

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities Committee

December 12, 2002

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, December 12, 2002, at 1:30 p.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: H. Bryan Neel, presiding; Anthony Baraga, Robert Bergland, Frank Berman, David Metzen, and Lakeesha Ransom.

Staff present: Chancellors Kathryn Martin, Donald Sargeant, and Samuel Schuman; Senior Vice President Frank Cerra; Vice Presidents Robert Jones and Kathleen O'Brien; General Counsel Mark Rotenberg; Executive Director Ann Cieslak; Associate Vice Presidents Richard Pfitzenreuter and Steven Spehn.

Student Representatives present: Cameron Brauer and Aaron Street.

CONSENT REPORT

Review/Action

Vice President O'Brien presented the Consent Report, as found in the docket materials, which included:

- Amend the FY 2003 Capital Budget by \$350,000 to incorporate additional funding for the Food Service Building Renovation, Phase I project located on the Morris campus.

A motion was made and seconded to recommend approval of the Consent Report.

In response to a question from Regent Metzen, O'Brien stated the initial \$350,000 was intended to replace the dishwashing equipment in the Food Service Building. It has been determined that relocation of the dishwashing function is necessary, and additional funding is required for resulting structural, access, and circulation improvements. These changes will allow consolidation of all food service and dining functions in a future project.

In response to a question from Regent Baraga, Gary Strei, Senior Administrative Director for Finance and Administration at Morris, stated the project will be completed in Summer 2003. Phase II of the project is scheduled to be completed in Summer 2004.

The committee voted unanimously to recommend approval of the Consent Report.

CAPITAL BUDGET AMENDMENTS

Action

Vice President O'Brien presented the following amendments to the FY 2003 Capital Budget for action, as found in the docket materials:

Phillips-Wangensteen Building UM Physicians Imaging Center, Phase I, Twin Cities Campus

• Amend the FY 2003 Capital Budget by \$2,200,000 to incorporate funding for the Phillips-Wangensteen Building UM Physicians Imaging Center project located on the Twin Cities, Minneapolis, East Bank campus.

Sports and Health Center Expansion, Duluth Campus

• Amend the FY 2003 Capital Budget by \$850,000 to incorporate funding for the design of the Sports and Health Center Expansion project located on the Duluth campus.

A motion was made and seconded to recommend approval of the proposed amendments.

In response to questions from committee members, Chancellor Martin and Vice Chancellor Fox discussed funding options for the Duluth campus project, including the willingness of students to absorb the cost of the project because it is their top priority. Martin noted that in response to President Bruinink's suggestion that the burden may be too much for the students over the long term, the UMD administration has agreed to go forward with this project on a legislative agenda. If that is not successful, Martin stated that the administration will request the bonding capacity to go forward with a fee-supported proposal.

The committee voted unanimously to recommend approval of the proposed amendments.

DESIGN GUIDELINES: SPORTS AND HEALTH CENTER EXPANSION,

DULUTH CAMPUS

Chancellor Martin presented design guidelines for the proposed Sports and Health Center expansion project at the University of Minnesota Duluth (UMD), as found in the docket materials. She noted that 90 percent of the 10,000 UMD students participate in Recreational Sports programs and there is a high level of student support for this project.

John Grundtner, University Architect, reported that the project consists of a three-level, 46,000 gross square foot addition to the existing facility. The total estimated cost of the project is \$12,160,000, with anticipated occupancy in Fall 2005.

Grundtner and Vice Chancellor Fox responded to Regent Metzner's questions about the cost per square foot.

In response to questions from Regents Baraga and Metzner, Martin stated that the UMD men's and women's hockey teams play at the Duluth Entertainment Convention Center (DECC), but the expanded facilities on campus will benefit both teams.

Martin noted the proposed expansion includes some of the space that had been planned for inclusion in the proposed Bulldog Sports Center.

SCHEMATIC PLANS: TRANSLATIONAL RESEARCH FACILITY

Review/Action

Vice President O'Brien presented for review and action the schematic plans for the Translational Research Facility project located on the Twin Cities campus, as found in the materials on file in the Board Office.

Senior Vice President Cerra discussed translational research and the importance of the facility to the strategic plan of the Academic Health Center. He noted that this state-of-the-art facility will allow the University to generate significant amounts of research funds from the National Institutes of Health. He stated funding for the facility was included in the portion of the 2002 bonding bill that was vetoed by the Governor, and it is included in the 2003 Capital Budget. After approval of this item, Cerra intends to share the schematic plans with the donor to bring this portion of the project to fruition.

David Dimond, Perkins & Will Architects, discussed the location and design solution for the addition to the Lions Research Building. The total estimated cost of the project is \$37 million, with anticipated occupancy in Fall 2005.

In response to questions from committee members, Cerra and Dimond discussed security plans for the new facility and the fact that the design will work whether or not a football stadium is built.

O'Brien noted that as a result of the veto at the end of the last legislative session, there may be potential financial pressures on this project. In response to a question from Regent Bergland, Cerra stated the projected cost is the same at this time, but the design has been improved over the original design.

A motion was made, seconded, and the committee voted unanimously to recommend approval of the schematic plans for the Translational Research Facility project located on the Twin Cities campus.

SCHEMATIC PLANS: STUDENT CENTER, CROOKSTON CAMPUS

Review/Action

Vice President O'Brien presented for review and action the schematic plans for the Student Center project located on the Crookston campus, as found in the materials on file in the Board Office.

Chancellor Sargeant discussed the project rationale. Jeffrey Sjoquist, YHR Partners, Inc., reviewed the project, stating that the estimated project cost is \$7,701,000, with anticipated occupancy in August 2004. Kenneth Johnson, Stanius Johnson Architects, Inc., reviewed slides showing the design solution.

In response to a question from Student Representative Cameron Brauer, Sjoquist stated projections show that bookstore income will increase if the space is enlarged.

A motion was made, seconded, and the committee voted unanimously to recommend approval of the schematic plans for the Student Center project located on the Crookston campus.

SPORTS FIELDS AND FACILITIES DISTRICT PLAN(S), PHASE I: RESOLUTION

Vice President O'Brien noted that the committee received a presentation on Phase I of the Sports Fields and Facilities District Plan(s) at its November meeting and she presented a resolution for approval.

Harvey Turner, Director of University Planning, reviewed slides showing the plans. He noted that representatives of Recreational Sports and Intercollegiate Athletics have participated in the process.

In response to a question from Regent Bergland, Turner stated the plans represent an effort to develop a relationship between Recreational Sports and Intercollegiate Athletics because it will be necessary to have shared facilities to the greatest extent possible. Bergland spoke in support of Recreational Sports programs and stated that he believes the program should have its own facilities or at least have first priority in any shared facilities.

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

REAL ESTATE TRANSACTION

Sale of 10.7 Acres Near Glensheen, Duluth

Action

Vice President Pfutzenreuter presented for approval the proposal to sell 10.7 acres of land near Glensheen in Duluth, Minnesota.

Real Estate Director Susan Weinberg reported that the \$500,000 offer from J. Michael Construction exceeds the appraised value of the property. She stated that the buyer plans to use the property for development of single-family homes and funds from the sale will be used by the University of Minnesota Duluth (UMD) to establish a quasi-endowment fund for the maintenance of Glensheen.

A motion was made and seconded to recommend approval of the proposed sale.

In response to a question from Regent Berman, Chancellor Martin stated that when the University accepted the gift of the Glensheen mansion, it was determined that the Glensheen Museum would be responsible for funding the facility's operation. She noted that there is no other viable manner to raise funds for upkeep and maintenance of Glensheen. Establishing an endowment will provide funds for on-going maintenance, in addition to funds to begin major projects and matching money when seeking external funding for maintenance of the facility. Bill Miller, Director of Glensheen, reported that revenues generated by the facility support some modest repairs and custodial services.

Regent Metzen stated that although he is sympathetic to the Glensheen situation, he is concerned that the proposed solution is shortsighted. He stated this is a University of Minnesota issue, which calls for a broader and bolder strategy.

The committee voted three to two to approve the motion, with Regents Berman and Metzen voting in opposition.

Regent Metzen stated that the Glensheen mansion is an asset for the entire University and he asked Vice President O'Brien to develop a strategic long-range plan for funding maintenance of that facility. Regent Berman concurred with the request for a comprehensive plan.

REAL ESTATE TRANSACTIONS

Review

Associate Vice President Pfutzenreuter presented the following real estate transactions to the committee for review:

Acquisition by Eminent Domain of MGK Company Property at 1715-5th Street S.E., Minneapolis

Real Estate Director Susan Weinberg reviewed the proposed acquisition by eminent domain of the McLaughlin Gormley and

King (MGK) Company property at 1715-5th Street S.E., Minneapolis, as noted in the docket materials on file in the Board Office.

Weinberg reported that the University intends to use the property to construct four outdoor tennis courts and other sports fields and facilities in conjunction with the Phase I District Plan. MGK Company has not responded to a \$650,000 offer to purchase the property which the University made in November, 2002. If a negotiated purchase is not possible, Weinberg stated the administration plans to ask the Board for authority to proceed with eminent domain, including an environmental study and survey of the site.

Acquisition by Eminent Domain of 2.4 Acres of Union Pacific Property in the Area of Oak Street S.E., Minneapolis

Real Estate Director Susan Weinberg reviewed the proposed acquisition by eminent domain of approximately 2.4 acres of Union Pacific property in the area of Oak Street S.E., Minneapolis, as noted in the docket materials on file in the Board Office.

Weinberg reported that the Union Pacific Railroad rejected the University's \$416,000 offer to purchase the two parcels, both of which are currently leased by the University. In February the administration plans to ask the Board for authority to proceed with eminent domain, including an environmental study and survey of the site.

In response to questions from committee members, Weinberg discussed the eminent domain process, including the environmental investigation and reappraisal of the property. At that point, the University has the right to decide whether or not to proceed with the purchase of the property.

Weinberg reported that the University is also interested in acquiring an additional parcel of land in this area, known as the Century Mills site.

Associate Vice President Pfitzenreuter stated the University does not like to participate in the eminent domain process, but noted these parcels of land are critical for the University's plans in this area.

Acquisition of 50.21 Acres, Carlton County for the Cloquet Forestry Center

Real Estate Director Susan Weinberg reviewed the proposed acquisition 50.21 acres in Carlton County for the Cloquet Forestry Center, as noted in the docket materials on file in the Board Office. She noted that the University's \$99,900 offer was accepted and there are no environmental problems. The property will be used by the Cloquet Forestry Center for forest research.

QUARTERLY CAPITAL IMPROVEMENT PLAN REPORT (1ST QUARTER FY03)

Vice President O'Brien reported that she reviewed the Quarterly Capital Improvement Plan with Associate Vice President Spehn and his staff and noted that they discussed moving toward a system of performance measures.

Spehn presented the Quarterly Capital Improvement Plan Report for the first quarter of FY03, the Major Capital Budget

Project Report, the Major Project Schedule, and the Project Schedule Variance Report, as found in the docket materials.

Spehn reported that 23 projects moved to completion status. He noted that 362 projects with a total value of \$720 million remain active. Of the \$720 million, \$405 million has been spent.

Spehn provided an overview of several projects in process, including Coffman Memorial Union, the Art Teaching and Research Facility, and the Microbial and Plant Genomics Building.

WHITEWATER PARK: IMPACT ON UNIVERSITY PROPERTY

Vice President O'Brien provided the committee with a history of the proposed Mississippi Whitewater Park and its potential impact on University property, as noted in the docket materials on file in the Board Office. She stated that the committee will receive a more thorough briefing at the February meeting.

INFORMATION ITEMS

Due to time constraints, Vice President O'Brien presented a brief report on the University Services organization, areas of focus identified by President Bruininks, the Facilities mission statement and objectives, and the appointment of a Facilities and Construction Management panel.

Committee members asked Vice President O'Brien to present her full report at the next committee meeting.

The meeting adjourned at 3:40 p.m.

ANN D. CIESLAK

Executive Director and

Corporate Secretary

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