



Facilities, Planning, & Operations Committee

July 2016

July 6, 2016

10:00 - 11:30 am

West Committee Room, McNamara Alumni Center

FAC - JUL 2016

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

July 6, 2016

AGENDA ITEM: Application of Board of Regents Policy: *Historic Preservation*

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Monique MacKenzie, Director of Planning

PURPOSE & KEY POINTS

The purpose of this presentation is an overview of the application of Board of Regents Policy: *Historic Preservation*.

The Board has identified preservation of historic resources as a priority since adoption of the policy in 1973. The policy, which is included in the docket for reference, articulates the University’s commitment to preserving its historic resources and states that the University will take reasonable measures to ensure such preservation. It references campus master plans as the method for identification, evaluation, maintenance, preservation, reuse, and redevelopment of historic resources. The policy delegates to the administration the decision to initiate environmental reviews, with the Board reserving authority to take final action.

The University is the single largest owner of historic assets in Minnesota, as measured by the number of buildings, sites, and/or districts listed, declared eligible, or potentially eligible on the National Register of Historic Places (National Register). Over the last 20 years, more than \$500 million has been invested in the Twin Cities campus alone, and more than \$1.2 billion has been committed to treatment of historic resources in the same time frame when the entire University system is taken into account. These efforts have been informed by an approach that “invests in the best and prunes the rest.”

Layers of regulation and policy guidance guide the decision-making process to inform care of University historic properties and the nature of these investments, including demolition. Taking into account federal requirements and state statutes outlining roles and responsibilities, the Board of Regents has a definitive role in determining the University’s management of historic properties and cultural resources. Partners in this process include:

- National Park Service
- State Historic Preservation Office (SHPO) at the Minnesota Historical Society
- State Archaeologist
- Other stakeholders that include Minneapolis Heritage Preservation Commission, Riverfront Partners, the Preservation Alliance, and Preserve Minneapolis.

All changes to a building must be reviewed by SHPO when a) projects involving historic resources are directly supported by federal funding, or b) if a property is designated as eligible for nomination to the National Register within the scope of a federally funded project. SHPO's standard of evaluation is defined by Secretary of the Interior (SOI) Standards.

Minnesota statutes require the University to cooperate with SHPO to preserve the state's historic resources, though statute does not specifically define what this entails. Any demolitions of listed historic resources are subject to an Environmental Assessment Worksheet requirement, per state statute. (The Background Information section of this item summary cites relevant statutes and administrative rules.) Past practice has the Board of Regents acting as the responsible governmental unit, and has included some form of public process. Preservation and environmental protection laws apply to both eligible and listed properties on the National Register. As a matter of practice in design and planning, there is no material difference if a property has been deemed eligible for listing on the National Register versus actually being nominated and listed.

There may be conditions where an eligible or listed historic property or landscape may be modified through rehabilitation. The decision-making guidance for change (treatment approach) is measured against the SOI Standards. SHPO interprets the standards in terms of how they apply to the proposed changes made by the owner. SHPO officials, through iterative discussion with design teams and University Capital Planning and Project Management (CPPM) staff, determine compliance with SOI Standards.

When applicable while undertaking design decisions, University design teams consider the attributes that make a project eligible for the National Register. Lead architects and sub-consultants (historic architects or historic consultants) review existing documentation, conduct research, and define a design approach in consultation with CPPM staff. Construction document sets are submitted to SHPO at the 30 percent, 60 percent, and 90 percent phases of completion. Meetings and discussion between CPPM and SHPO precede these submittals and SHPO responds after the discussions. SHPO's authority in review of University project design references either federal requirements invoked by the investment of federal funds, or state statute, which calls for the University to cooperate with the state in the preservation of historic resources.

BACKGROUND INFORMATION

Minnesota Statute 138.665 duties of state in regard to historic properties

... The Board of Regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties ... listed on the National Register of Historic Places. ...

... Before carrying out any undertaking that will affect ... listed properties ... [The Board of Regents of the University of Minnesota] shall consult with the Minnesota Historical Society pursuant to the society's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on ... listed properties.

Minnesota Statute 138.666 cooperation

... The Board of Regents of the University of Minnesota shall cooperate with the Minnesota Historical Society in safeguarding state historic sites and in the preservation of historic and archaeological properties.

Minnesota Administrative Rules, Environmental Quality Board, Chapter 4410: 4410.4300 mandatory Environmental Assessment Worksheet categories

Subpart 1. Threshold test.

An EAW must be prepared for projects that meet or exceed the threshold of any of subparts 2 to 37, unless the project meets or exceeds any thresholds of part 4410.4400, in which case an EIS must be prepared.

Subpart 31. Historical places.

For the destruction, in whole or part, or the moving of a property that is listed on the National Register of Historic Places or State Register of Historic Places, the permitting state agency or local unit of government shall be the RGU, except this does not apply to projects reviewed under section 106 of the National Historic Preservation Act of 1966, United States Code, title 16, section 470, or the federal policy on lands, wildlife and waterfowl refuges, and historic sites pursuant to United States Code, title 49, section 303, or projects reviewed by a local heritage preservation commission certified by the State Historic Preservation Office pursuant to Code of Federal Regulations, title 36, sections 61.5 and 61.7. This subpart does not apply to a property located within a designated historic district if the property is listed as "noncontributing" in the official district designation or if the State Historic Preservation Office issues a determination that the property is noncontributing.



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

Page 1 of 2

Administrative

HISTORIC PRESERVATION

Adopted: July 14, 1995

Amended: June 13, 2008; May 14, 2010

Supersedes: (see end of policy)

HISTORIC PRESERVATION

SECTION I. SCOPE.

This policy governs the preservation of the historic resources of the University of Minnesota (University).

SECTION II. DEFINITIONS.

Subd. 1. Historic Resources. *Historic resources* shall mean buildings, areas, landscapes, objects, and archeological sites identified as having historical, cultural, architectural, archaeological, or engineering significance and that are associated with historical events or persons, embody distinctive architectural style, or have or may yield information important in prehistory or history, consistent with state and federal law.

SECTION III. GUIDING PRINCIPLES.

The following principles shall guide the University's preservation and conservation of its historic resources:

- (a) The University is committed to the preservation and use of its historic resources and will take reasonable measures to ensure such preservation.
- (b) The University's historic resources possess integrity of location, design, setting, materials, feeling, or association and provide the residents of the State with a sense of history and identity.
- (c) The University recognizes that its historic resources are emblematic of its research, teaching, and outreach mission.
- (d) The promotion of a broad understanding, awareness, enjoyment, and continued use of its historic resources is important to the stewardship of the University.

SECTION IV. IMPLEMENTATION.

Subd. 1. Campus Master Planning. Each campus master plan shall include direction related to the identification, evaluation, maintenance, preservation, reuse, and redevelopment of historic resources.

Subd. 2. Feasibility of Reuse. Historic resources are valuable assets contributing to future campus development. Within the context of the campus master plans and academic and capital planning processes, historic resources will be evaluated as to their ability to be preserved and reused. Such evaluation shall balance functionality, cost, and historic significance.

Subd. 3. Historic Preservation Plan and Supporting Procedures. The president or delegate shall periodically evaluate the significance of historic resources through the development of a historic preservation plan, reflecting the policies and framework articulated in the campus master plans.



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

Page 2 of 2

Administrative

HISTORIC PRESERVATION

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Supersedes: (see end of policy)

Supporting administrative procedures shall be maintained to guide alterations to, sale or other disposition of, or decommissioning or demolition of historic resources.

Subd. 4. Environmental Review. The president or delegate may initiate environmental reviews under applicable state and federal laws concerning historic resources, for which the University will be the responsible governmental unit, and such reviews shall be completed consistent with such laws and Board policies.

Supersedes: Preservation of Historic Buildings With Distinctive Architecture Dated October 11, 1994; Campus Historical District Designation Dated June 8, 1979; and Building Construction and Renovation Conservation of Energy Dated November 9, 1973.

Application of Board of Regents Policy: Historic Preservation

Board of Regents Facilities, Planning, and Operations Committee
July 6, 2016



UNIVERSITY OF MINNESOTA

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Place-Based Experience

- Regents principles guiding values of historic preservation
 - “Historic resources are emblematic of research teaching and outreach mission”
 - “Promotion of broad understanding, awareness, enjoyment and continued use is important to stewardship of University”
- Brand and identity invokes an emotional attachment for constituents: parents, students, alumni





Regents Policy

Implementation Focus

- Engage campus master planning
- Assess feasibility of reuse of historic resources
- Periodically evaluate the significance of historic buildings and landscapes
- Conduct environmental review under applicable state and federal laws concerning historic resources





What is Affected by Preservation Planning and Design?

- Federally designated properties eligible or listed on the National Register of Historic Places
www.nps.gov/nr/regulations.htm
- Determined eligible or potentially eligible as documented by the Minnesota State Historic Preservation office
- Local (municipal) designated properties

Criteria for Eligibility/ Listing (NRHP)

- A. Event-related
- B. Significant person-related
- C. Distinctive physical and artistic characteristics
- D. May be likely to yield important information



Reviewing Agencies and Partners

- National Park Service through district offices and State SHPO
- State Historic Preservation Office at Minnesota Historical Society
- State Archaeologist
- Other Stakeholders/ Partners such as:
 - local stakeholders (historic preservation commissions)
 - interest groups



**THE
NATIONAL
REGISTER
OF HISTORIC
PLACES**





Federal Requirements

- When federal funding is used to advance a project directly involving a historic resource, permits and design approvals are authorized by SHPO
- Approvals are based on standards of evaluation defined by federal agencies (National Park Service, Secretary of the Interior), as interpreted by SHPO





State Requirements

- Minnesota Statutes require the university to cooperate with SHPO to preserve the state's historic resources
- Any demolition of listed historic resources owned by the University are subject to an EAW requirement
- The Board of Regents acts as the responsible governmental unit





University Best Practices, Design Approach

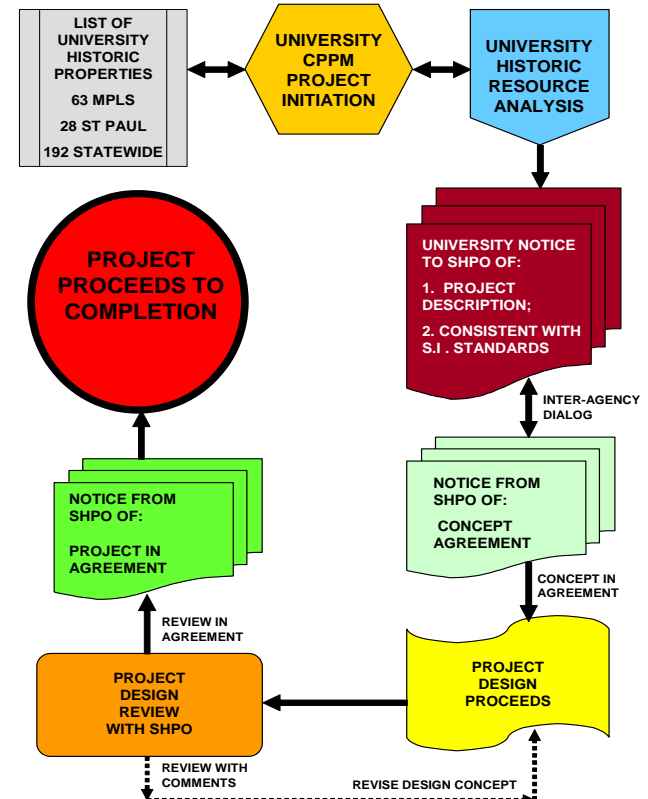
- If a property has been deemed eligible, and the U considers it appropriate, practice is to treat it as if it has been listed on the National Register
- An eligible or listed historic property or landscape can be modified through renovation
- Changes are measured against federally-defined standards. Standards are interpreted by SHPO





Project Design and Review Process

- SHPO's involvement to review University project design is based on either the investment of federal money, or as a result of the state statutes which call for the University to cooperate with the state
- Review process is integrated through the project development sequence





Design Process: Historic Resources

- Define attributes that make a project eligible for the National Register
- A design approach is presented to SHPO staff
- Design document sets are submitted at the 30%, 60%, and 90% level of completion



View from Church Street



Sample Mitigation Strategies

- Documentation of resource (drawings, photographs)
- Comprehensive preservation planning
- Nomination Studies specific to resources
- Nomination of properties when appropriate (NRHP federal designation)
- Digital and physical interpretation





Ongoing Actions

- Deploy building-by-building strategy to support preservation of historic assets in support of mission
- Align asset investment strategy to support Board objectives
- Cultivate brand and identity associated with campus image and historic presence





DISCUSSION



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UMNews



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

July 6, 2016

AGENDA ITEM: Capital Budget Amendment

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Suzanne Smith, Assistant Vice President, Capital Planning & Project Management
Monique MacKenzie, Director of Planning

PURPOSE & KEY POINTS

The purpose of this item is to review an amendment to the FY 2017 Annual Capital Improvement Budget for the following project:

- *Pioneer Hall Renovation and Consolidated Superblock Dining Facility - Twin Cities Campus*

A project data sheet is included in the docket materials and addresses the basis for request, project scope, cost estimate, funding, and schedule for this project. A map locating the project on the Twin Cities campus is also included.

BACKGROUND INFORMATION

The University's housing strategy deploys a variety of methods to meet student residential needs as they progress through their academic careers. For first-year students, University-owned and operated residence hall style housing is a critical tool. The benefits of a residential environment for incoming students have been shown to include supporting academic achievement, retention, and progression in four-year graduation rates. The supportive services available to students within University-owned housing include:

- Community dining.
- Educational, social, and developmental programs.
- Staff with specialized education and training to support and respond to student needs.
- Interaction between institutional administrative offices and systems to facilitate problem resolution.

Incoming students who start their academic careers in University housing are well equipped to address the challenges of academic rigor, personal development, and social connections at a pivotal time in their lives.

The Superblock contains four undergraduate residence halls – Pioneer, Centennial, Frontier, and Territorial – housing approximately 2,800 students, serving meals in two dining halls, and providing the style of first-year housing experience parents and students are seeking. The location is a highly desirable, hard-to-replicate, first-year-focused neighborhood defined by the density and size of the student population, green space features, adjacency to the heart of the East Bank, and easy access to transit.

Facility Facts and Deficiencies

Designed by Clarence Johnston, Pioneer Hall is four stories and includes 164,020 gross square feet. The southern half was built in 1928 and the northern half in 1932. Pioneer houses 693 first-year students, has a dining facility that seats 190, and offers limited student support spaces.

Pioneer is considered an eligible historic resource, according to federally funded Environmental Impact Study documents supporting the Central Corridor LRT (Green Line) project. The campus master plan references retention of historic buildings and landscapes, when appropriate, as part of the strategy of enhancing a place-based experience on campus.

A significant revamping of Pioneer was completed in 1977. While repair and maintenance of systems and the building structure have continued since then, no major work has been done over the past 15 years. Pioneer does not meet current building code in many areas, is not ADA-compliant, and is in need of significant modifications, including integration of HVAC, plumbing and electrical system replacement, bathroom renovation, and the addition of community study space.

In addition to building deficiencies, the residential and dining components require significant investment to bring the program into alignment with other residence halls and dining experiences on campus, as well as peer institutions. Dining at Pioneer, as well as at Centennial, is below-grade and physically constrained, limiting the type of service and food production format available. Kitchen ventilation is inadequate and many pieces of equipment have failed, are inoperable, or unable to be repaired. Operating two dining centers, neither of which has the capacity to serve the entire Superblock, creates duplication in equipment, operating costs, and staff expenses. Ongoing operational efficiencies and cost savings are possible in a consolidated dining facility.

The proposed project will include 700-800 beds, a residential dining facility to serve 2,800 students, community and recreational spaces, academic support spaces, and office space. The building will provide adequate common area space to foster community building and student interaction (including, but not limited to community and floor lounges, main building lounge, recreation room, etc.) and designated individual and group study/learning spaces that support academic success (including state-of-the art technology/support space).

Support for the Twin Cities Enrollment Plan

University housing exists to enhance the student experience, and aligns its programs and planning to meet and support the institution's enrollment strategy. The Board approved a new enrollment plan for the Twin Cities campus in March 2016. That plan calls for growth in the undergraduate body to 32,000-33,000 students; housing 90 percent of first-year students in University housing; retaining 25 percent of those students for a second-year experience; and providing housing to 10 percent of the incoming transfer class.

To support this projected growth, several concurrent housing strategies are being deployed:

- Protection of existing residence hall supply, which is adequate to accommodate 90 percent of first-year students.
- Expansion of apartment supply through master leasing, with the intention of increasing retention of second-year students in University housing. [At its July meeting, the Facilities, Operations & Planning committee will be considering recommendations for master leasing, which would add 936 beds to University-managed inventory.]
- Examination of opportunities to acquire existing apartment-style facilities adjacent to campus, where such acquisitions support long-term campus plans.
- Planning for future residence hall expansion along the riverfront corridor, in anticipation of enrollment growth and changes in healthcare delivery.

Understanding Program Need

A request for proposal for a predesign was issued in December 2015 to determine the strategies, program, and cost for the renovation or replacement of Pioneer. The predesign work, starting with a feasibility study, was initiated on January 25, 2016. Its goals and objectives were:

- Determine physical capacity to accommodate program objectives (living and dining space).
- Understand campus planning repercussions associated with achieving program objectives.
- Investigate contemporary models of student housing and dining facilities on other campuses to inform the programming process.
- Determine appropriate treatment of historic resources relative to operations feasibility.
- Evaluate a range of opportunities to remodel, expand, or replace the outmoded facilities to create quality residential housing stock and supportive spaces, including a consolidated residential dining facility to enhance the first-year student experience, while advancing goals regarding space- and cost-efficiency.
- Demonstrate potential strategies to provide housing stock and spaces that support and enhance the first-year student experience on campus.
- Balance efficiency, utilization, and experience as part of a strategy for providing dining services to University residents.
- Reinforce long-range planning strategies and a framework for responsive, contextual growth and development of housing in defined neighborhoods on the Twin Cities campus.

The design team examined a range of alternative approaches that tested the varying degrees to which Pioneer can be adapted, modified, or replaced to accommodate the program for student housing and dining services. The feasibility schemes included site analysis diagrams, space allocation tests, basic program metrics and efficiencies, conceptual building massing, and preliminary cost estimates and schedules.

Design Options, Rate Impact, and Recommendation

Three general baseline options were tested, with variations of each generated for discussion.

Option 1 – Update As Built

This scenario retains the existing building envelope and footprint on all floors. Housing is designed to meet current residence hall style, programs, and mechanical systems, resulting in a single loaded corridor and a significantly reduced number of beds. Dining is retained in the current footprint with a refreshed interior and resolved floor level changes. Due to the limited

footprint, the service model cannot be altered to provide a contemporary student dining experience.

Option 1:

Housing:	385 beds	\$51.0 million project cost
Dining:	225 seats	\$8.5 million project cost

Option 2 – Maintain Character and Capacity

This scenario retains the character-defining features of the existing building while strategically expanding the building footprint to accommodate a number of beds comparable to the current capacity of Pioneer. (An opportunity exists to increase capacity by 60 beds through the addition of a fifth story to the center bar of the building at a cost of \$5.5 million, not reflected in the totals below.) The dining component is brought to grade, and seating capacity is expanded to better serve the student population of the Superblock while offering expanded meal and serving options, similar to the 17th Avenue Residence Hall. The per-bed cost of this option is comparable to the per-bed cost of the 17th Avenue residence hall, adjusted to 2018 dollars.

Option 2:

Housing:	696 beds	\$76.2 million project cost
Dining:	850 seats	\$22.8 million project cost

Option 3 – Demolish and Build New

This scenario demolishes Pioneer and replaces it with new construction within the boundaries of the current property line. Both housing and dining components of the new building were designed to optimize the program and student experience, similar to the 17th Avenue Residence Hall. This option was rejected due to excessive cost and the belief that the existing facility supports a place-based campus experience.

Option 3:

Housing:	798 beds	\$105.3 million project cost
Dining:	900 seats	\$24.7 million project cost

To meet the University's goals and objectives for housing first-year students, plans for future increased enrollment, and maintaining housing rates within the bottom half of the Big Ten, the administration recommends Option 2. This option preserves overall capacity, is consistent with Board policy regarding treatment of historic resources, and is the most fiscally responsible. Under this option, room rates are expected to bear an approximately 3 percent supplemental increase for fiscal years 2018-2023, by which time it is projected that the University will remain below the midpoint of the Big Ten.

PRESIDENT'S RECOMMENDATION

The President recommends approval of an amendment to the FY 2017 Annual Capital Improvement Budget for the project listed below and of the appropriate administrative officers proceeding with the completion of the design and construction for the project:

- *Pioneer Hall Renovation and Consolidated Superblock Dining Facility - Twin Cities Campus*

**Pioneer Hall Renovation and Consolidated Superblock Dining Facility
Minneapolis Campus
Project No. 01-052-16-1660**

1. Basis for Request:

The University's overall housing strategy deploys a variety of strategies to meet student residential needs as they progress through the course of their academic careers. For first-year students, University-owned and operated residence hall style housing is a critical tool that meets these needs. The benefits of this residential environment for incoming students have been shown in terms of academic achievement, retention, and progression in the form of four-year graduation rates.

The Superblock contains four undergraduate residence halls – Pioneer, Centennial, Frontier, and Territorial – housing approximately 2,800 students, serving meals in two dining halls, and providing the style of first-year housing experience parents and students are seeking. The location is a highly desirable, hard-to-replicate first-year focused neighborhood, defined by the density and size of the student population, green space features, adjacency to the heart of the East Bank campus, and easy access to transit. Relocating the same housing density with a complementary open space pattern equivalent to the current day Superblock is not financially feasible elsewhere on or near the East Bank campus.

The existing Pioneer Hall does not meet current building code in many areas, is not ADA compliant, and is in need of significant modifications, including integration of HVAC, plumbing and electrical system replacement, bathroom renovation, and the addition of community study space. A significant revamping of Pioneer Hall was completed in 1977. While repair and maintenance of systems and the building structure have continued since 1977, no major work has been done over the past 15 years.

In addition to building deficiencies and unreliability of existing systems, both the residential and dining components require significant investment to bring the program into alignment with other residence halls and dining experiences on campus, as well as peer institutions. A capital budget amendment for this project is requested so that the project may proceed.

2. Scope of Project:

The Pioneer Hall renovation will retain the character-defining features of the existing building, while strategically expanding the building footprint to 241,000 gross square feet to accommodate a comparable number of beds in the existing Pioneer Hall. The renovated facility includes approximately 696 beds and an 850 seat consolidated dining facility that will more effectively and efficiently serve all students living in the Superblock.

In addition, the project will integrate community/recreational spaces along with office and academic support spaces. Space within the building will provide adequate common area spaces to foster community building/student interaction and designated individual and group study/learning spaces that support academic success.

3. Master Plan or Precinct/District Plan:

The project is in compliance with the Twin Cities Campus Master Plan dated March 2009.

4. Environmental Issues:

Identified abatement costs include asbestos-containing materials within the building. The project budget accounts for the asbestos abatement.

5. Cost Estimate:

	Housing	Dining	Total
Construction Cost	\$66,300,000	\$20,500,000	\$86,800,000
<u>Non-Construction Cost</u>	<u>9,925,000</u>	<u>2,275,000</u>	<u>12,200,000</u>
Total Project Cost	\$76,225,000	\$22,775,000	\$99,000,000

6. Capital Funding:

<u>University Long-Term Debt</u>	<u>\$99,000,000</u>
Total Capital Funding	\$99,000,000

7. Capital Budget Approvals:

The project was not included in the FY17 Capital Budget. A Capital Budget Amendment for this project is requested so that the project may proceed.

8. Annual Operating and Maintenance Cost and Source of Revenue:

The annual operating and maintenance cost of the new facilities is estimated to be approximately \$14.30/SF.

9. Time Schedule:

Proposed Design Completion	February 2018
Proposed Construction Substantial Completion	August 2019

10. Project Team

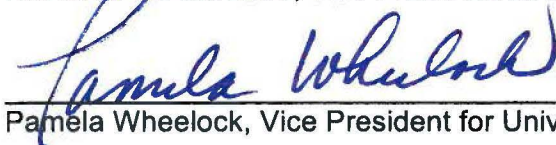
Architect/Engineer Team (Predesign only):	TKDA Architects
Construction Manager @ Risk:	TBD

11. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:

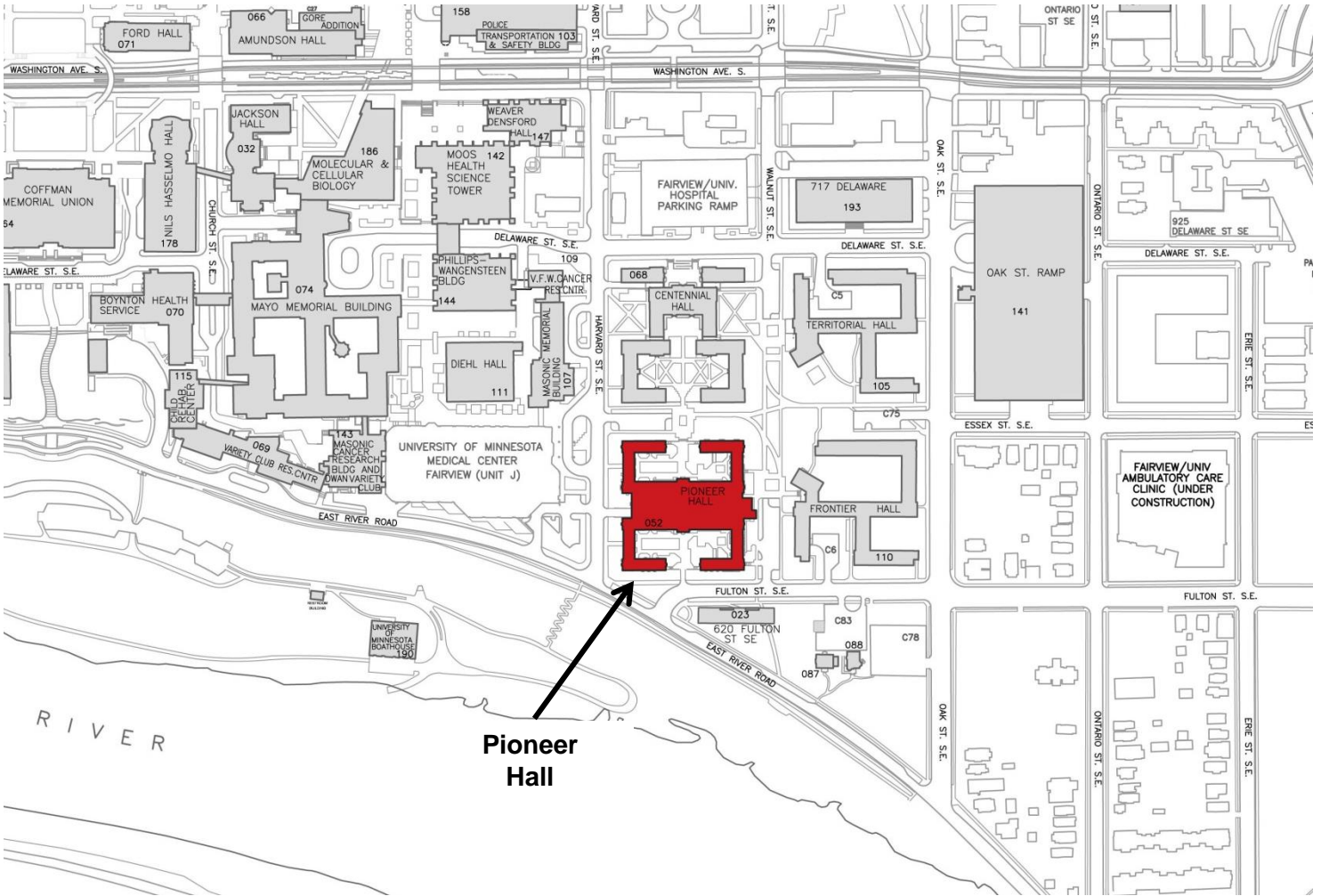


Richard Pfitzenreuter, Vice President and Chief Financial Officer



Pamela Wheelock, Vice President for University Services

**Pioneer Hall
Minneapolis East Bank Campus
Site Location Map**



Pioneer Hall Renovation and Consolidated Superblock Dining Facility (Twin Cities Campus)

Board of Regents Facilities, Planning and Operations Committee
July 6, 2016



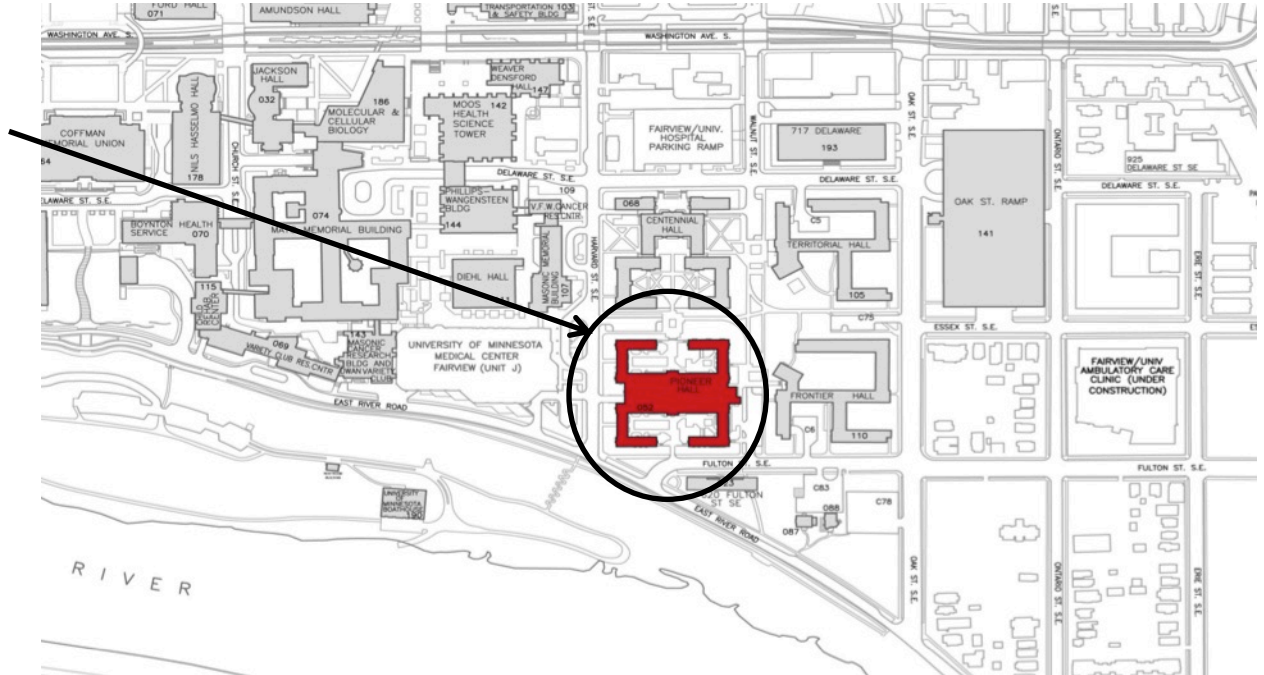
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Capital Budget Amendment Location Map

Pioneer Hall





Intended Goals

- Address building obsolescence
- Preserve residence hall bed capacity
- Expand residence hall capacity
- Enhance student experience
- Offer student facilities that compete well with peers and internal alternatives
- Improve dining experience on the Superblock
- Increase efficiency of dining operations
- Align with campus development plans for Southeast Gateway



Capital Budget Amendment Project Rationale

- University housing strategy to meet first year student residential needs
 - University owned and operated residence hall style housing
 - Dining, Programs, Staff
- Benefits:
 - Academic achievement
 - Retention
 - Progression in four-year graduation rates





Capital Budget Amendment Project Rationale

- The Superblock
 - Pioneer, Centennial, Frontier, and Territorial
 - 2,800 students
 - Two dining halls
 - Highly desirable location
 - First-year focused neighborhood defined by
 - Density and size of the student population
 - Green space features
 - Adjacency to the heart of the East Bank campus
 - Access to transit





Capital Budget Amendment Project Rationale

- New enrollment strategy adopted March 2016
 - Growth in the undergraduate body to 32,000-33,000 students
 - Housing 90% of first-year students in University housing
 - Retaining 25% of those students for a second year experience
 - Providing housing to 10% of the incoming transfer student class





Capital Budget Amendment Project Rationale

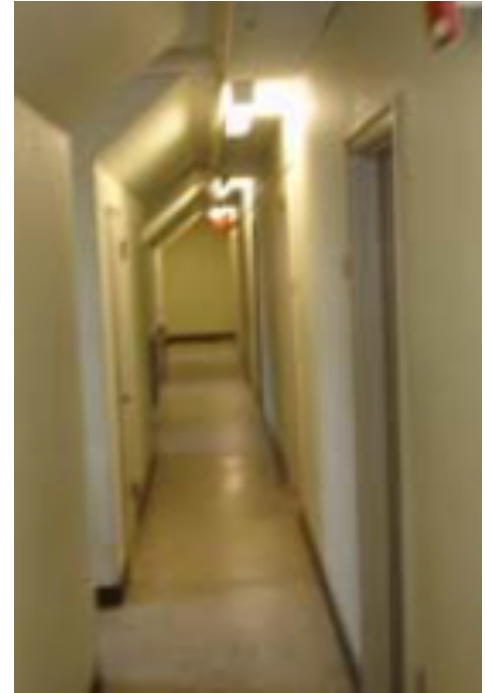
- Concurrent Strategies to support Enrollment
 - Protection of existing residence hall supply
 - Expansion of apartment supply through master leasing
 - Examination of opportunities to acquire existing facilities adjacent to campus
 - Planning for future residence hall expansion along the riverfront corridor





Capital Budget Amendment Project Rationale

- Existing Pioneer Hall deficiencies
 - Does not meet current building code and ADA requirements
 - Lacks modern HVAC, investments in building systems, bathroom renovations
 - Below-grade, physically constrained dining with mechanical deficiencies
- Requires significant investment
 - Program alignment for residential halls and dining experiences on campus, as well as peer institutions
 - Consolidation of two dining centers for operational cost reduction





Capital Budget Amendment Existing Pioneer Hall





Capital Budget Amendment Existing Pioneer Hall





Capital Budget Amendment Existing Pioneer Hall





Capital Budget Amendment Existing Pioneer Hall





Capital Budget Amendment Existing Pioneer Hall





Option: Mothball

- Cost Estimate
 - Decommissioning \$ 250,000
 - Stability and Security (annual) 260,000
 - 10-Year Cost \$ 2,850,000
- Option Cost Per Bed \$7,200

- Bed count 0
- Dining seats 0
- Address building obsolescence
- Preserve residence hall bed capacity
- Expand residence hall capacity
- Enhance student experience
- Offer student facilities that compete well with peers and internal alternatives
- Improve dining experience on the Superblock
- Increase efficiency of dining operations
- Align with campus development plans for Southeast Gateway



Option: Extend Useful Life

- Cost Estimate
 - Required Investments \$ 15,500,000
to \$ 34,950,000
- Option Cost Per Bed \$ 22,370 to \$ 50,430
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 693
- Dining seats 190
- Address building obsolescence
- Preserve residence hall bed capacity
- Expand residence hall capacity
- Enhance student experience
- Offer student facilities that compete well with peers and internal alternatives
- Improve dining experience on the Superblock
- Increase efficiency of dining operations
- Align with campus development plans for Southeast Gateway



Option: Renovate Existing Structure (As-Built)

- Cost Estimate - Housing
 - Construction \$ 43,000,000
 - Non-construction 8,000,000
 - Total Project Cost \$ 51,000,000
- Cost Estimate - Dining
 - Construction \$ 7,750,000
 - Non-construction 750,000
 - Total Project Cost \$ 8,500,000
- Total Project Cost \$ 59,500,000
- Housing Construction Cost Per Bed \$ 111,690
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 385
- Dining seats 225
- ✓ Address building obsolescence
- ✗ Preserve residence hall bed capacity
- ✗ Expand residence hall capacity
- ✓ Enhance student experience
- ✓ Offer student facilities that compete well with peers and internal alternatives
- ✓ Improve dining experience on the Superblock
- ✗ Increase efficiency of dining operations
- ✓ Align with campus development plans for Southeast Gateway



Option: Maintain Character and Capacity

- Cost Estimate - Housing
 - Construction \$ 66,300,000
 - Non-construction 9,925,000
 - Total Project Cost \$ 76,225,000
- Cost Estimate - Dining
 - Construction \$ 20,500,000
 - Non-construction 2,225,000
 - Total Project Cost \$ 22,725,000
- Total Project Cost \$ 99,000,000
- Housing Construction Cost Per Bed \$ 95,260
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 696
- Dining seats 850
- ✓ Address building obsolescence
- ✓ Preserve residence hall bed capacity
- ✗ Expand residence hall capacity
- ✓ Enhance student experience
- ✓ Offer student facilities that compete well with peers and internal alternatives
- ✓ Improve dining experience on the Superblock
- ✓ Increase efficiency of dining operations
- ✓ Align with campus development plans for Southeast Gateway



Option: Maintain Character and Capacity +

- Cost Estimate - Housing
 - Construction \$ 71,000,000
 - Non-construction 10,750,000
 - Total Project Cost \$ 81,725,000
- Cost Estimate - Dining
 - Construction \$ 20,500,000
 - Non-construction 2,275,000
 - Total Project Cost \$ 22,775,000
- Total Project Cost \$104,500,000
- Housing Construction Cost Per Bed \$ 93,920
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 756
- Dining seats 850
- ✓ Address building obsolescence
- ✓ Preserve residence hall bed capacity
- ✓ Expand residence hall capacity
- ✓ Enhance student experience
- ✓ Offer student facilities that compete well with peers and internal alternatives
- ✓ Improve dining experience on the Superblock
- ✓ Increase efficiency of dining operations
- ✓ Align with campus development plans for Southeast Gateway



Option: Demolish and Build New

- Cost Estimate - Housing
 - Construction \$ 89,500,000
 - Non-construction 15,750,000
 - Total Project Cost \$105,250,000
- Cost Estimate - Dining
 - Construction \$ 22,000,000
 - Non-construction 2,750,000
 - Total Project Cost \$ 24,750,000
- Total Project Cost \$130,000,000
- Housing Construction Cost Per Bed \$ 112,160
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 798
- Dining seats 900
- ✓ Address building obsolescence
- ✓ Preserve residence hall bed capacity
- ✓ Expand residence hall capacity
- ✓ Enhance student experience
- ✓ Offer student facilities that compete well with peers and internal alternatives
- ✓ Improve dining experience on the Superblock
- ✓ Increase efficiency of dining operations
- ✓ Align with campus development plans for Southeast Gateway



Summary of Options

Option	Housing			Dining	
	Beds	Cost	Per Bed	Seats	Cost
Mothball	0	\$2,850,000	\$7,200	0	included
Extend Useful Life (low estimate)	693	\$15,500,000	\$22,370	190	included
Extend Useful Life (high estimate)	693	\$34,950,000	\$50,430	190	included
Renovate Existing Structure	385	\$51,000,000	\$111,690	225	\$8,500,000
Maintain Character and Capacity	696	\$76,225,000	\$95,260	850	\$22,725,000
Maintain Character and Capacity +	756	\$81,725,000	\$93,920	850	\$22,725,000
Demolish and Build New	798	\$105,250,000	\$112,160	900	\$24,750,000



Capital Budget Amendment Recommendation: Maintain Character and Capacity

- Retains character-defining features of the existing Pioneer Hall
- Expands footprint to accommodate approximately 700 beds
- Integrates residential on grade dining facility for approximately 2,800 students
- Community/recreational/study space along with office and support spaces





Capital Budget Amendment Building Exterior



Aerial View from the Southwest



Capital Budget Amendment Building Exterior



Aerial View from Northeast



Capital Budget Amendment Building Exterior



View of Renovated Pioneer Entry from Centennial



Capital Budget Amendment Building Exterior



View of Renovated Pioneer Dining Courtyard from Fulton Street



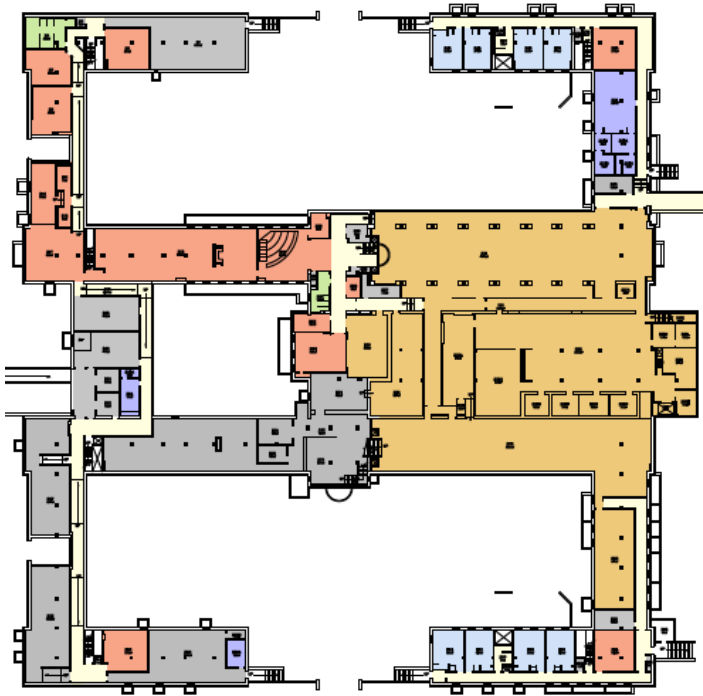
Capital Budget Amendment Building Interior: Dining



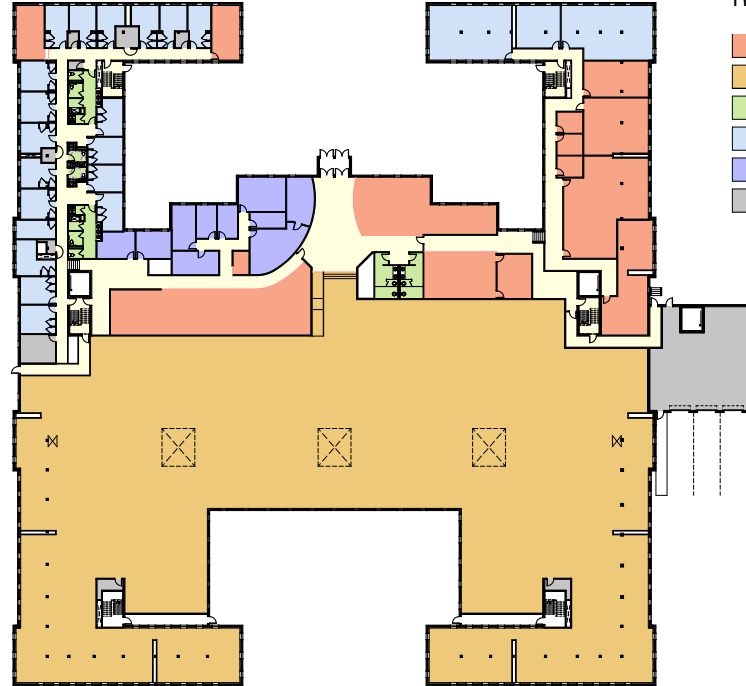
Comparable Dining Format



Capital Budget Amendment Dining Floor Plan



Existing Pioneer
Basement Level with Dining



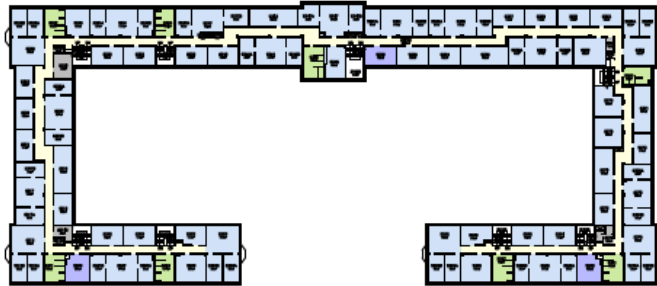
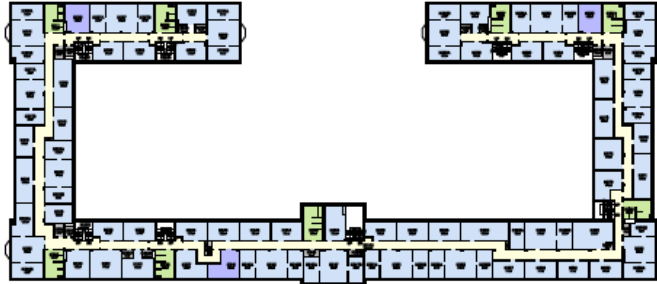
Renovated Pioneer
Ground Level with Dining

Room Legend

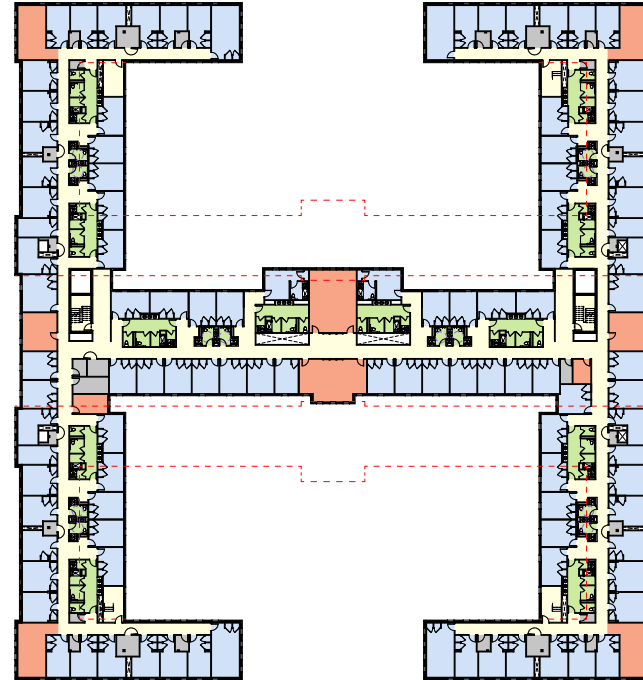
- Community / Study
- Dining
- Resident Bathroom
- Residential Unit
- Staff/ Admin
- Support Spaces



Capital Budget Amendment Typical Residential Floor



Existing Typical Floor Level



New Typical Floor Level

Room Legend

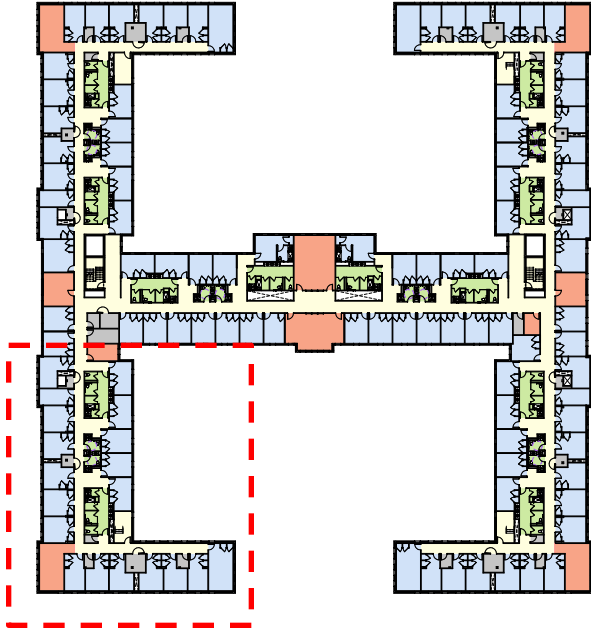
- Community / Study
- Resident Bathroom
- Residential Unit
- Support Spaces



Capital Budget Amendment Enlarged Residential Community

Room Legend

- Community / Study
- Resident Bathroom
- Residential Unit
- Support Spaces



Key Plan



Enlarged Plan



Capital Budget Amendment Project Description

• Cost Estimate - Housing	
- Construction	\$ 66,300,000
- Non-construction	<u>9,925,000</u>
- Total Project Cost	\$ 76,225,000
• Cost Estimate - Dining	
- Construction	\$ 20,500,000
- Non-construction	<u>2,225,000</u>
- Total Project Cost	\$ 22,725,000
• Capital Funding:	
- University Long-Term Debt	<u>\$ 99,000,000</u>
Total Approved Project Budget	\$ 99,000,000
• Housing Construction Cost Per Bed	\$ 95,260
- 17th Avenue Cost Per Bed	\$ 95,130
<i>(2018 dollars)</i>	



Capital Budget Amendment Project Description

- Anticipated Completion:
 - September 2019
- Estimated Annual Operating Costs:
 - \$14.30 / sf
- Predesign Architect:
 - TKDA
- Construction Manager at Risk:
 - To Be Selected





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

July 6, 2016

AGENDA ITEM: Real Estate Transactions

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Susan Carlson Weinberg, Director of Real Estate
Laurie McLaughlin, Director of Housing and Residential Life

PURPOSE & KEY POINTS

The purpose of this item is to review and approve the following Real Estate Transactions:

- A. Five-year Lease of Radius at 15th, 701 15th Avenue SE, Minneapolis, for Student Housing Purposes (Twin Cities Campus)
- B. Five-year Lease of Keeler Apartments, 317 17th Avenue SE, Minneapolis, for Student Housing Purposes (Twin Cities Campus)

Housing and Residential Life issued an RFP for master leasing student housing beds in April 2016. Following site visits, due diligence, and negotiations, two final proposals have been selected for award.

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.”

As presented to the Facilities, Planning, & Operations committee in May and June, recently adopted enrollment goals would grow demand for University housing from the current 6,786 assignable beds to 7,713 assignable beds by fall 2021 (an increase of 927 beds). The approval of these master leases provide for a net 920 assignable beds after adjustment for live-in staff apartments.

Recent committee agenda items related to or including student housing are:

- June 2016: Resolution Related to Long-Term Development in Key Areas of the Twin Cities Campus

- May 2016: The Role of Master Leasing in Meeting Enrollment Goals
- February 2016: Long-Range Campus Planning II: University Housing
- July 2015: Long-Term Campus Planning for the Academic Health Center and University Housing
- May 2015: The University's Housing Strategy, Twin Cities Campus

PRESIDENT'S RECOMMENDATION

The President recommends approval of the following Real Estate Transactions:

- A. Five-year Lease of Radius at 15th, 701 15th Avenue SE, Minneapolis, for Student Housing Purposes (Twin Cities Campus)
- B. Five-year Lease of Keeler Apartments, 317 17th Avenue SE, Minneapolis, for Student Housing Purposes (Twin Cities Campus)

**FIVE-YEAR LEASE OF RADIUS AT 15TH,
701 - 15TH AVENUE SE, MINNEAPOLIS,
FOR STUDENT HOUSING PURPOSES
(TWIN CITIES-MINNEAPOLIS CAMPUS)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive the authorization to execute a five-year lease for all apartment units in the student housing development known as Radius at 15th located at 701 15th Avenue SE, Minneapolis.

2. Description of Leased Premises

Radius at 15th, located at 701 15th Avenue SE, Minneapolis, will provide 772 student housing beds in 200 furnished apartment units. The leased premises will consist of the following:

(a) First Floor: Office for on-site residential life managers, security/reception desk, mail boxes, community/recreation space and outdoor courtyard;

(b) Floors 1 through 6: 200 furnished apartment units (ninety-two 4-bedroom, fifty-eight 3-bedroom, thirty-eight 2-bedroom and twelve 1-bedroom), with maximum occupancy of 772 student beds; and

(c) Use of all building common areas including a Lower Level bicycle storage area.

3. Basis for Request

Utilizing a master lease for apartments has been an effective approach to meet increased student housing demand at the University and remains a desirable strategy for the University to utilize in order to support the University's enrollment targets. Leasing has the additional advantages of not impacting University credit, providing great flexibility for managing the variability of student demand over time, and allowing the University to respond to new options in the student-focused apartment marketplace. Additionally, master leasing these 772 beds in a desirable near campus provides the University with the best opportunity to achieve its goal of retaining 25% of second-year students who lived in University-managed housing during their first year.

This approach also ensures that there is sufficient capacity in residence halls to accommodate 90% of the incoming first-year class and as well as a limited number of second-year students and transfer students who desire a residence hall experience.

In support of the above described premises, the University will be responsible for managing building occupancy, collecting rent from students, and providing live-in residential life staff, night security monitors and student engagement opportunities. From a student perspective, this facility will operate in the same manner as University owned apartment facilities such as Yudof and Wilkins Halls.

4. Details of Transaction

The lease of the subject property will commence on August 25, 2017 and continue through July 31, 2022. The University is also granted two (2) successive options to extend the Term of the lease for three (3) years each, which would potentially extend the lease through July 31, 2028. The University will have early access to the leased premises in mid-August 2017 for the move-in of approximately 13 Housing and Residential Life staff.

5. Lease Costs

Effective August 25, 2017, annual rent for the 200 apartments will be \$6,460,000. Rent will increase by 2% in year 2 and 2.5% Years 3-5 of the lease.

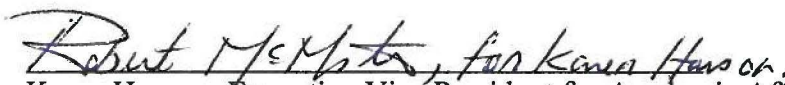
Students housed in the 200 apartment units who elect to rent one of the 174 parking spaces will enter into contracts directly with the landlord and pay them directly for the use of such parking space.

6. Source of Funds

The rental, staffing, and program costs for the leased premises will be funded through student housing fees paid to Housing and Residential Life by student residents.

7. Recommendations:

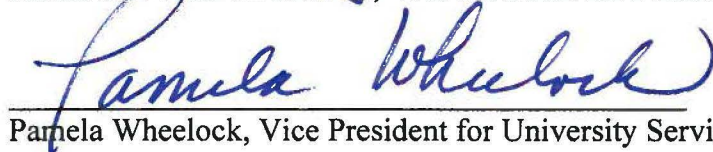
The above-described real estate transaction is appropriate:



Karen Hanson, Executive Vice President for Academic Affairs and Provost



Richard H. Pfutzenreuter III, Vice President for Finance and CFO



Pamela Wheelock, Vice President for University Services

**FIVE-YEAR LEASE OF KEELER APARTMENTS,
317 - 17TH AVENUE SE, MINNEAPOLIS,
FOR STUDENT HOUSING PURPOSES
(TWIN CITIES-MINNEAPOLIS CAMPUS)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive the authorization to execute a five-year lease for the University's use of all apartment units in the student housing development known as Keeler Apartments located at 317 17th Avenue SE, Minneapolis.

2. Description of Leased Premises

Keeler Apartments, located at 317 17th Avenue SE, Minneapolis, will provide 164 student housing beds in 44 furnished apartment units. The leased premises will consist of the following:

- (a) First Floor: Office for the on-site residential life manager, security/reception desk, mail boxes, community/recreation space;
- (b) Floors 2 through 5: 44 furnished apartment units (forty 4-bedroom and four 1-bedroom), with maximum occupancy of 164 student beds; and
- (c) Use of all building common areas including a Lower Level bicycle storage area.

The lease will not include the portion of the building (10,000 square feet of office space) that is leased long-term by the landlord to the University Episcopal Center, and subleased to the University for occupancy by Global Programs and Strategy Alliance (formerly known as the Office of International Programs) through April 30 2018, with renewal options to potentially continue the sublease through April 30, 2043.

3. Basis for Request

Utilizing a master lease for apartments has been an effective approach to meet increased student housing demand at the University and remains a desirable strategy for the University to utilize in order to support the University's enrollment targets. Leasing has the additional advantages of not impacting University credit, providing great flexibility for managing the variability of student demand over time, and allowing the University to respond to new options in the student-focused apartment marketplace. Additionally, master leasing these 164 beds in a desirable near campus provides the University with the best opportunity to achieve its goal of retaining 25% of second-year students who lived in University-managed housing during their first year.

This approach also ensures that there is sufficient capacity in residence halls to accommodate 90% of the incoming first-year class and as well as a limited number of second-year students and transfer students who desire a residence hall experience.

In support of the above described premises, the University will be responsible for managing building occupancy, collecting rent from students, and providing live-in residential life staff, night security monitors and student engagement opportunities. From a student perspective, this facility will operate in the same manner as University owned apartment facilities such as Yudof and Wilkins Halls.

4. Details of Transaction

The lease of the subject property will commence on August 30, 2017 and continue through August 27, 2022. The University is also granted two (2) successive options to extend the Term of the lease for three (3) years each, which would potentially extend the lease through August 27, 2028. The University will have early access to the leased premises in mid-August 2017 for the move-in of approximately 4 Housing and Residential Life staff.

The bedrooms are currently furnished and the Landlord will provide additional furnishings consisting of a couch, chair, coffee table, and end table in the common areas of all units at Landlord's cost. Landlord will also construct an informational/security desk within the front lobby at Landlord's cost.

5. Lease Costs

Effective August 30, 2017, annual rent for the 44 apartments will be \$1,314,140. Rent will increase by 2% in year 4 of the lease.

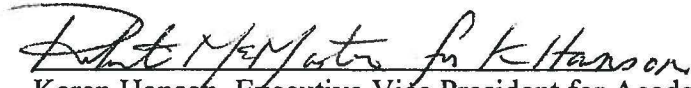
Students housed in the 44 apartment units who elect to rent one of the 40 parking spaces will enter into contracts directly with the landlord and pay them directly for the use of such parking space.

6. Source of Funds

The rental, staffing, and program costs for the leased premises will be funded through student housing fees paid to Housing and Residential Life by student residents.

7. **Recommendations:**

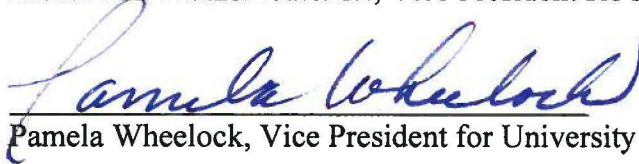
The above-described real estate transaction is appropriate:



Karen Hanson, Executive Vice President for Academic Affairs and Provost



Richard H. Pfutzenreuter III, Vice President for Finance and CFO

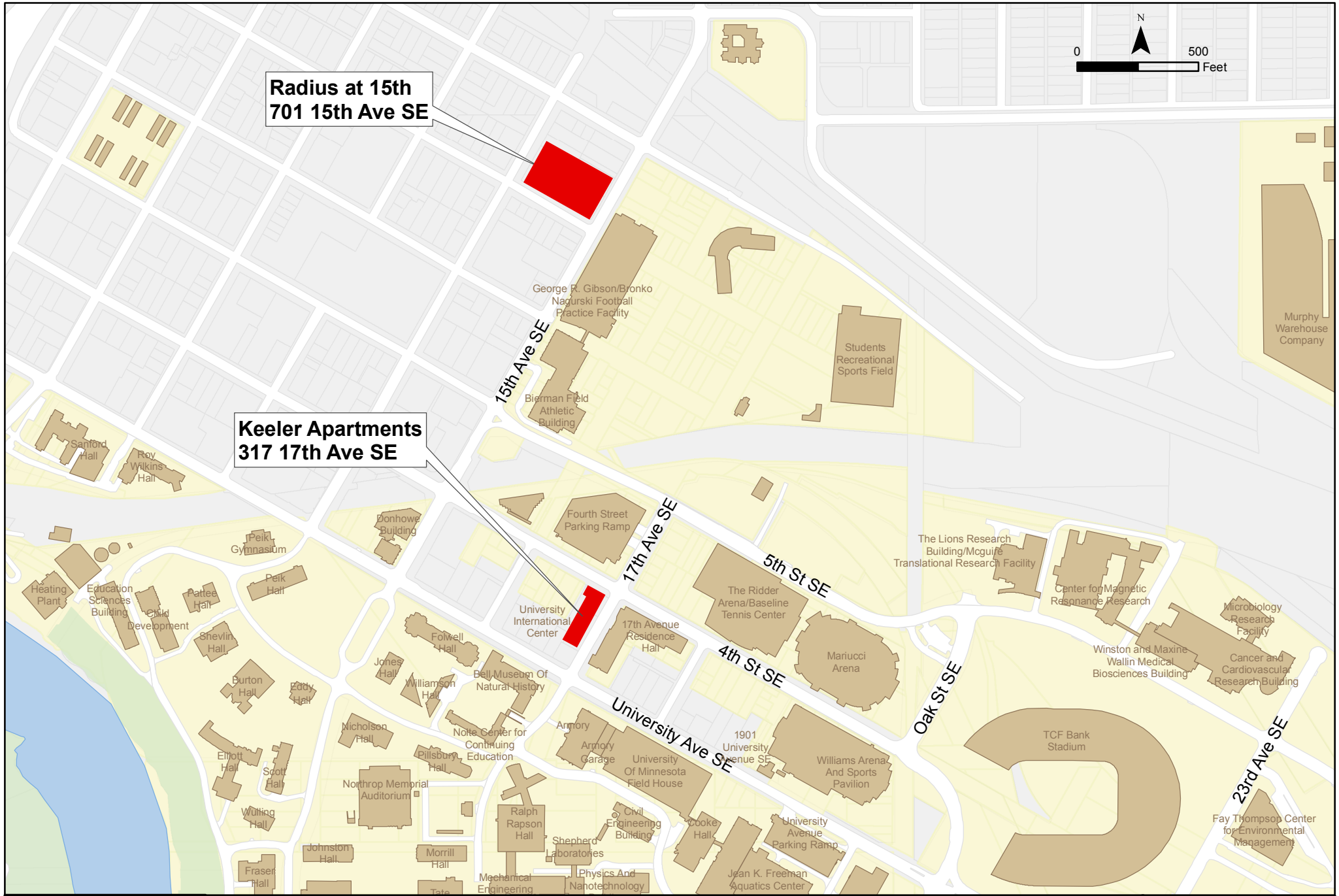


Pamela Wheelock, Vice President for University Services



**Radius at 15th
701 15th Ave SE**

**Keeler Apartments
317 17th Ave SE**



Real Estate Office



University of Minnesota

**Five-Year Leases of
Radius at 15th and Keeler Apartments
For Student Housing Purposes**

- University Buildings
- Lease for Student Housing Purposes
- University Property

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
UServices EGIS, MET Council

6/21/2016

Real Estate Transactions

Board of Regents Facilities, Planning, and Operations Committee
July 6, 2016



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Intended Goals

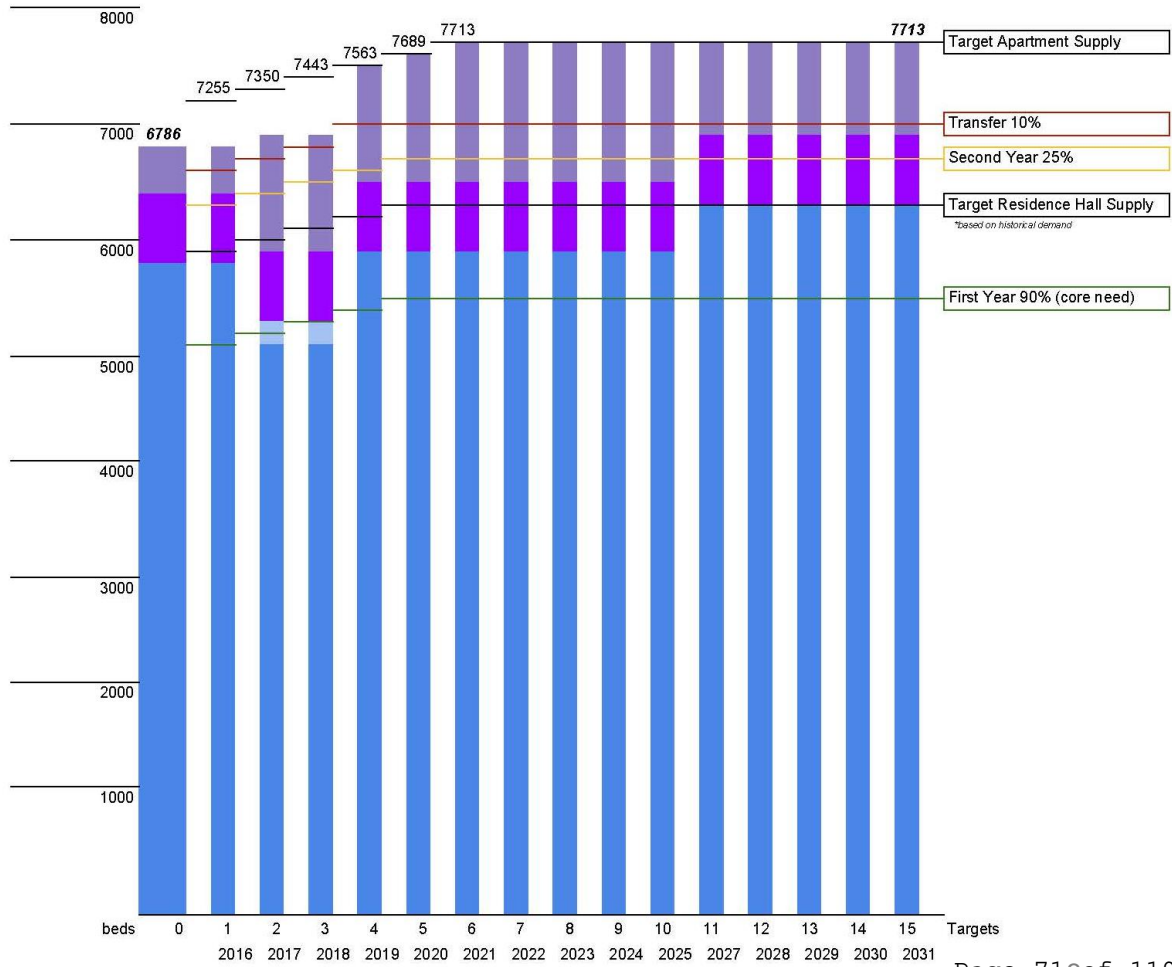
- Support enrollment targets
- Preserve residence hall capacity primarily for first-year students
- Add apartment capacity for second-year and transfer experience
- Test market to understand student preferences



**recommendation is not contingent on Pioneer Hall project or any other housing decisions*

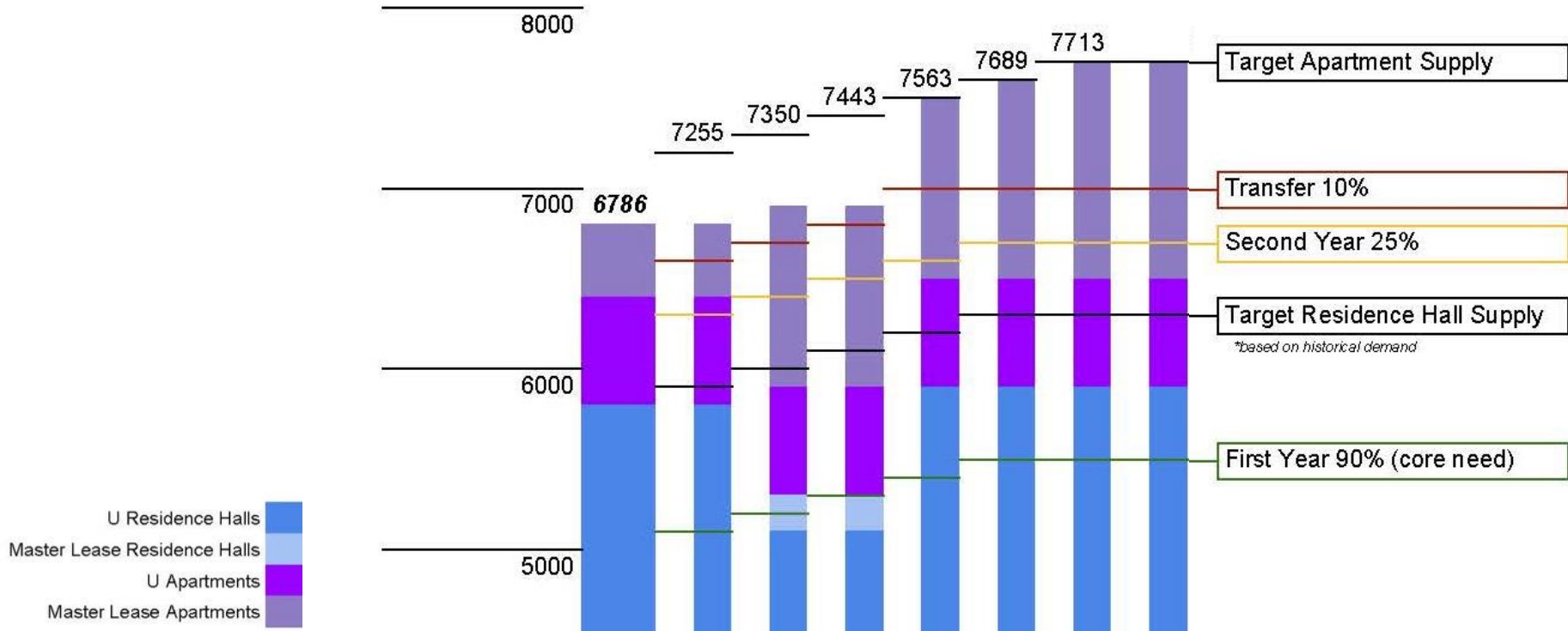


Demand Forecast





Demand Forecast





Proposal to Master Lease Apartments

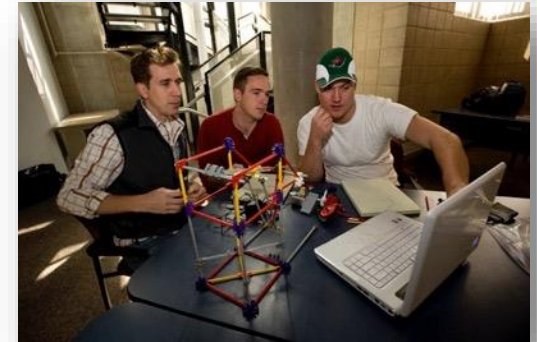
- Support newly adopted enrollment goals
- Improve student experience and academic achievement
- Assess product and quantity needed to meet student demand
- Reduce reliance on institutional debt capacity wherever possible
- Keep room and board rates in the bottom half of the Big 10





Regents 2016 Enrollment Plan

- Undergraduate body of 32,000-33,000
- University goals provide housing for
 - 90% of first-year students
 - (guarantee for all who apply by May 1, 88-90% historical capture)
 - 25% returning for a second year
 - 10% of incoming transfer students





Current Capacity

Type	Beds
Residence Halls	5,758
Apartments	1,028
Total	6,786





Why Master Leasing?

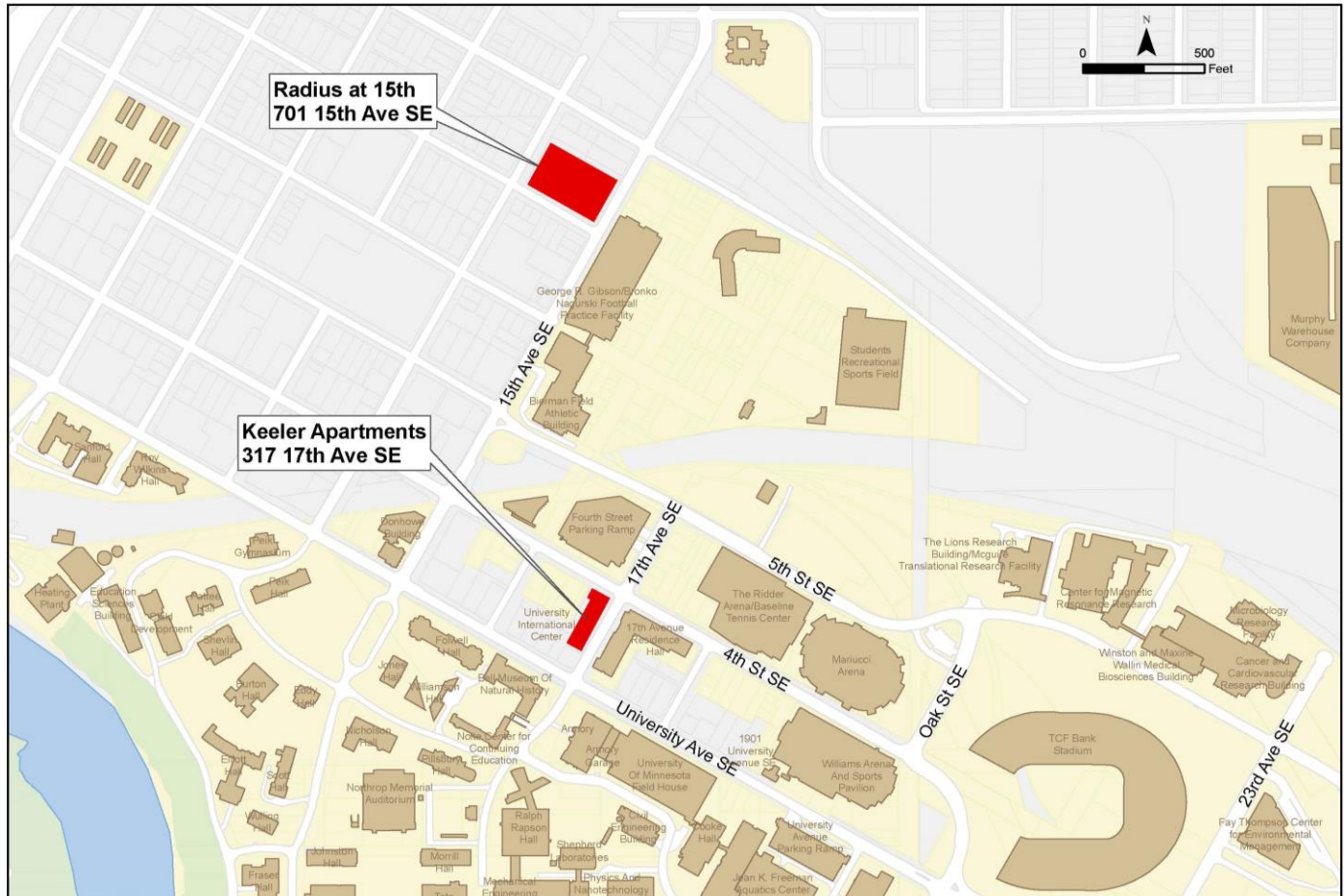
- Ability to quickly add or reduce capacity
- Leases do not impact University debt capacity
- Flexibility in product as student trends change





Evaluation Criteria

Criteria	Weight
Physical Facility / Location	25%
Management of Facility	20%
Financial Offers / Cost to the University	30%
References and Experience	10%
Targeted Group Business / OBCED	10%
Award Terms and Conditions	5%



Real Estate Office

University of Minnesota

**Five-Year Leases of
Radius at 15th and Keeler Apartments
For Student Housing Purposes**

-  University Buildings
-  Lease for Student Housing Purposes
-  University Property

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
Services EGIS, MET Council
6/21/2016



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

July 6, 2016

AGENDA ITEM: Resolution Related to Long-Term Development in Key Areas of the Twin Cities Campus

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Pamela Wheelock, Vice President, University Services
Suzanne Smith, Assistant Vice President, Capital Planning and Project Management

PURPOSE & KEY POINTS

The purpose of this item is to take action on a resolution related to long-term development in key areas of the Twin Cities campus.

The resolution is informed by the University’s Development Framework, which considers existing and emerging University needs related to the core mission of the institution in teaching, research, and outreach activities. The framework addresses changing conditions in surrounding neighborhoods, as well as supportive infrastructure and new and planned land acquisitions. It supports the needs of the campus community and defines goals that represent the desired future of the campus.

The resolution focuses on long-term development and change in the area referred to as the southeast gateway, which is roughly bordered by Huron Boulevard, Washington Avenue, and East River Parkway. A 30-year vision for this area was discussed by the Board during its February 2016 work session, and its adoption is included within the resolution.

In that vision, the delivery of patient-centered healthcare migrates east toward Huron Boulevard for visibility and ease of access. Existing buildings in the health sciences academic core are either reinvested in or removed. If a new hospital facility is built, existing health science facilities along East River Parkway will be demolished and new residence halls for student housing constructed. The northern half of today’s Superblock residential community is vacated to create connections between the academic and clinical health sciences. Other components of the vision include removal of obsolete facilities, such as the Mayo Building, to create new green spaces and connections across the campus and a commitment to first-year student housing in this district.

BACKGROUND INFORMATION

Board members have received presentations and/or approved resolutions related to campus planning at several recent meetings:

- June 2016: Academic Health Sciences Strategic Facilities Planning: Phase II Final Report (FAC)
- May 2016: The Role of Master Leasing in Meeting Enrollment Goals (FAC)
- February 2016: Work session - A Vision to Guide Long-Term Development and Change in Key Areas of the Twin Cities Campus (BOR)
- February 2016: Long-Range Campus Planning II: University Housing (FAC)
- December 2015: Long-Range Campus Planning I: Academic Health Sciences Strategic Facilities Plan (FAC)
- September/October 2015: 2016 State Capital Request (FAC, FIN, BOR)
- July 2015: Long-Term Campus Planning for the Academic Health Center and University Housing (BOR)
- June 2015: History of AHC Planning and Findings from Phase I of the Strategic Facility Plan (FAC)
- May 2015: The University's Housing Strategy: Twin Cities Campus (FAC)
- February 2015: Overview of the Governor's Blue Ribbon Committee on the University of Minnesota Medical School and Resolution Related to the FY 2016-2017 Biennial Budget Request (BOR)

PRESIDENT'S RECOMMENDATION

The President recommends adoption of the Resolution Related to Long-Term Development in Key Areas of the Twin Cities Campus.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

Long-Term Development in Key Areas of the Twin Cities Campus

WHEREAS, the Board of Regents (Board) set as one of the 2015-2016 Board priorities to “create a vision to guide long-term development and change in key areas of campus and bring Twin Cities Campus Master Plan (adopted in 2009) into alignment;” and

WHEREAS, in February 2016 the Board reviewed the results of planning efforts to create such a vision which allows for the continued operationalization of the Campus Master Plan, provides additional direction for reuse and redevelopment within the campus core, and envisions strategic land acquisition and joint planning at the campus edges; and

WHEREAS, this vision provides alternatives on both the East and West Bank for the potential long term replacement of M Health/Fairview hospital facilities and envisions additional new clinic facilities as the business model permits, and allows for siting these facilities in a way which prioritize patient convenience, wayfinding, and ease of access to the regional transportation system; and

WHEREAS, these alternatives will impact additional decisions related to student housing along the Mississippi Riverfront, but also provides opportunities to strengthen student housing, particularly first year student housing, along the river corridor on the East Bank and envisions new residential development should the existing Unit J hospital be demolished; and

WHEREAS, the Board recently adopted a Twin Cities campus undergraduate enrollment plan for 2016-2021 that seeks to increase total undergraduate enrollment from 30,500 to approximately 32,000 to 33,000 students and to accommodate 90 percent of first-year students, 20-25 percent of returning second-year students who lived on campus their first year, and a minimum of 10 percent of fall transfer students in University housing; and

WHEREAS, the University assumes that all student housing costs (construction/debt, operations, maintenance, renovation) will continue to be paid through room and board rates charged to the students living in its facilities; and

WHEREAS, the University will continue to manage room and board rates so that University's rates remain in the lower one-half of the Big 10, stewarding its assets through managed costs, planned investment schedules, and adequate resource allocation; and

WHEREAS, first-year students will be housed in residence halls with community living arrangements with other first-year students in facilities designed to support academic success, prevent self-isolation and encourage student interaction, and foster the development of lifelong relationships; and

WHEREAS, first-year students benefit from living in community-based residential neighborhoods with the following characteristics: a density of other first-year students; proximity to classrooms, academic support facilities, and student-related services; access to green space and transit; and separation from activities that impede academic success; and

WHEREAS, the University's existing residence halls are consistent with peer institutions' housing stock and will remain relevant and support affordable room and board rates if properly maintained and refreshed; and

WHEREAS, historic Pioneer Hall has significant systems and design deficiencies, has reached the end of its useful life, and requires reinvestment for continued use. In addition to its facilities condition deficiencies, it is not ADA accessible, it lacks sufficient community gathering spaces, student lounges, and study areas, and a satisfactory dining facility and therefore no longer meets University goals relative to providing a quality residential student experience, with the exception of the highly attractive location, without reinvestment sufficient to achieve the character, amenities, and dining opportunities expected in modern residential facilities; and

WHEREAS, the Administration is preparing a recommendation on the future of Pioneer Hall, consistent with enrollment targets and housing capacity goals, for Board review and action; and

WHEREAS, the University will continue to focus on building, operating, and maintaining this type of residence hall style housing for primarily first-year students, which is not provided by the private sector; and

WHEREAS, master leasing existing apartments in desirable locations near campus is a key component in retaining 25% of second-year students in University Housing, as master leasing does not impact University credit, provides great flexibility for managing the variability of student demand over time, and allows the University to respond to new options in the apartment marketplace.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents, exercising their reserved authority for the adoption of fundamental plans for the physical development of the University, affirms its support for this vision to guide long-term development and change in key areas of campus (see attached) and reaffirms its delegation to the President or designees the authority to advance the long-term plan for health sciences and student housing, the goals of which are not mutually exclusive.

This long-term plan will include a phased approach to decommissioning of obsolete facilities, redevelopment of currently owned land, acquisition of real estate, and renovation, maintenance, and repair of existing facilities. Execution of such plans will occur over decades as resources are available and will focus on redevelopment of existing facilities and land in the core academic areas of campus, with strategic acquisition of land on the edges for patient and visitor focused uses. Key

components of these efforts include the following related to health sciences and student housing, but will also include advancing the other components of the Long Range Development Framework:

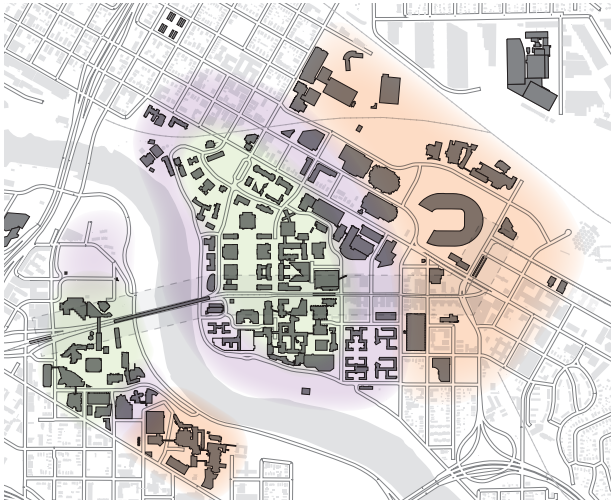
- 1) A long range facilities plan for the health sciences including the identification of facilities to be decommissioned, renovated, and built along with their preferred site/location that knits together the academic, research, and clinical cores of campus including:
 - a. A preferred site/ location, project scope, and cost to support interprofessional health sciences learning, in both pre-clinical and clinical environments, across all schools of the academic health sciences.
 - b. A preferred site/ location, project scope, and cost to support clinical research activities that represent both current day and desired future state for all the schools of the academic health sciences.
 - c. The removal of the Mayo Building and a proposed re-use for that site.
 - d. Two site options, one on the East Bank and one on the West Bank, for replacement and future expansion of clinical and hospital facilities.
 - e. Beyond the thirty year horizon, facilities planning will be prioritized based upon patient experience, access, financial feasibility, and adjacencies. Growth in this model is focused on the eastern edge, a land acquisition, outward facing functions such as patient-care, and opportunities for collaboration in development are identified in this area.

- 2) A long range plan for student housing including the identification of facilities to be decommissioned, renovated, and built along with their preferred site/location, focusing first year student housing in a residential neighborhood along the Mississippi River corridor. The plan will include:
 - a. Prioritizing student housing facilities planning based upon high quality residential student experiences, density of residential neighborhoods, proximity to classrooms, academic support facilities, and student-related services, access to green space and transit, safety, financial feasibility, and affordability.
 - b. Committing to the current residential Superblock site to continue to support student housing needs for the next several decades. Therefore, the University will engage in ongoing and planful maintenance, repair, and reinvestment of the existing housing as necessary in order to provide a quality student experience with targeted financial parameters within this lifecycle.
 - c. Exploring and proposing options for housing a larger percentage of undergraduate students given the anticipated increase in enrollment and the Board's desire to expand housing availability beyond the first year to a greater percentage of second-year and transfer students in support of increased student retention and stronger academic achievement.
 - d. Advancing the use of master lease agreements to expand University housing capacity in the short-term and build additional capacity in the long-term for non-first-year students.
 - e. Engage the support of the University of Minnesota Foundation to help identify and evaluate opportunities to collaborate or coordinate housing strategies with private parties.

BE IT FURTHER RESOLVED that the administration will report progress on these goals regularly and recommend to the Board of Regents the capital resources necessary to advance this vision as well as room and board rates necessary to sustain University housing facilities and programs.

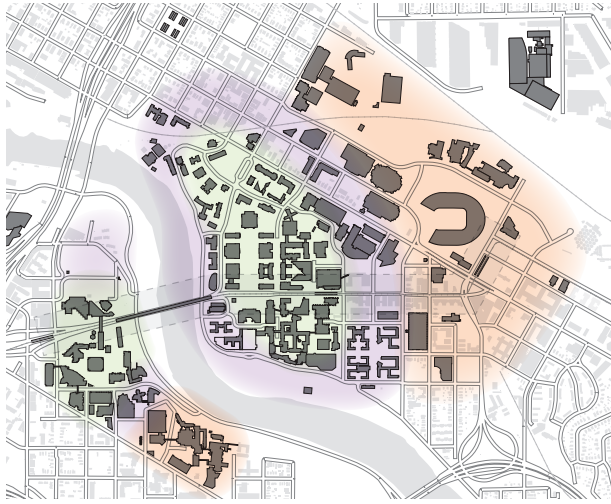


30+ year vision with options for riverfront housing



MINNEAPOLIS CAMPUS DEVELOPMENT FRAMEWORK

February 11, 2016



What it is

The Development Framework is a location-based model that shows the most appropriate use and function for campus development and investment. The primary organizing features are the central academic core areas on the East Bank and West Bank. Outreach-oriented functions lie at the campus edges, and service and support functions serve and link the two by occupying the areas between.

The campus centers are different—in character and function—from the campus edges. Accordingly, the Development Framework provides a way to understand, reinforce, and acknowledge the various characteristics and needs of distinct campus districts when planning for the future.

The Development Framework is organized by:

- Function, meaning how the current patterns of activity, movement, and intensity

of use shape the campus today and may inform the future.

- Form, meaning how the shape, size, orientation, and arrangement of buildings, spaces, and pathways reflect and strengthen our image, identity, and legacy.
- Trends, meaning how demographics, enrollment, multi-modal transportation, and urban growth inform and convey our unique position in a vibrant urban setting.

Why it is important

A common vision for the place-based campus of the future helps reinforce a consistently safe, high-quality campus experience for students, faculty, staff, and visitors. It ensures alignment between investments and desired outcomes, and reinforces the value of our unique campus heritage and presence in a dynamic metropolitan area.

What it does

The Development Framework guides decision-making about campus evolution over time. It indicates appropriate places for buildings, uses, and connections, and identifies locations for significant campus growth and change based on form, function, and access. Furthermore, the Development Framework supports future infrastructure and urban planning decisions within and outside the University.

DEVELOPMENT FRAMEWORK



Development Framework

- Academic
- Student service & residential
- Outreach & public-focused*
- Mixed-use

**research, patient care, athletics*

DEVELOPMENT GOALS

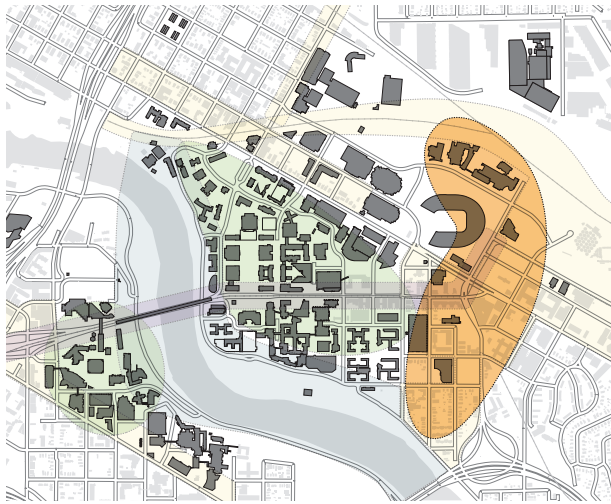
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DEVELOPMENT GOALS



- 1 ADVANCE OUTREACH MISSION**
 - Prioritize human scale medium-density development.
 - Improve the pedestrian experience.
 - Connect the AHC and the BDD.
 - Locate clinical and potential new hospital.
 - Acquire land strategically.
- 2 REINVEST IN THE CAMPUS CORE**
 - Prioritize the pedestrian experience.
 - Locate collaboration spaces in ground floors.
 - Maintain density.
 - Improve path and open space connectivity.
 - Design to discourage car use in campus core.
 - Ensure safe paths, open spaces, and entries.
- 3 REINFORCE THE TRANSIT CORRIDOR**
 - Prioritize mixed-use development.
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 - Create new physical and visual connections.
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DEVELOPMENT GOALS: CRESCENT



ADVANCE OUTREACH MISSION

Prioritize human scale medium-density development.

New development will happen in this area. Because human comfort is essential to the attractiveness, vitality, and safety of a place, we must focus appropriate development intensity at a scale that promotes healthy interaction.

Some important building features that create hospitable environments, visual interest, and increased security of adjacent outdoor spaces and sidewalks include ground-level windows; well-marked entrances; and detailed facades without blank walls. The overall building heights in this area should be between 6 and 10 stories, and will vary depending on the campus district characteristics.

Improve the pedestrian experience.

Pedestrian infrastructure in this area is disjointed and favors the motorist over the

pedestrian. Because walking is the primary mode of movement on campus, it is important to improve conditions on and near Huron to balance the needs of pedestrians, cyclists, and motorists.

The edge of campus is more urban and compact than the center, and the University is not the only landowner. Design and operations decisions that advance pedestrian movement will be the result of thoughtful coordination with public and private partners.

Connect the AHC and the BDD.

Students, faculty, and staff move regularly between the Academic Health Center and the Biomedical Discovery District areas, which are several blocks apart. The walk takes eight minutes, and both the time and experience can be improved with better sidewalk connectivity and more human-scaled building and site elements. Convenient access to the LRT station at both locations is another supportive link to reduce the perceived gap between locations.

Locate clinical facilities and potential new hospital.

Clinics and hospitals are a central component of the Academic Health Center and the University's mission. The current hospital facility does not meet expectations for single-patient rooms and privacy, and will be in need of a significant renovation or relocation.

The next generation of clinical care is here in 2016. Since a modern hospital is a vision for the future, it is important identify a location.

Planning ahead for the entire complex and strategically phasing the development enables the University and its clinical care partners to create a scenario that can result in the most functional, attractive, and convenient hospital and clinical care facilities possible.

Acquire land strategically.

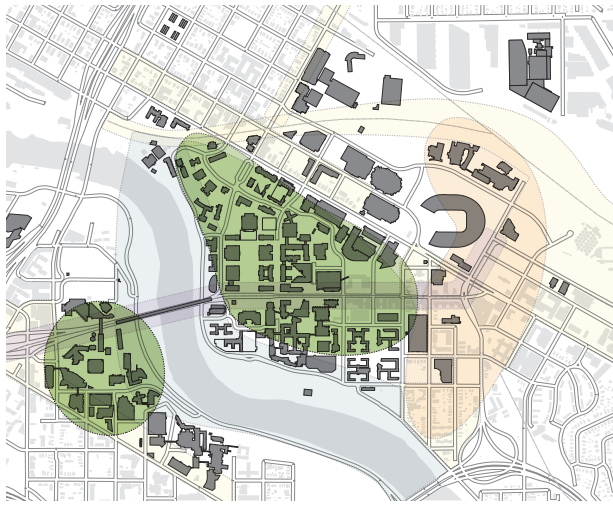
Land assembly will be required in order to realize the complete set of development goals referenced above. Land acquisition has typically been opportunistic, guided by campus planning directives. Partnerships can advance some of these goals. Determining best use of land and identifying relevant development conflicts prior to acquisition is supportive of the institution's long term goals.

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DEVELOPMENT GOALS: CAMPUS CORE



REINVEST IN THE CAMPUS CORE

Prioritize the pedestrian experience.

Most people move through the campus core by walking. It is a safe, convenient, and necessary way to move from place to place, and the activity resulting from pedestrian movement fills our outdoor spaces with vitality.

Prioritizing the pedestrian experience means creating an environment where pedestrians come first. This means little to no disruption in flow (such as now exists when waiting for cars and bicycles), direct connections between buildings and spaces (instead of buildings or other structures blocking direct access and requiring roundabout routes), and universal accessibility for all kinds of pedestrians with a range of abilities.

As we move forward, priority is given to the pedestrian experience first, and other elements in the built environment (buildings, landscape or infrastructure) respond.

Locate collaboration spaces in ground floors.

As much collaboration space as possible should be located at the ground levels in campus core buildings. Collaboration spaces are common areas shared by the entire campus community, and include spaces for studying, meeting, gathering, eating, and promoting engagement between people.

Ground floors are the most accessible and visible, offer the most convenient access to and from the outside, and provide the best opportunity to create a relationship between indoor and outdoor activity.

Maintain density.

The campus core is compact and organized, with buildings and spaces assembled in a logical, coherent pattern. Destinations are close together, pedestrians move comfortably between them, and outdoor spaces between buildings are active and lively. The current density of buildings (in size and relation to one another) is the main reason for this.

Because there is a direct relationship between the vitality of campus and density of buildings, population, and activity, the current density should be maintained to preserve a high-quality place-based experience. This means a commitment to reinvesting in core area buildings and spaces is essential to keep this special place intact. Even losing a single building leaves a hole in the fabric, which impacts the experience within the historic core campus area.

Improve path and open space connectivity.

An interconnected network of paths and open spaces helps pedestrians move around campus easily. Connections offer more route choices,

more direct access, and improved campus navigation for visitors.

Design to discourage car use in campus core.

It will always be important to accommodate service, delivery, and paratransit vehicles in the campus core, but it is not necessary to accommodate private vehicles except for ADA accessibility, limited delivery activity and entries and exits to some core area parking garages. In most areas, designing to promote slower speeds, pedestrian-oriented infrastructure, and alternative primary vehicle routes will improve the pedestrian experience and minimize mode conflicts.

Ensure safe paths, open spaces, and entries.

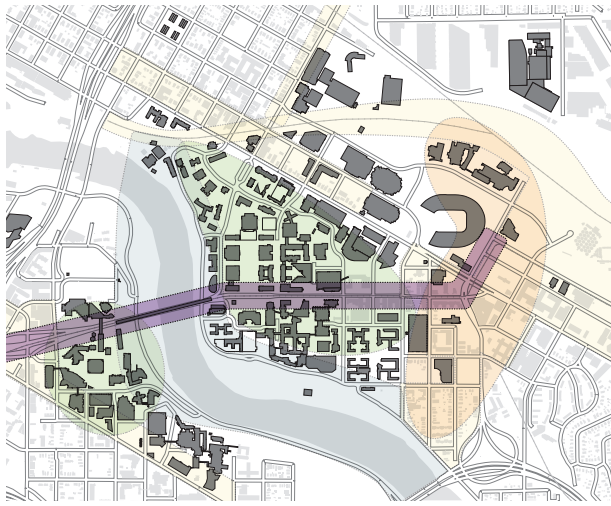
It is essential that all campus buildings and spaces are safe. In campus core outdoor areas, this means capitalizing on opportunities for natural surveillance, such as promoting activity by placing popular destinations in strategic locations; emphasizing good wayfinding with well-marked building entries and clearly delineated primary paths; and improving visibility with open sightlines, transparent building facades, and lighting that reduces glare, is calibrated for vertical and horizontal illuminance, and distributes light uniformly.

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DEVELOPMENT GOALS: TRANSIT CORRIDOR



REINFORCE THE TRANSIT CORRIDOR

Prioritize mixed-use development.

Access to transit service at the LRT station sites offers visitors, workers, and students a convenient way to get to campus. The concentration of people passing through the corridor brings opportunity for projects that maximize density, visibility, and ease of use when locating specific investments. Future projects will mix uses (student facing, teaching, people-intensive research, outreach, etc.) on sites or within buildings closest to LRT platforms and along the Washington Avenue corridor. This advances the goal of “highest and best use” of LRT-related land, and brings multiple benefits to members of the campus community.

Activate the street edge.

Transit riders move around on foot before and after their experience on the LRT train or bus. How University buildings face the street, in terms of which activities are happening at the first and second levels, and how buildings

and sites address the street edge, will make a difference in how people walking along the Washington Avenue corridor will relate to the campus. Uses that are people-intensive, with views into and out of the space, will make the street edge dynamic and interesting, which is a highly desirable feature of campus experience.

Stitch together East and West Banks.

LRT service makes the connection across the River a more comfortable choice for members of the campus community. The comfort and reliability of LRT travel brings options that can reduce the perception of distance and the discomfort of being outdoors in extreme weather conditions across the seasons. The corridor will be one of the wayfinding tools to make the campus experience between the East and West Banks more consistent and predictable. It will serve as a Main Street and will reinforce campus identity.

Design a pedestrian-friendly environment.

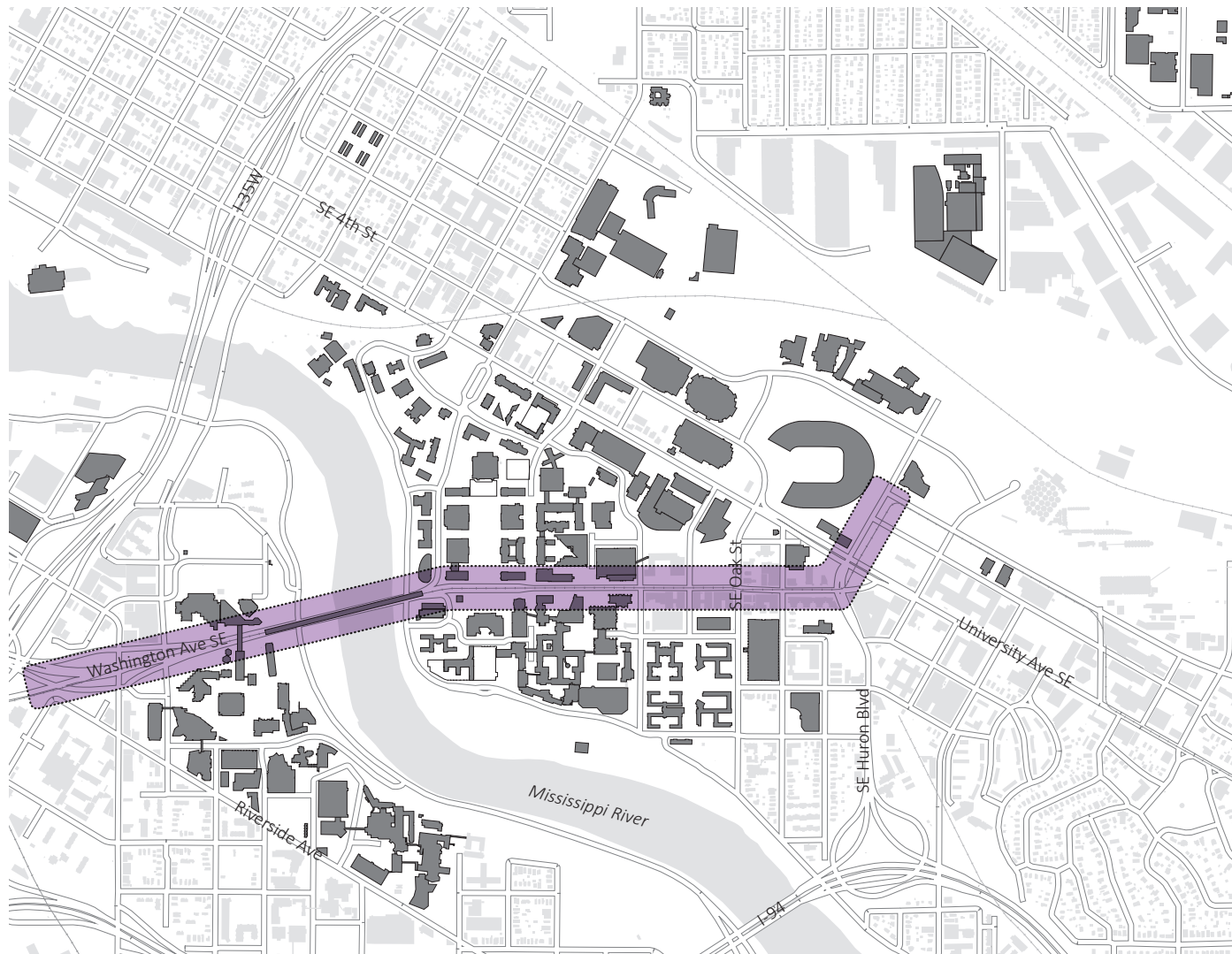
The Washington Avenue Pedestrian Mall was built as a component of the Green Line LRT project. It has demonstrated success as an attractive, functional gathering place. Other locations on East Bank are limited in space and level of investment potential. A unified approach to investing in the corridor will assume a common set of responses and potential solutions that respond to the variation in conditions. Working with adjacent property owners and jurisdictions to implement an attractive, welcoming place with street trees, stormwater treatment practices, comfortable paths for circulation, and other gathering places will be an important effort to support this goal.

Create a distinct identity.

The Transit Corridor is recognizable as a

unique place on campus, and within the Green Line LRT corridor as well. The corridor will, over time, serve as a Main Street for the campus. This commitment will drive a series of University decisions. Examples include making intentional decisions about which uses and levels of density will locate along the corridor, and investing in sites and pedestrian connections with a consistent design vocabulary. With valuable access to regional LRT transit, and a number of opportunity sites across the West and East Bank sites, the corridor from 19th Avenue on the West and 23rd Avenue on the east creates continuity and strong identity for the Minneapolis campus.

DEVELOPMENT GOALS: TRANSIT CORRIDOR



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ENGAGE THE RIVER

Create new physical and visual connections.

The Minneapolis campus was built with an internal focus and an orientation away from the Mississippi River. In the past, the river was about function, and buildings faced away from it. Now, the river is about beauty and wonder, and is a unique, treasured natural feature that new and renovated buildings should acknowledge equally.

Although the river gorge is the most prominent natural campus feature, physical and visual connections to it are scarce. Providing regular places to see and get to the river in key locations is an essential way to highlight this majestic place-based feature. Appropriate visual connections include spaces between buildings and overlooks on the bluff that offer direct views from campus. Appropriate physical connections include paths between buildings that lead directly to the riverfront, and no-build zones that protect viewing areas for the future.

Design riverfront open space sites.

Current open spaces near and overlooking the river now are remnant spaces resulting from what was not used as a building site. Many are not considered safe, attractive, or worth frequenting. In the future, open space sites adjacent to the river--or with choice views of it--should be deliberately selected and purposefully designed to take advantage of the premier location on both banks of the river.

Design buildings with dual river and campus faces.

A well-designed relationship between buildings and open spaces is the foundation of a successful place-based campus. Some campus locations have a mandate to consider two equally important mandates, the campus environment as well as the river gorge. Buildings should face and frame the University's attractive quads, courtyards, and lawns, with windows overlooking them and doors opening onto them. Buildings should also take advantage of the most significant natural feature of the campus: the Mississippi River.

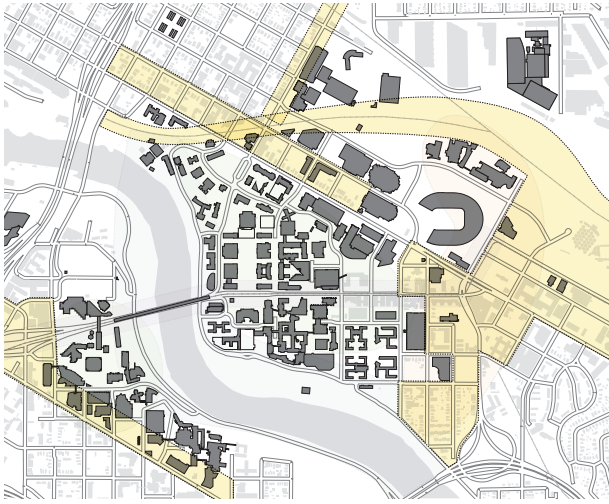
Develop housing to support student experience.

This is a new goal. Text still to come.

DEVELOPMENT GOALS: RIVER CORRIDOR



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INTEGRATE CAMPUS AND COMMUNITY EDGES

Participate in efforts in joint planning areas.

Joint planning areas are districts immediately adjacent to the campus that are in transition and may accommodate future development. New development located at the campus edge conveys the institution's image and physical identity, while acknowledging and respecting the adjacent urban environment.

The types of uses and activities that locate on these edges influence the nature of the University's relationship with its neighbors. The University wants to work with landowners, neighborhoods, and respective municipalities to plan for the mutual benefit of the University and the community. Whenever possible, these activities will be informed by a collaborative planning process with area stakeholders to better define and present the University's physical image to the broader community.

Define land use patterns and density in context.

Given the history of campus growth and need for continued investment in the existing set of buildings and infrastructure, limited changes are expected at the edges. New University development will be planned within density ranges that are contextual to their surroundings. Land uses will be aligned with adjacent campus uses. Transitions to neighborhoods will be managed to balance University needs with surrounding areas' plans for development.

Access to regional and municipal systems, including infrastructure systems such as sewer, transit, water, and street networks, has and will affect the pace of change and the density of campus development. As the campus has evolved over time, access and investments in supporting systems has changed. The campus of the future will take into consideration physical context and infrastructure capacity, as well as available resources, to locate future projects and work with regional and municipal entities to support change.

Determine new build sites and decommission/demolition candidates.

Evaluation of new build and demolition alternatives will take a comprehensive view of challenges that face the campus in the near and long term. Facility condition, campus fit, aesthetics, and historic status (if any) are the starting points. The availability of alternatives that support the variety of program needs will be considered. Impacts to the campus community in terms of open space systems and transportation networks (pedestrians, bikes, or vehicular) are other important considerations.

Improve safe routes to and through campus.

The community around campus has evolved, with many more students residing in apartments within one-two miles of campus and moving around between destinations at all hours of the day. Designating and investing in "safe routes" to and through campus is an important commitment to making the campus environment safer. Physical enhancements such as lighting and surveillance cameras represent some of these investments. Communicating about these routes as operational changes such as "night owl" bus service and expanded patrolling are made will deepen their effectiveness for the campus community.

DEVELOPMENT GOALS: EDGES



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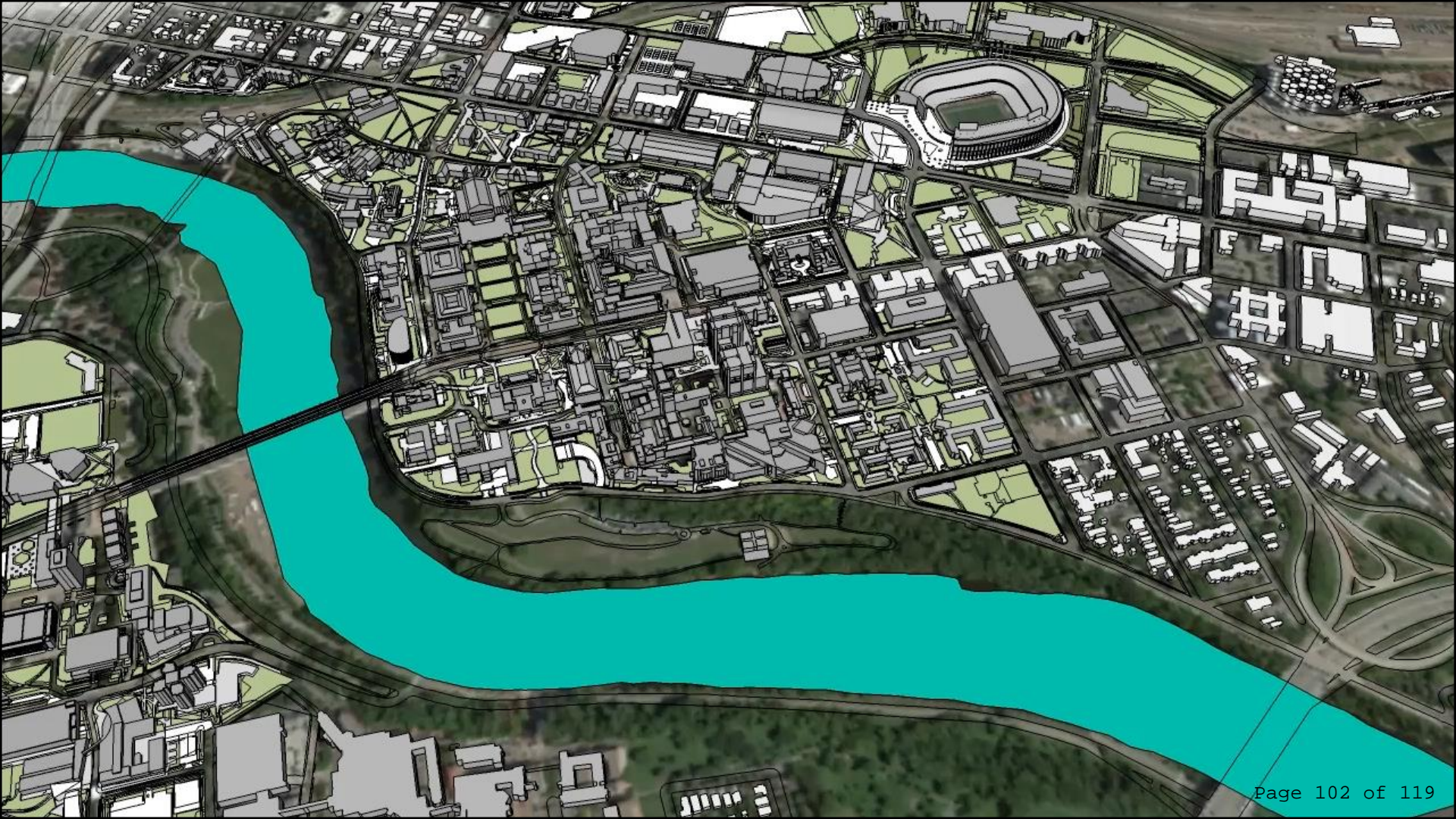
Resolution Regarding a Vision for Long-Range Planning and Change in Key Areas of UMTC

Board of Regents Facilities, Planning, and Operations Committee
July 6, 2016



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM





Planning Principles and Assumptions

Land, Facilities, and Space that are Aligned, Managed, and Sustainable

- Strengthen linkages between research, teaching and learning, and patient care
- Prioritize patient and visitor convenience, wayfinding, and ease of access
- Ensure quality, affordable, community-based first and second year residential experience
- Strengthen residential communities that support student interaction, convenience, and academic success
- Strategically balance reinvestment in existing facilities with new construction, as well as current campus footprint and land acquisition
- Advance key interests of the University and the surrounding community through creation of public private partnerships
- Encourage private investment near campus that is compatible with U interests



Land Use Focus on Patient Access, Academic Mission, Outreach

- Future land use focus on clinical activity (patient related), new hospital facility, other academic uses
- Align investments for transportation to predominant mode of travel (ped, bike, vehicle), including parking needs



if new East Bank hospital investment



Land Use Focus on Patient Access, Academic Mission, Outreach

- Allocate future land use to support clinical activity (patient related and research), other campus or supportive development needs
- Maintain the current hospital at present day location
- Align investments for transportation to predominant mode of travel (ped, bike, vehicle)



if no new East Bank hospital investment



Riverfront Housing Neighborhood

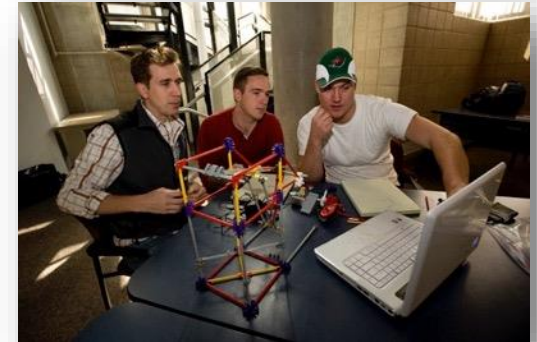
- Achieves connectivity and neighborhood goals for both housing and the academic health sciences
- Meets expected enrollment growth to provide residence hall experience to first-year students
- Provides guidance on future maintenance and renovation investments





Regents 2016 Enrollment Plan

- Anticipated growth in undergraduate class from 30,500 to 32,000-33,000
 - First-year class grows from 5,745 (fall 2016 planned) to 6,000-6,100 (2021)
 - Fall transfer class grows to 2,250
- University goals provide housing for
 - 90% of first-year students
 - (guarantee for all who apply by May 1, 88-90% historical capture)
 - 25% returning for a second year
 - 10% of incoming transfer students





Economics of University Housing

- Room and board rates are directly impacted by debt
- University housing rates must be reasonably competitive with non-University housing costs
- Most residence halls can be modernized and refreshed and will have a useful life for decades to come





Balancing Vision with Affordability

- Analysis of rates provides guidance on pace of investments in University-owned housing
- Evaluating implications of moving from lowest to lower half of the Big Ten for room rates
- 30-year vision requires remaining residence halls be maintained to a high quality in order to retain affordability
- Emphasis on refreshing and modernizing lounges and common spaces





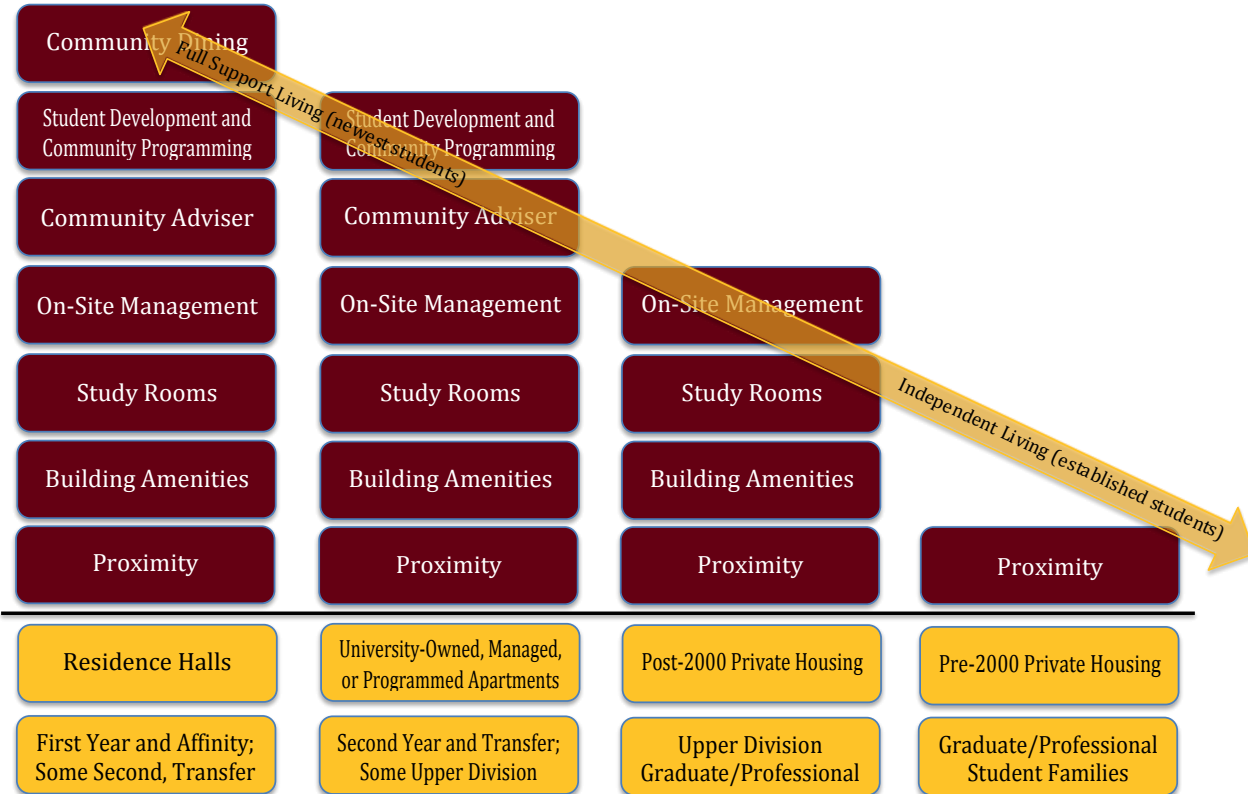
University Housing...

- Understands student and parent perspectives
- Provides a product that meets program goals
 - Intentional community, prevents self-isolation
- Focuses on first-year and some second-year students (generally)
- Impacts student success
 - ability to focus on academic pursuits
 - personal relationships and well-being
 - retention and graduation
- Cultivates institutional affinity





Supportive Services Matrix





Big 10 Peers' Housing Plans

Institution	Beds	Type and Detail
Illinois	503	residence hall (double rooms)
Indiana	500	residence hall (suite style), 2/3 double rooms and 1/3 single rooms
	200	apartment style, replacing 180 apartment beds
Iowa	1,023	residence hall (double rooms), replaces 360 beds
	501	residence hall (pod style)
Maryland	800	residence hall (pod style)
Michigan	640	apartment style, graduate student focus
Michigan State	926	apartment style, replaces 1,100 apartment beds
Nebraska	240	residence hall (pod style)
	130	apartment style
Northwestern	435	residence hall (suite style)
Ohio State	3,200	residence hall (double rooms), some suite style
Penn State	600	residence hall (double rooms)
Purdue	825	residence hall (pod style)



Declarations

- Existing facilities continue to be relevant and are expected to remain in inventory
 - well-maintained and regularly refreshed
 - potential for modification over time to reduce student:bath ratio
 - **exception for Centennial and Territorial if current hospital and AHC sites on riverfront are cleared**
- Facilities are strategically positioned on campus to enhance first-year experience



Pioneer Hall

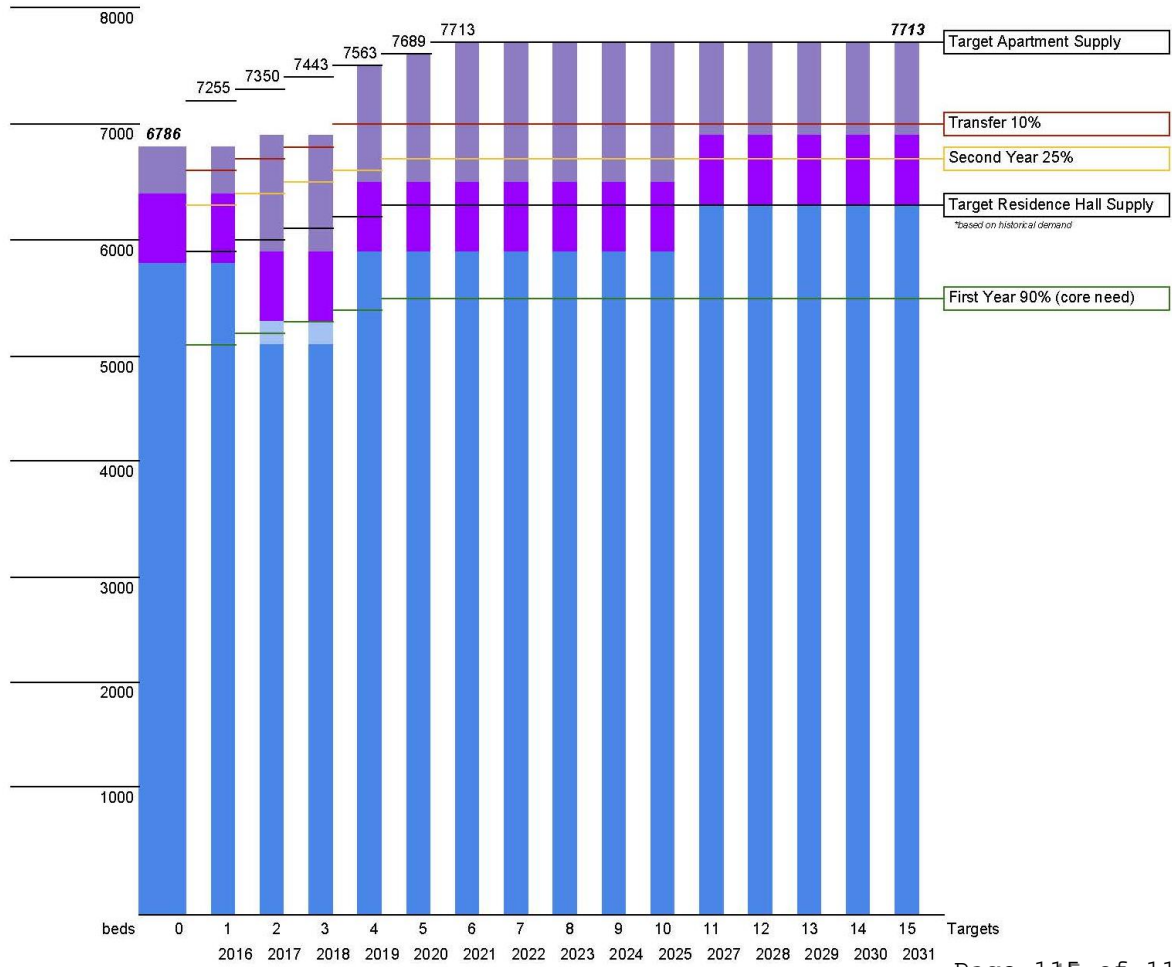
Option	Housing			Dining	
	Beds	Cost	Per Bed	Seats	Cost
Mothball	0	\$2,850,000	\$7,200	0	included
Extend Useful Life (low estimate)	693	\$15,500,000	\$22,370	190	included
Extend Useful Life (high estimate)	693	\$34,950,000	\$50,430	190	included
Renovate Existing Structure	385	\$51,000,000	\$111,690	225	\$8,500,000
Maintain Character and Capacity	696	\$76,225,000	\$95,260	850	\$22,725,000
Maintain Character and Capacity +	756	\$81,725,000	\$93,920	850	\$22,725,000
Demolish and Build New	798	\$105,250,000	\$112,160	900	\$24,750,000

17th Avenue Cost Per Bed (2018 dollars)

\$ 95,130



Demand Forecast





Why Master Leasing?

- Ability to quickly add or reduce capacity
- Leases do not impact University debt capacity
- Flexibility in product as student trends change
- Experience with expanded master leasing will inform future own vs. lease decisions





30+ year vision with options for riverfront housing



DISCUSSION



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM



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