

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**July 11, 2002**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, July 11, 2002 at 3:15 p.m. in the West Committee Room, 600 McNamara Alumni Center.

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

Staff present: Interim Vice President Gregory Fox; Executive Director Ann Cieslak; General Counsel Mark Rotenberg; Associate Vice Presidents Gail Klatt, Richard Pfitzenreuter, and Steven Spehn.

Student Representatives present: Cameron Brauer and Aaron Street.

**CONSENT REPORT**

**Review/Action**

Interim Vice President Fox and Associate Vice President Pfitzenreuter presented the Consent Report, as found in the docket materials, which included:

- Amend the FY 2003 Capital Budget by \$500,000 to incorporate funding for the Football Stadium Predesign. The proposed site for the football stadium is located on the Twin Cities, Minneapolis, East Bank campus.
- Amend the FY 2003 Capital Budget by \$300,000 to incorporate funding for the St. Anthony Falls Laboratory Office Renovation Project located on the Twin Cities campus at 2-3rd Avenue Southeast, Minneapolis.

Pfitzenreuter noted the University received a \$500,000 allocation from the 2002 Legislature to complete a predesign document and Memorandum of Understanding (MOU) for a joint-use football stadium.

Brian Swanson, Capital Budget Planner, discussed the predesign component. Four consultants will be hired to work on all aspects of the predesign document and MOU to meet the December 2, 2002 legislative deadline.

With respect to the short timeframe to complete this project, Pfitzenreuter stated the University will use work completed by Ellerbe Becket for the Minnesota Vikings on the site. Fox stated that the MOU is a critical element of project and the

administration will do everything necessary to ensure the University's interests. The committee suggested that an update be scheduled in the fall, a month before the item is presented for action. Fox cautioned that time constraints might require the administration to present the most current information available rather than final information. Regent Metzen suggested that a special Board meeting should be scheduled if necessary.

In response to Regent Neel, Pfutzenreuter stated that he will document the University's personnel costs related to this process.

In response to committee members, Pfutzenreuter stated that the predesign document will be presented to the Facilities Committee and Board officers will be consulted to determine which committee will review the MOU.

Regarding the second Consent Report item, Fox and Professor Chris Paola, Department of Geology & Geophysics, discussed applications of the research conducted at the National Center for Earth-surface Dynamics, which will be housed in the renovated St. Anthony Falls Laboratory.

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

## **CAPITAL BUDGET AMENDMENT**

### **Review/Action**

Interim Vice President Fox presented the following amendment to the FY 2003 Capital Budget for review and action, as found in the docket materials:

#### Translational Research Facility, Twin Cities Campus

- Amend the FY 2003 Capital Budget by \$600,000 to incorporate funding to complete schematic design plans for the Translational Research Facility located on the Twin Cities, Minneapolis, East Bank campus.

Fox noted funding for this project was vetoed by Governor Ventura. A donor committed significant funds for the project, and the administration is concerned about maintaining momentum. The capital budget amendment is equal to the funds necessary to bring project through schematic design, with a goal of completion by the December Board meeting to show the 2003 Legislature that this is an important priority for the institution.

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

## **REAL ESTATE TRANSACTIONS**

### **Action**

Interim Vice President Fox introduced Real Estate Director Susan Weinberg, who presented for action the following proposed real estate transactions, as found in the docket materials:

#### Perpetual Conservation Easement for Wetland Banks, Up to 350 Acres at Fens Research Facility, Zim, Minnesota

Weinberg reported that the Iron Range Resources and Rehabilitation Agency waived its right to a portion of the University's net proceeds in response to the wetland banking program. She noted that this project will result in the use of up to 350 acres at the Fens Research Facility, and the remaining 175 acres will continue to be used for peat research.

Lease for Academic Health Center Care Units,  
925 Delaware Street SE, Minneapolis, Minnesota

Weinberg reported that the Cancer Center, School of Public Health Call Center, Infectious Disease Research & Policy Center, and Transplant Data Systems will occupy 87 percent of available space in the building. She noted an arrangement with the owner of the building whereby the University will lease the entire property, but will not pay rent on the additional 13 percent until occupants have been identified.

A motion was made, seconded, and the committee voted unanimously to recommend approval of the two proposed real estate items.

## **REAL ESTATE TRANSACTION Review**

Sale of Supercomputer Center  
1200 Washington Avenue South, Minneapolis, Minnesota

Vice President Richard Pfitzenreuter and Real Estate Director Susan Weinberg discussed the proposed sale of the Supercomputer Center located at 1200 Washington Avenue South, Minneapolis, Minnesota. Approximately one-half of the building is leased to Network Computing Services, Inc. through June 30, 2005, and the tenant has an option to continue the lease for five additional years.

Weinberg stated continued ownership of the building by the University would require an investment of \$3.5 - \$8.4 million and the anticipated net proceeds from the sale is \$1.55 - \$5.56 million. The plan is to enter into a listing agreement, subject to terms of the existing lease. Weinberg stated that when a buyer is identified, details regarding the proposed sale will be presented to the Board of Regents for approval. In accordance with current policy, proceeds from the sale would be deposited to central reserves.

Committee members questioned the proposed sale in light of University space needs and property values in the area. Pfitzenreuter noted that Facilities staff have advised against retaining the building because of the investment required, and stated the administration will not proceed if a sale in the best interest of the University cannot be negotiated.

Sale of 29 Acres at West Central Research and Outreach Center,  
Morris to Morris School District

Weinberg reported on the proposed sale of 28.7 acres at the West Central Research and Outreach Center, Morris, Minnesota to the Morris School District for \$380,000. The sale is contingent on the success of a pending bonding referendum.

The West Central Research and Outreach Center will use the sale proceeds to purchase land at another location better suited for University agricultural research purposes. Weinberg noted that as part of this transaction, the University will receive a right of first refusal to purchase 15 acres of vacant land for future expansion of the Morris Campus.

## **CONSTRUCTION PROJECT DELIVERY**

Interim Vice President Fox informed the committee of current and proposed business practices the University will use to deliver construction projects throughout the University system. He responded to issues raised in the April 2002 Facilities Management Construction Audit Report and the June 2002 Legal Audit of Design and Construction Contracts.

Fox stated this report is a first step to inform the Board how Facilities Management is addressing the issues raised. He noted a strong commitment on his part and that of his staff to take corrective action where needed, and welcomed advice from the

Board to continue the momentum.

In response to a question from Regent Baraga, Fox stated he will evaluate the amount of construction activity throughout the system and will request funds from the administration for additional staff if necessary.

### **TWIN CITIES CAMPUS FACILITIES ISSUES: MAINTENANCE & OPERATIONS**

Associate Vice President Steve Spehn presented a report on the maintenance and custodial services delivered on the Twin Cities campus by Facilities Management. He introduced Bill Chose, Director of Facilities Services on the Twin Cities Campus.

Spehn reported that approximately 485 FTEs are responsible for cleaning and maintaining more than 9.5 million square feet of space. As a result of a \$2 million gap in funding of the custodial program, the Custodial Program Improvement Initiative was established as a pilot program in March 2002 to use resources more efficiently and improve customer service and staff morale. The program has resulted in dramatic improvements in customer satisfaction and campus cleanliness, and it will be implemented across the campus later this year.

Spehn discussed other initiatives to improve service, including a Damage and Deficiencies Report, Deficient Service Request, and establishment of the Mobile Operations Team Leased Intermittently (MOTLI) Crew.

### **INFORMATION ITEMS**

There were no information items.

The meeting adjourned at 5:15 p.m.

**ANN D. CIESLAK**  
**Executive Director and**  
**Corporate Secretary**

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