twin Cities campus. Director of Real Estate Susan Weinberg reported that the land is being acquired as part of the development of the East Gateway District, including infrastructure and construction of TCF Bank Stadium. She summarized the location and description of the property and the source of funds, as detailed in the docket materials.

In response to a question from Regent Hunter, Weinberg explained that the two-way portion of University Avenue will extend further west before becoming one-way at Oak Street.

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

LIGHT RAIL TRANSIT PRINCIPLES AND UPDATE

Vice President O'Brien introduced Robert Baker, Director, Parking and Transportation Services, to present information on the proposed Central Corridor Light Rail Line, as detailed in the docket materials. Baker provided information on the history and potential timeline of the project, the long-term plan for a comprehensive

transit system in the Twin Cities, and the proposed central corridor route running from downtown Minneapolis to downtown St. Paul. He focused the presentation on the initial design of the light rail line through the Minneapolis campus. Highlights of the presentation included:

- The West Bank station is designed to be accessed by the current Cedar Avenue and 19th Avenue bridges and a proposed skyway between the Humphrey Institute and the Law School.
- The East Bank station has been initially designed as a tunnel under Washington Avenue between Amundson and Jackson Halls.
- Because of the cost estimates for the tunnel and federal funding limits for the entire project, the planning committee is examining the option of running the line at street level on Washington Avenue through the University.
- The Stadium Village station will be located close to TCF Bank Stadium and designed as a multimodal facility that integrates rail, buses, cars, bicycles, and pedestrians.

Baker presented several traffic simulations that examine the effect of a street level light rail line through the Minneapolis campus. He noted that Washington Avenue through the East Bank campus is an extremely busy street, accommodating a daily average of 23,580 vehicles. Baker stressed that the University has consistently advocated for the tunnel option due to the amount of pedestrians and vehicles that utilize Washington Avenue and the significant mitigation efforts that would be necessary to accommodate a street level option.

The committee had a lengthy discussion regarding the decision to build the line underground or at street level. Board members stressed that the administration should be very clear that the tunnel option is the only feasible plan for the Minneapolis campus.

In response to a question from Regent Frobenius, Baker explained that the preliminary cost estimates for the street level rail line mitigation efforts have been prepared and will be shared with the design-engineering team.

CONSENT REPORT

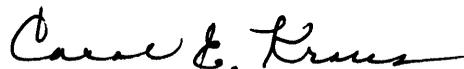
There were no Consent Report items this month.

INFORMATION ITEMS

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

- Emergency approval for a real estate transaction and a capital budget amendment for the University of Minnesota Rochester.

The meeting adjourned at 3:30 p.m.



CAROL E. KRAUS
Acting Executive Director and
Corporate Secretary