Actions Requested: Consider approval of:

1. The following actions for the Iowa River Landing Ambulatory Care Clinic Facility 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 (see Attachment A);
   b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
   c. Approve the schematic design and project description and budget ($73.0 million) with the understanding this approval will constitute final Board approval and authorization to proceed with construction; and
   d. Adopt a Resolution authorizing the Executive Director to fix the dates for the sale of up to $60 million Hospital Revenue Bonds.

2. For the following projects, authorize permission to proceed with project planning:
   a. Increase West Campus Steam Capacity project and the selection of Shive-Hattery, Inc. as the design professional;
   b. Supplemental Flood Mitigation – Utility System and Campus Recreation and Wellness Center project and the selection of Shive-Hattery, Inc., as the design professional;
   c. Hancher, Voxman, Clapp – Raze Facility project and the selection of OPN Architects, as the design professional; and
   d. Art Building – Raze Facility project, including the consultant selection process of an Iowa architectural firm.

(ROLL CALL VOTE)

Executive Summary: The University requests approval of the schematic design and project description and budget ($73.0 million) for the Iowa River Landing Ambulatory Care Clinic Facility Development project, which would be located at the Iowa River Landing in Coralville, discussed with the Board in April 2010. The project would be funded by University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care, hospital net earnings from paying patients, and Hospital Revenue Bond proceeds.

The schematic design booklet is included with the Board’s agenda materials.
During its February 2010 presentation on the Iowa River Landing project, UIHC provided a detailed outpatient pro forma analysis, which included the proposed financing plan. The Board is being asked to approve a preliminary resolution for the sale of up to $60 million (including reserve funds and issuance costs) Hospital Revenue Bonds to partially finance the construction of the **Ambulatory Care Clinic Facility Development**.

The University requests permission to proceed with project planning for four projects. The **Increase West Campus Steam Capacity** project (see Attachment B for map showing the location of the Temporary Boiler Building) would place additional permanent steam production on the West Campus beyond that provided by the emergency standby UIHC boiler in the Pomerantz Pavilion. The University also requests the selection of Shive-Hattery, Inc. as engineering consultant for the project.

The estimated total project cost of $2,760,551 would be funded through Utility and Energy Management Renewal and Improvement Funds.

The **Supplemental Flood Mitigation – Utility System and Campus Recreation and Wellness Center** project would advance an additional flood protection plan for the site surrounding the new Campus Recreation and Wellness Center (see Attachment C for map showing the location) based on a study developed by Shive-Hattery, Inc. To expedite the design process, and because it is critical that the design professional be a civil engineer that is very knowledgeable of the site conditions and has experience with flood mitigation, the University requests that the design selection process be waived and the selection of Shive-Hattery, Inc. be approved for the project.

The estimated total project cost of $2.3 million would be funded through Recreation Services Enterprise, Treasurer's Temporary Investment Income, and Athletics Enterprise funds.

The **Hancher, Voxman, Clapp – Raze Facility** project (see Attachment D for map showing the location) would demolish the Hancher, Voxman, Clapp complex on the UI Arts Campus because of damage caused by the 2008 flood. The University has no intention of beginning the actual demolition process until the plans, including financial arrangements, for the new Hancher Auditorium have been reviewed and approved by FEMA and the Board.

The estimated total project cost of $4.1 million would be funded through a combination of flood insurance proceeds, Federal (FEMA) funding, and State or University capital funds. The selection of OPN Architects as the Iowa architect-of-record for the Hancher Replacement facility was approved by the Board in April 2010, and the University wishes to also utilize OPN for the demolition.

The **Art Building** project (see Attachment E for map showing the location) would demolish the east wing, the three south buildings and a below grade classroom addition to the original 1936 building of the Art Building Complex due to damage caused by the 2008 flood. At its August 2009 meeting, the Board approved the permission to proceed with project planning request for the construction of a new facility. In accordance with FEMA rules, and to maintain maximum FEMA funding support, as an existing program is being relocated to another site, a protocol to demolish the original flooded building must be followed. The University also requests permission to proceed with a consultant selection process for an Iowa architectural firm for the project.
The estimated total project cost of $1.5 million would be funded through a combination of flood insurance proceeds, Federal (FEMA) funding, and State or University capital funds.

**Details of Projects:**

**Iowa River Landing Ambulatory Care Clinic Facility Development**

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<thead>
<tr>
<th>Project Summary</th>
<th>Amount</th>
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<th>Board Action</th>
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<tbody>
<tr>
<td>Permission to Proceed</td>
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<td>Initial Review and Consideration of Capital</td>
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<td>(Neumann Monson Architects, Iowa City)</td>
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<tr>
<td>Utilization of Construction Manager</td>
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<tr>
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<td>Aug. 2010</td>
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</tr>
<tr>
<td>Project Description and Budget</td>
<td>$73,000,000</td>
<td>Aug. 2010</td>
<td>Requested</td>
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*Approved by Executive Director in accordance with Board procedures

The facility will be constructed as a five-story building with two partial lower levels and roof top penthouse. The lower level will be support spaces including a dock, storage, staff locker rooms and a staff break area. This level will function as the main staff entrance. The subbasement level will serve as a connection point to an existing tunnel under 9th Street for future expansion. The first level will function as a “medical mall” and include radiology facilities. Levels two through four will be clinical spaces including exam rooms, a procedure suite, treatment rooms, a cardiac rehabilitation component, staff offices and work areas, and associated support spaces. Level five will be a shell space for future expansion of the clinical spaces.

The main entrance is located on the north side of the building, adjacent to a lush healing garden. A covered drive for patient drop-off is positioned just outside the entrance and connected by road to the adjacent parking structure to the north. On the south side of the building, bordering 9th Street, the design offers a pedestrian-friendly streetscape with landscaping and public art, as well as a subdued private entrance for clinic employees.

The schematic design and program statement include 154,928 gross square feet and 100,146 net assignable square feet.

Construction is scheduled to commence in the fall of 2010. Multiple bid packages will be released with the last (interior fit out) being issued in spring of 2011. All construction is scheduled to be completed no later than July, 2012.
Project Budget

Land and Construction $35,000,000  
Professional Fees 10,000,000  
Equipment, Furniture, Fixtures 20,000,000  
Contingencies 5,500,000  
Planning and Supervision 2,500,000  
Total $73,000,000

Source of Funds:  
UIHC Revenue Bonds and University Hospitals Building Usage Funds

Increase West Campus Steam Capacity (Temporary Boiler Building)

Project Summary

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<tr>
<td>Selection of Design Professional</td>
<td>August 2010</td>
<td>Requested</td>
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<tr>
<td>(Shive-Hattery, Iowa City)</td>
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This project would place additional permanent steam production on the West Campus beyond that provided by the emergency standby UIHC boiler in the Pomerantz Pavilion. Two packaged boilers from the Power Plant on the East Campus will be relocated to the Temporary Boiler Building on the West Campus. (The two rental units currently housed in the Temporary Boiler Building are being returned to their owner.)

The University requests permission to proceed with the project and hire Shive-Hattery as the engineering consultant, waiving the selection process. Shive-Hattery was selected through an inclusive engineering search prior to conducting the project feasibility study. Shive-Hattery has extensive knowledge of the project site serving as Engineer of Record for the design and construction of the Temporary Boiler Building as well as the installation of the rental emergency boilers for flood relief.
Supplemental Flood Mitigation Utility System and Campus Recreation and Wellness Center Recreation Services Enterprise

Project Summary

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Permission to Proceed
Selection of Design Professional
(Shive-Hattery, Iowa City)

This project would advance an additional flood protection plan for the site surrounding the new Campus Recreation and Wellness Center based on a study developed by Shive-Hattery. Site improvements would create dewatering stations to protect a utility tunnel located directly south of the new building foundation. The proposed dewatering stations would also prevent unusually high water table levels from impacting the sub-grade foundation walls of the Campus Recreation and Wellness Center, allowing the building’s sub-grade space to remain dry during any future flood events. The system is designed to address 500 year flood levels plus two feet.

To expedite the project so that additional mitigation is operational before spring of 2011, the University is asking that the design selection process be waived, allowing the University to negotiate a contract with Shive-Hattery. It is critical the design professional be a civil engineer who is very knowledgeable of the site conditions, understands the utility distribution system within the area, has experience with flood mitigation, understands the Campus Recreation and Wellness Center sub-drain system (Shive-Hattery was the civil engineer for the project), and has experience with dewatering mitigation.

Hancher, Voxman, Clapp – Raze Facility

Project Summary

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Permission to Proceed
Selection of Design Professional
(OPN Architects, Cedar Rapids)

The University is seeking Board approval to proceed with the demolition on the Hancher/Voxman/Clapp complex on the University of Iowa Arts Campus. The building complex which house Hancher Auditorium, the School of Music and Clapp Recital Hall was constructed in 1971 and contains 296,924 gross square feet of space. In February 2009, it was announced that the Hancher/Voxman/Clapp complex was damaged from the floods of June 2008 to a point that replacement should be considered. In April 2009, the Board endorsed a plan to replace the
facility. At its February meeting, the Board approved permission to proceed with construction of new facilities.

Approval of this permission to proceed request will begin the next stage in FEMA’s approval and funding process for this demolition project. FEMA will coordinate a Memorandum of Agreement process that will account for the razing of a building considered historic by FEMA historians. This process will allow for public involvement to insure that the building is remembered and honored in an appropriate way. Until this process is complete, the University does not have the authority to demolish the building while maintaining FEMA support.

Planning and design for the demolition will be advanced in parallel with the FEMA Memorandum of Agreement process and coordinated with on-going design efforts for the new Hancher replacement project.

The site for the new Hancher building will be near the existing building. As such, due to the level of coordination of work and scheduling required between the demolition project and the construction of the new facility, and the possibility of the sustainable use of materials from the demolished building in the new facility, it is important to maintain the same design team for the demolition and the new facility project.

The University requests permission to negotiate design services with OPN Architects. OPN has also recently displayed the technical expertise to deliver a large building demolition design with the Oakdale Hall razing project.

Demolition will not proceed until plans and financing for the new facility have been reviewed and approved by FEMA and the Board.

**Art Building – Raze Facility**

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The University is seeking Board approval to proceed with the demolition of the east wing, the three south buildings and a below grade classroom addition to the original 1936 building of the Art Building Complex. Because of the historical significance of the 1936 building, the University recommends this structure remain. It is currently assumed and planned that the space in the lower level of the original building will be decommissioned.

The Art Building consists of a complex of five buildings including the original 1936 building (58,083 GSF), a 1968 east wing (15,274 GSF) and three 1968 south buildings (21,149 GSF). Total area is 94,506 GSF. Programs for the School of Art and Art History were located in the building complex prior to the flood of 2008.
In June 2008, record floods damaged major portions of the UI campus. In February 2009, it was announced that the Art Building complex was damaged to a point that replacement should be considered. Following investigation of both the repair and protect option and the replacement option, at its April 2009 meeting, the Board of Regents endorsed a plan to replace this facility. At its August 2009 meeting, the Board approved the permission to proceed with project planning for the construction of a new facility.

In accordance with FEMA rules, and to maintain maximum FEMA funding support, as an existing program is being relocated to another site, a protocol to demolish the original flooded building must be followed. In this case, FEMA historians have recognized the historical significance of the original Art Building, and have endorsed a preliminary plan that contemplates only the demolition of the additions constructed after 1936.
Fulfillment of Mission and Strategic Plan: Completion of this project will contribute to UI Hospitals and Clinics’ efforts in meeting all elements of its tripartite mission. It will greatly enhance the UI Hospitals’ capabilities for fulfilling its patient care mission by providing the necessary space to accommodate the projected growth in outpatient volume and facilitate and generate future growth in patient admissions. The educational and research missions will also be enhanced through development of the necessary space to enable students, residents and fellows to gain necessary clinical experience in accord with accrediting body standards; and by providing the type of facilities required to conduct innovative research directed toward more clinically efficacious diagnosis and treatment of disease. The project also is supportive of each of the six major goals that have been established in UI Health Care’s Strategic Plan for FY 2010 – 2012 by providing the facilities that are required to assist UI Health Care’s efforts 1) to provide world class healthcare services to optimize health for everyone, 2) to advance world class discovery through excellence and innovation in biomedical and health services research, 3) to develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage, 4) to foster a culture of excellence that values, engages and enables our workforce, 5) to create an environment of inclusion where individual differences are respected and all feel welcome, and 6) to optimize a performance-driven business model that assures financial success.

Alternatives Explored: Following completion of studies to identify UIHC’s future facility requirements and determining that a major emphasis should be placed on developing off-site ambulatory care services, a number of potential sites were assessed. These are located in the greater Iowa City, Coralville and North Liberty area. The evaluation of these sites led to the conclusion that development of a new ambulatory care facility at Iowa River Landing (IRL) in Coralville would provide the best option. In particular, this site offers an unparalleled opportunity to establish a very visible and easily accessed location within which to provide a highly efficient, cost-effective and patient friendly model for delivering outpatient care.

Abandoned/Transferred/Demolished Space: No space will be abandoned or demolished. The Iowa River Landing ambulatory care clinic facilities will make it possible to vacate some current UIHC facilities or use them less intensely. Those in the latter category will be consolidated to assure efficient use of space. All vacated space will ultimately be reallocated to services at the UIHC main campus and to meet new space needs. Specifically, the vacated space will be used to accommodate:

- clinical and support services remaining on the UIHC campus that currently have space needs,
- development of new clinical services and for expanding and new clinical education and research programs,
- continued growth of services remaining at the UIHC main campus, and
- swing space required during planned renovations, expansion of new and existing services and development of the Children’s Hospital.
Available Financial Resources and Source of Funds: The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients, and hospital revenue bond proceeds. No state capital appropriated dollars will be involved. The estimated internal rate of return over the life of this project is 16.6%.

Available Operating and Maintenance Resources: The source of funds to cover the associated operating and maintenance costs of the new facilities will be University Hospital operating revenues derived from providing patient care services.

External Forces Justifying Approval: The development of this off-site ambulatory care clinic is an important element in enabling the UIHC to be responsive to societal forces, standards and regulations impacting the provision of contemporary patient care services while meeting all components of its tri-partite mission. As previously noted, the UIHC continues to experience a significant growth in outpatient visits that have resulted in congested patient care and support facilities, parking and traffic flow problems and difficulties in meeting long-term main campus development plans. Patient care will be enhanced through expanded clinic examination and support facilities and the design of these facilities will be focused on providing a more comfortable and patient-friendly environment. As such, the demands and expectations of UIHC’s existing and future patients will be better addressed, both in the new off-site facility and in the outpatient clinics that continue to be provided on the main campus. The design will meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality. The proposed new facilities and future renovation of existing facilities will also make it possible for the UIHC to meet education and training program requirements for providing all trainees with more extensive clinical experiences. Additional space will also permit more research subjects to participate in clinical trials in proximity to their patient care, thereby enhancing opportunities to gain support for other funded clinical research studies.