

**MEMORANDUM**

**To:** Board of Regents  
**From:** Board Office  
**Subject:** Register of University of Northern Iowa Capital Improvement Business Transactions for Period of April 28, 2004, Through May 21, 2004  
**Date:** June 7, 2004

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**Recommended Action:**

1. Take the following actions for the major capital projects, as defined by Board policy adopted in June 2003.
    - a. **Science Buildings Renovation—Phase 1** project (see pages 3 through 5).
      1. Acknowledge receipt of the University's interim 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. Authorize permission to proceed with project planning, including the architectural selection process.
    - b. **Business and Community Services** project (see pages 6 through 9).
      1. Discuss with University officials the implications of the inclusion of space in the building program for functions of the UNI Conference and Event Services, and ISU Extension Office.
      2. Consider the Phase 1 program statement within the context of the funding intent for the project.
    - c. **Student Health Center Expansion** project (see pages 10 through 12).

Approve the revised project budget (\$3,750,000) and construction contract award to Larson Construction of Independence, Iowa (\$3,206,500).
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**Executive Summary:**

Requested  
Approvals

Permission to proceed with project planning for the **Science Buildings Renovation—Phase 1** project which would renovate the Physics Building and Greenhouse, and upgrade classroom and laboratory areas and mechanical/electrical systems in McCollum Science Hall, to provide modern instructional facilities for the University's science departments (see page 3).

- The project would be funded with proceeds from the sale of Academic Building Revenue Bonds enacted by legislation during the 2004 session (SF 2298).

Phase 1 program statement for the **Business and Community Services** project which would construct a new facility to consolidate in a single, on-campus location, various services of the University's Business and Community Services outreach program, student and entrepreneurial business incubator space, functions of the University's Conference and Event Services, and rental space for the Black Hawk County operations of the ISU Extension Office (see page 6).

- The provision of space for the UNI Conference and Event Services and ISU Extension Office functions has not been presented previously to the Board and was not directly referenced in the funding applications for the project.
  - Board Office review of the building program has raised concerns regarding the appropriateness of the inclusion of these functions relative to the funding intent for the project. The University has been asked to address these issues at the Board meeting.

Revised project budget (\$3,750,000) and construction contract award to Larson Construction, Independence, Iowa (\$3,206,500) for the **Student Health Center Expansion** project which would construct an addition to the Student Health Center and renovate existing space in the facility to consolidate and expand the University's Health Services programs; the revised budget is necessary to allow award of the construction contract as recommended by the University (see page 10).

- The project is currently funded by proceeds from revenue bonds sold in February 2004 for which the debt service will be paid by the Health Facility Fee previously approved by the Board.
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**Background and Analysis:**

**Science Buildings Renovation—Phase 1**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Project Evaluation Criteria		Sept. 2003	Received with Capital Request
Interim Review and Consideration of Capital Project Evaluation Criteria		June 2004	Receive Report
Permission to Proceed		June 2004	Requested

**Background**      The Physics Building, Greenhouse, and McCollum Science Hall are located in the academic core of the University of Northern Iowa campus. (A map indicating the location of the buildings is included as Attachment A).

The Physics Building was constructed in 1906, the Greenhouse was constructed in two phases in 1938 and 1961, and McCollum Science Hall was constructed in 1968.

The three facilities, which have received no significant upgrades since their construction, are in need of renovation to accommodate the current and future needs of the University's science programs, which play a major role in the education of science teachers in the State.

A 1999 study of the science departments' long-term space needs recommended a renovation of the Physics Building for the Physics Department, renovation of the central campus greenhouse at its current location, and renovations and additions to McCollum Science Hall. (An addition to McCollum Science Hall was recently completed.)

**Project Scope**      The project would provide complete renovations of the Physics Building and Greenhouse; work would include interior improvements, installation of new mechanical and electrical systems, and exterior repairs.

The project would also upgrade classroom and laboratory space in portions of McCollum Science Hall, and upgrade the building mechanical and electrical systems.

The renovation project, which is consistent with the master plan for the science programs, would provide modern instructional facilities for the University's science departments, allowing the University to continue to attract Iowa's finest science and science education students.

**Anticipated Cost/Funding**      The project would be funded with proceeds from the sale of Academic Building Revenue Bonds enacted by legislation during the 2004 session (SF 2298).

**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.

**Institutional Mission/Strategic Plan** The University's science programs have experienced growth in enrollment and importance over the past decade. This project will renovate the Physics Building, update the Greenhouse, and upgrade science classrooms and labs in the original McCollum Science Hall building. This coincides with UNI's Strategic Plan Goal 1, "Provide intellectually stimulating and challenging experiences for students that broaden and deepen their perspective and awareness" and Goal 2, "support creative and intellectually rigorous teaching and scholarship." The Physics Building was built in 1906 and has not received a major renovation since that time. The Greenhouse has received only minor renovations since construction and is in dire need of updates. Completion of this project will facilitate interaction between students and faculty, enhance interdisciplinary and team projects among faculty and students, and make better use of resources at the University.

The federal government's "No Child Left Behind" initiative requires school districts to ensure that all teachers hired to teach core academic subjects in Title I programs after the first day of the 2002-2003 school year be highly qualified. The University is a major contributor in preparing future Iowa science teachers. These programs help to fulfill the University's Strategic Plan Goal 3, "Expand the involvement of the University in addressing critical local, state, national, and global needs that also enrich the educational experiences offered by the University.

This project is also consistent with UNI's Strategic Plan Goal 7, "Continue to improve capital, physical and informational resources at the University." The Science Buildings Renovation Phase I project will help us continue to attract the finest Iowa science and science education students, as well as enhance student recruitment in general.

**Other Alternatives Explored** A study of the science departments was completed in 1999. This study indicated that the best long-term solution for space needs of the science programs was a renovation of the Physics Building for the Physics Department, renovating the central campus greenhouse at its current location, and renovations and additions to McCollum Science Hall.

The buildings are structurally sound and located on central campus. Demolition and reconstruction would be more costly, time consuming and disruptive to the academic environment.

Impact on Other Facilities and Square Footage	<p>The Science Buildings Renovation Phase I project provides for renovations to the Physics Building, the Greenhouse, and the original McCollum Science Hall. The current occupants will retain these spaces following renovation.</p> <p>This project will not result in the abandonment, transfer, or demolition of existing facilities.</p>
Financial Resources for Construction Project	<p>This project received funding from SF 2298 of the 80<sup>th</sup> Iowa General Assembly.</p>
Financial Resources for Operations and Maintenance	<p>It has been the University's experience that when older buildings are renovated, there are additional energy costs that will impact the fuel budget. Recent experience indicates a 30-50 percent increase in electrical costs due to added technology. The costs for the operation and maintenance of this facility will be from the general fund.</p>
External Forces	<p>The University's science departments play a major role in the education of science teachers in the State. This has become more critical since, according to the National Center for Education Statistics, approximately two-thirds of all high school physics students are being taught without certifications and undergraduate majors in physics.</p> <p>Biotechnology is an important issue for the State, Cedar Valley, and University. UNI has one of the only biotechnology undergraduate programs in the State, which will support the Cedar Valley initiative in biotechnology.</p> <p>Partnerships are an important part of public education in tight budget times. The University has developed a partnership with Allen College to assist in nursing education. Skilled nurses are of paramount importance to the Cedar Valley and State. The University has increased the number and frequency of classes offered to nursing, nuclear medicine, and radiography students, which has allowed Allen College to admit a new class of nursing students twice rather than once per year.</p> <hr/>

**Business and Community Services**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Oct. 2003	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria Architectural Agreement		Oct. 2003	Received Report
(InVision Architecture, Waterloo, IA)	\$ 480,000	Feb. 2004	Approved
Phase 1 Program Statement		June 2004	Requested

Background

The University of Northern Iowa Business and Community Services outreach program provides training, technical assistance, and market research for businesses, and economic development assistance for Iowa communities.

- The program includes the Small Business Development Center, John Pappajohn Entrepreneurial Center, Strategic Marketing Services, Institute for Decision Making, Management and Professional Development, the Iowa Waste Reduction Center, and Ag-Based Industrial Lubricants.

The Business and Community Services program functions are currently housed in scattered locations on campus and in leased space in the Cedar Valley area.

The University wishes to construct a new facility to consolidate the majority of the functions of the Business and Community Services program into a single campus location to further promote collaboration among the various units and to achieve a number of operational efficiencies; the proposed facility would include a business accelerator and student incubator component.

In September 2003, the Board voted to support the submission of a coordinated set of applications from the three Regent universities to the Grow Iowa Values Board for specific economic development projects, including the Business and Community Services project (Project).

In October 2003, the Board granted the University permission to proceed with the Project, with the understanding that the project scope might require modification as planning proceeded due to the contingent nature of the proposed fund sources.

The University reports that the proposed project is consistent with the University's Strategic Plan and the Board's Technology Transfer and Economic Development Plan.

Project Scope	<p>The proposed facility would include training rooms, a computer laboratory, a multi-media conference center, experiential learning classrooms, entrepreneurial suites, virtual incubator facilities, and office space.</p> <ul style="list-style-type: none"><li>• The anticipated location for the facility is in the vicinity of the Center for Energy and Environmental Education. (A map indicating the approximate location for the facility is included as Attachment B.)</li></ul>
Project Cost/ Funding	<p>The University wishes to proceed with the Phase 1 project based on funding commitments to date; the University plans to pursue additional funding for the Phase 2 project.</p> <p>The estimated cost for the entire project is \$7.5 million; however, the current total project cost is estimated at \$4,646,000, which is based on current funding levels.</p> <ul style="list-style-type: none"><li>• The University has received funding commitments from the U.S. Department of Energy (\$2,896,000), Grow Iowa Values Fund (\$1,500,000), and the federal Small Business Administration (\$250,000).</li><li>• The University reports that future funding from the Grow Iowa Values Fund is unknown at this time; the University has submitted a request for additional federal funds.</li></ul>
Phase 1 Program Statement	<p>The Phase 1 project would provide administrative office space for the John Pappajohn Entrepreneurial Center and Institute for Decision Making, with a conference center to accommodate the programs' public initiatives and other support areas. The office space would be developed for flexible use to encourage collaboration between the programs.</p> <p>The Phase 1 project would provide both student and entrepreneurial business accelerator space. The Student Incubator Enterprise Suites, which would be a component of the John Pappajohn Entrepreneurial Center, would consist of ten single office suites and two larger suites for expansion of the student-based businesses as needed. The entrepreneurial incubator space would provide eight office suites.</p> <p>The Phase 1 project would also house the University's Conference and Event Services, which organizes and hosts a large number of community outreach conferences and meetings. It is anticipated that the facility would serve as an active community conference and meeting center as the University plans to utilize the conference areas in the facility for these functions.</p>

Phase 1 would also provide rental space for use by Iowa State University to consolidate the Black Hawk County operations of the ISU Extension Office; these functions are currently housed in three locations and the existing leases will expire this year.

The incorporation of space into the facility for ISU Extension would allow the sharing of meeting and conference space and would promote collaboration between the two universities and their outreach programs.

The lease revenue from Iowa State University would help support the operating costs of the facility; ISU would also financially participate in the operation and maintenance of the facility's conference operations.



Square Footage  
Table

The following table provides the detailed square footages for the project.

<u>Detailed Building Program</u>			
<u>John Pappaiohn Entrepreneurial Center and</u>			
<u>Student Incubator</u>			
Student Incubator Enterprise Suites	1,000		
Administrative Offices	590		
Student Incubator Enterprise Suite			
Expansion Space	<u>400</u>		
		1,990	
<u>Institute for Decision Making</u>			
Administrative Offices	970		
Student Work Space	<u>256</u>		
		1,226	
<u>Shared Use Areas</u>			
Conference Rooms (3)	3,200		
Support Areas	1,640		
Seminar/Focus Areas	600		
Office Space (Grants Writer, Intellectual			
Properties, Technology)	<u>440</u>		
		<u>5,880</u>	
		9,096	nsf
<u>Innovation Accelerator</u>			
Business Accelerator Work Space	4,000		
Administrative Offices	1,800		
Conference Room	<u>240</u>		
		6,040	nsf
<u>ISU Extension Office</u>			
Administrative Offices	2,640		
Training Room	500		
Storage and Other Support Areas	<u>720</u>		
		3,860	nsf
<u>Conference and Event Services</u>			
Administrative Offices	1,010		
Storage Space	550		
Student Work Space	<u>90</u>		
		<u>1,650</u>	nsf
Total Net Assignable Space		<u>20,646</u>	nsf
Anticipated Gross Square Feet		<u>31,332</u>	gsf
Anticipate Net-to-Gross Ratio = 66 percent			

**Student Health Center Expansion**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Jan. 2003	Approved
Architectural Agreement (OPN Architects, Cedar Rapids, Iowa)	\$ 363,000	April 2003	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria		Oct. 2003	Received Report
Program Statement		Oct. 2003	Approved
Final Review and Consideration of Capital Project Evaluation Criteria		Nov. 2003	Approved
Schematic Design		Nov. 2003	Approved
Project Description and Total Budget	3,500,000	Nov. 2003	Approved
Revised Project Budget	3,750,000	June 2004	Requested
Construction Contract Award (Larson Construction)	3,206,500	June 2004	Requested

**Background**

The University's Health Services programs consist of the Health Clinic, currently located in the Student Health Center, and Counseling Center and Disability Services, currently located in the Student Services Center in Bartlett Hall.

The Student Health Center Expansion project would provide a number of improvements for the Center and allow consolidation of the Health Services programs in the Center to obtain efficiencies among the programs.

In November 2002, the Board approved a new \$26 per academic year per student Health Facility mandatory fee (effective with the 2003-2004 academic year) to support the debt service payments for expansion and renovation of the facility.

**Project Scope**

This project would construct a two-story addition to the Student Health Center, renovate existing clinic space in the building, and convert office areas currently occupied by the Department of Continuing Education into additional clinic and support space.

The project would also update the existing facility with new infrastructure to meet current required building, accessibility, fire, mechanical, electrical, technological, and other regulatory codes with an emphasis on confidentiality, privacy and security.

The expanded and renovated facility would allow consolidation of the Student Health Center, Counseling Center, and Disability Services in one location to improve student services and staff and financial efficiencies.

Additional Information	<p>To maintain student medical care during the construction project, the University plans to temporarily relocate the Student Health Clinic to Dancer Residence Hall.</p> <ul style="list-style-type: none"> <li>• The Clinic plans to rent the space from the Department of Residence beginning in May 2004 through mid-August 2005 at a total cost of approximately \$72,000.</li> </ul>
Bid Opening	<p>The University plans to relocate the Department of Continuing Education offices from the Student Health Center to a University-owned house adjacent to campus.</p> <p>The May 2004 bid opening resulted in the receipt of three bids; the low bid exceeded the engineering estimate by 1.2 percent and the construction budget by 4.2 percent.</p> <p>The three bids have a range of less than 4 percent and, therefore, appear to be an accurate reflection of current construction costs.</p> <p>The University attributes the bid amounts to the high level of construction activity in the Waterloo/Cedar Falls area and the current shortage and escalating costs of a number of construction materials.</p>
Revised Budget/ Construction Contract Award	<p>The University requests approval of the revised project budget of \$3,750,000, an increase of \$250,000, to allow award of the construction contract to Larson Construction of Independence, Iowa, for the Base Bid plus Alternates #1, #6, #7, and #11, for a total award of <u>\$3,206,500</u>.</p> <ul style="list-style-type: none"> <li>• The four alternates would provide a higher quality roof for the facility with a 20 year warranty, sheet vinyl flooring in specified areas to better meet the needs of the Student Health Center, additional mechanical improvements, and insulating walls.</li> </ul>
Funding	<p>The project is currently funded by proceeds from revenue bonds sold in February 2004 for which the debt service will be paid by the Health Facility Fee previously approved by the Board.</p> <p>The additional funding for the revised budget would be provided by Student Health Center revenues.</p>

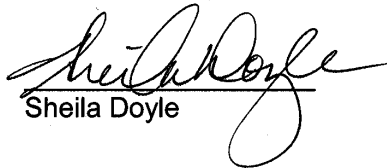
Project Budget

	Initial Budget <u>Nov. 2003</u>	Revised Budget <u>June 2004</u>
Construction	\$ 2,956,700	\$ 3,206,700
Design, Inspection and Administration	413,000	413,000
Artwork	17,500	17,500
Contingency	<u>112,800</u>	<u>112,800</u>
<b>TOTAL</b>	<b><u>\$ 3,500,000</u></b>	<b><u>\$ 3,750,000</u></b>
Source of Funds:		
Revenue Bond Proceeds	\$ 3,500,000	\$ 3,500,000
Student Health Center Funds	<u>0</u>	<u>250,000</u>
<b>TOTAL</b>	<b><u>\$ 3,500,000</u></b>	<b><u>\$ 3,750,000</u></b>

Schedule            The University anticipates that the facility would be completed and operational in the fall of 2005.

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Also presented for Board ratification are three construction contract awards and the acceptance of one completed construction contract. The register prepared by the University is included in the Regent Exhibit Book.

  
Sheila Doyle

Approved:   
Gregory S. Nichols

