

**MINUTES OF SEPTEMBER 9, 2015 COMMITTEE MEETING**

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

**OLD CENTRAL BALLROOM, ROOMS A AND B  
MAUCKER UNION  
UNIVERSITY OF NORTHERN IOWA  
CEDAR FALLS, IOWA**

**Committee Members Present**

Regent Milt Dakovich, Chair

Regent Subhash Sahai

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

**Committee Members Absent**

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

**Presenters**

Joan Racki, Board of Regents, Policy and Operations Officer

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

Dr. Jean Robillard, University of Iowa Interim President and Vice President for Medical Affairs

Kenneth Kates, University of Iowa Associate Vice President, UI Health Care and Chief Executive Officer, University of Iowa Hospitals and Clinics

Dr. David Acker, Iowa State University Associate Dean of Academic and Global Agricultural Programs, College of Agriculture and Life Sciences

**Other Regents in Attendance**

Regent Patricia Cownie

Regent Larry McKibben

Chair Dakovich called the meeting to order at 9:05 a.m.

**Agenda Item 1 - Minutes of August 5, 2015 Committee Meeting**

The minutes of the August 5, 2015 meeting, as presented, were accepted by General Consent.

**Agenda Item 2 – Five Year Capital Plans, Including FY 2017 Capital Request**

Policy & Operations Officer Joan Racki provided an overview of the five-year capital plans and noted the absence of a request for FY 2017.

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

1. Approval of the Five-Year State-Funded Capital Plan for FY 2017 – FY 2021 of \$436.0 million, to be funded by capital appropriations or Academic Building Revenue Bonds (Table 5 of agenda item).
2. Receipt of the Five-Year Capital Plan (FY 2017 – FY 2021) of \$200.3 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds (Table 2 of agenda item).
3. Receipt of the report on FY 2017 – FY 2021 capital plans of \$464.6 million for the universities and special schools to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or UIHC Funds (Table 3 of agenda item).

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

Associate Vice President Don Guckert presented the Register of University of Iowa Capital Improvement Business Transactions. He noted that the College of Nursing Building had not been modernized since it was constructed in 1971; the proposed renovation is a student-centric plan and would be funded by College of Nursing gifts and earnings, treasurer's temporary investment income and building renewal funds. In response to a question from Chief Business Officer Patrice Sayre, Associate Vice President Guckert replied that the enclosing the courtyard would add approximately 7,000 square feet to the building.

Chair Dakovich stated that Associate Vice President Guckert would provide an overview of planned work at 102 Church Street and 101 Jessup Hall and noted that it was very appropriate to take advantage of the transition between presidents to undertake the much needed construction activity. Associate Vice President Guckert provided the overview and said estimates of costs for 102 Church Street had been estimated by BNIM (Des Moines architectural firm) at \$1.5 million and estimated costs for 101 Jessup Hall were \$750,000 - \$900,000. It is hoped that both projects, which would be financed with non-general funds, would be completed by the end of the spring semester. In response to a question from Regent Cownie, Associate Vice President Guckert said that there was yet no answer on where the president would be living until the work at 102 Church Street was completed, but many individuals and entities were working on answering the question, including the University of Iowa Foundation. In response to a question from Chief Business Officer Sayre, Policy and Operations Officer Racki explained the processes and procedures for approval of capital projects. Regent Sahai noted that he had toured 102 Church Street after the last Board meeting and improvements needed to be made.

Interim President Dr. Jean Robillard and Associate Vice President Ken Kates provided an overview of the University of Iowa Children's Hospital and the request to increase the project budget to \$360,200,000. Dr. Robillard noted that they had already raised \$40 million of the \$50 million private fundraising goal for the project, which is the largest single amount raised for any building at the University of Iowa. They provided a history of the project and a summary of the design improvements and environmental factors warranting the request to revise the budget.

Chair Dakovich noted that the project budget increase would be funded by Hospitals Building Usage Funds. Regent Sahai noted that the project budget was almost 25% greater than three years ago, but UIHC was “looking at a good product.”

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

1. Following actions for the **College of Nursing Building – Building Modifications** 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 (attachment to docket memo);
  - 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. Revised project description and budget for the **University of Iowa Children’s Hospital** (\$360,200,000).

#### **Agenda Item 4 - Establishment of ISU Global Corporation**

Iowa State University Senior Vice President for Business and Finance Warren Madden presented the University’s request related to establishment of the ISU Global Corporation and noted that Dr. David Acker Associate Dean of Academic and Global Agricultural Programs in the College of Agriculture and Life Sciences, and Paul Tanaka, University Counsel, were available to respond to questions.

Senior Vice President Madden stated that the University determined establishment of a separate organization was the best way to manage risk and liability concerns, while operating a program in a foreign country. Limited liability companies would be created in various parts of the world under the umbrella of ISU Global Corporation. He noted that the program in Uganda primarily served Iowa State University students who were enrolled in the College of Agriculture and Life Sciences, partnering with a local university. In response to a question from Regent Cownie regarding the number of students who would be at the Center when the new organization was implemented, Dr. Acker responded that there could be 48 students with up to 12 graduate students, post docs and faculty. They hope to be able to offer the program to students enrolled in other colleges at Iowa State University.

In response to a comment from Regent Sahai, Dr. Acker stated that one of the goals to be met through the construction of the new facilities, for which donors have pledged funds, is to create a safer presence in Uganda. In response to a question from University of Northern Iowa Senior Vice President for Administration & Financial Services Michael Hager, Senior Vice President Madden responded that new programs would require Board approval; the Board had approved the program in Uganda June 2012.

The Committee, by General Consent, recommended to the Board authorization for Iowa State University, in cooperation with the ISU Foundation, to establish the ISU Global Corporation to provide an entity to lease, develop or own real estate and facilities and operate them in foreign countries for the benefit of Iowa State University.

**Agenda Item 5 - Institutional Agreements, Leases and Easements**

Board of Regents Policy and Operations Officer Joan Racki presented the agenda item.

By General Consent, the Committee recommended to the Board approval of an agreement with One University Place, LLC for the benefit of the University of Iowa to install, operate and maintain a storm sewer and drainage easement and a sanitary sewer easement, subject to approval of the final documents by the Board Office and Attorney General's Office.

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

Associate Vice President Guckert presented the update, including the four reports presented at each Committee meeting. He noted that the replacement projects were on schedule, with opening anticipated in Fall 2016.

The Committee received the report.

**Agenda Item 7 - Discussion of Future Committee Agenda Items and Other Items**

There were no items brought forward.

Chair Dakovich adjourned the meeting at 9:45 a.m.