

**UNIVERSITY OF MINNESOTA**

**BOARD OF REGENTS**

**Facilities Committee**

**February 7, 2008**

A meeting of the Facilities Committee of the Board of Regents was held on Thursday, February 7, 2008 at 9:45 a.m. in the West Committee Room, 600 McNamara Alumni Center.

Regents present: David Metzen, presiding; Anthony Baraga, Dallas Bohnsack, Maureen Cisneros, David Larson, and Patricia Simmons.

Staff present: Chancellor Jacqueline Johnson; Senior Vice President and Provost Thomas Sullivan; Senior Vice Presidents Frank Cerra and Robert Jones; Vice President Kathleen O'Brien; Executive Director Ann Cieslak; and Associate Vice Presidents Michael Berthelsen, Robert Kvavik, Meredith McQuaid, and Michael Perkins.

Student Representatives present: Nathan Olson and Jim Irrgang.

**SCHEMATIC PLANS**

**A. Science Teaching & Student Services Center, Twin Cities Campus**

A motion was made and seconded to recommend approval of the following action:

The schematic plans for the Science Teaching and Student Services Center, Minneapolis, Twin Cities campus, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice Presidents Perkins and Kvavik presented information on the project and explained that the new building will provide innovative and flexible teaching spaces and consolidate academic and transactional student services, as detailed in the docket and materials distributed at the meeting. In response to a question from Regent Baraga, Perkins stated that the east side of the building will be all brick and will complement the adjacent buildings on Northrop Mall.

The committee voted unanimously to recommend approval of schematic plans for the Science Teaching and Student Services Center, Minneapolis, Twin Cities campus.

**B. Carlson School of Management Repurposing, Twin Cities Campus**

A motion was made and seconded to recommend approval of the following action:

The schematic plans for the Carlson School of Management Repurposing, Minneapolis, Twin Cities campus, are approved and the

appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Associate Vice President Perkins and Carolyn Chase, Assistant Dean of the Carlson School of Management, presented information on the project and explained that space used by programs moving to Hanson Hall will be reconfigured for other Carlson departments and programs, as detailed in the docket and materials distributed at the meeting. Chase explained that the funding for the project is coming from the campaign to raise funds for the Hanson Hall construction.

The committee voted unanimously to recommend approval of schematic plans for the Carlson School of Management Repurposing, Minneapolis, Twin Cities campus.

### **C. Community Services Renovation, Morris Campus**

A motion was made and seconded to recommend approval of the following action:

The schematic plans for the Community Services Renovation, Morris, are approved and the appropriate administrative officers are authorized to proceed with the award of contracts, the development of construction documents, and construction.

Chancellor Johnson and Associate Vice President Perkins presented information on the project and explained that the renovation will provide a campus welcome center and meet the programmatic needs of admissions, external relations, and continuing education, as detailed in the docket and materials distributed at the meeting. Perkins reported that the renovation is designed to obtain a certification in Leadership in Energy and Environmental Design (LEED). In response to a question from Regent Simmons, Perkins explained that the premium for LEED certification is between 2 to 5 percent for most projects, which is projected to be recovered several times during the lifespan of a building.

The committee voted unanimously to recommend approval of schematic plans for the Community Services Renovation, Morris.

## **REAL ESTATE TRANSACTION**

### **A. Ten-Year Sublease for 11,900 Gross Square Feet at 331-17<sup>th</sup> Avenue SE, Minneapolis, Twin Cities Campus**

A motion was made and seconded to recommend approval of the following action:

On the recommendation of the President and the Vice President for University Services, the appropriate administrative officers are authorized to execute the appropriate documents providing for the following real estate transaction:

Ten-year sublease for 11,900 gross square feet at 331 17<sup>th</sup> Avenue SE, Minneapolis, Twin Cities Campus.

Details of transaction: The premises will be subleased from the University Episcopal Center commencing May 1, 2008 for a period of ten years, with five successive five-year options to continue the sublease thereafter. The University will pay base

rent of \$12.00 per useable square foot plus operating costs estimated at \$5.00 per useable square foot for the first year of the sublease. Base rent will increase by 3 percent each year. The University's share of the leasehold improvement project will not exceed \$190,000.

Source of funds: University funds.

Susan Weinberg, Director of Real Estate, noted that the transaction was being brought for review and action in one month in order to begin the leasehold improvement project as soon as possible.

The committee voted unanimously to recommend approval of the ten-year sublease for 11,900 gross square feet at 331-17<sup>th</sup> Avenue SE, Minneapolis.

## **REAL ESTATE TRANSACTIONS**

### **A. Agreements for Use of University Facilities & Services for Walden Summer Residency Program, July 9-20, 2008, Twin Cities Campus**

The committee reviewed a proposal for agreements for the use of University facilities and services on the Twin Cities campus for Walden University's Summer Residency Program, July 9-20, 2008. Susan Weinberg, Director of Real Estate, summarized the facilities and services used by the program and the fees paid to the University, as detailed in the docket materials.

In response to a question from Regent Larson, Laurie McLaughlin, Director of Residential Life, stated that summer rental of residential life facilities allows the University to drop student housing rates approximately 2 percent.

The item will return for action at a future meeting of the committee.

### **B. Purchase of 523 Oak Street SE and 524 & 528 Ontario Street SE, Minneapolis, Twin Cities Campus**

The committee reviewed a proposal for the purchase of 523 Oak Street SE and 524 and 528 Ontario Street SE, Minneapolis. Susan Weinberg, Director of Real Estate, summarized the location and description of the property and the source of funds, as detailed in the docket materials. She explained that these properties are being purchased on a block in which the University has purchased other properties and will serve a number of potential University needs in conjunction with the expansion of the Twin Cities campus.

The item will return for action at a future meeting of the committee.

## **CAPITAL BUDGET AMENDMENTS**

### **A. Medical Bioscience Building Research Support Equipment, Twin Cities Campus**

The committee reviewed a proposal to amend the FY2008 Capital Budget by \$2,000,000 to incorporate funding for research support equipment for the Medical Bioscience Building project located on the Twin Cities campus.

Senior Vice President Cerra explained that the research programs to be housed within the building have identified additional support equipment needed to perform their research functions, primarily in the area of animal care. Associate Vice President

Perkins reported that there are no changes to the outside of the building from the original plans and that the building remains on track to open in fall 2009.

In response to a question from Regent Baraga, Cerra reported that the University is accredited and in compliance with the standards of the Association for the Assessment and Accreditation of Laboratory Animal Care.

The item will return for action at a future meeting of the committee.

**B. Heller Hall Floors 9-12 Remodeling for Department of History,  
Twin Cities Campus**

The committee reviewed a proposal to amend the FY2008 Capital Budget by \$2,519,000 to incorporate funding for the Heller Hall, Department of History renovation project located on the Twin Cities campus.

Mark Pharis, Associate Dean in the College of Liberal Arts, explained that the project will provide contiguous space over four floors of Heller Hall for the Department of History, which is currently dispersed over a large area in the Social Sciences Building. He noted that this space is available in Heller Hall because the Department of Economics will be moving into the new Hanson Hall in Spring 2008. Associate Vice President Perkins reported that the project will be funded by the College of Liberal Arts and that no operating cost changes are anticipated.

In response to a question from Regent Larson, Vice President O'Brien commented that although the Department of Economics is moving and Heller Hall is named for former University Economics Professor Walter Heller, there are no plans to change the name of the building.

The item will return for action at a future meeting of the committee.

**ENERGY & UTILITIES: PRINCIPLES & PROGRESS UPDATE**

Vice President O'Brien introduced Associate Vice President Berthelsen to present information on energy management issues at the University, as detailed in the docket and materials distributed at the meeting. Berthelsen provided specific information on the budget for energy management, market trends in fuel costs, and departmental sustainability measures. Highlights of the presentation included:

- The University's average gas and solid fuel costs have consistently been less than those of the state of Minnesota for the past five years.
- The University's carbon footprint, or total amount of carbon dioxide produced, is projected to decrease in the upcoming three years.
- The total hours when the University lost either electrical power or steam power decreased from FY2007 to FY2008.

Berthelsen provided information on the projected energy needs of the Minneapolis campus for the next twenty years, specifically focusing on the capacity of the Twin Cities campus steam tunnel system. He estimated that between \$50 to \$100 million of work will be needed for the nearly 8½ miles of tunnels on the Twin Cities campus.

