

**Property and Facilities Committee
Board of Regents, State of Iowa
Minutes
August 4, 2005
RiverCenter / Adler Theater
Davenport, Iowa**

Members

Amir Arbisser, Chair	Jenny Rokes	President Michael Gartner (ex officio)
Tom Bedell (absent)	Teresa Wahlert	President Pro Tem Robert Downer (ex officio)

The Properties and Facilities Committee convened at 10:50 a.m.

Approval of Minutes and Consideration of Unfinished Business from June 14, 2005

Regent Arbisser indicated that unfinished business from the June meeting consisted of changes to lease and property approvals which would be discussed as part of the Board agenda item on preliminary legislative priorities for 2006.

MOVED by WAHLERT, SECONDED by ROKES that the June 14, 2005, minutes be approved.
MOTION APPROVED UNANIMOUSLY

Institutional Agreements, Leases and Easements

Joan Racki reported that Board approval of the UNI lease with Pinnacle Towers was no longer subject to approval by the Iowa Public Radio Executive Council, as indicated in the Agenda Item. Vice President Madden explained that the Executive Council has determined that the responsibility for approving radio tower leases should remain with the Board of Regents until the Board delegates this responsibility to the Iowa Public Radio Executive Council. In response to Committee questions, university officials provided additional details on the leases being presented for Board approval.

MOVED by WAHLERT, SECONDED by ROKES to recommend to the Board approval of the leases. MOTION APPROVED UNANIMOUSLY

Five-Year Institutional Roads Program

Joan Racki reported that of the 65/100 of one percent designated from the State's Road Use Tax Fund for the Institutional Roads Program, the Regents share is 30 percent of this amount.

MOVED by ROKES, SECONDED by WAHLERT to recommend to the Board approval of the Five-Year Institutional Roads Program. MOTION APPROVED UNANIMOUSLY

Policy Review – Naming of Buildings

The Committee was asked to review and consider making recommendations regarding changes to the Board's building naming policy, particularly to further specify the description of "donors" in the existing Board policy. Regent Arbisser explained that donor requirements to fund operation and maintenance (O&M) costs through an endowment would be one potential way to preemptively address deferred maintenance issues.

Vice Presidents True, Madden and Schellhardt outlined the universities' issues with funding O&M costs, stating that funding is dependent upon the type of project and source of funds, the use of the facility, and donor interest in financing these costs.

Regent Gartner suggested that the cost of a building, either named or unnamed, be calculated to include an escrow or endowment that would pay for maintenance of the building (or the incremental difference in maintenance costs when an existing building would be replaced).

In response to concerns with the inability to place State funds in an escrow account (as State funds cannot be carried over from year to year), Regent Gartner proposed that the Board request legislative changes that would allow the use of an escrow account for State funds for this purpose, if it can be proven efficient and economical. He indicated the need to have the Board's bond counsel further review this issue.

Regent Gartner asked if maintenance costs are typically calculated as a percentage of construction costs. Joan Racki indicated that this topic would require further research, and the universities indicated the availability of data that could be used to further study the issue.

Regent Arbisser acknowledged the need for additional information, including from the Board's bond counsel, and proposed that a committee be assembled to examine funding mechanisms to finance the O&M costs for new facilities regardless of the source of construction funds.

The Board Office will organize a committee for further review of the issues with a report to the Property and Facilities Committee in November 2005.

AGREED by GENERAL CONSENT to defer consideration of any changes to the Board's building naming policy until further review of the funding mechanisms at the November 2005 meeting.

Register of Capital Improvement Business Transactions – University of Iowa

University officials provided an overview of the proposed College of Public Health Academic Building, the sites under consideration for the project, and the current locations and operations of the College.

In response to a question from Regent Becker, University officials explained the interaction between the College of Public Health and the State Hygienic Laboratory and the need for separate facilities for each due to the academic function of the College of Public Health facility and the research laboratory function of the Hygienic Laboratory. Regent Becker noted that given the distance between the two facilities, it is appropriate to ensure sufficient parking areas to support the programs in each building.

MOVED by ROKES, SECONDED by WAHLERT

To recommend to the Board for the College of Public Health Academic Building project:

- a) Acknowledgment of receipt of the University's initial submission of information to address the Board's capital project evaluation criteria;
- b) Acceptance of the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
- c) Permission to proceed with project planning, including the architectural selection process.

MOTION APPROVED UNANIMOUSLY

Register of Capital Improvement Business Transactions – Iowa State University

Steve Mahler of Ellenzweig Associates outlined the schematic design for Phases 1 and 2 of the Coover Hall Addition and Renovation project.

In response to a question from Regent Arbisser regarding the possible renaming of the project, Vice President Madden noted that Phase 2 would involve substantial private fund raising which could provide a naming opportunity. In response to a question from Regent Becker, Steve Mahler explained that the constrained building site led to the decision to retain the one-story high bay space to accommodate future expansion needs.

MOVED by ROKES, SECONDED by WAHLERT

To recommend to the Board for the Coover Hall Addition and Renovation project:

- a) Approval to demolish the 1959 addition to Coover Hall;
- b) Acknowledgment of receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
- c) Acceptance of the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
- d) Approval of the schematic design for Phases 1 and 2 with the understanding that this would constitute final Board approval and authorization to proceed with Phase 1 construction.

MOTION APPROVED UNANIMOUSLY

Register of Capital Improvement Business Transactions – University of Northern Iowa

Dr. Cliff Chancey, Head of the Department of Physics, provided an overview of the Science Buildings Renovation project, and David Black of Flad and Associates outlined the schematic design.

In response to a question from Regent Rokes regarding the need for a bridge connection between the Physics Building and Lang Hall given their close proximity, Dr. Chancey explained that Lang Hall will provide additional space for physical science classes that cannot be accommodated within the limitations of the Physics Building. The bridge connection would facilitate the transport of equipment that will be needed for the programs in both buildings.

Vice President Schellhardt provided an overview of the Russell Hall Renovation project. In response to a question from Regent Gartner, Vice President Schellhardt reported that the University has raised \$1.7 million of the \$2 million in private funds needed for the project; the University is hopeful that the \$2 million will be raised by the completion of schematic design.

MOVED by ROKES, SECONDED by WAHLERT

Russell Hall Renovation project:

- a) Acknowledgment of receipt of the University's initial submission of information to address the Board's capital project evaluation criteria;
- b) Acceptance of the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
- c) Permission to proceed with project planning, including the architectural selection process.

Science Buildings Renovation – Phase 1 project:

- a) Acknowledgment of receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
- b) Acceptance of the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
- c) Approval of the schematic design and project description and budget (\$11,100,000) with the understanding that this would constitute final Board approval and authorization to proceed with construction.

MOTION APPROVED UNANIMOUSLY

The Properties and Facilities Committee adjourned at 12:05 p.m.