

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Register of University of Northern Iowa Capital Improvement Business Transactions for Period of August 22, 2003, Through September 15, 2003
Date: October 6, 2003

Recommended Action:

1. Approve the following items for the major capital projects, as defined by Board policy adopted in June 2003, included on the Register of Capital Improvement Business Transactions for the University of Northern Iowa.
 - a. **Business and Community Services** project (see pages 2 through 8);
 1. Acknowledge that the Board at its September 2003 meeting voted to support the submission of a coordinated set of applications from the three Regent universities to the Grow Iowa Values Board for specific economic development projects, including the Business and Community Services project.
 2. Authorize permission to proceed with project planning, including the architectural selection process, with the understanding that the project scope may require modification as project planning proceeds due to the contingent nature of the proposed fund sources.
 - b. **Student Health Center Expansion** project (see pages 9 through 13);
 1. Acknowledge receipt of the University's submission of information to address the Board's capital project evaluation criteria (pages 11 through 13);
 2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 3. Approve the program statement.
-

Executive Summary:

The University requests permission to proceed with project planning for one new major capital project, the **Business and Community Services** project, which would construct a new facility to consolidate in a single, on-campus location, the various services of the University's Business and Community Services outreach program (see page 2).

The University also requests approval of the program statement for an existing major capital project, the **Student Health Center Expansion** project, which would construct an addition to the Student Health Center and renovate existing space in the facility to consolidate and expand the University's Health Services programs (see page 9).

- The project was initiated prior to the Board's adoption of the policy for major capital projects in June 2003; therefore, the Board is asked to approve continuing with the project based on the analysis related to the evaluation criteria provided for the project within this docket memorandum.

Background and Analysis:

Business and Community Services

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Oct. 2003	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria		Oct. 2003	Receive Report

Background

The University of Northern Iowa Business and Community Services outreach program provides training, technical assistance, and market research for businesses, and economic development assistance for Iowa communities.

- The program includes the Small Business Development Center, John Pappajohn Entrepreneurial Center, Strategic Marketing Services, Institute for Decision Making, Management and Professional Development, the Iowa Waste Reduction Center, and Ag-Based Industrial Lubricants.
- These programs have a proven track record of achieving positive results with businesses and communities; the demand for assistance from these programs continues to expand, especially as the national economy has slowed.

The various centers within the Business and Community Services Program are currently housed in scattered locations on campus, and in leased space in the Cedar Falls Industrial Park, downtown Waterloo, and the city of Waverly; the centers occupy a total of approximately 21,000 square feet in these locations.

- The University reports that the existing facilities are not adequate to provide the desired level of training, education, practical research and technology transfer requested by the companies and communities served by the Program, especially as the demand for these services continues to expand.
- In addition, the Program's scattered locations create barriers for student and faculty participation.

The University wishes to consolidate the centers of the Business and Community Services Program in a single location on campus to further promote collaboration among the various units and to achieve a number of operational efficiencies.

- The on-campus location would provide greater convenience for faculty participating in the outreach programs and would enhance opportunities for students to actively participate in outreach activities.
- The proposed facility would include a business accelerator and student incubator component, neither of which is currently available on campus.

The University reports that adequate space is not currently available on campus to consolidate the services of the Business and Community Services Program into a single facility.

Strategic Plan

The University has indicated that the Business and Community Services Program is consistent with its Strategic Plan which emphasizes the University's obligation to contribute to the prosperity and quality of life in Iowa, through its outreach programs and partnerships, by increasing the number of relationships between the University and the business community, and to promote economic growth in the state.

In addition, the Program is consistent with the Board's Technology Transfer and Economic Development Plan which directs the Regent institutions to serve the state and the region through applied research, technology transfer and economic development services.

Project Scope The project would construct a new facility to consolidate the Business and Community Services Program in a single on-campus location to more adequately serve the Program's needs.

- The building would provide a comprehensive coordinated service center combining the expertise and experience of the existing business assistance programs, while providing entrepreneurial suites for new businesses.
- According to the University, the facility would offer a unique set of benefits within a single location, which currently is not readily available to businesses and entrepreneurs in the Midwest.

The proposed facility, of approximately 50,000 gross square feet, would provide training rooms, a computer laboratory, multi-media conference center, experiential learning classrooms, entrepreneurial suites, virtual incubator facilities, and office space.

The anticipated location for the facility is in the vicinity of the Center for Energy and Environmental Education. (A map indicating the approximate location for the facility is included as Attachment A.)

Anticipated Cost/Funding \$7,500,000.

- The University has received a commitment from the U.S. Department of Energy (\$500,000) which would fund the design phase of the project; the University anticipates receiving additional federal funds in FY 2004 for construction of the facility.
- The University proposes to fund construction of the business accelerator portion of the facility from the Grow Iowa Values fund.

Due to the contingent nature of the proposed fund sources, the project scope may require modification as project planning proceeds.

Architect/Engineer Selection Granting permission to proceed with the project would allow the University to begin the architect/engineer selection process in accordance with the Board's Policy Manual, which requires the selection of an architectural firm for projects of \$1 million or more by an institutional Architectural Selection Committee.

The University would return to the Board for approval of the selected firm and negotiated design agreement.

Evaluation Criteria Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission/Strategic Plan UNI's Strategic Plan emphasizes its obligation to contribute to the prosperity and quality of life in Iowa through its outreach programs and partnerships in Goal 4. Specifically, subgoal 4.2.3 is "to increase the number of relationships between the University and the business community." To support UNI's goals for this outreach emphasis, a more specific economic development and technology transfer plan has been prepared, adopted and approved by the Board of Regents. The purpose of the plan is to serve the state and region through applied research, technology transfer and economic development services. The proposed building for Business and Community Services (BCS) supports all three goals outlined in the Technology Transfer and Economic Development Plan. In addition, the Board of Regents expects each Regent institution to promote economic growth as outlined in its strategic plan.

UNI is in the process of revising its strategic plan and has included a new objective for creating a public campus with externally funded facilities to better serve the needs of external constituencies. The public campus will provide an opportunity for UNI outreach and external programs to co-locate in a centralized location for better operational efficiencies while being more convenient to business and community clients, visitors, alumni, students, faculty and staff.

The purpose of the building for BCS to assist businesses and entrepreneurs throughout Iowa in addressing a variety of problems that will allow them to retain and create jobs, train current and future employees, increase sales, expand markets, and be environmentally responsible. In addition to providing hands-on training, the program will provide tailored training and education programs in state-of-the-art training facilities and incubation space to help businesses and entrepreneurs adapt to and compete in a knowledge-based economy. Some of the current challenges impeding business growth in the Midwest include access to market research, understanding regulatory issues related to waste disposal and air emissions, linkages to capital, customized consulting and professional management training, and implementing electronic commerce opportunities to expand their market share.

UNI's integrated program will offer a unique set of benefits within a single facility that are not readily available to businesses and entrepreneurs in the Midwest. The proposed building will house programs that combine the expertise and experience of several existing business assistance programs into one comprehensive coordinated service center and also provide entrepreneurial suites to accelerate new businesses.

Through the integrated services of BCS outreach programs, the following services will be provided:

- Market research and analysis
- Assisting communities and businesses in accommodating new lowans
- Electronic commerce training and adaptation
- Professional development and management training
- Assistance with applying information technologies
- Entrepreneurial assistance – business start-up training and incubation/acceleration space
- Linkages to capital (seed, angel and venture)
- Telecommunications connectivity and Internet accessibility and utilization
- Benchmarking and competitive intelligence
- Waste reduction technologies, regulatory guidance and by-product utilization
- Customized business consulting, assistance and mentoring
- Training of lean manufacturing techniques
- Advice on international opportunities and competition
- Community and economic development assistance programs

In addition to integrating and expanding the existing outreach programs, UNI will aggressively expand the role of students through experiential learning opportunities. These students will work with businesses and become prime candidates for permanent jobs with these companies upon graduation. Past experiences have proven overwhelmingly that students working in BCS outreach programs become well equipped academically and practically to immediately contribute to the state's economy and the majority choose to stay in Iowa.

Professional development and continuing education are becoming more critical in the knowledge economy. UNI lacks adequate facilities to conduct the training, education, practical research and technology transfer desired by external clients. A separate and conveniently located outreach center is needed. The facility would house classrooms and training facilities for use by businesses. Numerous synergies and economies of scale would evolve through the co-location of the BCS units.

Other Alternatives
Explored

In order to meet the space needs of a combined one-stop facility at UNI, both on campus and off campus locations were considered. Adequate space is not available on the UNI campus to meet the space needs in a single facility. Off campus space is not convenient for students and faculty who participate in outreach programs. The building will also include an accelerator and student incubator component, which needs to be close to UNI to serve students and to encourage faculty to convert intellectual capital into intellectual property.

UNI outreach programs already rent space in the Cedar Falls Industrial Park, downtown Waterloo and Waverly. Continuing this growth in varied locations creates barriers for student and faculty participation.

Impact on Other
Facilities and
Square Footage

Approximately 21,000 square feet of space will be transferred to the new BCS building. The units to be relocated are divided equally between leased facilities and space in UNI buildings. Spaces vacated in University buildings will be reassigned to other departments in need of space. The remaining space in the new building will house the innovation accelerator and student incubator as set forth in the Grow Iowa Values legislation. There will not be any on-campus space that will be abandoned or demolished.

The proposed Business and Community Services building is planned to be 50,000 square feet, depending on final Federal and State appropriations.

The proposed new building will include:

- Eight training rooms of varied sizes, some with ICN access
- Computer lab
- Video conference center with a connection to Iowa's fiber optic communication network
- Experiential learning classrooms for direct student participation
- Incubator space (entrepreneurial suites) for student entrepreneurs
- Expanded high tech incubation and commercialization space (extension of our Regional Business Center in downtown Waterloo, which is currently full)
- Virtual incubation and commercialization capabilities to extend hands-on assistance to rural areas throughout the state
- Office space for Business and Community Services outreach programs, including the Institute for Decision Making, Management and Professional Development Center, John Pappajohn Entrepreneurial Center, Regional Business Center, Iowa Waste Reduction Center, Intellectual Properties Committee, the Economic Development Research Program and the New Iowans Program.
- Resource room (reference materials, directories, data sources, data sets)
- Geographic Information Systems (GIS) capabilities
- On-site catering facilities
- Access to Auditorium and meeting facilities in the CEEE building

Financial
Resources for
Construction
Project

Two primary sources of funding are being pursued for the Business and Community Services building. The primary source is from the United States Department of Energy through a special appropriation. The design phase of the funding (\$500,000) was committed this fiscal year and construction funding is anticipated in FY2004. The other source of capital for construction of the accelerator portion of the building will be from the Grow Iowa Values fund. Legislative language in the bill appropriated at least \$5 million to UNI over the next four years (with the expectation to construct or renovate space for an innovation accelerator on the UNI campus.) Cross utilization of funding sources will provide UNI with the adequate square footage to meet expectations of both State and Federal funding sources.

Financial
Resources for
Operations and
Maintenance

Operational funding for the building will be provided from a variety of sources. Each outreach unit locating in the BCS building will reallocate operational funding from their current space. Some of the BCS programs are currently paying rent and some of the savings can be allocated to operations. Leasing the incubator and accelerator space will also generate revenues. Rental charges will also help cover operational expenses of the conference rooms. Partial program operational funding has been included in the Federal funding request.

External Forces

Federal and State appropriations have been approved for the proposed BCS building and innovation accelerator. Combining capital resources from the Department of Energy and the Grow Iowa Values fund creates a unique opportunity for UNI to create a "public campus" for external constituents while enhancing opportunities for students to actively participate in outreach activities. The proposed building has been discussed and internally evaluated for the past six years. Funding limitations and other University priorities has forced the project to stay on the longer-term priority list. However, with other construction projects already completed or underway and due to the support of our Congressional delegation, it appears UNI has a unique window of opportunity to create a facility to better serve Iowa and to create enhanced opportunities for students, faculty and staff to contribute to the economy of Iowa.

Student Health Center Expansion

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Jan. 2003	Approved
Architectural Agreement (OPN Architects, Cedar Rapids, Iowa)	\$ 363,000	April 2003	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria		Oct. 2003	Receive Report
Program Statement		Oct. 2003	Requested

Background

The University's Health Services programs consist of the Health Clinic, currently located in the Student Health Center, and Counseling Center and Disability Services, currently located in the Student Services Center in Bartlett Hall.

The University reports that the facilities require improvements to respond to increased enrollment, stricter federal medical and accessibility requirements, new trends in health and wellness, and student demand for improved services.

In addition, the University wishes to consolidate the Health Services programs in the Student Health Center to obtain efficiencies among the programs.

- The Student Health Center consists of 12,658 gross square feet of space on two floors and is located directly north of the Schindler Education Center. (A map indicating the location of the facility is included as Attachment B.)
- The facility was built in 1961 to serve a student population approximately one-third of the current number of students on campus, and has received only minor updates since its construction.

In November 2002, the Board approved a new \$26 per academic year per student Health Facility mandatory fee (effective with the 2003-2004 academic year) to support the debt service payments for expansion and renovation of the facility.

Project Scope

This project would construct a two-story addition to the Student Health Center of approximately 9,500 net square feet, and renovate approximately 7,800 net square feet of existing space to accommodate the consolidation and expansion of the University's Health Services programs.

Anticipated Cost/
Funding \$3,500,000 to be funded by revenue bonds, for which the debt service would be paid by the Health Facility Fee previously approved by the Board.

Program
Statement The expanded and renovated facility would focus on a student-centered model of service by consolidating the existing Student Health Clinic, Counseling Center and Disability Services in one location.

The consolidation of the Counseling Center and Disability Services with the Student Health Center would improve student services by providing medical and mental health services in one location, while also improving staff and financial efficiencies.

The University reports that the facility would greatly enhance the concept of "students first" by providing one convenient, easily identifiable, and accessible location for a variety of health services.

The Student Health Clinic would focus on holistic care and would provide preventive medicine and educational services, travel medicine programs (in response to the increasing number of international students and an increasing number of students, faculty, and staff traveling abroad), and health maintenance and wellness services.

The facility would be updated with new infrastructure to meet current required building, accessibility, fire, mechanical, electrical, technological, and other regulatory codes with an emphasis on confidentiality, privacy and security.

Additional
Information To maintain student medical care during the construction project, the University plans to temporarily relocate the Student Health Clinic to Dancer Residence Hall.

- The Clinic would occupy six student rooms, a conference/meeting room, a hall coordinator apartment and office, and a guest room (a total of 2,832 net square feet).
- The Clinic plans to lease the space from the Department of Residence beginning in May 2004 through mid-August 2005 at a total cost of approximately \$72,000.

Square Footage Table The following table provides the detailed square footages for the project.

Detailed Building Program

<u>Student Health Clinic</u>			
Exam/Treatment Rooms	3,687		
Support Spaces	1,950		
Entrance Lobby	1,308		
Nursing	976		
Laboratory and X-ray	764		
Pharmacy	<u>680</u>		
		9,365	nsf
 <u>Counseling Center</u>			
Counseling Offices	1,976		
Lobby	816		
Group Counseling Areas	580		
Support Spaces	<u>428</u>		
		3,800	nsf
 <u>Disability Services</u>			
Support Spaces		576	nsf
 <u>Shared Spaces</u>			
Support Spaces	1,768		
Main Entry	<u>400</u>		
		<u>2,168</u>	nsf
Total Net Assignable Space		15,909	nsf
Total Gross Square Feet		24,700	gsf
(New Space = 13,600, Renovated Space = 11,100)			
Net-to-Gross Ratio = 64 percent			

Evaluation Criteria Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission/Strategic Plan The University of Northern Iowa Strategic Plan states that its culture is based on core values, which include "the well being of its students, faculty, and staff." University Health Services (UHS), comprised of the Student Health Clinic, Counseling Center and Disability Services, and Wellness and Recreation Services, contributes directly to a healthy UNI culture. The UHS mission is "to lead the university in fostering a healthy personal, academic, and professional environment with program and services that promote individual and organizational well being."

The Student Health Center (SHC) was built in 1961, when the student population was 4,000. The Health Clinic now serves a campus of almost 14,000 students with roughly 22,000 student visits each year. Clinic, Counseling, and Disability Services staff see approximately 50% of the student population annually and expect that with the renovation and expansion they will see 65% of the student body each year for preventive and treatment services.

The SHC has not undergone any significant renovation since its construction in 1961. Over time, the facility has developed increasing need for repairs, renovation, and additional space to adequately serve the university community.

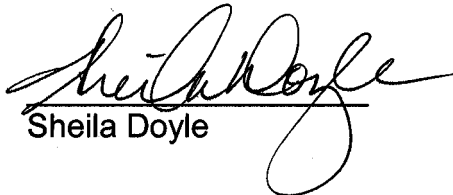
Medical care has changed from a model of sick care to a holistic model with preventive, educational, travel, health maintenance, and wellness services as well. As a result of University efforts related to Goal 1.0 of the UNI Strategic Plan (Objective 1.7, "to enhance global awareness and a sense of global citizenship among UNI students" and 3.2, "to increase availability of distance learning, continuing education and international academic and professional development opportunities to meet the needs of students"), numbers of UNI students, faculty, and staff traveling abroad have greatly increased, as have the numbers of international students attending UNI. University Health Services has responded by expanding its travel medicine program to ensure the health and safety of both the travelers and campus community members.

UHS Clinic, Counseling, and Disability Services staff play key roles in facilitating the success of students with unique needs (Strategic Plan Goal 4.0, Objective 4.2, "provide a welcoming and responsive environment for members of the UNI community who have unique needs that may affect their opportunity for success"). They work cooperatively and collectively to assist students who need services from multiple areas simultaneously. Currently, the UHS Counseling Center, Disability Services, and Health Clinic are located in two separate buildings. As a result, students needing both medical and mental health services must travel back and forth between the two facilities for their health care. By bringing the Counseling Center and Disability Services into the Student Health Center, students will receive improved service and UHS can make more efficient use of department human and financial resources.

Objective 5.1 of Goal 5.0 is to "maintain safe environments, conditions, and equipment." The SHC needs major repairs and maintenance related to fire codes, plumbing, electrical, and electronic equipment. At this time, the SHC does not have an elevator or space to provide adequate privacy for special circumstances. Additionally, physical accommodations are necessary to secure protected health information in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). In order for the Student Health Clinic to maintain its AAAHC accreditation (Association for the Accreditation of Ambulatory Health Care), facility improvements must adequately address the needs of students with disabilities, the privacy of individuals, the confidentiality of personal information, and the security of medical records.

Other Alternatives Explored	In assessing the necessary repairs and renovations related to student health and safety, the American Disabilities Act, AAAHC accreditation standards, and HIPAA regulations, it was determined that additional space was needed. To retain the current ideal location of the SHC and to control construction cost, it was decided to renovate the existing building, adding additional space as necessary to meet programmatic goals and regulatory guidelines.
Impact on Other Facilities and Square Footage	Spaces vacated in University buildings will be reassigned to other departments in need of space. It is not anticipated that this project will result in the abandonment or demolition of existing facilities.
Financial Resources for Construction Project	UNI students supported an annual Health Facility Fee of \$13/semester and \$9.75/summer to support this project, to be assessed over a twenty year period.
Financial Resources for Operations and Maintenance	The operations and maintenance costs will continue to be funded by the general fund. Reallocations of area maintenance and building services staff resources will be required to provide support for the additional building space.
External Forces	As described in the Institutional Mission/Strategic Plan above, standards set by the American Disabilities Act, the Association for the Accreditation of Ambulatory Health Care, the Health Insurance Portability and Accountability Act, and NFPA Codes, dictate some facility improvements at this time.

Also presented for Board ratification are two final reports. The register prepared by the University is included in the Regent Exhibit Book.


Sheila Doyle

Approved: 
Gregory S. Nichols