

Contact: Joan Racki

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. The following actions for the **Dental Science Building, Phase 2 – Renovate South Wing** project and the **Iowa Memorial Union – Iowa House Renovation** project, major capital projects as defined by Board policy.
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A [Dental Science project] and Attachment B [Iowa Memorial Union project]);
 - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the selection of InVision Architecture for the Dental Science project and the consultant selection process for the Iowa Memorial Union project.
2. Project description and budget (\$3,950,000) for the **Oakdale Hall – Raze Building** project.

(ROLL CALL VOTE)

Executive Summary: At the October 2007 Board meeting, the University presented the College of Dentistry Master Plan, which identified the need for substantial renovation and expansion of the Dental Science Building (Building) to more efficiently respond to the requirements of modern dental patient care (including patient accessibility and changing patient populations); medical technology and research; and the need for additional instructional space.

Phase 1 of the project (final approval by the Board in September 2009) is constructing a 33,754 gross square foot addition to the west end of the south wing of the Building. Construction is scheduled to be completed in late 2011. (A map showing the location of the Dental Science Building is included as Attachment C.)

The University now requests permission to proceed with project planning for the **Dental Science Building, Phase 2 – Renovate South Wing** project, which includes the renovation of existing clinic and research areas in the south wing. The renovation and reconfiguration of existing operatories and auxiliary spaces would allow for more effective use of the space and expansion of high demand specialties to maximize utilization. The project will also address the building system deferred maintenance needs.

The anticipated project cost for Phase 2 is \$44 million, with funding anticipated from State funds (\$25 million capital request was approved by the Board in September 2009), College of Dentistry gifts and earnings, and income from treasurer's temporary investments.

The University requests permission to utilize the services of InVision Architecture for the project; the firm served as the architect on the Phase 1 project and undertook the programming for Phase 2.

The University requests permission to proceed with project planning, including initiation of the consultant selection process, for the **Iowa Memorial Union – Iowa House Renovation** project. This project would convert approximately 52,200 gross square feet on the second, third and fourth floors of the Iowa House Hotel (located in the Iowa Memorial Union) into dormitory rooms, with approximately 200 beds. (A map showing the location of the Memorial Union is included as Attachment D.) The project would include needed staff housing and associated support spaces on the student housing floors. The project is based upon a recent study commissioned by the University and conducted by Neumann Monson Architects of Iowa City. The Iowa House Hotel will cease operation on a permanent basis to dedicate this space as student housing.

The hotel lobby on the first floor would be renovated to provide a front desk, waiting lounge, mail boxes and other needed entry amenities. The infrastructure would be upgraded to meet current codes and deferred maintenance needs will be addressed. This project would be coordinated with the **Iowa Memorial Union – Flood Mitigation and Permanent Recovery** project. The Board's bond counsel and the Board Office have been and will continue to be consulted regarding this project due to the needed coordination of two bonded enterprise systems – the Iowa Memorial Union and the Residence System.

The estimated project cost of \$9.25 million would be funded by a combination of Residence System Improvement Funds and Dormitory Revenue Bonds.

The University seeks approval of the **Oakdale Hall – Raze Building** project which provides for the demolition of Oakdale Hall, a 220,000 gross square foot building constructed in 1917, located on the University's research campus in Coralville. The primary tenant of the building is the University Hygienic Laboratory, which will move to its new state-of-the-art facility this spring. The project budget for the **Oakdale Hall – Raze Building** project is \$3.95 million, which would be funded by the general education fund and/or income from treasurer's temporary investments. (A map showing the location of Oakdale Hall is included as Attachment E.)

Details of Projects:

Dental Science Building – Construct Addition (Phase 1), Renovate South Wing (Phase 2)

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
College of Dentistry Master Plan Report		Oct. 2007	Received
Permission to Proceed – Phase 1		Feb. 2008	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria – Phase 1		Feb. 2008	Approved
Design Professional Agreement, Ph. 1 and programming, prelim. planning – Ph. 2) InVision Architecture (Des Moines, IA)	\$ 1,565,000	Dec. 2008	Not Required*
Program Statement, Phase 1		Aug. 2009	Not Required*
Schematic Design, Phase 1		Sept. 2009	Approved
Project Description and Budget, Phase 1	17,000,000	Sept. 2009	Approved
Final Review and Consideration of Capital Project Evaluation Criteria, Phase 2		Sept. 2009	Approved
Construction Contract, Ph 1 – Larson Construction (Independence, IA)	7,226,000	Mar. 2010	Not Required*
Permission to Proceed – Phase 2		April 2010	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria – Phase 1		April 2010	Requested
Selection of Design Professional, Ph. 2 InVision Architecture (Des Moines, IA)		April 2010	Requested

*Approved by Executive Director in accordance with Board procedures

The College of Dentistry was founded in 1882. The existing Dental Science Building was constructed in 1973 and contains 200,844 gross square feet. While serving the College's needs well for the past 36 years, expansion, modernization and elimination of deferred maintenance needs are critically needed. The building houses 10 departments, accommodates 320 pre-doctoral students and approximately 90 graduate students, and provides services for 125,000 patient visits per year. Approximately 80% of Iowa's dentists have graduated from the University of Iowa. The College's increased reliance on clinical revenue for College operational expenses requires facilities that are modern, accessible, attractive and convenient to patients to ensure the College meets its educational and service missions.

Iowa Memorial Union – Iowa House Renovation

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed – Phase 1 Initial Review and Consideration of Capital Project Evaluation Criteria – Phase 1		April 2010	Requested
		April 2010	Requested

The residence halls at the University of Iowa have been at capacity for many years. The residence hall system includes 10 residence halls housing 5,600 students and 606 1- and 2-bedroom apartments. With the University's increased enrollments and intention to increase enrollments and retention, the University needs to increase its housing capacity. The University reports that this conversion project is a timely and cost effective way to meet a portion of the projected increase in demand.

Oakdale Hall – Raze Building

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		March 2010	Approved
Selection of Design Professional - (OPN Architects; Cedar Rapids, IA)		March 2010	Approved
Project Description and Budget	\$3,950,000	April 2010	Requested

The University seeks Board approval to demolish of Oakdale Hall located on the research campus in Coralville. Oakdale Hall originally served as a sanatorium hospital. In 1965, the Oakdale Campus and its facilities became part of the University of Iowa. Completion of the new University Hygienic Laboratory this spring will permit the vacation of a large portion of the building.

The University reports that razing the facility, which has outlived its useful life, will significantly reduce ongoing deferred maintenance needs (estimated at \$39.6 million when the most recent Facilities Governance report was submitted) and will address energy waste associated with its outdated building systems. It is anticipated that the demolition will result in an annual savings of approximately \$2 million in operations, maintenance and utility costs, most of which is utility costs.

This project includes abatement of asbestos-containing insulation material, flooring materials, and plaster. It also includes general demolition of building components, disposal of demolition materials, and recycling of materials using sustainable methods where appropriate. The razing of Oakdale Hall will commence following the disconnection of site utilities and the removal of all items planned for public salvage. The contractor will then determine the process for demolishing the building and will most likely salvage items that can be profitably recycled or sold for scrap, such as copper and steel. The salvage/demolition activity is expected to take approximately 23 weeks to complete.

Iowa Code §262.11 requires that all acts relating to the management, purchase, disposition or use of lands and other property of the institutions be approved by roll call vote.

Project Budget

Construction	\$3,263,660
Design, Inspection and Administration	521,340
Contingencies	<u>165,000</u>
TOTAL	<u>\$3,950,000</u>

Source of Funds:

General Fund and/or Income from Treasurer's Temporary Investments

Dental Science Building – Phase Two – Renovate South Wing
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Fulfillment of Mission and Strategic Plan: The project addresses the University's strategic goal of "cultivation of excellent graduate and professional programs, and to advance the research and scholarly enterprise."

The College of Dentistry's mission and strategic plan are based on three components: 1) the education of students as dentists and dental specialists 2) conducting research into aspects of oral diseases and the delivery of oral health care and 3) service to the community, state and the profession.

Modern, convenient and up-to-date clinical education and treatment facilities are needed to attract both students and patients. The best students use facilities as a major criterion when considering which dental school to attend. Modern and convenient facilities are essential to attract sufficient patients to provide an adequate quantity of clinical experiences for the education of dental students. In addition, with the growing disparity between salaries of dental faculty and private practitioners, there is an increased reliance on clinical income as a funding source. Modern, attractive and efficient clinical facilities are necessary to attract patients to contribute to clinical revenue.

Cutting edge research requires contemporary facilities to compete for external funding. The addition and renovation of space will allow for some student functions to vacate existing spaces that can be reprogrammed to research space.

Alternatives Explored: A conceptual analysis, conducted by an outside consultant, determined that the current building footprint was insufficient to accommodate the educational, clinical treatment and research needs for the College. Additional space is required to provide dental operatories, research facilities and instructional spaces that meet current standards. Construction of new space and renovation of existing will assist the College in fulfilling its mission and meeting its strategic goals.

Abandoned / Transferred/ Demolished Space: This project will not result in the abandonment, transfer or demolition of existing facilities.

Available Financial Resources / Anticipated Source of Funds: Funding for Phase Two is anticipated from a State capital request (\$25 million request was approved by the Board in September 2009), College of Dentistry earnings, gifts, and University allocations from Treasurer's Temporary Investment income and indirect cost recoveries from sponsored research.

Available Operating and Maintenance Resources: The source of funds to cover the operating and maintenance requirements will be existing O&M funds and indirect cost recoveries.

External Forces Justifying Approval: In order to attract outstanding students to meet the growing needs for dentists in Iowa and the nation, the College needs modern, up-to-date and efficient facilities.

The College's increased reliance on clinical revenue for the College operational expense requires facilities that are modern, accessible, attractive, and convenient to patients in order for the College to compete with other sources of oral health care.

Iowa Memorial Union – Iowa House Renovation
Evaluation Criteria

Fulfillment of Mission and Strategic Plan: The residence halls at the University of Iowa have been at capacity for many years. The residence hall system includes ten residence halls housing 5600 students. In addition, UI Housing has 606 1- and 2-bedroom apartments. With the University's increased enrollments and intention to increase enrollments and retention, the University needs to increase its housing capacity. This conversion project is a timely and cost effective way to meet a portion of the projected increase in demand. The Iowa House Hotel space will provide nearly 200 beds in a configuration that would be desirable by students and at a cost less than new construction. The Iowa House Hotel will cease operation on a permanent basis to dedicate this space as student housing. This project will expand the University's housing capacity and will lessen the need to house students in temporary facilities at the beginning of the academic year.

This project will convert approximately 52,200 gsf on the second, third and fourth floors of the Iowa House Hotel (located in the Iowa Memorial Union) into the dormitory rooms for approximately 200 beds. The project will include needed staff housing and associated support spaces on the student housing floors. The project is based upon a recent study commissioned by the University and conducted by Neumann Monson Architects. The hotel lobby on the first floor will be renovated to provide a front desk, waiting lounge, mail boxes and other needed entry amenities. The infrastructure will be upgraded to meet current codes and deferred maintenance needs will be addressed. This project will be coordinated with the Iowa Memorial Union – Flood Mitigation and Permanent Recovery Project.

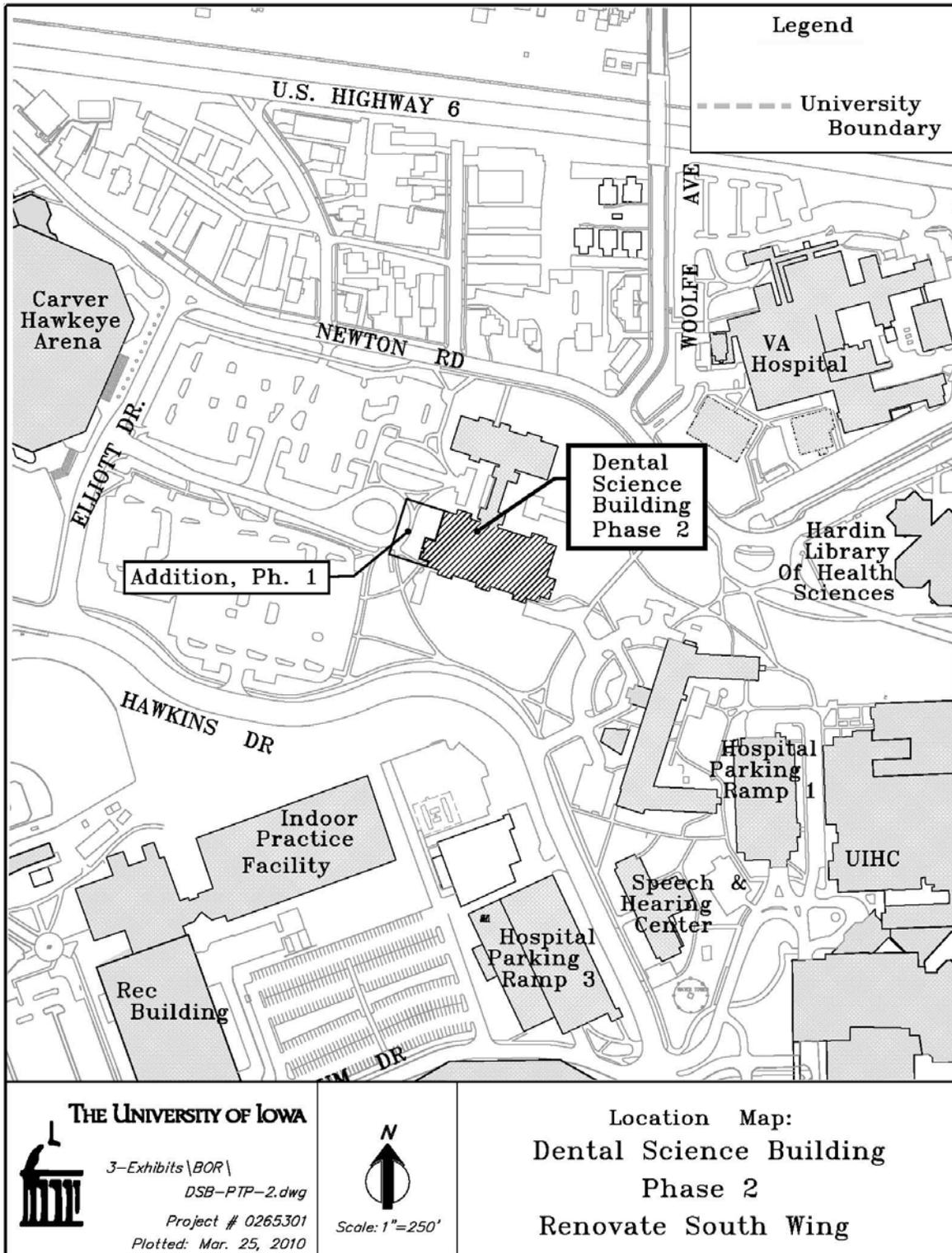
Alternatives Explored: The University engaged OPN Architect, Inc. and Einhorn Yaffee Prescott to study design concepts and costs for a new 500 bed West Campus Residence Hall between 2001-2003. This project was not pursued because the cost per bed and project delivery time exceeded the funding capacity and need for the beds by the 2011-2012 academic year. Another alternative is to do nothing. However, no additional housing would mean a larger number of students in temporary housing at a time when the University of Iowa is increasing the size of its first year class and is seeking to improve its retention rate.

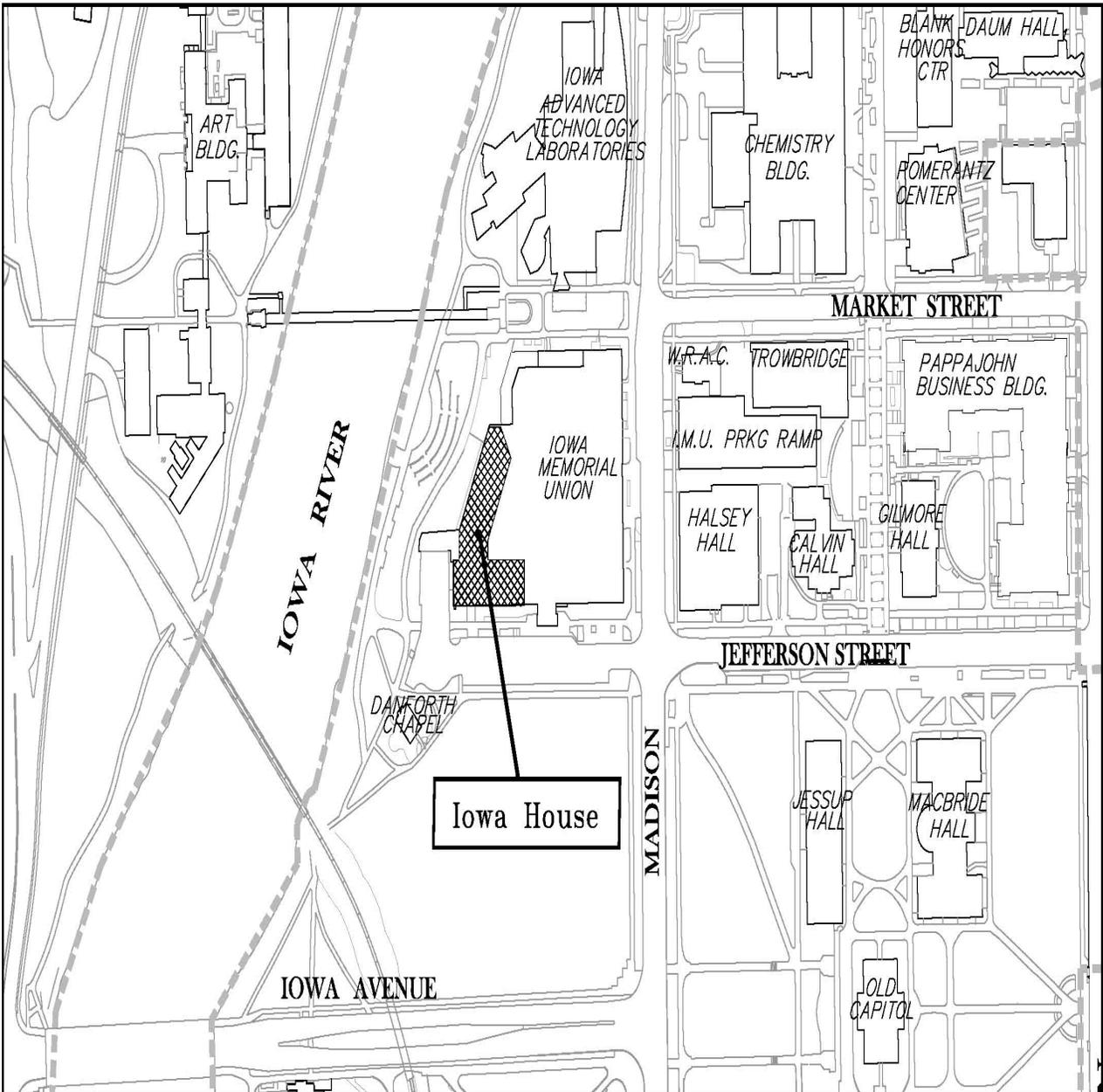
Abandoned / Transferred / Demolished Space: This project will not result in the abandonment, transfer or demolition of existing facilities.

Available Financial Resources / Anticipated Source of Funds: The project will be funded through a combination of residence hall system reserves and revenue bonding.

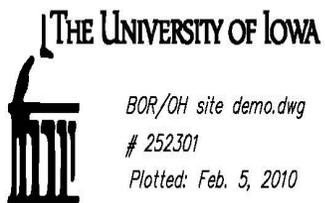
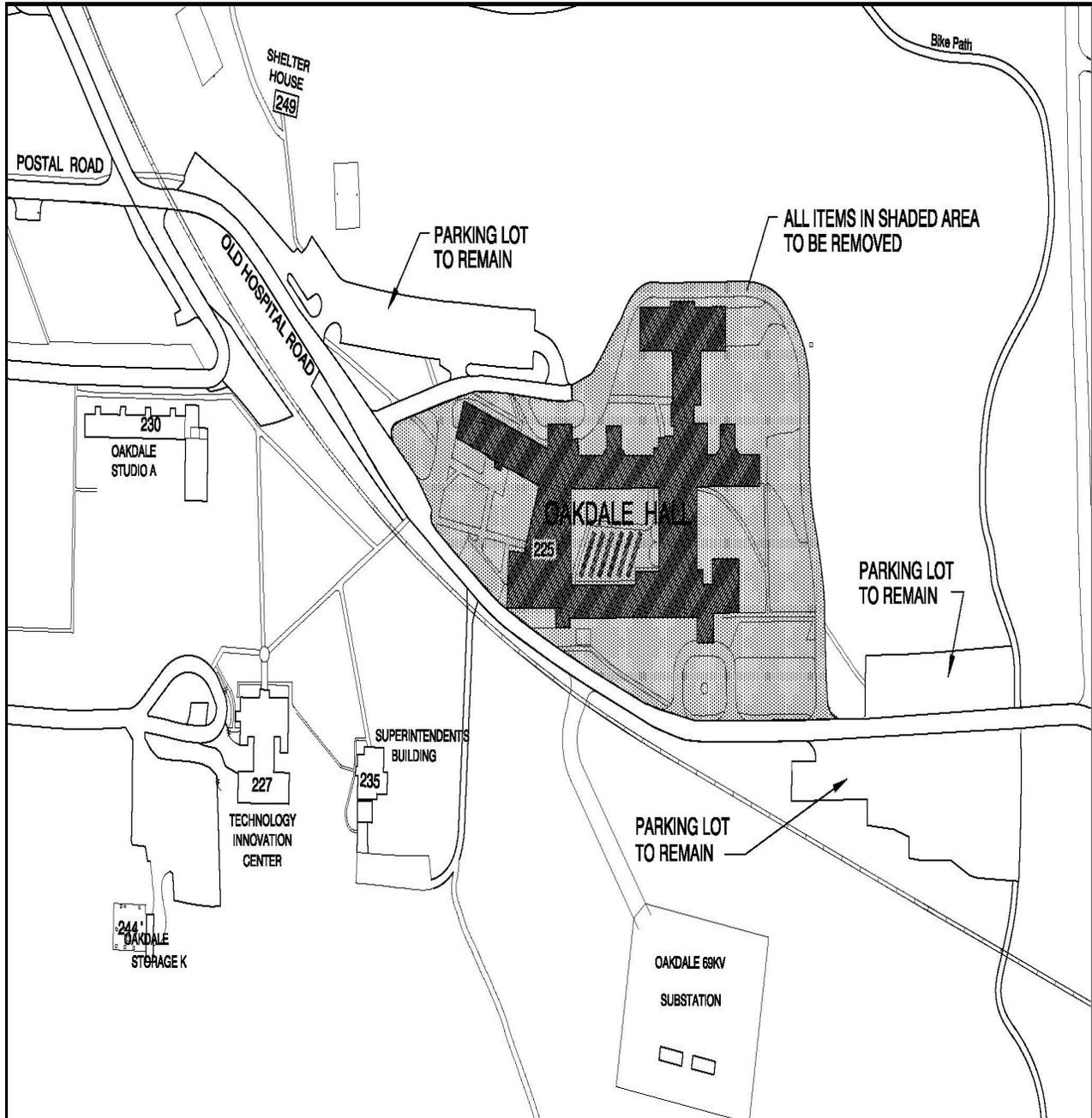
Available Operating and Maintenance Resources: The source of funds to cover the associated operating and maintenance costs will be board and room revenue.

External Forces Justifying Approval: Not Applicable





 <p>THE UNIVERSITY OF IOWA</p> <p>Project # 260801 File: IowaHouse.dwg</p>	<p><u>Legend</u></p> <p>----- University Boundary</p>	<p>N</p>  <p>1" = 200'</p>	<p>LOCATION MAP</p> <p>Iowa Memorial Union Renovate Iowa House</p>
--	---	---	--



Location Map
Oakdale Hall
Raze Building



Scale: 1" = 150'