

**Contact: Joan Racki**

**MINUTES OF JUNE 4, 2015 COMMITTEE MEETING**

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

**SCHEMAN BUILDING, ROOM 230-240  
IOWA STATE UNIVERSITY  
AMES, IOWA**

**Committee Members Present**

Regent Milt Dakovich, Chair

Regent Subhash Sahai

Rod Lehnertz, University of Iowa Interim 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 Administration & Financial Services

Patrice Sayre, Board of Regents Chief Business Officer

**Presenters**

Joan Racki, Board of Regents, Policy and Operations Officer

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

David Kieft, University of Iowa Business Manager

Nancy Hill Cobb, University of Northern Iowa Associate Provost for Faculty Affairs

**Other Regents at the Committee Table**

Regent Patricia Cownie

Regent Mary Vermeer Andringa

Chair Dakovich called the meeting to order at 9:02 a.m.

Chair Dakovich welcomed the new member of the Committee, Regent Subhash Sahai, who replaced Regent McKibben. He also welcomed as guests to the Committee meeting recently appointed Regents Mary Vermeer Andringa and Patricia Cownie.

**Agenda Item 1 - Minutes of April 23, 2015 Committee Meeting**

The minutes of the April 23, 2015, meeting, as presented, were accepted by General Consent.

### **Agenda Item 2 – FY 2016 Annual Capital Plans**

Policy and Operations Officer Joan Racki gave a brief summary of the capital plans, which provide an overview of institutional plans and priorities for the upcoming fiscal year; each institution provides this annual report consistent with provisions of the Board's *Policy Manual*. The agenda item also included a status report on previously approved projects with budgets exceeding \$1 million. She mentioned that projects currently under construction total approximately \$1.2 billion; the flood replacement projects and the Children's Hospital account for approximately 60 percent of that amount. The dollar value of the other projects is more than 200 percent higher than the comparable construction amount in FY 1996. Construction costs have increased approximately 70 percent over the same period of time.

Each university provided an overview of key projects in its Plan. University of Iowa Interim Senior Vice President, Finance & Operations Rod Lehnertz discussed the proposed new West Campus Energy Plant, the fit-out of the shelled space in the College of Public Health building for an interdisciplinary informatics center, other remodel and renovation projects, and utility projects such as the modernization of building systems in the Bowen Science Building. He also mentioned that there were a number of projects where the estimated cost had not yet been determined.

Iowa State University Senior Vice President for Business and Finance Warren Madden provided an overview of Iowa State University's capital plan for FY 2016 which totals \$210 million. Senior Vice President Madden highlighted the deferred maintenance and utility projects, the Student Innovation Center and the Biosciences projects, and the Jack Trice Stadium Green Space project.

University of Northern Iowa Senior Vice President for Administration & Financial Services Michael Hager presented a summary of the University's capital plan. He noted that while the plan is smaller than those of the other universities, the projects are important to the campus. He specifically mentioned the renovations of Schindler Education Center and Lawther Residence Hall.

Chair Dakovich noted that there is a Roof Replacement project listed for the Iowa School for the Deaf.

The Committee, by General Consent, received the:

1. Report on anticipated institutional FY 2016 new capital improvement projects with the understanding that the proposed projects are subject to further review, availability of funding, and specific project approval consistent with Board policy.
2. Status report on previously approved projects with budgets exceeding \$1 million.

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

Interim Senior Vice President Lehnertz presented the University's Register of Capital Improvement Business Transactions. He noted the schematic design and project description and budget for the Pediatric Specialty Clinic and Conference Center Development project and the utility enabling projects for UIHC.

In response to questions from Regent Sahai regarding the Pathology Core Lab Expansion – 6RCP project, University of Iowa Hospitals and Clinics Senior Associate Director John Staley stated that the savings that would accrue from having an in-house lab as opposed to having the Human Leukocyte Antigen (HLA) testing performed at outside laboratories would be identified once the project description and budget were further refined. He went on to say that while there were no current plans to provide services to non-UIHC entities, providing those services might be considered at a later date.

The Committee, by General Consent, recommended to the Board approval of:

1. The following actions for the **Pathology Core Lab Expansion – 6RCP** 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;
  - 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.
2. The following actions for the **Pediatric Specialty Clinic and Conference Center Development** project, a major capital project as defined by Board policy:
  - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
  - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
  - c. Approve the schematic design, and project description and budget (\$39,000,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.
3. Project descriptions and budgets for the **Utility Enabling Projects for University of Iowa Hospitals and Clinics** (\$11,998,000) and **UIHC Entrance Plaza Landscaping** (\$6,256,000) projects.

#### **Agenda Item 4 - University of Iowa Proposed Property Purchase**

David Kieft, University of Iowa Business Manager, presented the University's request to purchase property at 104 East Market Street, Iowa City, Iowa. He noted that the property was across the street from the College of Business. The purchase price of \$2,600,000 was comprised of a \$300,000 gift credit to the University and \$2,300,000 cash to be paid in quarterly installments over 10 years.

By General Consent, the Committee recommended to the Board approval of the purchase of property at 104 East Market Street, Iowa City, Iowa, at a price of \$2,600,000 from Fred A. Riddle Jr. for the benefit of the University of Iowa, and a waiver of Board Policy 9.02 C.2 (conveyance of real estate for monetary consideration based on appraisal), subject to approval of the final documents by the Board Office and the Attorney General's Office.

#### **Agenda Item 5 - Register of Iowa State University Capital Improvement Business Transactions**

Iowa State University Senior Vice President Madden presented the University's Register of Capital Improvement Business Transactions. He noted that there were two components to the Biosciences project – the Bessey Hall Addition and the Advanced Teaching and Research Building. The University hoped to begin construction in the next fiscal year.

By General Consent, the Committee recommended to the Board approval of the following actions for the **Biosciences Facilities – Bessey Hall Addition** and **Biosciences Facilities – Advanced Teaching and Research Building** projects, major capital projects as defined by Board policy:

1. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
2. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration;
3. Approve the demolition of the Industrial Education II Building, the site for the new Advanced Teaching and Research Building; and
4. Approve the schematic designs, and project descriptions and budgets for the facilities (Bessey Hall Addition - \$28,000,000 and Advanced Teaching and Research - \$52,000,000).

### **Agenda Item 6 - University of Northern Iowa Capital Improvement Business Transactions**

University of Northern Iowa Senior Vice President Hager presented the University's Register of Capital Improvement Business Transactions, noting that fundraising for the portion of the project budget not funded by state appropriations was going well. He introduced Dr. Nancy Hill Cobb, Associate Provost for Faculty Affairs, who provided information on the educational programs housed in the Schindler Education Center and the direct impact that some of these programs, particularly through the Richard O. Jacobsen Center for Comprehensive Literacy, have had on students.

By General Consent, the Committee recommended to the Board approval of the following actions for the **Schindler Education Center Renovation** project, a major capital project as defined by Board policy:

1. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
3. Approve the schematic design, and project description and budget (\$34,900,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

### **Agenda Item 7 - Institutional Agreements, Leases and Easements**

Board of Regents Policy and Operations Officer Racki presented the agenda item, with University of Iowa Business Manager Kieft giving details of the proposed lease with James P. Hayes for the four properties adjacent to the Grant Wood home. Interim Senior Vice President Lehnertz reiterated that the four homes and the landlord's personal residence (Grant Wood's former home) are part of a gift agreement between Mr. Hayes and the University. Regent Cownie expressed her excitement about the proposed Grant Wood Art Colony.

Iowa State University Senior Vice President Madden stated that the University's proposed lease with CB Solar is a prime example of a public-private partnership with an alumni-created business.

By General Consent, the Committee recommended to the Board, subject to approval of the final documents by the Attorney General's Office and the Board Office, approval of:

- Lease with the Board as tenant for the benefit of the University of Iowa with James P. Hayes for property consisting of four consecutive parcels, the addresses of which are 1205, 1131, 1137, and 1211 East Burlington Street, Iowa City, Iowa.

- Lease with the Board as tenant for the benefit of the University of Iowa with North Dodge Medical Holdings, LLC - for approximately 58,000 gross square feet of medical clinic and office space in a new facility to be constructed at 1301 N. Dodge Street, Iowa City, Iowa.
- Lease with the Board as owner for the benefit of Iowa State University with CB Solar Inc. for land just north of the University's power plant cooling towers.

### **Agenda Item 8 - University of Iowa Update of Flood Recovery Status**

Interim Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He mentioned that seven years after the flood, the ground floor of the Iowa Memorial Union was rededicated and open for use. Although the flood wall around the Union will not be completed until July, this project represents the end of the recovery projects. The replacement projects are scheduled to be completed in 2016.

The Committee received the report.

### **Agenda Item 9 – TIER Facilities Cases**

The TIER study identified two facilities cases for further study:

- FAC-03 Reduce utilities and operational costs by limiting use of buildings during evenings and summer (UNI), and
- FAC-04 Reduce energy consumption by investing in energy management initiatives (ISU and UNI).

Iowa State University Senior Vice President Madden summarized the University's energy management initiatives and noted that 13 buildings use 50% of the energy consumed on campus. He noted that the University is trying to focus on the projects with the highest potential for savings; several of the identified projects are awaiting funding sources.

University of Northern Iowa Senior Vice President Hager reported on the two items that were identified in the TIER study and updated the Committee on their status. He noted that FAC-03 was a continuation of what the University had already been doing. The University implemented a two-pronged approach to address FAC-04: a re-commissioning operation for major buildings and identification of specific energy conservation projects. The University plans to create its own energy bank after its outstanding Energy Bank loan is repaid.

The Committee received the report.

**Agenda Item 10 – Iowa State University Proposed Property Purchase**

Iowa State University Senior Vice President Madden requested approval for the purchase of 29 acres of land located adjacent to the University's State Avenue and Mortenson Road teaching and research plot area in Ames, Iowa. He provided background information and the status of the property that had been purchased by Breckenridge from the Ames Community School District.

By General Consent, the Committee recommended to the Board approval of the purchase of 29 acres of land located adjacent to the University's State Avenue and Mortenson Road teaching and research plot area in Ames, Iowa, at a price of \$1,310,000 from the Breckenridge for the benefit of Iowa State University, contingent upon the completion of an acceptable environmental survey and subject to approval of the final documents by the Board Office and Attorney General's Office.

**Agenda Item 11 - Discussion of Future Committee Agenda Items**

Board of Regents Policy and Operations Officer Racki noted that the August 2015 Board of Regents meeting is scheduled to be telephonic, and asked that Committee members make note on their calendars that the telephonic Committee meeting would occur the morning of the August Board meeting.

Chair Dakovich adjourned the meeting at 9:56 a.m.