

MINUTES OF AUGUST 5, 2015 COMMITTEE MEETING

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

**SCHEMAN BUILDING, ROOM 4 (TELEPHONIC)
IOWA STATE UNIVERSITY
AMES, IOWA**

Committee Members Present

Regent Milt Dakovich, Chair

Regent Subhash Sahai

Rod Lehnertz, University of Iowa Interim 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 Administration & Financial Services

Patrice Sayre, Board of Regents Chief Business Officer

Presenters

Joan Racki, Board of Regents, Policy and Operations Officer

Other Regents in Attendance

Regent Sherry Bates

Regent Patricia Cownie

Regent Mary Vermeer Andringa

Chair Dakovich called the meeting to order at 11:00 a.m.

Agenda Item 1 - Minutes of June 4, 2015 Committee Meeting

The minutes of the June 4, 2015, meeting, as presented, were accepted by General Consent.

Agenda Item 2 - University of Iowa Capital Improvement Business Transactions

University of Iowa Interim Senior Vice President, Finance & Operations Rod Lehnertz presented the Register of University of Iowa Capital Improvement Business Transactions. He noted that Gary Barta, Director of Athletics and John Staley, University of Iowa Hospitals and Clinics Senior Associate Director were on the phone in Iowa City should there be questions for them.

The Register included three projects for which the University requested permission to proceed with project planning. Interim Senior Vice President Lehnertz responded to questions regarding the projects and stated that there would be no renovations to the press box as part of the Kinnick Stadium project. With regard to the new west campus residence hall, he noted that it would be funded by possible athletic gifts to the project and any debt supported by hall room rates. It is anticipated that the cost of the project would be higher on a per bed basis than Petersen Hall and the Madison Street Residence Hall due to the suite-style bed configuration, a full-service food venue and an athletic training table. He also stated that the new residence hall would be served by Cambus and the West Campus Transportation Center. With regard to the new indoor track and field facility, Interim Senior Vice President Lehnertz said that the Board had previously approved the purchase of a banked track which could be used in either the existing Recreation Building or a new facility.

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

1. The following actions for the **Kinnick Stadium and Paul W. Brechler Press Box – Renovate North Stands, Construct New West Campus Residence Hall, and Construct New Indoor Track and Field Facility** 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 (attachments to docket memo);
 - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration;
 - c. Authorize permission to proceed with project planning, including the utilization of Neumann Monson (with HNTB as consultant) as the design professional and M.A. Mortenson Company as the construction – manager agent for the Kinnick Stadium project; and
 - d. Authorize permission to proceed with project planning, including consideration of the use of an alternative construction delivery method other than the traditional design-bid-build process for the Residence Hall and Indoor Track projects.
2. The following actions for the **College of Public Health Building – Fit-Out Fifth Floor** 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 to docket memo);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Approve the schematic design, and project description and budget (\$4,635,071), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.

3. The project descriptions and budgets and design professional selections for the **Main OR (Operating Room) Air Handling Unit Fan Array** (\$2,025,000) (Modus Engineering) and **Central Sterilizing Service – AHU (Air Handling Unit) 23** (\$2,401,000) (Heery International) projects.

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

Iowa State University Senior Vice President for Business and Finance Warren Madden presented the University's Register of Capital Improvement Business Transactions. He summarized the proposed project for which the University requested permission to proceed with project planning. It would be located on the site of the Nuclear Engineering Laboratory (decommissioned a number of years ago) and the south portion of the original Sweeney Hall. (These buildings would be demolished.) The project would be funded by \$40 million in capital appropriations and \$40 million in gifts. He noted that private fundraising was going well, including a \$20 million commitment from an anonymous donor.

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

The **Student Innovation Center** project, a major capital project as defined by Board policy:

1. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A of docket memorandum);
2. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration;
3. Authorize permission to proceed with project planning, including the design professional selection process, and consideration of the use of an alternative construction delivery method other than the traditional design-bid-build process; and
4. Approve the demolition of the Nuclear Engineering Laboratory and the south portion of the original Sweeney Hall building to provide the site for the new facility.

Agenda Item 4 - Establishment of Iowa State University Facilities Corporation

Iowa State University Senior Vice President Madden presented the University's request for Board authorization, in cooperation with the ISU Foundation, to create the ISU Facilities Corporation, which would provide a mechanism to assist in the financing of non self-supporting capital projects. He noted that the proposed Corporation would be helpful in financing the Advanced Teaching and Research Building component of the Biosciences project.

By General Consent, the Committee recommended to the Board that it authorize Iowa State University, in cooperation with the ISU Foundation, to establish the ISU Facilities Corporation to provide for the issuance of certain indebtedness on behalf of the Board of Regents, State of Iowa for the benefit of Iowa State University.

Agenda Item 5 - Iowa State University Proposed Cremation Garden Cemetery

Iowa State University Senior Vice President Madden presented the University's request. He provided a history of the cemetery and noted that President Parks was the last University president to be buried in the cemetery. He noted that there had been a fair amount of interest in the proposed cremation garden since the docket materials were released.

By General Consent, the Committee recommended to the Board approval of a five-year agreement with Fans4Ever for the marketing, construction and management of a cremation garden within the Iowa State University Cemetery, subject to approval of the final documents by the Board Office and Attorney General's Office.

Agenda Item 6 - University of Northern Iowa Proposed Property Sale

University of Northern Iowa Senior Vice President for Administration & Financial Services Michael Hager presented the agenda item. He noted that there was no currently identified use for the property in the University's master plan and that the parcel was of greater value to the community than to the University.

By General Consent, the Committee recommended to the Board approval, for the benefit of the University of Northern Iowa, of the sale of fifty acres of land on the southwest corner of the campus to Sartori Memorial Hospital, Inc. at a price of \$4,300,000, subject to approval of the final documents by the Board Office and Attorney General's Office.

Agenda Item 7 - Institutional Agreements, Leases and Easements

Board of Regents Policy and Operations Officer Joan Racki presented the agenda item and asked Iowa State University Senior Vice President Warren Madden to elaborate on the two leases for the benefit of Iowa State University. He noted that the Hub Square Facility would house economic development entities and that the lease for additional off-campus housing would not solve all of the University's housing needs.

By General Consent, the Committee recommended to the Board approval of a lease agreement with the ISU Research Park Corporation for the Hub Square Facility being constructed in Phase III of the Research Park and a lease agreement for off-campus housing with Jensen Five L.C. both for the benefit of Iowa State University, subject to approval of the final documents by the Board Office and Attorney General's Office.

Agenda Item 8 – Five-Year Institutional Roads Program

Policy and Operations Officer Racki presented the Five-Year Institutional Roads Program and noted that the annual amounts for the Regent institutions had increased due to the increase in the State's road use tax.

By General Consent, the Committee recommended to the Board approval of the Five-Year Institutional Roads program with capital projects totaling \$10,810,000 for calendar years 2016 through 2020, including projects totaling \$2,370,000 for calendar year 2016.

Agenda Item 9 - 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 recovery projects were complete and the replacement projects would be completed in calendar year 2016. He stated, in response to a question from Chief Business Officer Patrice Sayre, that the University has a good process working with Iowa Homeland Security, is continuing to put in reimbursement requests to FEMA and is receiving approximately \$10 million per month from FEMA. In response to a question from Regent Sahai, Interim Senior Vice President Lehnertz noted that the University's insurance coverage is very different since the 2008 flood; it holds \$2 billion in commercial property insurance coverage, including \$250 million of flood insurance coverage.

The Committee received the report.

Agenda Item 10 – Discussion of Future Committee Agenda and Other Items

Policy and Operations Officer Racki noted that the five-year capital plans would be brought forward in September.

Chair Dakovich adjourned the meeting at 11:45 am.