

Year 2002-03

**UNIVERSITY OF MINNESOTA**  
**BOARD OF REGENTS**

**Facilities Committee**

**March 13, 2003**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, March 13, 2003, at 9:15 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: Lakeesha Ransom, presiding; Clyde Allen, Anthony Baraga, Frank Berman, David Metzen, and Patricia Simmons.

Staff present: Vice President Kathleen O'Brien; Executive Director Ann Cieslak; Associate Vice President Steven Spehn.

Student Representatives present: Cameron Brauer and Aaron Street.

Regent Ransom welcomed Regents Allen and Simmons to the Facilities Committee and noted that Regent Baraga is Vice Chair of the committee.

**CONSENT REPORT**

A motion was made and seconded to recommend approval of the Consent Report as contained in the docket materials.

## **Sale of 29.82 Acres in City of Carlton, Carlton County**

Real Estate Director Susan Weinberg reported on the proposed sale of 29.82 acres in the City of Carlton, Carlton County for \$35,901, which exceeds the appraised value. This land is part of a 475-acre parcel assigned to the Cloquet Forestry Center that was reviewed by the committee in May 2002. She stated the proceeds from the sale will be used to purchase land contiguous to the Cloquet Forestry Center that is better suited for forestry research.

## **Sale of 35.10 Acres in Perch Lake Township, Carlton County**

Real Estate Director Susan Weinberg reported on the proposed sale of 35.10 acres in Perch Lake Township, Carlton County for \$17,601, which exceeds the appraised value. This land is also part of a 475-acre parcel assigned to the Cloquet Forestry Center that was reviewed by the committee in May 2002. She stated the proceeds from the sale will be used to purchase land contiguous to the Cloquet Forestry Center that is better suited for forestry research.

## **Sale of Old Dutch Trust Property,**

### **11.72 Acres Near Becker, Sherburne County**

Real Estate Director Susan Weinberg reported on the proposed sale of 11.72 acres in Sherburne County for \$137,892, which substantially exceeds the appraised value. She noted that the Old Dutch Foods Company donated the land to the University in 1984 for the benefit of the College of Agricultural, Food and Environmental Sciences (COAFES), stating the proceeds will be used by COAFES in accordance with the wishes of the donor.

Weinberg responded to questions from the committee regarding the appraisal process on land sales and the process for assessing the value of timber.

Regent Berman expressed concern regarding the sale of University property. He suggested a compelling need should be demonstrated before any land is sold because the University may have a use in the future for some of the property that has been sold. O'Brien stated that she and Associate Vice President Pfitzenreuter believe it would be appropriate to

frame a policy discussion on criteria for disposing of or retaining land assets and a discussion will be scheduled at a future meeting.

Regents Baraga and Metzen concurred with Regent Berman's suggestion. Metzen suggested that the University's master plan would be a good model for establishing criteria for land sales.

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

#### **SCHEMATIC PLANS:**

#### **ST. PAUL CENTRAL CHILLED WATER FACILITY, TWIN CITIES CAMPUS**

Vice President O'Brien stated that the presentation of schematic plans for the St. Paul Central Chilled Water Facility would be postponed until the May meeting to allow the administration time to assess the cost estimating and schematic plans before the committee is asked to approve the recommendations.

#### **CAPITAL BUDGET AMENDMENTS**

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

### **Molecular & Cellular Biology Building, Twin Cities Campus**

- Amend the Fiscal Year 2003 Capital Budget by \$1,422,000 to incorporate additional funding for the Molecular & Cellular Biology Building project located on the Twin Cities, Minneapolis, East Bank campus.

O'Brien reported that the capital budget amendment is required to fund settlement of a construction contract claim entered into by the University in December 2002, noting that the Litigation Committee reviewed the settlement. She stated there is another potential claim, on a different competitively-bid contract, by the same contractor, but no additional communication has been received to date.

The committee briefly discussed the amendment and issues related to the settlement.

**Arboretum Visitor Center, Phase II,  
Minnesota Landscape Arboretum, Chanhassen, Minnesota**

- Amend the Fiscal Year 2003 Capital Budget by \$14,338,000 to incorporate additional funding for the Visitor Center, Phase II project located at the Minnesota Landscape Arboretum, Chanhassen, Minnesota.

O'Brien reported that Peter Olin, Director of the Minnesota Landscape Arboretum, has been successful in raising funds to construct the Visitor Center. Phase I was completed in 2002 and Phase II consists of a 44,000 square foot Visitor Center.

John Grundtner, University Architect, stated the total cost of Phases I and II is \$19,246,000, all of which is from gift funds. The Visitor Center will include a great hall, multipurpose space, gift shop, restaurant, terrace area, classrooms, offices, and a storage/receiving area. Occupancy is anticipated in Spring 2005.

O'Brien reviewed a summary of operating costs of \$488,000 for the new facility. In response to a question, Olin stated the annual budget for the current year is \$6.3 million.

A motion was made and seconded and the committee voted unanimously to recommend approval of the capital budget amendments.

**REAL ESTATE TRANSACTIONS**

**Sale of 43.80 Acres in Sawyer Township, Carlton County**

Real Estate Director Susan Weinberg presented the proposed sale of 43.80 acres in Sawyer Township, Carlton County for \$22,000, which exceeds the appraised value. This land is part of a 475-acre parcel assigned to the Cloquet Forestry Center that was reviewed by the committee in May 2002. She stated the proceeds from the sale will be used to purchase land contiguous to the Cloquet Forestry Center that is better suited for forestry research.

## **Sale of Fritz Trust Property, 40 Acres in Lake of the Woods County**

Real Estate Director Susan Weinberg presented the proposed sale of the Fritz Trust Property, consisting of 40 acres in Lake of the Woods County, for \$5,100. This land is also part of a 475-acre parcel assigned to the Cloquet Forestry Center that was reviewed by the committee in May 2002. She stated the proceeds from the sale will go to the College of Natural Resources in accordance with the wishes of the donor.

Regent Baraga reiterated concerns about the sale of University land raised in the committee's earlier discussion, particularly in light of the low sale price for the subject parcel of land.

Weinberg noted a few parcels within the 475 acres assigned to the Cloquet Forestry Center remain to be sold. She stated an offer has been received to purchase 40 acres in Carlton County for \$26,900, which will be presented for the committee's consideration at the May meeting. O'Brien noted that three parcels within the 475 acres did not generate any bids, stating the goal is to swap those parcels for land adjacent and more useful to the Cloquet Forestry Center.

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

## **REAL ESTATE TRANSACTION**

### **Three-Year Lease of Phillips-Wangensteen Building and Masonic Cancer Center Space to University of Minnesota Physicians for Clinical Activities**

Real Estate Director Susan Weinberg presented a proposed three-year lease with University of Minnesota Physicians (UMP). UMP will use 9,510 square feet on the first and eighth floors of the Phillips-Wangensteen Building and 5,888 square feet on the first floor of the Masonic Cancer Center for operation of the Audiology and Oncology Clinics and the Radiology Imaging Center.

Weinberg stated the lease will expire on July 31, 2006, and will provide ten six-month options to continue the lease thereafter. She noted that rent will be established to cover the University's actual cost of operation and depreciation for these spaces. Details regarding rent for the leased space will be provided at the May meeting.

## INFORMATION ITEMS

O'Brien noted all municipal agencies are required to have a storm water plan and the University qualifies as a municipality under the federal requirement. The University has until 2008 to comply.

Gregory Archer, Public Health Specialist in Environmental Health & Safety, reported on the Storm Water Rule, compliance responsibilities, and associated costs related to infrastructure and operational improvements. He noted the rule only applies to the Twin Cities and Duluth campuses at this time due to population thresholds. He presented information on the St. Paul campus watershed that discharges into one point known as the Sarita Wetland. This area will become a living laboratory and the University will share what it learns with other municipalities.

The meeting adjourned at 11:40 a.m.

**ANN D. CIESLAK**

**Executive Director and**

**Corporate Secretary**

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