

UNIVERSITY OF MINNESOTA

BOARD OF REGENTS

Facilities and Operations Committee

Thursday, September 12, 2013

1:15 - 3:15 p.m.

600 McNamara Alumni Center, West Committee Room

Committee Members

Clyde Allen, Chair
Thomas Devine, Vice Chair
Linda Cohen
Dean Johnson
Peggy Lucas
Abdul Omari

Student Representatives

A G E N D A

1. Real Estate Transaction – Review/Action - P. Wheelock/S. Weinberg (pp. 2-6)
 - A. Acceptance of Transfer of Property in Oregon (from Landscape Plant Development Center)
2. Project Components of the 2014 State Capital Request - P. Wheelock (pp. 7-15)
3. Maximizing the University's Physical Assets (Part 1): Facilities Condition Assessment - P. Wheelock/M. Berthelsen/A. Chan (pp. 16-19)
4. Strategic Issues Related to the *Plan, Performance and Accountability Report* - P. Wheelock/L. Krueger (pp. 20-21)
5. 2013-14 Committee Work Plan Discussion - C. Allen/P. Wheelock (pp. 22-25)
6. Information Items - P. Wheelock (pp. 26-35)



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Facilities and Operations Committee

September 12, 2013

Agenda Item: Real Estate Transaction

review review/action action discussion

Presenters: Vice President Pamela Wheelock
Susan Carlson Weinberg, Director of Real Estate

Purpose:

policy background/context oversight strategic positioning

In accordance with Board of Regents Policy: *Reservation and Delegation of Authority*, review and approve the following Real Estate Transaction:

- A. Acceptance of Transfer of Property in Oregon (from Landscape Plant Development Center)

Outline of Key Points/Policy Issues:

The Landscape Plant Development Center, a Minnesota non-profit corporation, is in dissolution and desires to convey its assets, consisting of 24.17 acres and buildings thereon in Marion County, Oregon, as well as intellectual property (patent and royalty rights), equipment and cash. The Landscape Arboretum would use the land for research on plant breeding and the effects of Oregon's milder climate. Approximately 12.8 acres of the subject land are used by a local farmer for agricultural production.

A title problem with respect to the 24.17 acres exists due to a deed condition and the ongoing permitted use of the 12.8 acres by the farmer during the period of ownership by the Landscape Plant Development Center. The Landscape Plant Development Center desires to complete dissolution by September 30, 2013 without resolving this title defect because of ongoing legal and other costs. The Office of General Counsel has researched the matter, and recommends that the University proceed with acquiring the assets of the Landscape Plant Development Center and resolve the title defect post-conveyance.

Additional details of this transaction and its financial impact are described in the transaction information pages immediately following this page.

Background Information:

Board of Regents Policy: *Reservation and Delegation of Authority* states that "The Board reserves to itself authority to approve the purchase or sale of real property with a value greater than \$1,250,000, or larger than ten (10) acres," and "leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies."

President's Recommendation for Action:

The President recommends approval of the following Real Estate Transaction:

- A. Acceptance of Transfer of Property in Oregon (from Landscape Plant Development Center)

**ACCEPTANCE OF TRANSFER OF PROPERTY IN OREGON
FROM LANDSCAPE PLANT DEVELOPMENT CENTER
(LANDSCAPE ARBORETUM)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to execute the appropriate documents for the acceptance of transfer of property in Oregon from the Landscape Plant Development Center.

2. Location and Description of the Property

The subject property is located at 11225 Ehlen Road NE, Aurora, Oregon (see attached location map), in a mainly agricultural area, and consists of 24.17 acres improved with 3 buildings totaling 2,760 square feet:

Main shop and office building constructed in 1998;
Additional shop building constructed in 2004; and
Greenhouse constructed in 2004.

The legal description of the property:

Part of Section 8, Township 4 South, Range 1 West of the Willamette Meridian, Marion County, Oregon.

3. Basis for Request

The Landscape Arboretum would be the beneficiary of the transfer of assets to the University by the Landscape Plant Development Center (LPDC) consisting of the subject land as well as intellectual property (patent and royalty rights), equipment and cash. Advanced plant selections from LPDC breeding programs are located on the land and need to be further evaluated in Oregon and propagated for evaluation in Minnesota. The Landscape Arboretum would also like to use the subject property for research on plant breeding and the effects of Oregon's milder climate.

4. Details of Transaction

The property is owned by the Landscape Plant Development Center, a Minnesota non-profit corporation established in 1991 by Harold Pellett, then a University of Minnesota, College of Food, Agricultural and Natural Resource Sciences professor (now retired), to develop new varieties of landscape plants.

The subject 24.17 acres would be transferred to the University at \$1.00. The appraised value of the property is \$320,000.

A title problem with respect to the 24.17 acres exists due to a deed condition the on-going permitted use of the approximately 12.8 acres by a farmer during the period of ownership by the Landscape Plant Development Center. The Landscape Plant Development Center desires to complete dissolution by September 30, 2013 without resolving this title defect because of on-going legal and other costs. The Office of General Counsel has researched the matter, and recommends that the University proceed with acquiring the assets of the Landscape Plant Development Center and resolve the title defect post-conveyance.

5. Use of Property

The Landscape Arboretum would like to use the subject property for research on plant breeding (including evaluation of the advance plant selections presently growing on the property) and the effects of Oregon's milder climate. The University plans to continue a lease arrangement with the local farmer.

6. Environmental

The University has completed a Phase I environmental site assessment which indicates the land is in acceptable environmental condition.

7. Source of Funding

The assets of the Landscape Plant Development Center, including the subject 24.17 acres, would be acquired by the University at \$1.00.

8. Recommendations

The above-described real estate transaction is appropriate:

 8/28/13

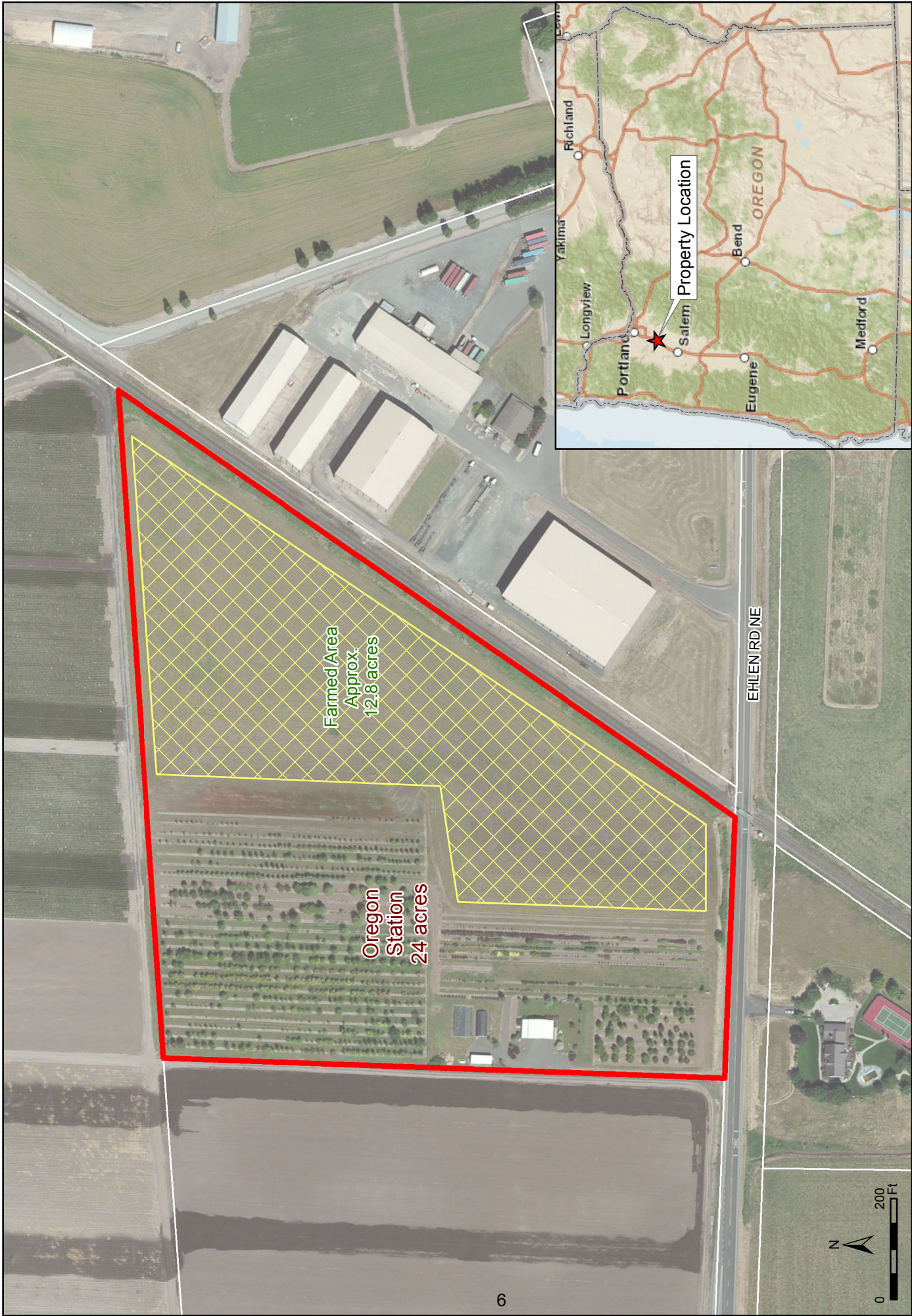
Richard H. Pfitzenreuter III, Vice President and CFO



Karen Hanson, Senior Vice President for Academic Affairs and Provost



Pamela Wheelock, Vice President for University Services



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.
Base Data: Real Estate Office
Marion County Assessor 8/28/2013

Acceptance of Transfer of Property in Oregon (from Landscape Plant Development Center)





UNIVERSITY OF MINNESOTA BOARD OF REGENTS

Facilities and Operations Committee

September 12, 2013

Agenda Item: Project Components of the 2014 State Capital Request

review review/action action discussion

Presenters: Vice President Pamela Wheelock

Purpose:

policy background/context oversight strategic positioning

The 2014 capital request is reflective of the project priorities outlined in the recently approved Six-Year Capital Plan.

The 2014 capital request continues to conform to the following principles and goals used in the development of the most recent Six-Year Capital Plan:

- Ensure student success
- Ensure research productivity and scholarly impact
- Fulfill our statewide mission
- Protect public assets and investment
- Responsibly managing the University's finances

Outline of Key Points/Policy Issues:

The 2014 capital request is built upon a combination of funds appropriated by the State of Minnesota (\$232.7 million) and resources committed by the University of Minnesota (\$66.3 million). The total cost of the capital plan is \$299.0 million.

The administration will outline individual project costs, highlight required University contributions to each project and identify the scope of debt financing to meet the required share of each capital project.

Background Information:

In June 2013, the Board of Regents approved the 2013 Six-Year Capital Plan for FY 2014-19. The projects in the 2013 capital request were included in the approved Six-Year Capital Plan for funding in future years.

In December 2012, the Board of Regents approved the 2013 State Capital Budget Request, which included HEAPR, the Tate Laboratory project, the UMC Wellness Center, and the Research Laboratory Improvement Fund.

| Location | | Project | Total | State | U of MN |
|---------------|--|---|-------------------|-------------------|------------------|
| SYSTEM | | HEAPR | \$ 100,000 | \$ 100,000 | \$ - |
| UMTC | | Tate Science and Teaching Renovation | \$ 85,000 | \$ 56,667 | \$ 28,333 |
| UMTC | | Microbial Sciences Research Building | \$ 45,000 | \$ 30,000 | \$ 15,000 |
| UMC | | Campus Wellness Center | \$ 15,000 | \$ 10,000 | \$ 5,000 |
| SYSTEM | | Research Laboratory Improvement Fund | \$ 18,000 | \$ 12,000 | \$ 6,000 |
| UMD | | Chemical Sciences and Advanced Materials Building | \$ 36,000 | \$ 24,000 | \$ 12,000 |
| Total: | | | \$ 299,000 | \$ 232,667 | \$ 66,333 |

Project Summaries

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Higher Education Asset Preservation and Replacement

Systemwide

Total Project Cost: \$100,000

Priority: 1

Project Description

The purpose and use of Higher Education Asset Preservation and Replacement (HEAPR) funds is defined in statute 135A.046 ASSET PRESERVATION AND REPLACEMENT. Funds are intended to preserve and renew existing campus facilities by funding five kinds of projects: Accessibility, Building Systems (e.g. exterior envelope, mechanical, and electrical systems), Energy Efficiency, Health and Safety (e.g. hazardous material abatement, building code compliance), and Infrastructure. HEAPR funds are used throughout the University of Minnesota system. Funds are allocated to campuses and research stations based on facility need and overall quantity of space.

Project Rationale

HEAPR funds are essential in supporting the teaching, research, and service mission of the University. The University's mission will be compromised without continued, sustained investment in buildings and infrastructure. The University's capital budget principles emphasize investment in existing facilities and infrastructure to extend useful life and to ensure the health, safety, and well-being of building occupants. Individual projects have been identified and prioritized through the University's Facility Condition Assessment (FCA) process. The FCA is a comprehensive evaluation of the condition of the University of Minnesota's campus facilities and infrastructure portfolio. FCA data is used to triage existing buildings into those that need long-term investments, those that need short-term investments, and those where no investment is required, in alignment with academic priorities.

Previous Appropriations for this Project

The University received \$25 million in 2009, \$56 million in 2010, \$25 million in 2011, \$50 million in 2012, and no appropriation in 2013. The University includes HEAPR in each capital request.

Current Project Status

Varies by project

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Tate Science and Teaching Renovation

U of MN - Twin Cities Campus

Total Project Cost: \$85,000

Priority: 2

Project Description

This project will renovate the existing 200,000 square foot Tate Laboratory of Physics building after the Physics and Nanotechnology Building, funded in 2011, is completed. Upon its completion, Tate will be the new home for the School of Earth Sciences as well as provide updated space for the remaining units from the School of Physics and Astronomy's programs in Astrophysics and Theoretical Physics.

Project Rationale

The Tate Laboratory building was constructed in 1926 with additions constructed in the 1950s and 1960s. While research and teaching has changed, the building has not undergone any significant renovation. Consequently it has obsolete labs, inflexible classrooms, and an antiquated infrastructure. Completion of the Physics and Nanotechnology building will vacate space in Tate to allow a full-scale renovation, creating a building with a balanced focus on classrooms and research spaces. The School of Physics and Astronomy will occupy the building, as well the majority of researchers in the School of Earth Sciences creating exciting academic collaboration opportunities between these two synergistic units.

→ The building renovation will deliver efficient and flexible-design classrooms consistent with the range of sizes and pedagogical styles required to teach modern Physics and Earth Sciences. More than 4,000 undergraduate students take physics courses alone each year on the Twin Cities campus.

The facilities for research in technology-driven fields such as Physics and Earth Sciences do not exist in a building designed nearly ninety years ago. As a consequence Physics and Earth Sciences at Minnesota are at a major competitive disadvantage in recruiting and retaining the highest quality faculty, recruiting graduate students, and attracting support for cutting-edge research. Most major research universities have recognized this need. New buildings have been constructed at the Ohio State University, Michigan State University, the University of Michigan, the University of Florida, UCLA, Santa Barbara, and the University of Washington, among others. Major additions or renovations to research facilities are in process or have been completed at the University of Illinois at Urbana-Champaign, Rutgers University, Stanford University, Harvard University, and the University of Wisconsin, Madison.

The project will ensure that Tate remains a contributing component of the Northrop Mall Historic District.

Previous Appropriations for this Project

None

Current Project Status

In Pre-design

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Microbial Sciences Research Building

U of MN - Twin Cities Campus

Total Project Cost: \$45,000

Priority: 3

Project Description

This request is for funds to construct a new laboratory building for microbial research in the College of Biological Sciences (CBS), College of Food, Agricultural, and Natural Resource Sciences (CFANS), and College of Veterinary Medicine (CVM). The new facility will accommodate up to 35 principal investigators in microbiology-focused fields such as plant pathology, animal infectious diseases, microbial systems and synthetic biology, and fungal evolution.

Project Rationale

The opportunities in the microbial sciences are huge. Battelle Technology Partnership Practice was commissioned by the Agricultural Utilization Research Institute to conduct an analysis of the research capacity in the State of Minnesota for the future of Agricultural Bioscience. Their February 2013 report concludes that the strongest platform for this sector is microbial sciences at the University of Minnesota. Battelle acknowledged, however, that the University's nearly unrivaled strength in this area remains virtual, given the organizational and geographic fragmentation of the most capable scientists. Given these independent findings, and internal knowledge of capacity, academic leadership believes that research collaborations, expenditures, grants, publications, and most importantly, impact will increase significantly with the opportunities provided by the new microbial research building. The community of microbial scientists has become as capable as the Battelle report suggests because of focused infusions of resources over the past decade. These investments have positioned the University to capitalize upon the increase in capacity and take this success to the next level.

Two components of the MnDrive Initiative (Securing the Global Food Supply and Advancing Industry and Conserving the Environment) are heavily dependent upon expertise in the microbial sciences. Just as MnDrive was designed to provide scientific solutions for bottlenecks faced by Minnesota industries, this facility will be a hub for collaborations with industrial partners and provide increased opportunities for students and industry as well as researchers and industry.

This project will maximize investments in labs by providing only collaboration space and flexible work stations for office needs instead of traditional, assigned, individual offices. The project will allow the University to decommission one or possibly two existing obsolete facilities.

Previous Appropriations for this Project

None

Current Project Status

In Pre-design

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Campus Wellness Center

U of MN - Crookston Campus

Total Project Cost: \$15,000

Priority: 4

Project Description

This project will remodel existing space and add new usable space to the Lysaker Wellness and Recreation Center located on the Crookston Campus. Through this remodel and addition the University of Minnesota Crookston will provide wellness facilities and programs to its student body, faculty, and staff; modernize athletic training and locker room functions; efficiently use existing campus utility infrastructure; and complete needed repairs to the existing facility. The pre-design underway will determine how to best use existing space based on types of planned activities and existing conditions found in the building.

Project Rationale

A high quality recreational facility is an essential component to the future vitality of the University of Minnesota Crookston, as it will allow the campus to compete with the student services offered at other four-year undergraduate institutions in the region. Knutson Hall, the original campus recreation, center was constructed in 1930 with a single addition (Lysaker Gymnasium) in 1981.

The University of Minnesota Crookston has experienced enrollment growth over the past five years. Three new residence halls opened since 2006 have increased the campus residential population by approximately 150 students. The daily campus population including staff is approximately 2,000 people, significantly larger than when the existing facilities were constructed. Crookston's Division III athletics program also utilizes the Lysaker gymnasium.

The Wellness Center will allow the campus to meet enrollment targets by improving student recruitment and retention. Studies of these kinds of facilities indicate that they have a positive impact on successful student persistence, grade point average, and graduation rate. This point was made repeatedly by those involved with the facility at the University of Minnesota Duluth.

The facility will provide a place to teach and learn behaviors that are conducive to a healthy lifestyle. Healthy lifestyle choices built on the seven dimensions of wellness will be the common thread of programming and services offered by the Center. Design, construction, and operation of the building will incorporate the physical, intellectual, emotional, social, occupational, environmental, and spiritual dimensions of wellness.

Previous Appropriations for this Project

None

Current Project Status

In Pre-design

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Research Laboratory Improvement Fund

Systemwide

Total Project Cost: \$18,000

Priority: 5

Project Description

This request is for funds to improve existing research facilities systemwide. Updated research facilities are critical to continuing the University's strong record of research discoveries. Funding will be used to replace the University's existing bee research facility in the College of Food, Agricultural, and Natural Resource Sciences (CFANS), replace obsolete greenhouses in the College of Biological Sciences (CBS), and support continued improvements to the Aquatic Invasive Species research center. The remaining funds will be in other system projects for targeted, strategic investments in research laboratory space that will provide the margin-of-excellence that is needed to attract and retain top researchers or to obtain competitively awarded sponsored research grants.

Project Rationale

Honey bees, our nation's most vital pollinators of natural, urban, and agricultural ecosystems, are being threatened by diseases, parasitic mites, pesticides, and habitat destruction, which in turn threatens our nation's food supply. There is an urgent need for effective research and outreach programs on both managed and wild bee pollinators. The University of Minnesota is uniquely positioned to be the premiere provider of these important programs. The University of Minnesota has maintained an internationally recognized research and extension program on honey bees since 1918. Dr. Marla Spivak runs this unique regional program that receives strong support from commercial and hobby beekeeping associations, and is the only research and extension program on honey bees in Minnesota, North Dakota, and South Dakota. Today, bee research has to be conducted in two undersized locations on the St. Paul campus. The majority of the behavioral and applied research is conducted in an 800sf unfinished cinder-block structure.

The greenhouse project is intended to replace the current facility which has been deemed obsolete due to its poor physical condition, including deteriorated block walls and window systems. This building is dedicated to raising thousands of plant specimens for teaching purposes across 16 different courses. The building has a strong outreach function due to the number of visitors (school groups, horticulture clubs, K-12 educators) who are in the greenhouse on a regular basis. Earlier capital investment plans had the Greenhouse scheduled for replacement in the early 2000's. The reinvestment did not occur at the time due to the inability to secure adequate resources at the state level.

The Aquatic Invasive Species Research Infrastructure investment will reinvest in building systems to support aquatic holding functions in the Engineering Fisheries Laboratory building on the St Paul campus. Included in the scope of work is replacement electrical and air exchange systems, and water treatment systems. This work builds on construction undertaken in 2013 to renew the well water supply for the building.

Previous Appropriations for this Project

The University received \$3.3 million for lab improvements in 2008 and \$6.7 million in 2010.

Current Project Status

Varied

UNIVERSITY OF MINNESOTA

Legislative Capital Request

Chemical Sciences and Advanced Materials Building

U of MN - Duluth Campus

Total Project Cost: \$36,000

Priority: 6

Project Description

The project will construct a new building on the Duluth campus to support faculty and students in the Departments of Chemistry and Biochemistry, and advance an emergent Material Science and Engineering program. The building will be comprised of research and undergraduate instructional laboratories, a research center dedicated to industrial / academic partnerships with direct connections to industry in northeast Minnesota, and medium-sized general purpose classrooms that are in short supply on the campus.

Project Rationale

The Duluth campus is committed to creating an inclusive campus climate through curricula and programs in order to prepare students to be successful contributing members of diverse and global communities and work places and to expand the Science, Technology, Engineering, and Math (STEM) workforce. Scholarship and research, both basic and applied, are foundations for new discoveries and knowledge, and for economic growth. The proposed facility will attract high quality students in the STEM fields and excellent faculty who seek a collaborative environment in which to conduct leading-edge research and teach in interdisciplinary areas. It will lead to increased publication and external funding, economic growth and competitiveness, and greater technology- and knowledge- transfer to the state and region. The new research and education programs in material science and engineering will certainly broaden the impact that UMD and the Swenson College of Science and Engineering has on regional and local industries.

To achieve these outcomes the campus needs modern laboratory space and rooms with specialized uses (instrument rooms, cold rooms, autoclave room, etc). As new faculty are hired due to retirements in the next 5-10 years, larger and more instrument-rich research programs will be established requiring more research space. Additionally, the campus has a need for additional upper division or advanced instructional labs in which our students receive training on modern instrumental, experimental, and computational techniques. To accomplish this, laboratories need to have both student work spaces and instructional support areas.

The existing Chemistry building was the first building constructed at UMD in 1948, and was not designed to be a building dedicated to Chemistry. Utility infrastructure is outdated, frequently in need of repair, and cannot support 21st century science. This building has numerous deficiencies including a lack of adequate eyewashes and showers, lack of chemical storage space, rusty and poorly ventilated under the hood storage, very old and poorly designed labs, lack of adequate wall space for chemical storage cabinets and gas cylinders, lack of adequate supply of wall or bench mounted electrical outlets, and water leaks. In addition, we have observed corroded gas lines and gas valves, poor air handling system, and an elevator which is often out of service. Many of these have the potential to compromise the health and safety of the building occupants.

Previous Appropriations for this Project

None

Current Project Status

In Pre-design



UNIVERSITY OF MINNESOTA BOARD OF REGENTS

Facilities and Operations Committee

September 12, 2013

Agenda Item: Maximizing the University's Physical Assets (Part 1): Facilities Condition Assessment

review review/action action discussion

Presenters: Vice President Pamela Wheelock
Associate Vice President Mike Berthelsen
Program Manager Andrew Chan

Purpose:

policy background/context oversight strategic positioning

To review the Facilities Condition Assessment and discuss the use of the information provided by the Facilities Condition Assessment as a capital and financial planning tool.

Outline of Key Points/Policy Issues:

The Facilities Condition Assessment (FCA) is a comprehensive evaluation of the condition of the University of Minnesota's campus facilities and infrastructure portfolio.

Owning and operating the University's physical plant is critical to supporting the University's mission of teaching, research, and outreach. The University has instituted the FCA to:

- Create a central repository of facilities needs information.
- Provide the University with a tool for master planning, facilities programming and capital planning, and financial planning and budget forecasting.
- Improve processes, which will assist the administration and the Board of Regents with their stewardship responsibilities for the University's physical assets.

Facility Renewal

University of Minnesota facilities comprise 29 million gross square feet (GSF) including classrooms, research labs, clinics, offices, libraries, performance space, student unions, housing, and utilities. Owning and operating this large and diverse portfolio of facilities is critical to supporting the University's mission of teaching, research, and outreach. Being responsible stewards of this portfolio requires ongoing renewal investments from various sources; the University has averaged investments of \$109 million per year (just over \$4 per GSF) over the last 5 years.

The University's five-year average rate of renewal is consistent with peers. It is encouraging to note that both peers and the University have increased these rates during the last five years by approximately 15% compared to the last 10 years. Unfortunately, this still does not represent a sufficient or sustainable level of investment. The University needs to invest approximately \$160 million per year (just under \$6 per GSF) simply to maintain current

condition. A greater investment yet is needed to make significant improvements to overall condition. Finally, it is worth pointing out that the University's starting condition is slightly worse than peers so the level of investment required to catch-up is greater.

| Renewal Source | 5-Yr Total FY09-FY13 | % of Total | 5-Yr Average | 5-Yr Average per GSF ¹ |
|---|----------------------------------|-------------|----------------------|-----------------------------------|
| HEAPR | \$188,000,000 | 34% | \$37,600,000 | \$1.40 |
| Facility Renewal (State of MN) ² | \$38,060,000 | 7% | \$7,612,000 | \$0.28 |
| Facility Renewal (U of M) ² | \$87,912,000 | 16% | \$17,582,400 | \$0.66 |
| Auxiliary Funds | \$66,796,000 | 12% | \$13,359,200 | \$0.50 |
| Value of Razed Facilities | \$60,023,000 | 11% | \$12,004,600 | \$0.45 |
| Repair & Replacement (R&R) | \$58,278,000 | 11% | \$11,655,600 | \$0.43 |
| Utility Infrastructure | \$47,549,000 | 9% | \$9,509,800 | \$0.36 |
| Total | \$546,618,000³ | 100% | \$109,323,600 | \$4.08 |

¹26.8M Gross Square Feet (GSF) based on 2013 inventory; active & owned facilities not including Research & Outreach Centers

² Facility Renewal comprised of State debt (30%), U of M debt (27%), University Funds, Local Funds, Grants / Gifts, Self-Support Funds

³ Figures from U of M Annual Capital Budgets; does not reflect smaller renewal investments not itemized on Capital Budget

Renewal Funding Sources

Higher Education Asset Preservation and Replacement (HEAPR) (34%) is a foundational source of facility renewal funding but it is not the University's only source of funding. Other state investments in major facility renovation projects (7%) assist the University in maintaining its physical plant. In addition, the University invests its own funds through major renewal projects (16%), repair & replacement funds from the operating budget (11%), utility infrastructure renewal projects from self-assessed utility charges (9%), and self-generated auxiliary funds that are reinvested in auxiliary-supported buildings (12%). Furthermore, the University has embarked on a renewal cost avoidance program by investing its own funds in the demolition of obsolete facilities. The avoided cost of future investment (10-year FCA need) in these razed facilities represents the equivalent of an additional 11% investment in facility renewal.

HEAPR Impact

HEAPR funds are used throughout the University system and are allocated to campuses and research stations based on facility need and overall space. They are essential in supporting the teaching, research and service mission of the University. Extending the functionality and useful life of existing buildings maximizes the value of the State's past investments. HEAPR dollars are flexible, allowing the University to respond quickly to emergencies and to unique opportunities. Regulatory compliance items, e.g. elevators, storm water and building codes, and other projects that are generally smaller than traditional capital request projects, are funded with HEAPR allocations. These projects move faster, put people to work quicker and provide different firms an opportunity to participate in design and construction at the University. HEAPR projects are green, since renewing an existing facility is more sustainable than even new "green" construction.

Facility Condition Strategies

Facility condition needs exceed available funding. The University continues to work toward sustainable solutions that balance funding with needs. Multiple strategies are being used to address ongoing facility needs, including:

- Utilize existing space:
 - Maximizing the utilization of our current space minimizes the need for additional space.
- Demolish or decommission targeted facilities:
 - Eliminating time worn facilities that no longer represent a good long-term investment to the University frees up renewal funds for the remaining portfolio.
 - Multiple evaluation criteria are used to identify potential candidates including: significant facility condition deficiencies, renovation costs that approach or exceed replacement cost, inefficient space utilization, lack of flexibility for alternative uses and incompatibility with Master and District Planning.
- Maximize energy conservation and implement district utility strategies:

- Investing in projects that maximize energy conservation reduce the operating burden and help redirect funds toward facility improvement.
- District utility strategies aid with retirement of antiquated, stand-alone systems that require excessive maintenance and renewal dollars.
- Target individual system improvements:
 - Absent sufficient funding to fully renovate facilities, available funds are targeted toward the most critical systems and components to ensure access, safety, reliability and functionality.
- Renovate existing spaces:
 - When feasible, full renovation is typically more economical than piecemeal improvements due to benefits in scheduling, coordination and strategic procurement.
- Build new facilities:
 - Adding new facilities improves the overall condition indexes (FCNI) only since the denominator (Current Replacement Value) increases while the numerator (Facility Needs) does not. It is important to understand this relationship since the actual inventory of needs is not changed.

Facility Condition Assessment (FCA) Improvements

A systematic set of improvements into FCA was first introduced to the Facilities and Operations Committee on September 13, 2012. Funding was approved by the full Board on March 8, 2013. The impacts are:

- Update aging facility assessments:
 - Existing system-wide facility assessments are approaching seven years old, on average. Best practice recommends updating assessments every five years. While targeted assessments have been performed on dynamic systems like roofs within the last one-to-two years, it was time to complete a comprehensive update.
- Replace obsolete software:
 - The existing FCA Software was installed in 2002 and was well beyond its useful life with security, user, and performance issues.
- Consolidate data:
 - There are pieces of facility condition data dispersed throughout university departments. We will continue to consolidate data to create a single-source of consistent and reliable information.
- Expand assessments to include entire University System:
 - Assessments at both Duluth and Morris campuses were limited before 2013; Research and Outreach Centers and Field Stations were also included extensively to provide an enterprise view of condition and needs.

Assessments expanded to include a greater percentage of the entire University system:

| Campus | Total GSF ¹ | 2002 - 2007 | | 2013 - 2017 | |
|---------------|------------------------|-------------------|--------------------------|-------------------|-------------|
| | | Assessments (GSF) | % of Campus ² | Assessments (GSF) | % of Campus |
| Twin Cities | 24,784,289 | 22,432,241 | 91% | 23,297,686 | 94% |
| Duluth | 3,263,024 | 1,949,687 | 60% | 2,343,938 | 72% |
| Morris | 962,630 | 921,627 | 96% | 921,627 | 96% |
| Crookston | 635,041 | 329,451 | 49% | 524,662 | 83% |
| ROCs | 1,489,196 | 0 | 0% | 910,809 | 61% |
| Totals | 31,134,180 | 25,633,006 | 82% | 27,883,254 | 90% |

¹ Gross Square Feet. Does not match official statement of space; includes parking ramp decks.

² Includes all formally assessed facilities and those <5 years old based on construction or renovation date.

All scheduled assessments will be 100% complete during 2013 with exception of the Twin Cities campus, which will take longer (25% complete in 2013). Updated data and final reports from the 2013 assessment will be available by November 2013 and included in the annual update to the Facilities and Operations Committee in September 2014.

Background Information:

The Facilities Condition Assessment has been discussed annually with the Facilities and Operations Committee since 2003.

Reviewing the Facilities Condition Assessment provides a framework for the Six-Year Capital Plan and the State Capital Budget Request.



UNIVERSITY OF MINNESOTA BOARD OF REGENTS

Facilities and Operations Committee

September 12, 2013

Agenda Item: Strategic Issues Related to the *Plan, Performance and Accountability Report*

review review/action action discussion

Presenters: Vice President Pamela Wheelock
Leslie Krueger, Chief of Staff, University Services

Purpose:

policy background/context oversight strategic positioning

To inform the committee about the University's performance as reported in the 2013 *University Plan, Performance and Accountability Report*, and to provide the committee an opportunity to discuss the report's major trends, findings and implications for the University as related to the following strategic goal and objectives:

Outstanding Organization: Be responsible stewards of resources, focused on service, driven by performance and known as the best among peers.

Strategic Objectives

- Ensure the University's financial strength.
- Be responsible stewards of physical resources.
- Promote performance, process improvement, and effective practice.
- Foster peer-leading competitiveness, productivity, and impact.
- Ensure a safe and healthy environment for the University community.
- Focus on quality service.

Outline of Key Points/Policy Issues:

The principal goal of support and administrative units at the University is to support and enhance the academic and research missions of the University. University administrative and support units strive for stewardship, service, and management excellence, with the goal that the University be known as much for its service and business innovation as for its high-quality research, education and outreach. Achieving this goal requires working across a large, complex university that has distinct needs for each of its academic units, operating in diverse competitive environments, and responding to unique external forces.

In 2013, we can report that the University's carbon footprint continues to decline at a rate faster than initially projected. Efforts to reduce energy consumption remain successful -- the institution now avoids \$6.3 million in annual energy costs. The Twin Cities campus and surrounding neighborhoods are at their safest in recent memory. On-campus serious crime declined for a fifth year in a row, with just eight reported offenses in 2012. Information technology continues to improve efficiency, and during this past reporting period has begun

consolidating help desks as well as shifted strategy on data centers resulting in savings to the institution.

University Services is in the midst of a strategic planning process. Three goals have been identified: 1) optimize the University's physical assets, 2) ensure a safe university, and 3) provide a memorable student experience. Many of the targets and initiatives being developed in that process support the strategic objectives outlined in the Outstanding Organization section of this report. For example, the Facilities Condition Needs Index (FCNI) targets will reflect responsible stewardship of physical resources while ensuring a safe and healthy environment. Reducing the campus building footprint by any appreciable amount impacts the University's financial strength by eliminating square footage that needs to be heated, cooled, cleaned, maintained, and renovated. Elements of culture change around shared responsibility for research and individual safety, if successful, would be reflected in this report in years to come. Several areas of focus have measures of satisfaction as their target and there is an assumed correlation between these measures and the objective of a focus on quality service.

Background Information:

In 2000, the Board approved the creation of the *University Plan, Performance and Accountability Report*. In its resolution, the Board noted that it "...holds itself accountable to the public for accomplishing the mission of the University" and that the report was to become the principal annual documentation of that accountability. The first report was published in 2001. In December 2005, the Educational Planning and Policy Committee took steps to ensure the report was aligned with the University's strategic positioning efforts. In May 2006, the Board revised the timetable for the production of the report to each September. The 2013 edition is the twelfth edition produced for the Board of Regents.



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Facilities and Operations Committee

September 12, 2013

Agenda Item: 2013-14 Committee Work Plan Discussion

review review/action action discussion

Presenters: Regent Clyde Allen
Vice President Pamela Wheelock

Purpose:

policy background/context oversight strategic positioning

According to Board of Regents Policy: *Board Operations and Agenda Guidelines*, Section II, Subdivision 7: Work Plans, "Each year the Board outlines its priorities and its committees develop work plans with the advice of the president or delegate."

This discussion is intended to focus on major issues the committee may wish to address in Fiscal Year 2013-2014.

Outline of Key Points/Policy Issues:

The Facilities and Operations Committee oversees the University's physical assets (e.g., land, buildings, infrastructure, and equipment) and operations. This committee considers the general adequacy, condition and use of existing facilities and infrastructure; oversees policy related to technology, operations and physical planning; reviews renewal, replacement and new construction decisions; and recommends capital projects.

Specifically, this committee recommends:

- project components of the University capital budget
- district and campus master plans
- real estate transactions
- capital budget amendments
- schematic plans

This committee provides governance oversight to:

- long range physical asset planning strategies
- public safety and emergency preparedness
- technology infrastructure and long range planning
- operational services such as housing, parking, transportation and dining

This committee also reviews:

- semi-annual capital planning and project management reports
- miscellaneous facilities management reports and significant issues

- approved capital budget projects prior to the award of construction contracts, consistent with Board policies

Background Information:

The Facilities and Operations Committee reviews and discusses the coming year's work plan every September.

Facilities and Operations Committee Work Plan 2013-2014

The Facilities and Operations Committee oversees the University's physical assets (e.g., land, buildings, infrastructure, and equipment) and operations. This committee considers the general adequacy, condition, and use of existing facilities and infrastructure; oversees policy related to technology, operations, and physical planning; reviews renewal, replacement, and new construction decisions; and recommends capital projects.

Specifically, this committee recommends:

- project components of the University capital budget
- district and campus master plans
- real estate transactions
- capital budget amendments
- schematic plans

This committee also reviews:

- semi-annual capital planning and project management reports
- miscellaneous facilities management reports and significant issues
- approved capital budget projects prior to the award of construction contracts, consistent with Board policies

This committee provides governance oversight to:

- long range physical asset planning strategies
- public safety and emergency preparedness
- technology infrastructure and long range planning
- operational services such as housing, parking, transportation, and dining

| Date | Topics |
|-----------------|--|
| 2013 | |
| September 12-13 | <ul style="list-style-type: none"> • Maximizing the University's Physical Assets (Phase I): Facilities Condition Assessment • Strategic Issues Related to <i>University Plan, Performance, and Accountability Report</i> • Issues related to the 2014 State Capital Request • Annual Report on Real Estate <p>Full Board item:</p> <ul style="list-style-type: none"> • 2014 State Capital Request (Review) |
| October 10-11 | <ul style="list-style-type: none"> • Maximizing the University's Physical Assets (Phase II): Facilities Utilization Assessment <p>Full Board items:</p> <ul style="list-style-type: none"> • 2014 State Capital Request (Action) • Tour of 17th Avenue Residence Hall |
| November | No BOR or Committee Meetings |
| December 12-13 | <ul style="list-style-type: none"> • Ensuring a Safe University • Review of System Campus Master Plans • Capital Planning and Project Management Semi-Annual Report (Information) <p>Full Board item:</p> <ul style="list-style-type: none"> • Tour of Physics and Nanotechnology |

| 2014 | |
|----------------|--|
| January | No BOR or Committee Meetings |
| February 13-14 | <ul style="list-style-type: none"> • Provide a Memorable Student Experience • Annual Report on Sustainability, Energy Management, and Utilities • Information Technology Planning <p>Full Board item:</p> <ul style="list-style-type: none"> • Tour of Northrop Auditorium |
| March 27-28 | BOR Meeting No Committee Meetings |
| April | No BOR or Committee Meetings. Full Board Event: <ul style="list-style-type: none"> • Northrop Auditorium Grand Opening |
| May 8-9 | <ul style="list-style-type: none"> • Maximizing the University's Physical Assets (Phase III): Facilities Planning and Assumptions • Issues related to the President's FY15 Annual Capital Improvement Budget • Planning and Vision for the Rochester Campus <p>Related Full Board item:</p> <ul style="list-style-type: none"> • President's FY15 Annual Capital Improvement Budget (Review) |
| June 12-13 | <ul style="list-style-type: none"> • Issues related to the President's FY15 Annual Capital Improvement Budget • Capital Planning and Project Management Semi-Annual Report (Information) <p>Full Board items:</p> <ul style="list-style-type: none"> • President's FY15 Annual Capital Improvement Budget (Action) • Student Housing Trends and Neighborhood Planning, Tour of Neighborhoods |
| July 9-11 | BOR Meeting and Retreat Committees only meet if there are urgent items requiring action |
| August | No BOR or Committee Meetings |

* Six-Year Capital Improvement Plan being realigned to September/October, so will not appear on the 2013-2014 workplan (sixteen months between updates due to shift in schedule).



**UNIVERSITY OF MINNESOTA
BOARD OF REGENTS**

Facilities and Operations Committee

September 12, 2013

Agenda Item: Information Items

review review/action action discussion

Presenters: Vice President Pamela Wheelock

Purpose:

policy background/context oversight strategic positioning

To update the Board of Regents regarding the following information items:

- A. *FY 2013 Annual Report on Real Estate Transactions Over \$250,000 and /or Over 10 Acres*
- B. *Use of Easement Consideration Received from Dakota County (Vermillion Highlands)*
- C. *Combined Heat and Power Plant Project, Twin Cities East Bank Campus – Final Project Review*
- D. *Contract Award for Steam Plant and Electrical Generating Facility Operations*

Outline of Key Points/Policy Issues:

- A. *FY 2013 Annual Report on Real Estate Transactions Over \$250,000 and/or Over 10 Acres*

The Board of Regents Policy: *Reservation and Delegation of Authority* reserves to the Board authority to approve the purchase or sale of real property with a value greater than \$1,250,000 or larger than ten (10) acres, and leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies. Prior to February 2012, the financial threshold for real property transactions was \$250,000.

The attached report of FY13 Real Property Transactions Over \$250,000 and/or Over 10 Acres is provided to the Board in response to its request for information on real property transactions, including those approved by the Board prior to February 2012 with an amount above the former \$250,000 financial threshold.

B. *Use of Easement Consideration Received from Dakota County (Vermillion Highlands)*

The University granted a permanent easement to Dakota County for a road across University land at the western boundary of Vermillion Highlands to connect the north and south portions of Whitetail Woods Regional Park, along with trails for hiking, biking and skiing, and for drainage on August 16, 2013. The University received a total consideration of \$52,533 for this easement.

Pursuant to the policy for the sale of surplus real estate, or the sale of an interest in real estate such as a permanent easement, the net proceeds from the easement consideration are to be used for future purchases of real estate or other capital assets consistent with the University's strategic positioning initiatives. That policy provides that the President may decide to use such proceeds for other purposes, and report such uses to the Board of Regents.

Since the land encumbered by the easement is part of the Vermillion Highlands property, 2,822.806 acres subject to joint management by the University and the State of Minnesota Department of Natural Resources (DNR) pursuant to the TCF Bank football stadium legislation, the President has decided that the net proceeds from the Dakota County road, trails, and drainage easement will be used for Vermillion Highlands facility and program costs, as requested by the DNR.

C. *Combined Heat and Power Plant, Twin Cities Campus – Final Project Review*

Due to the construction of new University buildings requiring steam service and aging boiler equipment on the Twin Cities Minneapolis campus, the University is at risk for a shortage of firm boiler capacity relative to winter-time peak steam demand beginning in 2014. New steam boiler equipment that will provide the additional required steam capacity needs to be added to the Twin Cities Minneapolis campus. The project consists of installing combined heat and power generation equipment in the Old Main building and providing space for planned future package boiler and future chilled water plant equipment to create a multi-function facility. The combined heat and power equipment solution was chosen because the added benefit of electrical generation for use on campus reduces the carbon footprint for the University and represents the best long term sustainable solution from an energy use standpoint.

Project funding, in the amount of \$18,000,000, was included in the FY 2013 Capital Budget approved by the Board of Regents in June 2012. The balance of the project funding, in the amount of \$77,881,000 was presented as a Capital Budget Amendment approved by the Board of Regents in February 2013.

D. *Contract Award for Steam Plant and Electrical Generating Facility Operations*

The University currently has two steam plants used to create pressurized steam and electricity to provide heating, supplemental electricity and other utilities to the Twin Cities campuses. Operation, maintenance and management services for these facilities are currently performed by a third party under a contract, which is due to expire on May 16, 2014.

The University is adding a state-of-the-art combined heat and power (CHP) facility to the Minneapolis campus to provide additional steam capacity, improve system reliability and augment electrical generation. This new equipment will be ready for service in January 2016.

Due to the expiration of the existing service agreement and the addition of the CHP facility, the University issued a request for proposals (RFP) in March 2013 for plant operator services. The University received seven responses to the RFP. Veolia Energy Solutions, LLC provided competitive pricing, and was identified as the best qualified vendor due to the breadth and depth of their experience managing similar technology, their emphasis on providing innovative service, solutions and their demonstrated ability to safely operate plants at a level of reliability required for medical and research facilities.

The purchase is for a five-year contract with the possibility of two, five-year extensions. The contract includes an annual management fee of \$492,000. Fifty percent of the fee is fixed and will be paid to Veolia each year of the contract. Fifty percent is incentive-based and will be paid if Veolia meets performance criteria identified by Facilities Management. The initial contract term is \$2,460,000 for fixed and incentive payments over five years. In addition,

Veolia will pass through costs associated with labor to operate the facilities, repair and maintenance, consumables, subcontracted services and general and administrative expenses. Pass-through costs under the existing service agreement have ranged from \$7.9 million to \$8.4 million annually over the past five years. Facilities Management expects the projected pass-through costs to be within this range or lower based on Veolia's proposal.

These services will be purchased with funds from the Steam Utility Internal Service Organization. The funds were identified in Facilities Management's FY 2013-14 budget process. The Board of Regents Finance Committee is reviewing and acting on the contract at their meeting on Thursday, September 12.

Background Information:

Information items are intended to provide the Board of Regents with information needed to perform their oversight responsibilities.

UNIVERSITY OF MINNESOTA

FY13 REAL PROPERTY TRANSACTIONS OVER \$250,000 AND/OR OVER 10 ACRES

FY13 Real Property Purchases, Sales, Leases and Easements Over \$1,250,000 and/or 10 Acres

| | <u>Amount Received</u> | <u>Amount Paid</u> |
|---|------------------------|--------------------|
| Eight-Year Lease of 16,873 Square Feet at 1200 Washington Avenue South, Minneapolis, for Academic Health Center's Advanced Research and Diagnostic Laboratory | | \$3.015 million |
| Ten-Year Agreement for AT&T Wireless, Multiple Facilities on Twin Cities Campus | \$1.530 million | |
| Three-Year Lease, Second Floor, 1100 Washington Avenue South, Minneapolis, for Academic Health Center's School of Public Health | | \$1.512 million |
| Three-Year Lease, First Floor, 1100 Washington Avenue South, Minneapolis, for Academic Health Center's School of Public Health | | \$1.426 million |

**FY13 Real Property Purchases, Sales, Leases and Easements
Between \$250,000 and \$1,250,000**

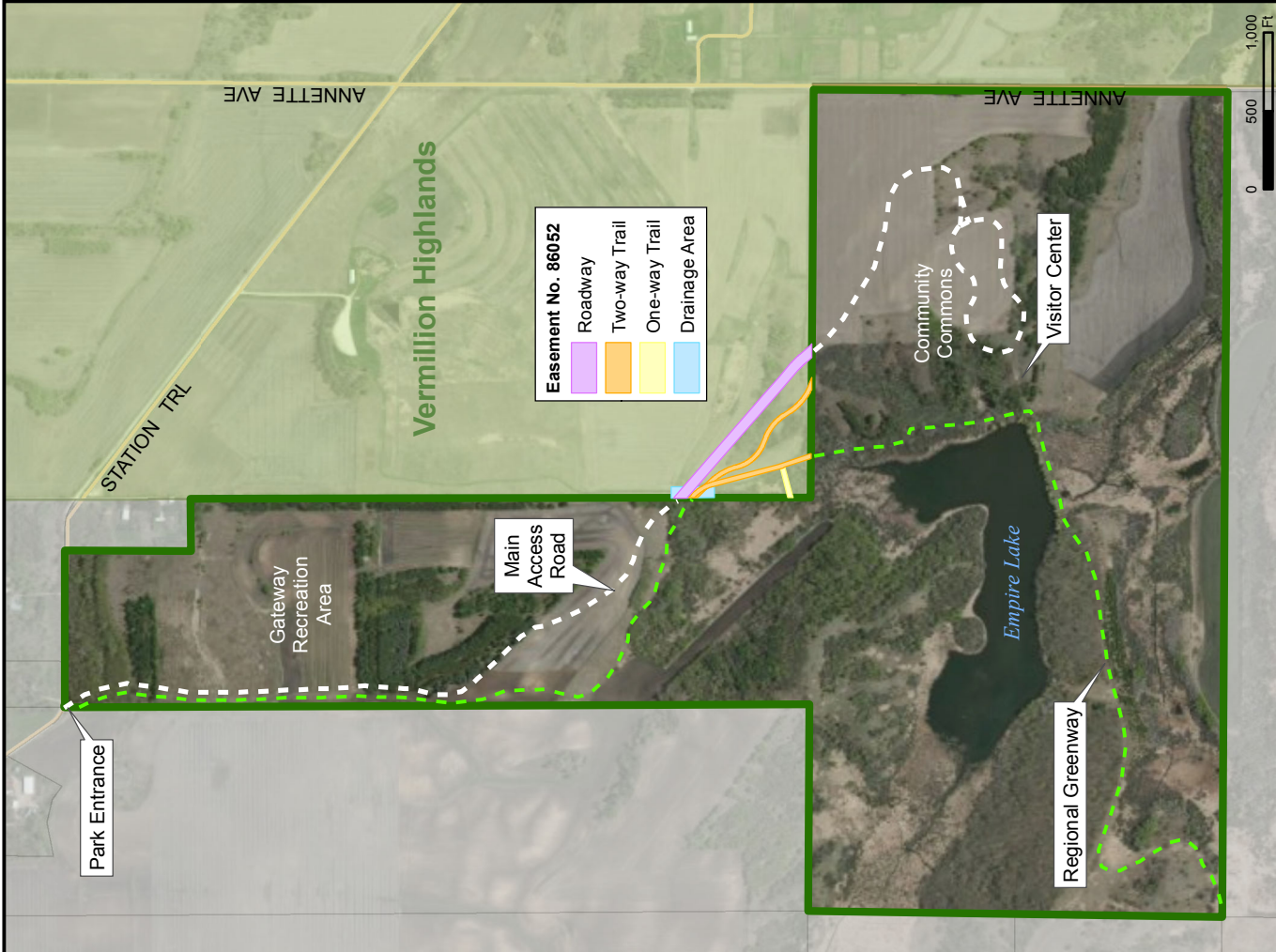
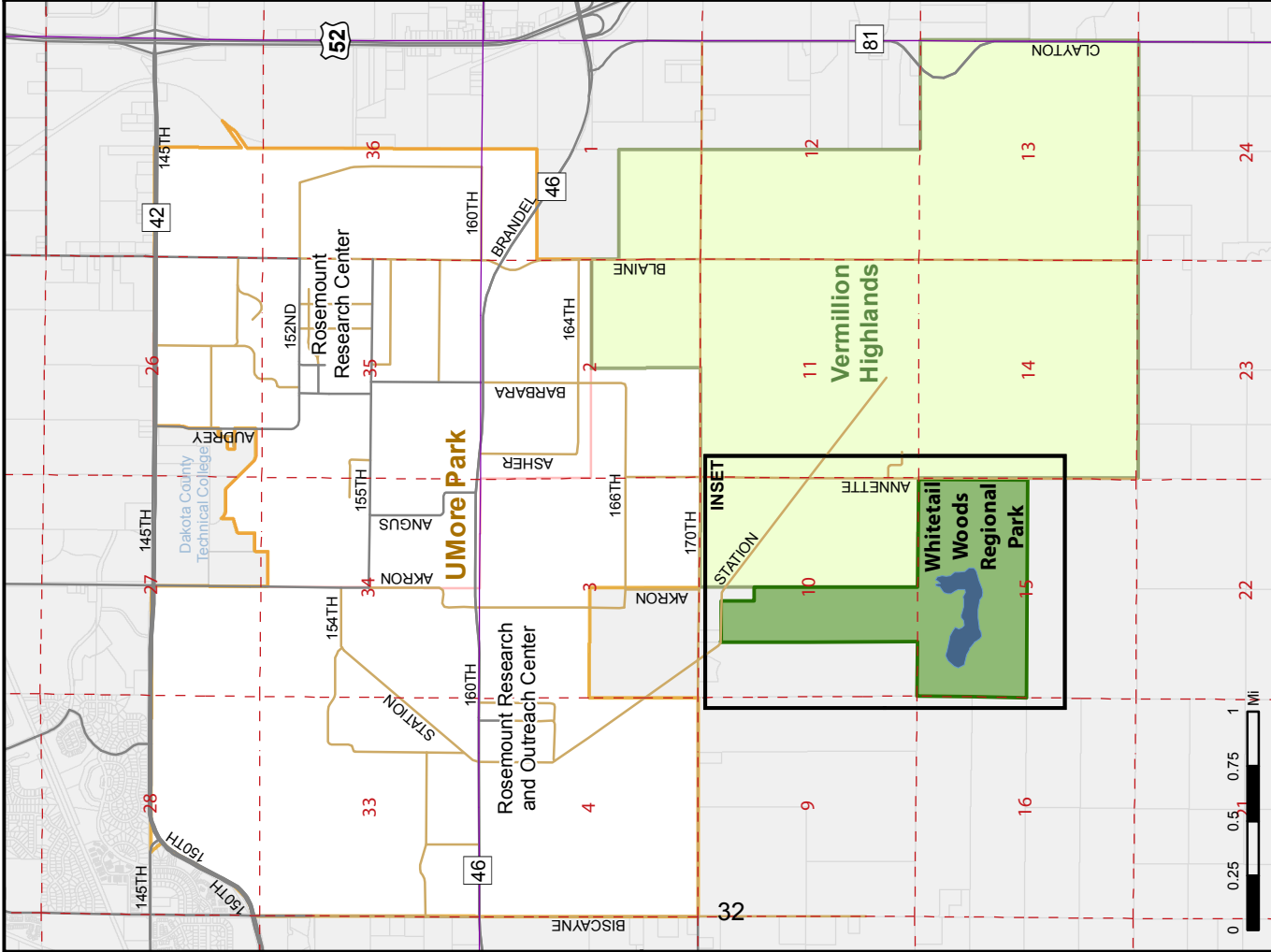
| | <u>Amount Received</u> | <u>Amount Paid</u> |
|---|------------------------|--------------------|
| Ten-Year Agreement with Minnesota State Agricultural Society for Use of State Fair Land for University Parking Lot, Twin Cities Campus | \$750,000 | |
| Agreements for Continuing Medical Education's 2013 WORLD Symposium, Orlando, Florida | | \$547,890 |
| Agreements for Use of Twin Cities Campus Facilities and Services for 2013 J Robinson Intensive Camps/Clinics | \$513,431 | |
| Purchase of 0.211 Acre, 724-1 st Avenue SW, Rochester, for Future Development of the Rochester Campus | | \$400,000 |
| Nine-Year Agreement with Minnesota State Agricultural Society for Use of State Fair Land for Gopher Football Game Day Parking | | \$320,000 |
| Twenty-Year Agreement for Chapter House Space for Theta Chi Fraternity at 17 th Avenue SE Residence Hall, Twin Cities Campus | \$291,496 | |
| Twenty-Year Agreement for Chapter House Space for Chi Omega Sorority at 17 th Avenue SE Residence Hall, Twin Cities Campus | \$291,496 | |

**Use of Easement Consideration
Received from Dakota County
(Vermillion Highlands)**

The University granted a permanent easement to Dakota County, as well as temporary construction easements, for a road across University land to connect the north and south portions of Whitetail Woods Regional Park, along with trails for hiking, biking and skiing, and for drainage on August 16, 2013. The total area encumbered by the permanent easement is approximately 3.84 acres located in the SW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 10, Township 114 North (Empire Township), Range 19 West, Dakota County, at the western boundary of the University's Vermillion Highlands property. The University received a total consideration of \$52,533 for the permanent easement.

Pursuant to the policy for the sale of surplus real estate, or the sale of an interest in real estate such as a permanent easement, the net proceeds from the easement consideration are to be used for future purchases of real estate or other capital assets consistent with the University's strategic positioning initiatives. That policy provides that the President may decide to use proceeds from the sale of real estate or an interest in real estate for other purposes, and report such uses to the Board of Regents.

Since the land encumbered by the easement is part of the Vermillion Highlands property, 2,822.806 acres subject to joint management by the University and the State of Minnesota, Department of Natural Resources (DNR) pursuant to the football stadium legislation, the President has decided that the net proceeds from the Dakota County road, trails and drainage easements will be used for Vermillion Highlands facility and program costs, as requested by the DNR.



Easement No. 86052

| | |
|--|---------------|
| | Roadway |
| | Two-way Trail |
| | One-way Trail |
| | Drainage Area |



- UMore Park
- Vermillion Highlands
- Whitetail Woods
- Dakota County Parcels
- Paved Roads
- Unpaved Roads

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.
 Base Data: Real Estate Office
 MNDNR, MNDOT
 8/16/2013

Easement to Dakota County for Road, Trails, and Drainage

Real Estate Office

 University of Minnesota

**University of Minnesota
Final Review of Capital Projects over \$5 Million**

Combined Heat & Power Plant – Project Number 01-034-12-1074

Policy Summary:

According to Board of Regents Policy *Reservation and Delegation of Authority*, Article I, Section VIII, Subdivision 9, “The Board reserves to itself the authority for a subsequent review of approved capital budget projects with a value greater than \$5,000,000 prior to the award of construction contracts.”

Project Summary:

The project is the renovation of the Old Main Heating Plant “Old Main” located at 1180 Main Street SE adjacent to the Mississippi river in the Knoll area. Originally constructed in 1912, Old Main has undergone several renovations/additions over the years. It houses seven coal and gas fired boilers, the last of which was shut down for steam production in 2000. Since that time the building has fallen into disrepair. The building currently houses a steam pipe fitter workshop area and provides key access points to the deep steam tunnels.

The project consists of installing combined heat and power generation equipment in the building and providing space planned for a future package boiler and future chilled water plant equipment to create a multi-function Old Main facility. The combined heat and power equipment represents a two stage configuration. First, a new natural gas fired turbine will generate electricity for use on the Minneapolis campus. Second, a new heat recovery steam boiler will recover heat from the combustion gases that are discharged from the turbine to generate the required steam capacity. The combined heat and power equipment solution was chosen because the added benefit of electricity generation for use on campus further reduces the carbon footprint for the University and represents the best long term sustainable solution from an energy use standpoint. Additionally, the plant will be designed with space allocated for future installation of a packaged boiler as well as two steam turbine-driven chillers.

A significant portion of the project budget is devoted to hazardous materials abatement for both Old Main and the adjacent incinerator building, which is planned to be demolished as part of this project. The existing boilers and piping contain significant amounts of asbestos. Abatement/demolition of the boilers is complicated by the fact that the building structural columns were built integral with the boilers. Therefore, some of the building columns will need to be removed and replaced as part of the boiler demolition work. The building exterior walls are in relatively good shape and will be refurbished where required. The building roof profile will be simplified by removal of the multiple penthouses and a new roof will be installed.

Board of Regents Approval Summary:

| | |
|------------------|---|
| Six-Year Plan: | March 2012 |
| Capital Budget: | February, 2013 as a part of a FY2013 Capital Budget Amendment |
| Schematic Plans: | February, 2013 |

Project Team:

Architect/Engineer Team: Jacobs Engineering Group, Inc, Fort Worth, Texas
Construction Manager: Adolfson & Peterson Construction, Minneapolis, Minnesota

Project Budget:

| Funding Identification | Total |
|-------------------------------|---------------|
| 2012 State Capital Request | \$ 10,000,000 |
| University Debt | \$ 82,881,000 |
| Repair & Replacement Funds | \$ 3,000,000 |
| Total | \$ 95,881,000 |

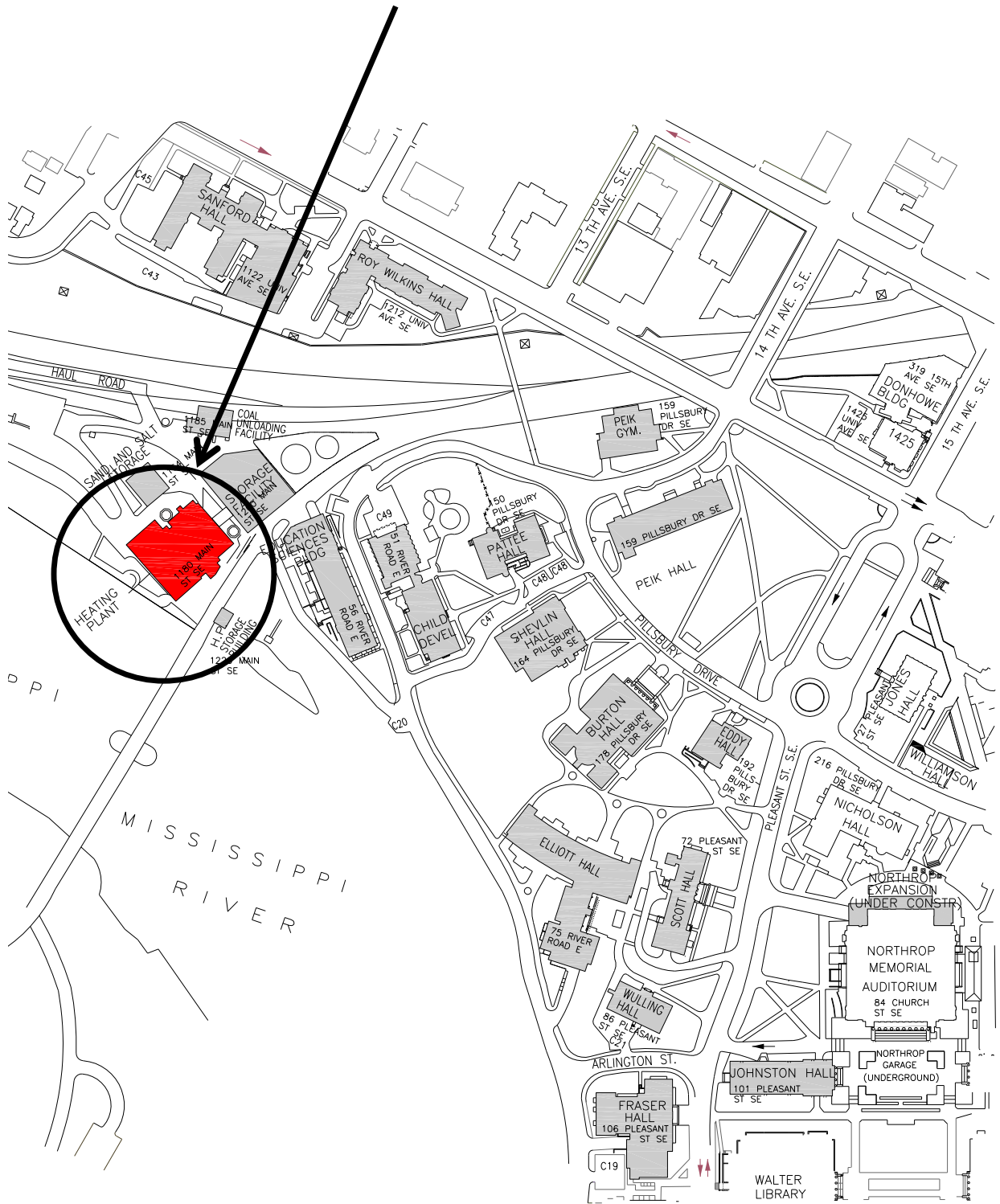
Project Schedule:

Begin Construction: September 2013
Substantial Completion: March 2016

Consistency of project with approved scope, schedule and budget:

Yes No

COMBINED HEAT AND POWER PLANT PROJECT LOCATION



**UNIVERSITY OF MINNESOTA
TWIN CITIES EAST BANK CAMPUS**

