

Contact: Sheila Doyle

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. Permission to proceed with project planning, including the consultant selection process, for the **Oakdale Campus – Upgrade Electrical Distribution** and **Oakdale Campus – Renewable Energy Plant – Electrical Generation Upgrade** projects.
2. Site Selection for the **University Hospitals and Clinics – Institute for Orthopaedics, Sports Medicine and Rehabilitation** project.
3. Revised project budget (\$16,579,705) for the **Art Building – Phase 2 – Renovation and Landscaping** project.

Executive Summary: The **Oakdale Campus – Upgrade Electrical Distribution** project would upgrade the antiquated electrical distribution system on the Oakdale Campus. The new distribution system is needed to provide additional capacity for the Oakdale Campus to accommodate the planned construction of the State Hygienic Laboratory and other buildings. The project would also provide more reliable primary and back-up power for the new and existing Oakdale Campus buildings.

The estimated project cost of \$7 million would be funded by Utility System Revenue Bonds and Utility System user charges.

The **Oakdale Campus – Renewable Energy Plant – Electrical Generation Upgrade** project would install two new generators at the Oakdale Power Plant to provide electrical power to the Oakdale Campus. The generators would be capable of utilizing either natural gas or renewable biogas. The generators would be sized to support the planned construction of the State Hygienic Laboratory and other buildings at the Oakdale Campus. The University envisions that the generators would provide primary power when utilizing renewable biogas fuel, and back-up electrical power when fueled with natural gas. Centralized electric power generation would provide reliable back-up power without having to install diesel/generator sets in each new building.

The use of renewable biogas would allow the University to sell excess power to Alliant Energy, the electrical provider for the Oakdale Campus. In addition, the generators would include waste heat recovery equipment to allow the use of waste heat for building heating or chilled water production, at lower costs.

The estimated project cost of \$6 million would be funded by Utility System Revenue Bonds, Utility System user charges, and energy assessments to new projects being planned for the Oakdale Campus. The University also plans to seek federal and state grant support for developing renewable energy sources.

The **University Hospitals and Clinics – Institute for Orthopaedics, Sports Medicine and Rehabilitation Development (IOSMR)** project, as presented to the Board in May 2007, would consolidate in one location on the Hawkeye Campus (the University's far west campus located west of Mormon Trek Boulevard) the multi-disciplinary programs and services of the UI Sports Medicine Center (currently located in the UIHC Pappajohn Pavilion) and other University rehabilitation services. The IOSMR would offer a multi-disciplinary program to respond to the growing need for patient care, education, and research in orthopaedics, sports medicine and rehabilitation. The facility would offer comprehensive diagnostic, treatment, and physical therapy/rehabilitation services for ambulatory orthopaedic patients, the general public, University of Iowa athletes, and other public and privately-sponsored athletic programs. The anticipated project cost of \$5,975,000 would be funded by University Hospitals Building Usage Funds.

The Hawkeye Campus site was selected for the IOSMR due to its sports-related focus (with the Karro Athletic Hall of Fame, Hawkeye Tennis and Recreation Complex, and several recreation fields), along with its ease of accessibility and convenience, the available area for development, and more reasonable project costs.

Board discussion in May 2007 included development of the IOSMR and other UIHC specialty facilities outside of the current UIHC physical footprint, their potential locations, and whether they should be free-standing or combined, multi-specialty facilities. The University reported that it would be undertaking capital planning efforts for the Hawkeye Campus to determine specific locations for health care facilities in this area, and it further indicated that it would return to the Board for further discussion of the UIHC strategic capital plan and the IOSMR.

Based on further review and assessment, in consultation with TRG Consultants (health care facility planners), the University recommends development of the IOSMR on the Hawkeye Campus as a free-standing facility, rather than as part of a multi-specialty clinic. The specific site proposed for construction of the IOSMR is located directly northeast of the existing competition soccer field, as indicated on Attachment A.

The following is the University's justification for construction of the IOSMR as a free-standing facility on the Hawkeye Campus:

- The University reports that the proposed location is consistent with both the University's master plan for the Hawkeye Campus as a sports and recreation area, and with the University Health Care's long-term plan to create one or more facilities close to the main campus to improve access and service for patients (which would include University athletes and staff).
- Establishing the IOSMR at the Hawkeye Campus would continue to build on the strong relationship with University of Iowa Athletics, and it would support the University's academic programs in physical therapy, athletic training and rehabilitation.
- Development of patient-centered programs is one of the pillars of UIHC's future health care delivery model; the IOSMR has been designed based on this comprehensive, interdisciplinary, collaborative care model by providing customized services for the active, healthy individual interested in maintaining/improving their mobility and performance.

Since the IOSMR is dedicated to the restoration and enhancement of physical performance following sports-related injury (rather than the treatment of acute illness or management of chronic disease), and it would provide an open, physical environment with patients utilizing shared spaces for rehabilitation activities, UIHC believes it is inherent that it be located with other UI sports-related services and not within a typical multi-specialty clinic.

- The IOSMR’s anticipated patient population is expected to result in the critical mass needed to efficiently provide services to patients with sports-related and other comparable injuries, orthopaedic conditions, and rehabilitation needs.

The revised budget for the **Art Building – Phase 2 – Renovation and Landscaping** project would provide an additional \$1,329,705 to incorporate into the renovation project the upgrade of the fire alarm system throughout the building, and the replacement of electrical wiring and light fixtures in the west building. The revised budget would also provide the additional funding necessary to relocate an electric vault from a sub-grade to an on-grade location in response to flooding concerns.

Capital renewal/deferred maintenance is a major component of the Art Building renovation project. The revised budget is consistent with the University’s goal to address capital renewal and deferred maintenance items as part of renovation projects so that no additional items will need to be addressed for at least the next ten years.

Details of Projects:

Oakdale Campus – Upgrade Electrical Distribution

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Dec. 2007	Requested

Oakdale Campus – Renewable Energy Plant – Electrical Generation Upgrade

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Dec. 2007	Requested

University Hospitals and Clinics – Institute for Orthopaedics, Sports Medicine and Rehabilitation Development

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		May 2007	Approved
Site Selection		Dec. 2007	Requested

Art Building – Phase 2 – Renovation and Landscaping

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		July 1998	Approved
Program Statement		Jan. 2007	Not Required
Schematic Design		Feb. 2007	Approved
Project Description and Total Budget	\$ 15,250,000	Feb. 2007	Approved
Revised Project Budget	16,579,705	Dec. 2007	Requested

Project Budget

	Initial Budget <u>Feb. 2007</u>	Revised Budget <u>Dec. 2007</u>
Construction	\$ 11,700,000	\$ 12,449,116
Design, Inspection & Administration	2,380,000	2,928,921
Contingency	<u>1,170,000</u>	<u>1,201,668</u>
TOTAL	<u>\$ 15,250,000</u>	<u>\$ 16,579,705</u>

Source of Funds: Academic Building Revenue Bonds, Building Renewal Funds,
Utility System Renewal and Improvement Funds, Income from Treasurer's
Temporary Investments, and Gifts

Sports Medicine Site

