

**MINUTES OF JUNE 8, 2016 COMMITTEE MEETING**

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

**ALUMNI CENTER, UELNER BOARD ROOM  
IOWA STATE UNIVERSITY  
AMES, IOWA**

**Committee Members Present**

Regent Milt Dakovich, Chair

Regent Patricia Cownie

Rod Lehnertz, University of Iowa 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 Finance and Operations

Patrice Sayre, Board of Regents Chief Business Officer

**Presenters / Respondents**

Bruce Harreld, University of Iowa President

Joan Racki, Board of Regents Policy and Operations Officer

John Nash, Board of Regents Assistant Director of Facilities

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

Chair Dakovich called the meeting to order at 2:48 p.m.

**Agenda Item 1 - Minutes of April 20, 2016 Committee Meeting**

The minutes of the April 20, 2016 meeting, as presented, were accepted by General Consent.

## Agenda Item 2 – FY 2017 Annual Capital Plans

Board of Regents Assistant Director of Facilities John Nash gave a brief summary of the capital plans, which provide an overview of institutional projects and priorities for the upcoming fiscal year. Each institution provides this annual report consistent with provisions of the Board's Policy Manual. Over 100 new capital projects that will most likely be presented for Board action over the next 12 months are detailed in this report. The Plans also include a status report on previously approved projects that will either be completed, will continue through or will start in FY 2017.

Each university provided an overview of key projects in its Plan. University of Iowa Senior Vice President, Finance & Operations Rod Lehnertz discussed the proposed Museum of Art, Tippie College of Business Facility and Entrepreneurial Center, utility projects, and other remodel and renovation projects, such as the modernization of building systems in the Bowen Science Building.

In response to a question from Board of Regents Chief Business Officer Patrice Sayre, Senior Vice President Lehnertz said the College of Nursing Building – Building Modifications project would be similar to the Bowen Science Building – Modernize Building Systems project stating that most of the project dollars would go toward correcting deferred maintenance issues. Both buildings were built in 1973.

University of Iowa Hospitals and Clinics Senior Associate Director John Staley presented an array of projects. Some new capital projects were Iowa River Landing South, Conversion to Temporary Adult Acute Care Unit, Relocation of the Acute Leukemia and Bone Marrow Transplant Unit and, specifically, the Center for Procedural Skills and Simulation. The most significant previously approved project, the UIHC Children's Hospital, will finish construction this fall and open on December 10.

In response to a question from University of Northern Iowa Senior Vice President Michael Hager, Senior Associate Director Staley said UIHC is anticipating two more buildings at the Iowa River Landing site including the proposed Iowa River Landing South project. In response to a follow-up question, Senior Associate Director Staley said UIHC has not yet fully decided how much bonding would be needed for the Iowa River Landing South project. However, it is anticipated that approximately 20% would be gifts and the remainder would be a combination of self-generated funds and bonds.

Iowa State University Senior Vice President for Business and Finance Warren Madden provided an overview of Iowa State University's Capital Plan which totals \$377 million. He highlighted the Student Innovation Center, Poultry Research and Teaching Facilities, Hixson-Lied Academic Center Addition, Towers Community Project, Veterinary Diagnostic Lab, deferred maintenance and utility projects. One previously approved project, the Utilities-Stoker Boiler Replacement, will include taking down the Power Plant's tall exhaust stacks, improving the ISU skyline.

In response to a question from Chair Milt Dakovich, Senior Vice President Madden said the natural gas lines feeding the new boilers are 12 inches in diameter. In response to a question from Chief Business Officer Sayre, Senior Vice President Madden said the two existing Towers Residence Halls (Wallace and Wilson Halls) would not be taken down in conjunction with the Towers Community project. In response to a follow-up question, Senior Vice President Madden said the 500 to 1,000 additional beds provided in this project may prompt decisions to discontinue certain housing leases. Data indicates that students are demanding to live on campus and that they

perform better scholastically by living there. Senior Vice President Lehnertz concurred in that the University of Iowa is seeing the same patterns of demand for campus housing.

Senior Vice President Hager presented a summary of the University of Northern Iowa's Capital Plan. The Noehren Hall Restroom Renovation and the Tennis Complex Project Phase 1 projects were described. He said one-third of all students live on campus, contributing to higher-than-expected graduation rates. The Noehren Hall Restroom Renovation project will help retain students on campus. Tennis courts owned by the University, the City of Cedar Falls and the school district are wearing out. All three entities would like to go together on the Tennis Complex Project Phase 1 to reduce individual costs and share the facility. This is a good example of positive collaboration within the community.

In response to a question from Chair Dakovich, Senior Vice President Hager said the three entities will share the project costs but the exact three-way split of those costs has not been finalized. In response to a question from Senior Vice President Lehnertz, Senior Vice President Hager said the facility would be located on University property. In response to a question from Senior Vice President Madden, Senior Vice President Hager said the exact location would be on the north edge of campus.

The Committee, by General Consent, received the:

1. Report on anticipated institutional FY 2017 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**

Senior Vice President Lehnertz presented the University's Register of Capital Improvement Business Transactions.

On the Museum of Art project, Chair Dakovich stated that he had received a lot of positive comments. In response to a question from Regent Patricia Cownie, Senior Vice President Lehnertz said The University has a few pieces of art, including Jackson Pollock's "Mural" that is currently on display in Spain, traveling overseas but most of the collection is within the United States. In response to a follow-up question, he said all construction should be complete and artwork ready for display in the new Museum of Art in 2019 which is the Museum of Art's 50<sup>th</sup> anniversary. The University will make every effort to minimize the pieces of art that will traveling at that time.

University of Iowa President Bruce Harreld added that there are currently over 100 pieces of art traveling. Until the new museum opens in 2019, President Harreld stated that he would like to see stored artwork displayed at temporary campus locations such as the old Art Museum, the Main Library, or the Memorial Union so another generation of students does not miss out. Senior Vice President Lehnertz said they are looking into temporary display opportunities on campus which have the required temperature, humidity, and security components.

Regent Cownie mentioned that perhaps renovations could be done to turn those temporary locations into permanent ones to augment the new museum. President Harreld added that

through the Museum of Art accreditation process, he learned that the traveling art exhibit reengages the world in art, showcases Iowa's legacy and is something that could be implemented into the Museum of Art program. Regent Cownie said that the collection is large enough that the University could have both a permanent and a traveling collection.

Senior Vice President Lehnertz said the University is withdrawing its requested action for the Iowa River Landing South project. He said more work is needed. The University will re-submit for Permission to Proceed with Project Planning at a later date.

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

1. Following actions for the **Hillcrest Residence Hall – Replace Vanities and Plumbing, Power Plant – Capacity Expansion, Museum of Art – Construct Facility and Renovate Existing Space, and John Pappajohn Pavilion – Radiology Support Space Renovation** projects; all major capital projects 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 (see Attachments A, B, and D of memorandum);
  - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
  - c. Authorize permission to proceed with project planning including the selection of BNIM to provide design professional services for the Museum of Art project and the design professional selection process for the other projects.
2. Project description and budget (\$18,500,000) for the **Bowen Science Building – Modernize Building Systems** project.
3. Revised project description and budget (\$7,630,000) for the **Iowa Memorial Union – Deferred Maintenance** (formerly entitled "Iowa Memorial Union – Remodel and Deferred Maintenance") project and ratification of Executive Director approval of the revised project budget (\$2,050,000) for the Football Practice Field – Replace Turf project.

#### Agenda Item 4 - University of Iowa Proposed Property Sale

Senior Vice President Lehnertz presented the University's request to sell approximately six acres of property six miles south of the University. Two bids were received from the neighboring property owners. Given the low dollar value of the property and the unique means by which the property was being sold, the University requested the Board waive its policy requiring two appraisals. The University received a letter from a local commercial real estate agent providing an analysis of the parcel to help establish a market value. The agent concluded that the value provided by the adjoining property owners is the only method to determine the value because of the unique and limiting situation of the property.

By General Consent, the Committee recommended to the Board approval of the sale, for the benefit of the University of Iowa, of six acres of land in Riverside, Iowa at a price of \$21,000 to Mary C. Yeggy 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 Attorney General's Office.

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

Senior Vice President Madden presented the University's Register of Capital Improvement Business Transactions. In response to a question from Senior Vice President Hager, Senior Vice President Madden said the University had not made a final determination on the amount of bonding needed for the Utilities – Increase Chilled Water Capacity project. Due to low natural gas prices, some of the project cost can be financed internally.

By General Consent, the Committee recommended to the Board approval of the:

1. Permission to proceed with project planning for the **Utilities – Chilled Water West Distribution Improvements** project, including the design professional selection process.
2. Permission to proceed with project planning for the **Utilities – Increase Chilled Water Capacity** project, including the selection of Sebesta, Inc. as the design professional.
3. Revised project description and budget (\$6,100,000) for the **Forker Building – Kinesiology Renovation** project.

### **Agenda Item 6 – Iowa State University Proposed Acceptance of Farmland**

Senior Vice President Madden presented the University's request to accept the terms of the Revocable Trust Agreement (RTA) of Lavonne D. Gregory. The RTA provides that upon her death, Ms. Gregory's farmland, currently constituting approximately 389 acres of farmland be distributed to the State of Iowa for the use and benefit of Iowa State University of Science and Technology. Senior Vice President Madden stated that it is anticipated that the farmland would generate in excess of \$200,000 annually for the Colleges of Agriculture and Life Sciences and Veterinary Medicine.

By General Consent, the Committee recommended to the Board acceptance of the terms of the Revocable Trust Agreement (RTA) of Lavonne D. Gregory.

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

Assistant Director of Facilities John Nash presented the agenda item. Senior Vice President Madden described the University's proposed lease with Clearwater Crossing Lodge, Inc. (Clearwater) for approximately 29 acres of rural property west of Missoula, Montana. This facility would provide potential internships for students in the University's Department of Natural Resource Ecology and Management. The University would receive a \$1,000,000 donation from Clearwater through the ISU Foundation for operation costs. He also proposed an easement with the City of Ames to allow the University's Department of Information Technology Services to extend its network infrastructure to the ISU Research Park.

Senior Vice President Hager presented an easement with the City of Cedar Falls to install a new culvert under Merner Avenue and make improvements to Dry Run Creek.

By General Consent, the Committee recommended to the Board approval of one lease (with Clearwater Crossing Lodge, Inc.) and one easement (with the City of Ames) for the benefit of the

Iowa State University and one easement (with the City of Cedar Falls) for the benefit of the University of Northern Iowa.

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

Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He noted that the flood replacement projects are moving forward and are on schedule. Ribbon cutting ceremonies will be held during the Fall 2016 semester when students are back on campus.

The Committee received the report.

**Agenda Item 9 – Discussion of Future Committee Agenda Items and Other Items**

Policy and Operations Officer Joan Racki noted that the August Board meeting has been moved up to July. The Property and Facilities Committee will not meet in conjunction with the July Board meeting. The next Property and Facilities Committee meeting will be held in September when the five-year capital plans will be presented.

Regent Dakovich thanked Senior Vice President Madden for his service on the Property and Facilities Committee. Senior Vice President Madden said he has enjoyed it very much and introduced incoming Senior Vice President for University Services Kate Gregory.

Chair Dakovich adjourned the meeting at 3:45 p.m.