

**Contact: Joan Racki**

**MINUTES OF SEPTEMBER 9, 2014, COMMITTEE MEETING**

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

**SUN ROOM, MEMORIAL UNION  
IOWA STATE UNIVERSITY**

**Committee Members Present**

Regent Milt Dakovich, Chair

Regent Larry McKibben

Doug True, University of Iowa Senior Vice President & Treasurer, Finance & Operations

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

**Presenters**

Rod Lehnertz, University of Iowa Director of Planning, Design and Construction; Department of Facilities Management

Barry Butler, University of Iowa Executive Vice President & Provost

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

David Kieft, University of Iowa Business Manager

Jonathan Wickert, Iowa State University Senior Vice President and Provost

Philip Simpson, University of Northern Iowa, Assistant Vice President of Facilities and Planning/Campus Architect

Chair Dakovich called the meeting to order at 2:30 p.m.

**Agenda Item 1 - Minutes of August 6, 2014, Committee Meeting**

The minutes of the August 6, 2014 meeting, as presented were approved by General Consent.

**Agenda Item 2 – Five-Year Capital Plans, Including FY 2016 Capital Request**

Policy & Operations Officer Joan Racki provided an overview of the three five-year capital plans included in the agenda item. He noted that while specific action was requested on the state-funded plan, the Committee was asked to receive the report on the UIHC five-year capital plan and the “other funds” five-year capital plan.

The top priority of the Board Office recommendation was a lump sum request for all the regent institutions. Funds appropriated would be subsequently allocated and could be utilized for the components identified in the agenda item. She noted that of the \$609 million in deferred maintenance and safety deficiencies recently reported, more than \$387 million in building deferred maintenance would not be included as components of major renovation projects. The \$150 million included in the proposed FY 2016- 2020 five-year capital plan would make a major impact toward addressing this need. The proposed five-year capital plan also includes a number of major renovation projects to improve the learning and research infrastructure of the universities.

Rod Lehnertz, University of Iowa Director of Planning, Design and Construction; Department of Facilities Management gave the presentation on the Seashore Hall Area Modernization project; he noted that Seashore Hall houses the Department of Psychology, the largest department within the College of Liberal Arts & Sciences. The project would address the long-term condition of an aged complex, which virtually has not changed since the hospital relocated across the river in 1928, to meet the needs of undergraduate students. Director Lehnertz shared information regarding the ISES facilities condition report and noted that based upon the index rating, the building needed to be totally renovated. The project would eliminate \$28.5 million in deferred maintenance.

Jonathan Wickert, Iowa State University Senior Vice President and Provost presented the University's request for funding to construct the Student Innovation Center. Provost Wickert noted that the project would provide a student-centered hub for hands-on interdisciplinary learning primarily for students enrolled in the Colleges of Engineering and Design; one out of four students at the University is enrolled in one of these colleges. He noted that prospective employers are excited that students would receive hands-on experience in manufacturing, engineering and design, supporting Iowa's STEM future.

Provost Wickert stated this is an \$80 million project and that the cost would be split evenly, \$40 million from public funding (the fundraising capacity is substantial as 300 companies are involved with engineering) and \$40 million from private funding sources.

In response to a question from Chief Business Officer Sayre, Senior Vice President Madden indicated that the project would address deferred maintenance through the demolition of the older part of Sweeney Hall and Nuclear Engineering. The new facility would maximize the available site

Philip Simpson, University of Northern Iowa's Assistant Vice President of Facilities and Planning/Campus Architect presented the University's highest priority request for the Academic Buildings: Safety / Infrastructure Phase 1 project. Strayer Wood Theatre and the Industrial Technology Center (ITC) are two buildings considered to be outdated, with insufficient infrastructure and space in addition to inefficient energy systems. Both facilities would receive mechanical, electrical, technological and programmatic upgrades; the projects would also address life safety, accessibility and code deficiencies. It was noted that the metal casting center, which involves technology transfer, is housed in ITC.

Chair Dakovich stated that one of the responsibilities of the Committee is to take a long term perspective, as buildings are expensive and they should last a long time. He noted that since the Board was in the middle of an efficiency study conducted by Deloitte Consulting, consideration needs to be given to how space utilization integrates with the education delivery model. He went on to say that if the desire is to fix or upgrade space because it is broken, there is a small chance that the renovated space is going to meet future needs. Regent Dakovich noted that since the Deloitte study is not yet complete, he wanted to have a discussion with the Committee about taking a pause on these projects until the Committee and Board have further information – starting the process in FY 2017 rather than FY 2016.

Regent McKibben stated that he shared the concerns raised by Chair Dakovich and reminded the Committee that he had made comments at the town hall meetings held on the campuses about the area of buildings and grounds being a major component of the transformation efficiency study. He went on to say that of three projects presented, the Iowa State University Student Innovation Center is the one that comes closest to the desired type of multi-use facility for the long-term future.

Senior Vice President Madden said the University had looked at alternatives to new construction and it was not practical to repurpose the existing space cost effectively for the kind of program the Provost has described.

Senior Vice President True stated that he believed Director Lehnertz had presented well the case for Seashore Hall which has been on the University's list of state "asks" for more than 25 years; it has slowly moved its way up the list. He noted that it is combined with new construction and is student oriented. He noted that the University's responsibility is to put the best case forward for a project – the Seashore project is not only about the Department of Psychology but the other social sciences and some of the history and value of the land that is part of the central core of the university; it is the Regent's prerogative / decision on the right combination of projects, their timing and the dollar amounts.

Senior Vice President Michael Hager concurred with previous comments. He noted that the Industrial Technology Center is a key component of the University's strategic planning process, and is in-line with the mission of technology transfer and the proposed Bachelors of Applied Science degree

Regent McKibben suggested that the Board Office's recommendation on the state-funded capital plan be amended to delete the requested FY 2016 funding for SIU Seashore Hall Area / Psychology Renovation / Modernization project and the UNI – Academic Buildings: Safety / Infrastructure, Phase 1 project, adding the removed funding to the FY 2017 request for those projects.

The Committee, by General Consent, accepted Regent McKibben's motion and recommended to the Board:

1. Approval of the Five-Year State-Funded Capital Plan for FY 2016 – FY 2020 of \$497.9 million, including a capital request of \$58.0 million for FY 2016, to be funded by capital appropriations or Academic Building Revenue Bonds. (see attached table for approved plan)
2. Receipt of the Five-Year Capital Plan (FY 2016 – FY 2020) of \$296.5 million for the University of Iowa Hospitals and Clinics to be funded by Hospital Building Usage Funds and Hospital Revenue Bonds.
3. Receipt of the report on FY 2016 – FY 2020 capital plans of \$486.1 million for the universities and special schools to be funded by sources other than capital appropriations, Academic Building Revenue Bonds, or UIHC Funds.

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

Director Lehnertz presented the University of Iowa's capital register, with Provost Barry Butler discussing the need for the **Seamans Center for Engineering Arts and Sciences – South Annex Addition** project. UIHC Senior Associate Director John Staley provided an overview of the three UIHC projects on the capital register.

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

1. The following actions for the **Madison Street Residence Hall – Construct New Facility** and **Burge Residence Hall – Expand Dining** projects, 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;
  - 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 design professional selection process and consideration of the use of an alternative delivery method in lieu of the traditional design-bid-build process for the Residence Hall project.
2. The following actions for the **Seamans Center for Engineering Arts and Sciences – South Annex Addition, Medical Laboratories – Renovate 3<sup>rd</sup> Floor South** major capital projects 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;
  - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
  - c. Approve the schematic designs, and project description and budgets (\$37,100,000 for Engineering; \$2,998,707 for Medical Laboratories with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

3. Project description and budget (\$2,877,381) for the **Power Plant – Flood Mitigation Measures** project; revised project description and budget (\$75,800,000) and contract award for hardscape and landscape component (\$5,127,722) for the **Hospital Ramp 2 Replacement** project; and revised project description and budget (\$17,000,000) for the **Levels 7 & 8 John Colloton and John Pappajohn Pavilions Rooftop Infills** project.

**Agenda Item 4 - University of Iowa Proposed Property Purchase at 707 1st Avenue, Coralville, Iowa**

University of Iowa Business Manager David Kieft presented the proposed property purchase.

By General Consent, the Committee recommended to the Board approval of the purchase of two parcels of property at 707 1<sup>st</sup> Avenue, Coralville, Iowa, at a price of \$1,450,000 from Coral, Inc. for the benefit of the University of Iowa, subject to approval of the final documents by the Board Office and Attorney General's Office.

**Agenda Item 5 - Proposed Abandonment and Demolition of Remaining Section of Hawkeye Court Apartments - University Of Iowa**

Business Manager Kieft presented the agenda item and noted that the remaining portions of Hawkeye Court had been vacated and the University desires not to have vacant buildings on campus. By General Consent, the Committee recommended to the Board approval of:

1. A Resolution directing the abandonment of the remaining portions of the Hawkeye Court Apartment Complex at the State University of Iowa.
2. Demolition of the remaining portions of the Hawkeye Court Apartment Complex to be abandoned under the above requested action.

**Agenda Item 6 - Register of Iowa State University Capital Improvement Business Transactions**

Senior Vice President Madden presented the Register of Iowa State University Capital Improvement Business Transactions.

By General Consent, the Committee recommended to the Board approval of the revised project budget (\$3,700,000) for the **Utilities – Northwest Campus Substation** project

### **Agenda Item 7 - University of Northern Iowa Proposed Property Sale**

Senior Vice President Hager presented a summary of the proposed sale. In response to a question from Chair Dakovich, Senior Vice President Hager responded that the selling price was based upon appraisals plus the costs of relocating the recreation fields and storage building.

By General Consent, the Committee recommended to the Board for approval for the benefit the University of Northern Iowa.

1. The proposed sale of fifty acres of land on the western edge of the University of Northern Iowa campus to the Cedar Falls Community School District at a price of \$1,240,000, and
2. Delegation to the Executive Director to negotiate the final details and sign the property sale agreement, subject to approval of the final documents by the Board Office and Attorney General's Office.

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

Senior Vice President True presented the update, including the four reports presented at each Committee meeting. He noted that close to \$600 million had been expensed or encumbered and that the replacement facilities were scheduled to come on line in calendar year 2016

The Committee received the report.

### **Agenda Item 9 – Discussion of Future Committee Agenda Items**

Policy and Operations Officer Racki mentioned that Chair Dakovich and she had had a discussion about the Committee considering for further action / discussion facilities items included in the June Deloitte report that were not developed into Phase 2 business cases. In response to a question from Senior Vice President True, Ms. Racki responded that job order contracting was part of that group.

Chair Dakovich adjourned the meeting at 3:43 p.m.

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.

TABLE 1  
BOARD OF REGENTS, STATE OF IOWA  
PROPERTY AND FACILITIES COMMITTEE RECOMMENDATION  
FIVE-YEAR STATE-FUNDED CAPITAL PLAN  
FISCAL YEARS 2016 THROUGH 2020  
(\$ Thousands)

Inst.	Project	FY 2016		FY 2017		FY 2018		FY 2019		FY 2020		TOTAL STATE REQUEST	PRIVATE/ OTHER FUNDS	TOTAL
		Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount	Priority	Amount			
All	Fire & Environmental Safety, Deferred Maintenance, Campus Security, Regulatory Compliance, IPR Radio, Sweeney Hall Fire Repairs, Energy Conservation	(1)	\$ 50,000	(1)	\$ 25,000	(1)	\$ 25,000	(1)	\$ 25,000	(1)	\$ 25,000	\$ 150,000		\$ 150,000
SUI	Seashore Hall Area / Psychology Renovation / Modernization			(3)	24,800	(2)	26,400	(2)	16,300	(2)	16,300	67,500	27,000	94,500
ISU	Student Innovation Center	(2)	8,000	(2)	15,000	(3)	10,000	(3)	7,000	(3)	7,000	40,000	40,000	80,000
UNI	Academic Buildings: Safety / Infrastructure, Phase 1			(4)	14,000	(4)	15,000	(4)	10,900	(4)	10,900	39,900		39,900
SUI	Student Learning Space Expansion - Main Library					(5)	7,000	(5)	18,000	(5)	18,000	33,000	10,000	43,000
ISU	Learning Space Renovation					(6)	10,000	(6)	5,000	(6)	5,000	20,000		20,000
UNI	Commons Renovation							(7)	7,300	(7)	7,300	7,300		7,300
SUI	Communications Center Building - Remodel for Student Learning									(4)	15,000	15,000		15,000
ISU	Science Building Capital Renewal							(8)	5,000	(5)	25,000	30,000		30,000
UNI	Science Buildings Renovation, Phase 2							(9)	15,000	(6)	18,900	33,900		33,900
SUI	Pentacrest Renewal and Modernization							(10)	11,300	(7)	31,500	42,800	5,000	47,800
UNI	Rod Library Modernization, Phase 1							(11)	9,000	(8)	9,500	18,500		18,500
	<b>TOTAL</b>		<b>\$ 58,000</b>		<b>\$ 78,800</b>		<b>\$ 93,400</b>		<b>\$ 129,800</b>		<b>\$ 137,900</b>	<b>\$ 497,900</b>	<b>\$ 82,000</b>	<b>\$ 579,900</b>