

MINUTES OF OCTOBER 21, 2015 COMMITTEE MEETING

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

**MAIN LOUNGE
IOWA MEMORIAL UNION
UNIVERSITY OF IOWA
IOWA CITY, IOWA**

Committee Members Present

Regent Milt Dakovich, Chair

Regent Subhash Sahai

Rod Lehnertz, University of Iowa Interim Senior Vice President for 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

Joan Racki, Board of Regents, Policy and Operations Officer

David Kieft, University of Iowa Business Manager

Other Regents in Attendance

Regent President Bruce Rastetter

Regent President Pro Tem Katie Mulholland

Regent Mary Andringa

Regent Sherry Bates

Regent Patricia Cownie

Regent Rachael Johnson

Regent Larry McKibben

Chair Dakovich called the meeting to order at 12:31 p.m.

Agenda Item 1 - Minutes of September 9, 2015 Committee Meeting

The minutes of the September 9, 2015 meeting, as presented, were accepted by General Consent.

Agenda Item 2 - University of Iowa Capital Improvement Business Transactions

Rod Lehnertz, University of Iowa Interim Senior Vice President for Finance & Operations presented the Register of University of Iowa Capital Improvement Business Transactions. In response to questions from Chief Business Officer Sayre, Interim Senior Vice President Lehnertz said that Daum Hall has a total of eight floors and the project would involve all of them. Construction would occur within the rooms; there would be no change in the room configuration. Interim Senior Vice President Lehnertz noted that the Currier Tunnel project would be scheduled so as not to conflict with the Madison Street Residence Hall project.

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

1. Following actions for the **Daum Residence Hall – Renovate Floors 1-8** project, a major capital project 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 (Attachment A of memorandum);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the design professional selection process.
2. Permission to proceed with project planning for the **Utilities Distribution System – Reconstruct Currier Steam Tunnel at Burge Hall and Water Plant – Install Reverse Osmosis System** projects, and the selection of Shive-Hattery as the design professional for the Currier Tunnel project.
3. Project description and budget (\$6,150,200) and the selection of Heery International as the design professional for the **UIHC Colloton Pavilion LL–L3 Replacement of Air Handling Units** project.
4. Ratification of Executive Director approval of a revised project budget (\$18,870,000) for the **Power Plant – Air Regulations Compliance** project.

Regent Dakovich asked for an update on the 102 Church Street and 101 Jessup Hall projects. Interim Senior Vice President Lehnertz reported that work at 102 Church Street would occur before the residence is occupied by President-Elect Harreld. (He will temporarily reside off-campus until project completion.) The project involves construction work behind the walls, below the floors and above the ceilings. Interim Senior Vice President Lehnertz reminded the Committee that approximately 1,300 square feet (10%) of the facility is the president's living quarters. The remaining 90% of the facility is used for university advancement and public events.

Interim Senior Vice President Lehnertz also reported that President-Elect Harreld had asked that the project in 101 Jessup Hall (President's office) be suspended, as President-Elect Harreld felt he and his staff could work with the current layout and finishes. However, to make the main public areas more welcoming, certain areas of carpet would be replaced. Regent Dakovich noted that suspending this project at this time is probably wise and a money-saver.

Agenda Item 3 – Property Acquisition: Gift Agreement with AIB College of Business

Interim Senior Vice President Lehnertz presented the agenda item. He noted that in the Education and Student Affairs Committee, Executive Vice President and Provost Barry Butler would discuss the University of Iowa programs proposed to be offered at the AIB site. He stated that University General Counsel Carroll Reasoner, Board Office counsel and the Attorney General's Office had reviewed the gift agreement and items raised had been addressed.

Interim Senior Vice President Lehnertz noted that AIB officials had kept up the campus very well. The University does, however, plan to modernize some of the fire safety systems. In response to questions from Chief Business Officer Sayre, Interim Senior Vice President Lehnertz said the fire safety improvements could be completed while the buildings are occupied.

The Committee, by General Consent, recommended to the Board approval of the Gift Agreement between AIB College of Business and the University of Iowa and authorization for the University and the Board's Executive Director to take further actions as needed to complete the gifting process.

Agenda Item 4 – University of Iowa Request to Raze Three Buildings

At the request of Interim Senior Vice President Lehnertz, University Business Manager David Kieft presented the agenda item. In response to a question from Chief Business Officer Sayre, University Business Manager Kieft said the 130 North Madison Street building had no historic issues and the area would become green space after the demolition of the building. In response to another question, Interim Senior Vice President Lehnertz said that the razing would reduce campus square footage by approximately 10,000 square feet and reduce deferred maintenance needs.

By General Consent, the Committee recommended to the Board approval of the demolition of buildings at the following locations: 2550 Postal Road, UI Oakdale Campus, Coralville, IA; 2401 Coral Ridge Avenue, UI Oakdale Campus, Coralville, IA and 130 North Madison Street, Iowa City, IA.

Agenda Item 5 – Register of University of Northern Iowa Capital Improvement Business Transactions

Michael Hager, University of Northern Iowa Senior Vice President for Administration & Financial Services summarized the three projects on the Register of University of Northern Iowa Capital Improvement Business Transactions. The revision to the Schindler Education Center Renovation project budget is due to a generous \$3.6 million gift from the Gerdin family. In response to a question from Chief Business Officer Sayre, Senior Vice President Hager said the floors in Lawther Hall that are currently uninhabitable would be reclaimed as residence hall space.

By General Consent, the Committee recommended to the Board:

1. The following actions for the **Lawther Hall Renovation** 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 (Attachment A of memorandum);
 - 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 (\$22,000,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction; and
 - d. Approve the financing plan and adoption of A Resolution Declaring an Official Intent Under Treasury Regulation 1.150-2 to Issue Debt to Reimburse the University of Northern Iowa for Certain Original Expenditures Paid in Connection with the Lawther Hall Renovation project.
2. Project description and budget (\$2,500,000) and selection of Snyder Associates as the design professional for the **Southwest Campus Storm Water Management** project.
3. Revised project description and budget (\$38,555,000) for the **Schindler Education Center Renovation** project.

Agenda Item 6 - Institutional Agreements, Leases and Easements

Board of Regents Policy and Operations Officer Joan Racki presented the agenda item and asked University of Iowa Business Manager Kieft to describe the two easements and one lease for the benefit of the University of Iowa. He distributed a map that showed the extension of the easement area with MidAmerican Energy to the south to avoid being in conflict with Iowa Interstate's rail lines. In response to a question from Chair Dakovich, University Business Manager Kieft said the easement would go under Burlington Street and will require coordination with the City of Iowa City. In response to a question from Chief Business Officer Sayre regarding the lease with KGRD Green Bay, LLC, University Business Manager Kieft said each space within the warehouse will be secure from each other and will be like a condominium arrangement. Each user will have its own entrance and HVAC system.

By General Consent, the Committee recommended to the Board approval of two easements (with City of Coralville and MidAmerican Energy) and a lease with KGRD Green Bay, LLC 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 7- University of Iowa Update of Flood Recovery Status

Interim Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He noted that the flood recovery projects were on schedule with the opening anticipated in Fall 2016.

The Committee received the report.

Agenda Item 8 - Discussion of Future Committee Agenda Items and Other Items

Policy and Operations Officer Racki introduced John Nash as the Assistant Director of Facilities. She also said the December Committee meeting is tentatively scheduled as a telephonic meeting.

Chair Dakovich adjourned the meeting at 1:00 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.