

Contact: John Nash

MINUTES OF FEBRUARY 24, 2016 COMMITTEE MEETING

**BOARD OF REGENTS, STATE OF IOWA
PROPERTY AND FACILITIES COMMITTEE**

**ALUMNI CENTER, UELNER EXECUTIVE BOARD ROOM
IOWA STATE UNIVERSITY
AMES, IOWA**

Committee Members Present

Regent Milt Dakovich, Chair

Regent Patricia Cownie

Rod Lehnertz, University of Iowa Senior Vice President, Finance & Operations

Warren Madden, Iowa State University Senior Vice President for Business and Finance

Michael Hager, University of Northern Iowa Senior Vice President for Finance and Operations

Patrice Sayre, Board of Regents Chief Business Officer

Presenters / Respondents

Joan Racki, Board of Regents Policy and Operations Officer

John Nash, Board of Regents Assistant Director of Facilities

David Kieft, University of Iowa Business Manager

Don Guckert, University of Iowa Associate Vice President and Director, Facilities Management

John Staley, University of Iowa Hospitals and Clinics Senior Associate Director

Mike Zwanziger, University of Northern Iowa, Director, Physical Plant Administration

Other Regents in Attendance

Regent Larry McKibben

Robert Donley, Board of Regents Executive Director

Chair Dakovich called the meeting to order at 2:40 p.m. He announced that Regent Subhash Sahai is stepping down from the Property and Facilities Committee. Regent Patricia Cownie is joining the Property and Facilities Committee as a new member.

Agenda Item 1 - Minutes of December 2, 2015, Committee Meeting

The minutes of the December 2, 2015 meeting, as presented, were accepted by General Consent.

Agenda Item 2 – Facilities Governance Report

Board of Regents Policy and Operations Officer Joan Racki presented an overview of the Facilities Governance Report. Don Guckert, University of Iowa Associate Vice President and Director, Facilities Management; Warren Madden, Iowa State University Senior Vice President for Business and Finance; and Mike Zwanziger, University of Northern Iowa, Director of Physical Plant Administration presented information regarding facilities and their condition. Topics covered included stewardship, inter-institutional cooperation, business continuity and management of risk, efficiencies, cost-saving strategies, balancing “Keep-Up Costs” with “Catch-Up Costs,” utility system improvements and energy conservation.

In response to Associate Vice President Guckert’s comment that the University of Iowa has the best FCI (Facility Condition Index = deferred maintenance cost / replacement value) ranking in the Big 10, Senior Vice President Lehnertz said this is not just about having a high FCI ranking in the Big 10, it is about maximizing cost saving measures, making the total cost of ownership most efficient and seeing future cost savings.

In response to a question from Board of Regents Executive Director Robert Donley, Senior Vice President Madden said that data in the Iowa State University’s facilities governance report do not include any leased, off-campus housing.

By General Consent, the Committee recommended to the Board acceptance of the Facilities Governance Report, including the Board’s reaffirmation of its support for continued inter-institutional collaboration and coordination on facility issues and the institutional correction of identified fire safety and deferred maintenance deficiencies within the limits of available resources.

Agenda Item 3 - Register of University of Iowa Capital Improvement Business Transactions

Senior Vice President Rod Lehnertz presented one main campus project and three UIHC projects. In response to a question from Chief Business Officer Sayre, University of Iowa Hospitals and Clinics Senior Associate Director John Staley said the \$4 - 5 million project cost for the John Colloton Pavilion- Material Services, Processed Stores Relocation to Support Central Sterilization Services Expansion project does include the cost of a leased, off-site warehouse location. University of Iowa Business Manager Kieft said that a warehouse lease is being developed and would be brought to the April Board meeting for approval.

By General Consent, the Committee recommended to the Board approval of the following actions for **Russell and Ann Gerdin Athletic Learning Center Renovation and Build Out of 3rd Floor; Roy J. Carver Pavilion-Relocation of Cardiovascular Procedure Recovery Unit; John Colloton Pavilion-Material Services, Processed Stores Relocation to Support Central Sterilization Services Expansion; and UIHC-Relocation of Neurology and Neonatology Faculty Offices projects:**

1. Acknowledge receipt of the University’s initial submission of information to address the Board’s capital project evaluation criteria (see Attachments A, B, C and D of memorandum);
2. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and

3. Authorize permission to proceed with project planning including the selection of OPN Architects to provide design services for the Gerdin project and proceeding with the design professional selection process for the other projects.

Agenda Item 4 - Register of Iowa State University Capital Improvement Business Transactions

Iowa State University Senior Vice President Warren Madden presented the Register of the Iowa State University Capital Improvement Business Transactions.

In response to a question from Chair Dakovich, Senior Vice President Madden said the Richardson Court project is scheduled to be done in one summer although it might be a challenge for contractors to find enough skilled-trade personnel to complete the project in the summer. In response to a question from Chief Business Officer Sayre, Senior Vice President Madden said the atrium, elevator, north stair and north site/entry of the Bessey Addition component of the Biosciences Facilities project were previously removed from the project due to budget concerns but are now back in the project. In response to a question from University of Northern Iowa Senior Vice President Hager, Senior Vice President Madden said the debt service on the Facilities Corporation Bonds used to pay for part of the Advanced Teaching and Research Building component of the Biosciences Facilities project would be paid by college revenues, indirect cost revenues from research projects and possibly laboratory fees.

By General Consent, the Committee recommended to the Board approval of the:

1. Following actions for the **Richardson Court Residence Halls – Bathroom Remodeling** project, a major capital project 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 of memorandum);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the design professional selection process and consideration of the use of the construction manager – agent delivery method in lieu of the traditional design-bid-build process.
2. Revised project description and budget (\$88,000,000) for the **Biosciences Facilities – Bessey Hall Addition and Biosciences Facilities – Advanced Teaching and Research Building (ATRB)** project.

Agenda Item 5 – Institutional Agreements, Leases and Easements

Board of Regents Assistant Director of Facilities John Nash presented the agenda item and asked University of Iowa Business Manager David Kieft to describe one lease and one amended lease for the benefit of the University of Iowa.

By General Consent, the Committee recommended to the Board approval of one lease (with 229 S. Dubuque LLC) and one amended lease (with KGRD Green Bay, LLC) for the benefit of the University of Iowa.

Agenda Item 6 - University of Iowa Update of Flood Recovery Status

Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He noted that the flood recovery projects are moving forward and are on schedule to open in Fall 2016.

The Committee received the report.

Agenda Item 7 – Discussion of Future Committee Agenda Items

Policy and Operations Officer Joan Racki asked if the institutions had any comments regarding future agenda items. There were none.

Chair Dakovich adjourned the meeting at 3:25.