



Facilities, Planning, & Operations Committee

September 2016

September 8, 2016

9:45 - 11:45 am

West Committee Room, McNamara Alumni Center

FAC - SEP 2016

1. 2016-2017 Committee Workplan

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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: 2016-2017 Committee Work Plan

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Regent David McMillan
Michael Berthelsen, Interim Vice President, University Services

PURPOSE & KEY POINTS

To review and discuss the 2016-2017 committee work plan.

BACKGROUND INFORMATION

Board of Regents Policy: *Board Operations and Agenda Guidelines* defines the role of the Facilities, Planning, & Operations Committee as follows:

The Facilities and Operations Committee oversees the University’s physical assets (e.g., land, buildings, infrastructure, and equipment) and operations. This committee considers the general adequacy, condition, and use of existing facilities and infrastructure; oversees policy related to technology, operations and physical planning; reviews renewal, replacement, and new construction decisions; and recommends capital projects.

Specifically, this committee recommends:

- project components of the University capital budget;
- district and campus master plans;
- real estate transactions;
- capital budget amendments; and
- schematic plans prior to the inclusion of a project in the annual capital budget.

This committee provides governance oversight to:

- long range physical asset planning strategies;
- public safety and emergency preparedness;
- technology infrastructure and long range planning; and
- operational services such as housing, parking, transportation, and dining.

This committee also reviews:

- semi-annual capital planning and project management reports;
- miscellaneous facilities management reports and significant issues;

- design guidelines when a project design represents an exception to adopted campus master plans; and
- approved capital budget projects prior to the award of construction contracts, consistent with Board policies.

**Facilities, Planning, & Operations Committee
2016-2017 Work Plan**

Date	Topics
2016	
September	<ul style="list-style-type: none"> • Issues Related to the 2016 Six-Year Capital Improvement Plan and 2017 State Capital Request (Review) The committee will review information on system-wide facilities condition and strategies to address the most urgent needs through the President's recommended Six-Year Capital Plan (Capital Plan). The Capital Plan includes major capital improvements planned for fiscal years 2017 through 2022. The first year of the Capital Plan is the basis for the proposed 2017 State Capital Request that the University will submit to the State of Minnesota for consideration during the 2017 legislative session. Progress on reducing GSF in poor and critical condition, an item on the University Progress Card, will be shared. • Annual Report on Real Estate (Information) This report provides information on real property transactions over \$1,250,000 or 10 acres for fiscal year 2016. This report is required by Board policy. <p>Full Board item:</p> <ul style="list-style-type: none"> • 2016 Six-Year Capital Improvement Plan (Review) • 2017 State Capital Request (Review) • Tour of Selected Projects in the Six Year Capital Plan
October	<ul style="list-style-type: none"> • Ensuring a Safe University: Campus Safety Update This report will provide an update on the status of various safety efforts undertaken in the past year and initiatives in place and planned for the near future, with a special focus on emergency management for major events and the timely warning process. It will also serve as a primer for the committee in advance of February's full board discussion on safety. • Issues Related to the 2016 Six-Year Capital Improvement Plan and 2017 State Capital Request (Action) The committee will continue the September conversation with a focus on statewide non-campus facilities. Any changes or additions to the 2016 Six-Year Capital Plan or the 2017 State Capital Request will be reviewed before the Board takes action on the plan at its October 14 meeting. <p>Full Board items:</p> <ul style="list-style-type: none"> • 2016 Six-Year Capital Improvement Plan (Action) • 2017 State Capital Request (Action)
December	<ul style="list-style-type: none"> • Real Estate: Strategy, Tactics, and Vision The committee will receive an overview of the current strategies and processes regarding acquisition and disposition of real estate, the role of the Foundation Real Estate Advisors, and participate in a discussion about principles and vision. • East Gateway Development: Strategy, Tactics, and Vision The committee will discuss potential development in the East Gateway area of the Twin Cities campus, with specific focus on potential partnerships with the Foundation and Prospect Park neighborhood, and implications of future development. The committee will also receive an update on the joint venture site. • Capital Planning and Project Management Semi-Annual Report (Information) This dashboard report, required by Board policy, highlights progress and challenges encountered in delivering in-process projects that have been approved in the Capital Improvement Budget and for which the Board of Regents are required to approve schematic designs. The report is delivered in the summer and winter.

2017	
February	<ul style="list-style-type: none"> • The Internet of Things The committee will discuss how the internet of things (IoT) is anticipated to impact the University as well as how the network upgrade supports these emerging technologies. This includes opportunities to reduce costs and automate tasks, while understanding potential budget implications. A special area of focus will be the intersection of IoT and facilities. • Update on Long Range Housing Plan The committee will receive an update on the long range housing plan for the Twin Cities campus, including a status report on adopted goals and progress made on the plan over the past twenty-four months. <p>Full Board item:</p> <ul style="list-style-type: none"> • Building Community: Neighborhood Engagement and Campus Safety
May	<ul style="list-style-type: none"> • Utilities, Energy Management, and Sustainability The committee will receive an update on utilities and energy management with a specific focus on the Twin Cities combined heat and power plant. A report on progress towards system-wide sustainability goals as they relate to facilities, planning, and operations will be provided, which is a report is required by Board policy. • Project Components of the President's FY2018 Annual Capital Improvement Budget (Review) The committee will review the annual capital improvement budget, which authorizes projects spending more than \$500,000 to begin design and construction during the upcoming year. <p>Full Board item:</p> <ul style="list-style-type: none"> • President's FY2018 Annual Capital Improvement Budget (Review) • Tour of Combined Heat and Power Plant
June	<ul style="list-style-type: none"> • Long-Term Campus Vision: Open Space Plan The committee will discuss a new Open Space Plan for the East and West Banks on the Twin Cities campus that expands upon the Development Framework presented to the Board in February 2016. The Open Space Plan will address the different typologies of green/open spaces and how they are experienced on and at the edges of campus. A discussion on historic/iconic landscapes, both current and planned, will be included. • Project Components of the President's FY2018 Annual Capital Improvement Budget (Action) The committee will review any changes or additions to the President's FY 2018 Annual Capital Improvement Budget, and answer questions before the Board takes action on the request at its June 8 meeting. • Capital Planning and Project Management Semi-Annual Report (Information) This dashboard report, required by Board policy, highlights progress and challenges encountered in delivering in-process projects that have been approved in the Capital Improvement Budget and for which the Board of Regents are required to approve Schematic Design. The report is delivered in the summer and winter. <p>Full Board item:</p> <ul style="list-style-type: none"> • President's FY2018 Annual Capital Improvement Budget (Action) • Preliminary 2018 State Capital Request (Information)

2016-2017 Committee Workplan

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016



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Draft Workplan

September

- Issues Related to the Six-Year Capital Improvement Plan and State Capital Request
- Annual Report on Real Estate

October

- Ensuring a Safe University: Campus Safety Update
- Issues Related to the Six-Year Capital Improvement Plan and State Capital Request

December

- Real Estate: Strategy, Tactics, and Vision
- East Gateway Development: Strategy, Tactics, and Vision
- Capital Planning and Project Management Semi-Annual Report

February

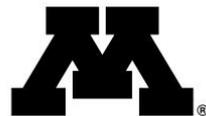
- The Internet of Things
- Update on UMTC Long-Range Housing Plan

May

- Utilities, Energy Management, and Sustainability
- Annual Capital Improvement Budget

June

- Long-Term Campus Vision: Open Space Plan
- Capital Planning and Project Management Semi-Annual Report



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: Issues Related to the 2016 Six-Year Capital Plan and 2017 State Capital Request

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTERS: Michael Berthelsen, Interim Vice President, University Services

PURPOSE & KEY POINTS

The purpose of this item is to review and discuss issues related to the 2016 Six-Year Plan (Capital Plan) and the 2017 State Capital Request. The item will focus on the role of critical facility and renewal funding in the Capital Plan, as well as academic and system-wide priorities. The discussion will include the drivers that come together to build the Capital Plan – including facility condition assessments, master plans and development framework, academic priorities, financial constraints, and strategic priorities – as well as how the Capital Plan leads to the reduction of poor and critical space, which is a component of the University Progress Card.

Year 1 of the Capital Plan (2017) outlines the projects that the University will be submitting to the State of Minnesota for consideration during the 2017 legislative session. The 2017 state capital request totals \$317.6 million in project costs with the State of Minnesota contributing \$245.1 million and the University responsible for \$72.5 million.

The Finance Committee will review the financial components of the Capital Plan. The complete Capital Plan documents are also included in the Board of Regents docket.

BACKGROUND INFORMATION

Board of Regents Policy: *Board Operations and Agenda Guidelines* directs the administration to conduct capital planning with a “six-year time horizon, updated annually.” This annual capital planning process is completed in two parts, defined below.

- Part I is the six-year capital plan, which is updated annually and identifies capital projects approved to proceed with preliminary project planning but not authorized to proceed with design and construction.
- Part II is the annual capital improvement budget, which authorizes the completion of design and construction projects with approved financing and schematic design, consistent with Board policies.

The Six-Year Capital Plan sets priorities and direction for ongoing academic and capital planning efforts. It includes projects to be funded with state capital support, as well as planned major projects funded by the University through a combination of University debt obligations, local unit resources, fundraising, and public/private partnerships.

Overview

2016 Six-Year Capital Improvement Plan for FY2017 – FY2022

University of Minnesota

Overview

The *2016 Six-Year Capital Improvement Plan* (The Plan) for the University of Minnesota establishes the University's capital requests to be submitted to the State for consideration; sets priorities and direction for continued capital project and academic planning efforts; identifies the impact of additional University debt; assigns responsibility for capital fundraising; and forecasts additional building operational costs. The Plan is updated on an annual basis, and approved by the Board of Regents.

The President's recommended *2016 Six-Year Capital Improvement Plan* includes:

- 2017 state capital request
- Future state capital requests for 2018 through 2022
- Major projects scheduled to be financed with University resources during the period FY2018 through FY2022

Capital Process Leadership

The development of the University's overall capital improvement plan is guided by the Capital Strategy Group (CSG). The CSG includes:

- Executive Vice President for Academic Affairs and Provost
- Vice President, Health Sciences and Medical School Dean
- Vice President, Research
- Vice President, University Services
- Vice President and Chief Financial Officer
- Special Assistant to the President, Government and Community Relations (ex officio)

This group recommends a capital plan to the President, and the President recommends a plan for review and approval by the Board of Regents. The Vice President for University Services convenes the group. Other system and campus executives are included and consulted as the need arises.

The role of this group is to provide overall leadership and strategy development for institutional capital issues, including:

- Establishing strategic capital goals for the institution
- Integrating academic planning with physical and financial planning
- Prioritizing competing requests for capital funding
- Reviewing the financial parameters of the overall capital plan
- Developing a six-year capital plan recommendation to the President
- Establishing capital and space allocation policies

The routine management of capital process and project issues is addressed by the Capital Oversight Group (COG), which includes the Executive Vice President for Academic Affairs and Provost, Vice President for University Services, and the Vice President and Chief Financial Officer. COG is charged with coordinating routine activities associated with the University's capital planning, capital budget approvals, financing, communications, and construction activities.

Planning Process

Long-range strategic facility planning at the University of Minnesota begins with the academic planning process. Each year Vice Presidents, Chancellors, and Deans are asked to identify their most important program priorities and the facility improvements necessary to support those programs as part of the budget process. Through the academic planning process, academic leadership establishes the priorities for each college and campus. Facilities Management simultaneously evaluates the current condition of the buildings and infrastructure that support all academic programs. The capital planning process merges the academic priorities, available financial resources, facility needs, and facility conditions into specific project proposals.

Although many projects have both academic and organizational value, the projects that demonstrate both a programmatic urgency and implementation readiness are advanced for further analysis in the six-year timeframe. Other factors analyzed before projects are placed in The Plan include:

- *Financial parameters* - The University reviews state economic forecasts, Minnesota Management and Budget debt capacity estimates and financial reports, past trends, and budget instruction documents to help shape the size of The Plan relative to the State bonding bill. The University also projects its debt capacity annually and builds the capital plan in adherence to the debt guidelines expressed in Board of Regents policy. The University also evaluates its capacity to fundraise for specific projects.
- *Operating budget impact* - The University has placed an increased emphasis in this plan update on each submitting RRC's ability to fund the incremental operating (facility and programmatic) and debt costs associated with proposed projects. RRCs are expected as part of feasibility analysis stage to work with staff from the Office of Budget and Finance and University Services to develop preliminary estimates for operating and debt costs. RRCs should make the assumption that all incremental costs will need to be funded from RRC resources and should discuss operating cost impacts for projects in The Plan as part of their annual budget meetings with the Office of Budget and Finance.
- *Timing and sequencing of projects* - Many capital projects depend upon other capital project "dominoes." For example, Pillsbury Hall, a future home for College of Liberal Arts programs and others, cannot be renovated until Earth Sciences moves out of the building and into a renovated John Tate Hall, which in turn had to wait until Physics and Nanotechnology was completed.

- *Impact on academic programs (both research and instructional)* – The University manages the level of disruption that can be absorbed while still maintaining the operation of its research and teaching. Because the University does not close, renovations require “swing space” for programs to continue to operate and the institution needs to maintain a level of functional classrooms.
- *Health, safety, and regulatory requirements* – The University needs to maintain the health and safety of all its students, faculty, and staff, regardless of the program. These issues require some projects to be included in The Plan.
- *Geographic Distribution* – The University is a system with programs and facilities across the State of Minnesota. The Plan reflects the need to balance investment across the institution.

Project Stages

The Plan is built around four primary stages of project development, including a) Proposal/Project Definition; b) Planning and Feasibility; c) Resource Acquisition; and d) Implementation (Design and Construction).

To initiate a potential project (Proposal Stage), RRCs submit a request to complete a Feasibility Study to Capital Planning and Project Management. The Feasibility Study request is accompanied by a completed Capital Needs Identification Form. Requests are reviewed with the respective Vice President and the Capital Strategy Group prior to initiating the study.

Potential projects with completed Feasibility Studies are considered for inclusion in The Plan (Planning and Feasibility Stage). Projects included in The Plan are eligible to begin predesign, an exploratory process rooted in design and cost estimating that results in physical solutions to space and facility problems.

Projects in The Plan that have completed Predesigns and that require State funding are submitted to the State for consideration during the bonding process. Projects are eligible to begin fundraising once the predesign process is substantially complete.

Fully funded projects with completed predesign documents are approved by the Board of Regents in the Annual Capital Improvement Budget. Approved projects are then implemented by Capital Planning and Project Management with other key partners such as Facilities Management.

Project Costs

Costs for projects in the Proposal or Planning and Feasibility stages in The Plan are order-of-magnitude estimates. Projections are based on square foot costs recently experienced with comparable building and space types at the University, applied to the estimated square footage of each project. Feasibility and predesign studies are prepared for projects at the appropriate time to determine more accurate cost figures.

Costs for projects in the Resource Acquisition stage, with completed predesigns, have been escalated to midpoint of construction as required for submission to the State as part of the University's state capital request.

Projects under consideration are shown with zero dollar cost estimates. Feasibility studies will be completed to determine approximate cost, scope, funding and schedule.

Cost figures in The Plan are updated when the plan is reviewed annually.

Areas of Focus for the 2016 Six-Year Capital Plan

The Plan is largely a continuation of previously expressed priorities updated to reflect the outcome of the 2016 capital request to the State.

The Plan is designed to further the following objectives:

- Advance strategic plan priorities
- Enhance the campus-based experience
- Align projects with available revenue sources
- Increase utilization and functionality of physical assets
- Complete capital investment sequences
- Reduce FCA poor and critical space

These objectives are the foundation of a long-term capital plan that balances programmatic needs against facility condition related needs, distributes opportunity geographically throughout the University system, and completes in-process capital investment sequences.

Five key initiatives designed to advance strategic plan goals are embedded in the updates to The Plan.

- *Renovation or replacement of FCA Poor or Critical buildings* - Currently, about one third of University space (8.3 million square feet) is rated Poor or Critical in the Facility Condition Assessment (FCA). Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is in conflict with our goal of being an “exceptional University”. The Plan puts a strong emphasis on fixing or replacing some of our worst buildings. Higher Education Asset Preservation and Replacement (HEAPR) funding remains at the core of this strategy. Proposed investments involving Pillsbury Hall, Child Development, Mayo Building, Biological Sciences Greenhouse, and several yet to be selected critical facilities are all designed to advance this strategic goal.

A key component of the University's broader capital investment planning and HEAPR prioritization processes is the development of a building-by-building strategy. Under this initiative, planning and facilities staff are working to identify needs in each of the University's 916 buildings, and to classify them as “keep up / catch up”, “sustain”, or “dispose” based on a combination of factors including facility

condition, historic consideration, programmatic relevance, and adaptability. With this information, the University and its colleges and departments can plan investments and prioritize projects accordingly.

- *Advancing the Health Sciences* – This plan proposes three large investments in improving the educational and clinical research spaces for the Medical School and the other colleges of the Academic Health Center (AHC). Phases I and II were called out in the \$10 million of funding provided to the University by the State as an outcome of the 2015 session. Phase I will renovate, build new, and demolish outdated facilities for an integrated Health Sciences Education Center. Phase II will target necessary facilities to support a new Clinical Research Facility. A proposed Phase III would seek modern replacement space for programs currently housed in the Mayo Building, a complex of individual former hospital buildings constructed between 1920 and 1950 that are well past their useful life. The goal of this sequence of projects is to make significant progress towards the University's goal of decommissioning the Mayo Building while advancing the quality and capability of the University's health science programs in education, research, and clinical care.
- *Modernizing Saint Paul campus research laboratories* – In the 2013 Six-Year Capital Plan the University identified a need to invest in Saint Paul campus research laboratories and outlined a sequence of renovation, new construction, and decommissioning actions that focused on the needs of the College of Food, Agricultural, and Natural Resource Sciences (CFANS), the College of Veterinary Medicine (CVM), and the College of Biological Sciences (CBS). Leadership on the Saint Paul Campus identified a need for facilities capable of addressing the challenges of determining how safe, affordable, nutritious food can be provided for 9 billion people over the next 40 years while ensuring environmental sustainability, strengthening economic stability, and promoting public health.

The State provided funding to upgrade facilities and equipment for the Aquatic Invasive Species Lab and the Bee Research Lab in 2014. Funding to replace the Veterinary Isolation Facility was approved in the 2015 session. The University is again requesting funds in 2017 to replace the obsolete and FCA critical Biological Sciences Greenhouse. Additional requests to repair or replace laboratories on the Saint Paul are included in 2019 and 2020.

- *Expanding capacity in STEM programs* – Student demand for Science, Technology Engineering, and Math (STEM) programs as well as State performance measures related to STEM degrees has increased the need for additional laboratory facilities. Chemistry is a core component of most STEM programs and an inadequate supply of chemistry labs is restricting the University's ability to meet demand and move students through the necessary course sequences. The University received design funding for the UMD Chemistry and Advance Materials Science building in 2014 and has included the balance of the project on the 2017 State Capital Request. The Plant Growth Research Facility and Academic and Student Experience Investment

program in the 2017 State Capital Request make investments in STEM related teaching and research laboratories on the UMC and UMTC campuses. The Plan also includes funding on the Twin Cities Campus for a Chemistry Teaching Laboratory Facility (2018) and a Chemistry Research Facility (2020).

- *Repositioning Libraries for the 21st Century* – In order to fuel the growth of scholarly understanding and new knowledge, institutions of higher education provide individuals with access to physical and digital collections that have traditionally been housed in campus library buildings. Growth in collections that have statewide and even national significance must be managed differently than the practices of the last 20 years. By virtue of their location and size, library spaces are in high demand for use by the campus community, to support collaboration, learning and other scholarly interaction. Capital investments are planned to provide appropriate storage and retrieval systems in order that physical materials remain accessible, but are no longer housed in the library buildings they currently occupy. Equally important will be investments in existing libraries so they remain the center of campus scholarship and exchange by creating flexible teaching, learning, and collaboration spaces. These investments will consider and address the needs across the University system of libraries and other collections. The FY2017 Annual Capital Budget included funding for the Rare Book Discovery Center. The Plan includes funding for Collections and Contemporary Learning on the Twin Cities campus to renovate Murphy Warehouse and Wilson Library in 2017 and 2018 and funding to update the Briggs Library on the Morris campus in 2018.

2016 Six Year Capital Plan
Project Funding Report

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

Definitions

Proposal: Projects in this stage represent preliminary conceptual ideas regarding program need and related capital requirements. Local units normally identify these ideas as part of the compact process. Projects do not have permission to begin predesign or fundraising without administrative approval from the Capital Oversight Group.

Planning and Feasibility: Projects in this stage have been determined to be an institutional priority and have been approved to begin predesign activities. Financial feasibility, including the completion of a fundraising feasibility study with the University of Minnesota Foundation, is assessed at this stage.

Resource Aquisition: Projects in this stage have an approved pre-design document and have been approved to actively seek funds.

Project Costs

Project costs included in the Six-Year Capital Plan are order-of-magnitude estimates. Projections are based on square foot costs recently experienced with comparable building and space types at the University, applied to the estimated square footage of each project. Programming and predesign studies are prepared for projects at the appropriate time to determine more accurate cost figures.

Projects under consideration are shown with zero dollar cost estimates. Feasibility studies will be completed to determine approximate cost, scope, funding and schedule.

Project Priority

Projects are shown in order of priority for the state capital budget request in year 2017. Projects in future years of the plan and projects under consideration are not prioritized.

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2016 Six Year Capital Plan - Project Funding Report

2017

Stage: Resource Acquisition

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
398	HEAPR	Systemwide	\$100,000	\$100,000	\$0
410	Chemistry and Advanced Materials Science	UMD	\$42,380	\$28,253	\$14,127
408	AHC Phase I: Health Science Education Center	UMTC	\$104,000	\$69,333	\$34,667
447	Plant Growth Research Facility	UMTC	\$6,900	\$4,600	\$2,300
466	Academic and Student Experience Investments	Systemwide	\$24,000	\$16,000	\$8,000
411	Pillsbury Hall Renovation	UMTC	\$34,320	\$22,880	\$11,440
415	Collections and Contemporary Learning (Design)	UMTC	\$6,000	\$4,000	\$2,000
			\$317,600	\$245,066	\$72,534
		FY Total:	\$317,600	\$245,066	\$72,534
		Running Total:	\$317,600	\$245,066	\$72,534

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

2018

Stage: Planning & Feasibility

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
399	HEAPR	Systemwide	\$100,000	\$100,000	\$0
518	Critical Facilities Renewal - 2018	UMTC	\$36,000	\$24,000	\$12,000
451	Chemistry Teaching Laboratory Facility	UMTC	\$60,000	\$40,000	\$20,000
455	Child Development Replacement	UMTC	\$21,000	\$14,000	\$7,000
517	Collections and Contemporary Learning	UMTC	\$54,000	\$36,000	\$18,000
452	Research and Field Station Investments	ROCs & Stations	\$6,000	\$4,000	\$2,000
521	St. Paul Lab Investment Phase I (Design)	UMTC	\$5,500	\$3,667	\$1,833
519	UMM Briggs Library 21st Century Learning Commons	UMM	\$24,000	\$16,000	\$8,000
			\$306,500	\$237,667	\$68,833

University Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
482	Public Safety Facility	UMTC	\$9,500	\$0	\$9,500
			\$9,500	\$0	\$9,500
FY Total:			\$316,000	\$237,667	\$78,333
Running Total:			\$633,600	\$482,733	\$150,867

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

2019

Stage: Planning & Feasibility

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
402	HEAPR	Systemwide	\$75,000	\$75,000	\$0
468	Critical Facilities Renewal - 2019	UMTC	\$45,000	\$30,000	\$15,000
403	St. Paul Lab Investment Phase I	UMTC	\$49,500	\$33,000	\$16,500
			\$169,500	\$138,000	\$31,500
		FY Total:	\$169,500	\$138,000	\$31,500
		Running Total:	\$803,100	\$620,733	\$182,367

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

2020

Stage: Proposal

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
446	HEAPR	Systemwide	\$100,000	\$100,000	\$0
457	Critical Facilities Renewal - 2020	UMTC	\$45,000	\$30,000	\$15,000
441	AHC Phase II: Clinical Research Facility	UMTC	\$80,000	\$53,333	\$26,667
488	Armory Renovation	UMTC	\$35,000	\$23,333	\$11,667
409	St. Paul Lab Investment Phase II	UMTC	\$60,000	\$40,000	\$20,000
			\$320,000	\$246,666	\$73,334
		FY Total:	\$320,000	\$246,666	\$73,334
		Running Total:	\$1,123,100	\$867,399	\$255,701

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

2021

Stage: Proposal

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
467	HEAPR	Systemwide	\$75,000	\$75,000	\$0
470	Critical Facilities Renewal - 2021	UMTC	\$45,000	\$30,000	\$15,000
456	Chemistry Research Laboratory Investment	UMTC	\$40,000	\$26,667	\$13,333
			\$160,000	\$131,667	\$28,333
		FY Total:	\$160,000	\$131,667	\$28,333
		Running Total:	\$1,283,100	\$999,066	\$284,034

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

2022

Stage: Proposal

State Funded Projects

File	Project Title	Campus	Total	State Funds	University Funds
486	HEAPR	Systemwide	\$100,000	\$100,000	\$0
520	Critical Facilities Renewal - 2022 Project A	UMTC	\$45,000	\$30,000	\$15,000
534	Critical Facilities Renewal - 2022 Project B	Systemwide	\$45,000	\$30,000	\$15,000
454	AHC Phase III: Mayo Replacement	UMTC	\$90,000	\$60,000	\$30,000
414	UMR Academic Priority	UMR	\$45,000	\$30,000	\$15,000
			\$325,000	\$250,000	\$75,000
		FY Total:	\$325,000	\$250,000	\$75,000
		Running Total:	\$1,608,100	\$1,249,066	\$359,034

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Funding Report

Under Consideration / Evaluation

Stage: Proposal

Funding To Be Determined

File	Project Title	Campus	Total	State Funds	University Funds
527	Athletic Facilities Targeted Improvement Projects	Systemwide	\$0	\$0	\$0
419	Bolstad Golf Course Renovation	UMTC	\$0	\$0	\$0
421	Boynton Health Services Remodel / Relocation	UMTC	\$0	\$0	\$0
535	Center for Student Success	UMTC	\$0	\$0	\$0
532	Center for Transportation Studies Relocation	UMTC	\$0	\$0	\$0
523	Dairy Research Facilities	UMTC, WCROC	\$0	\$0	\$0
533	Glensheen Facility Investment	UMD	\$0	\$0	\$0
501	Joint Venture Development	UMTC	\$0	\$0	\$0
526	Medical Discovery Team - Duluth	UMD	\$0	\$0	\$0
524	Medical Discovery Team - Minneapolis	UMTC	\$0	\$0	\$0
529	MN Landscape Arboretum Conservatory	ROCs & Stations	\$0	\$0	\$0
531	UMM Eco Center	UMM	\$0	\$0	\$0
528	VFW / Masonic Relocations	UMTC	\$0	\$0	\$0
			\$0	\$0	\$0
		FY Total:	\$0	\$0	\$0
		Running Total:	\$1,608,100	\$1,249,066	\$359,034

2016 Six Year Capital Plan
Project Description Report

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

Definitions

Proposal: Projects in this stage represent preliminary conceptual ideas regarding program need and related capital requirements. Local units normally identify these ideas as part of the compact process. Projects do not have permission to begin predesign or fundraising without administrative approval from the Capital Oversight Group.

Planning and Feasibility: Projects in this stage have been determined to be an institutional priority and have been approved to begin predesign activities. Financial feasibility, including the completion of a fundraising feasibility study with the University of Minnesota Foundation, is assessed at this stage.

Resource Aquisition: Projects in this stage have an approved pre-design document and have been approved to actively seek funds.

Project Costs

Project costs included in the Six-Year Capital Plan are order-of-magnitude estimates. Projections are based on square foot costs recently experienced with comparable building and space types at the University, applied to the estimated square footage of each project. Programming and predesign studies are prepared for projects at the appropriate time to determine more accurate cost figures.

Projects under consideration are shown with zero dollar cost estimates. Feasibility studies will be completed to determine approximate cost, scope, funding and schedule.

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

466 Academic and Student Experience Investments

Vice President: Systemwide

RRC: Systemwide

Campus: Systemwide

Contact: Multiple

Facility: Systemwide

Year: 2017

Total Cost: \$24,000

Stage: Resource Acquisition

Description: This project will implement targeted strategic investments to modernize existing teaching, research, student support spaces systemwide. Funds will be allocated to advance high priority projects focused on learning spaces, student support services and research laboratories:

- \$4,800 for UMC to upgrade classrooms and laboratories in Dowell Hall, Sahstrom Hall and Owen Hall
- \$4,800 for UMM to renovate teaching spaces in the Humanities Building and Blakely Hall.
- \$6,000 for UMD to renovate A. B. Anderson Hall
- \$8,400 for UMTC to renovate teaching and research laboratories in the Biological Sciences Center.

This project was included in the University's 2016 State bonding request.

408 AHC Phase I: Health Science Education Center

Vice President: Health Sciences

RRC: Health Sciences

Campus: UMTC

Contact: Jackson, B.

Facility: Academic Health Center

Year: 2017

Total Cost: \$104,000

Stage: Resource Acquisition

Description: This project will renovate, modernize and expand the University's medical and health sciences learning facilities. Facility planning work funded during the 2015 session is underway and will guide the final facility solution to be presented during the 2016 session. Active learning environments and student-instructor interaction across disciplines, which are the future state of education in academic health, requires different space than what exists today. New education and learning facilities will include classrooms, simulation centers, small group rooms, an advanced technology-rich biomedical library and student services and community amenities.

This project was included in the University's 2016 State bonding request.

441 AHC Phase II: Clinical Research Facility

Vice President: Health Sciences

RRC: Health Sciences

Campus: UMTC

Contact: Jackson, B.

Facility: Academic Health Center

Year: 2020

Total Cost: \$80,000

Stage: Proposal

Description: The Clinical Research Facility is the second of a three phased investment strategy in Academic Health Center facilities. The facility will be designed to support clinical research and education that promotes new innovative models of care which are patient-centered, team-based, and which facilitate collaboration across the health professions. Specific program requirements and facility needs will be determined during strategic and predesign planning for the Academic Health Center in 2016-2017.

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

454 AHC Phase III: Mayo Replacement

Vice President: Health Sciences

Campus: UMTC

Facility: Academic Health Center

Total Cost: \$90,000

Description: This project will complete the three phased series of investments in the Academic Health Center facilities south of Washington Avenue. The proposed Phase III would seek to construct new modern replacement space for programs currently housed in the Mayo Building, a complex of individual former hospital buildings constructed between 1920 and 1950 that are well past their useful life. The goal of this sequence of projects is to make significant progress towards the University's goal of decommissioning the Mayo Building while advancing the quality and capability of the University's health science programs. Mayo is an FCA critical facility.

RRC: Health Sciences

Contact: Jackson, B.

Year: 2022

Stage: Proposal

488 Armory Renovation

Vice President: Academic Affairs

Campus: UMTC

Facility: Armory

Total Cost: \$35,000

Description: This project will renovate the 72,000 sf Armory building in the Old Campus Historic District of the Minneapolis campus. The project will correct code deficiencies, update HVAC and electrical systems and modernize the facility to support University needs.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2020

Stage: Proposal

527 Athletic Facilities Targeted Improvement Projects

Vice President: Intercollegiate Athletics

Campus: Systemwide

Facility: Multiple

Total Cost: To be determined

Description: This project will implement targeted investments to upgrade athletics facilities and infrastructure systemwide. Priority projects may include the following:

- Improvements to Robbie Soccer Stadium
- Office re-allocation and remodeling within the current Bierman and Gibson-Nagurski Complex
- Locker rooms and office space at UMC
- Locker rooms and training facilities at UMM

RRC: Intercollegiate Athletics

Contact: Coyle, M.

Year: Under Consideration / Evaluation

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

419 Bolstad Golf Course Renovation

Vice President: Academic Affairs

Campus: UMTC

Facility: Bolstad Golf Course

Total Cost: To be determined

Description: This project will renew the existing golf course through investments in the course, clubhouse, and maintenance/storage facilities. Project timing is dependent on fundraising.

RRC: Recreational Sports

Contact: Brown, D.

Year: Under Consideration / Evaluation

Stage: Proposal

421 Boynton Health Services Remodel / Relocation

Vice President: Academic Affairs

Campus: UMTC

Facility: Boynton Health Service

Total Cost: To be determined

Description: The existing Boynton Health Services building has significant facility issues and the University's Long Term Development Framework, approved by the Board of Regents, shows the site as having potential for riverfront residential development. A feasibility study is needed to confirm the immediate and long term needs for the Boynton Health Services programs, the existing Boynton facility and the site.

RRC: Student Affairs

Contact: Brown, D.

Year: Under Consideration / Evaluation

Stage: Proposal

535 Center for Student Success

Vice President: Academic Affairs

Campus: UMTC

Facility: 10 Church Street

Total Cost: To be determined

Description: This project will renovate or replace approx. 56,000 square feet in 10 Church Street (former Bell Museum) for Admissions, innovative learning spaces and Academic Support Resources. The new or renovated facility will allow Fraser, Williamson Hall and one floor of Jones Hall to be vacated. The vacated Fraser Hall is planned for the new Chemistry Teaching Facility.

RRC: Undergraduate Education

Contact: McMaster, R.

Year: Under Consideration / Evaluation

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

532 Center for Transportation Studies Relocation

Vice President: Research
Campus: UMTC
Facility: TC Campus
Total Cost: To be determined
Description: This project will create office and computational space to support the displacement of the Center for Transportation Studies from the Transportation and Safety Building.

RRC: Research
Contact: Herman, B.
Year: Under Consideration / Evaluation
Stage: Proposal

410 Chemistry and Advanced Materials Science

Vice President: Chancellor, Duluth
Campus: UMD
Facility: New Facility
Total Cost: \$42,380
Description: This project will construct approximately 58,000 square feet of research laboratories, instructional laboratories, teaching space, offices, and meeting space for the Swenson College of Science and Engineering on the Duluth Campus. The building is conceived as three stories with a mechanical and electrical penthouse. The research laboratory space, consisting of flexible wet and dry labs with adequate utilities, environmental controls and modern safety accommodations, will serve the needs of evolving research and teaching pedagogy.

RRC: Duluth Campus
Contact: Black, L.
Year: 2017
Stage: Resource Acquisition

This project received state bond funding in 2014 for predesign and design services. This project was included in the University's 2016 state bonding request.

456 Chemistry Research Laboratory Investment

Vice President: Academic Affairs
Campus: UMTC
Facility: TC Campus
Total Cost: \$40,000
Description: This project will renovate the antiquated teaching labs in Smith and Kolthoff Halls to state-of-the-art energy efficient research space needed for new faculty in the chemistry department. The project will improve lab bench, equipment and research support.

RRC: College of Science and Engineering
Contact: Mukasa, S.
Year: 2021
Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

451 Chemistry Teaching Laboratory Facility

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$60,000

Description: This project will provide state-of-the-art, energy efficient teaching laboratories, student collaboration spaces, and classrooms for teaching undergraduate chemistry laboratory courses. The new laboratories will replace and improve upon outdated facilities. Fraser Hall renovation/new construction is planned.

RRC: College of Science and Engineering

Contact: Mukasa, S.

Year: 2018

Stage: Planning & Feasibility

455 Child Development Replacement

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$21,000

Description: This project will renovate or replace the FCA-critical and functionally obsolete Institute of Child Development building. The project will provide state-of-the-art facilities for the Shirley G. Moore lab school and create other spaces to support research and support recruitment of new faculty and graduate students. Predesign will be underway in early 2017.

RRC: College of Education and Human Development

Contact: Quam, J.

Year: 2018

Stage: Planning & Feasibility

517 Collections and Contemporary Learning

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$60,000

Description: This project will begin to address the collections needs of the University of Minnesota for the next 20 years. Relocation of various library collections into the Murphy Warehouse from around the library system will enable the creation of new, innovative spaces for teaching and reserach in prime locations. Secure, environmentally controlled space in the Murphy Warehouse facilities will provide for storage, preservation, regeneration and characterization of essential resources. Wilson library will be renovated to better support contemporary learning and scholarship with services focused on enabling new discovery, interaction with digital media and technology tools, community engagement, teaching, and study areas.

RRC: University Libraries

Contact: Lougee, W.

Year: 2018

Stage: Planning & Feasibility

This project will seek \$6 million in funding for design in 2017 and \$54 million for construction in 2018. Total project value is \$60 million.

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

518 Critical Facilities Renewal - 2018

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$36,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2018

Stage: Planning & Feasibility

468 Critical Facilities Renewal - 2019

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$45,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2019

Stage: Planning & Feasibility

457 Critical Facilities Renewal - 2020

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$45,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2020

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

470 Critical Facilities Renewal - 2021

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$45,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2021

Stage: Proposal

520 Critical Facilities Renewal - 2022 Project A

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$45,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2022

Stage: Proposal

534 Critical Facilities Renewal - 2022 Project B

Vice President: Systemwide

Campus: Systemwide

Facility: Systemwide

Total Cost: \$45,000

Description: This project will be defined in a future plan to repair or replace an FCA poor or critical facility. Currently, about one third of University space (8.3 million square feet) is rated poor or critical. Still, students study and live in those buildings, staff work in those buildings, faculty office in those buildings, and patients receive care in those buildings. This is unacceptable situation for an “exceptional University”.

RRC: Systemwide

Contact: Berthelson, M.

Year: 2022

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

523 Dairy Research Facilities

Vice President: Academic Affairs

Campus: UMTC, WCROC

Facility: New Facility

Total Cost: To be determined

Description: This project will invest in dairy research and education on the St. Paul Campus and at the West Central Research and Outreach Center. The University is partnering with the Minnesota Dairy Research/Education and Consumer Outreach Authority and the Minnesota dairy industry to raise funds for this effort. The total value of the investment is anticipated to be approximately \$35m.

RRC: College of Food, Agriculture and Natural Resource Science

Contact: Buhr, B.

Year: Under Consideration / Evaluation

Stage: Proposal

533 Glensheen Facility Investment

Vice President: Chancellor, Duluth

Campus: UMD

Facility: Glensheen

Total Cost: To be determined

Description: This project will reinvest in the University's historic 7.6 acre Glensheen estate. The estate is comprised of the following components: Manor House (42,100 gsf), Carriage House (11,900 gsf), Gardener's Cottage (2,400 gsf), Boat House (1,875 gsf), and Landscape & Site Structures (12.1 acres). Priority reinvestment projects have been organized into three tiers targeted at stabilizing the current structures and minimizing additional deterioration. Tier 1 addresses the Manor House east kitchen porch and exterior stair, the Boat House exterior envelope, floors, building systems and pier and stabilization of the terrace garden and walls. Tier 2 includes building system improvements in the Manor House, Carriage House exterior envelope, Gardener's Cottage exterior envelope and site improvements. Tier 3 includes further interior restoration of the Manor House, Carriage House and Gardener's Cottage.

RRC: Duluth Campus

Contact: Black, L.

Year: Under Consideration / Evaluation

Stage: Proposal

398 HEAPR

Vice President: Systemwide

Campus: Systemwide

Facility: Systemwide

Total Cost: \$100,000

Description: This request is for funds used system-wide to maximize and extend the life of the University's existing physical plant. Individual projects will fall into one of four broad categories – Health and Safety, Building Systems, Energy Efficiency, and Utility Infrastructure. Facilities Management on each campus, in consultation with University Health & Safety and the Disability Resource Center, make recommendations on individual projects to the Vice President for University Services using data from the Facility Condition Assessment and Building Code Deficiency Report. HEAPR funds do not require a one-third University funding match. Funding for the HEAPR program is included each year in the state request.

RRC: Systemwide

Contact: Berthelson, M.

Year: 2017

Stage: Resource Acquisition

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

501 Joint Venture Development

Vice President: University Services

Campus: UMTC

Facility: TC Campus

Total Cost: To be determined

Description: This project will be developed by 2407 University Investment LLC, a public/private partnership between the University of Minnesota and United Properties. The University of Minnesota maintains 49% ownership in the partnership. Concepts for pedestrian oriented mixed use development including hotels, apartments, offices and retail/commercial space were presented to the Board of Regents in February 2016. Final definition of the project is anticipated in 2017. The project will provide new office space to support decommissioning of critical AHC facilities and may accommodate programming for the School of Public Health.

RRC: University Services

Contact: Berthelson, M.

Year: Under Consideration / Evaluation

Stage: Proposal

526 Medical Discovery Team - Duluth

Vice President: Health Sciences

Campus: UMD

Facility: UMD Campus

Total Cost: To be determined

Description: This project will provide appropriate space to support an additional Medical Discovery Team based on the Duluth Campus. Medical Discovery Teams are an initiative funded by the State of Minnesota with the goal to increase the prominence of the U of M Medical School. This project will include research and education spaces to enhance current program offerings on the Duluth campus. A feasibility study will be completed to determine project requirements, scope, approximate cost and schedule. Renovation of existing space and lease options will be considered equally.

RRC: Medical School

Contact: Jackson, B.

Year: Under Consideration / Evaluation

Stage: Proposal

524 Medical Discovery Team - Minneapolis

Vice President: Health Sciences

Campus: UMTC

Facility: TC Campus

Total Cost: To be determined

Description: This project will provide space needed to support up to 4-6 new Medical Discovery Teams on the Twin Cities campus. Medical Discovery Teams are an initiative funded by the State of Minnesota with the goal to increase the prominence of the U of M Medical School. Research areas chosen for investment include addiction, the biology of aging, optical imaging and brain science and rural/American Indian health disparities. A feasibility study will be completed to determine project requirements, scope, approximate cost and schedule.

RRC: Medical School

Contact: Jackson, B.

Year: Under Consideration / Evaluation

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

529 MN Landscape Arboretum Conservatory

Vice President: Academic Affairs

Campus: ROCs & Stations

Facility: New Facility

Total Cost: To be determined

Description: The project will construct a new plant conservatory and office and event center to support increased attendance and sustained revenue generation. The proposed source of funding for construction, operations and on-going facility renewal is fundraising.

RRC: College of Food, Agriculture and Natural Resource Science

Contact: Buhr, B.

Year: Under Consideration / Evaluation

Stage: Proposal

411 Pillsbury Hall Renovation

Vice President: Academic Affairs

Campus: UMTC

Facility: Pillsbury Hall

Total Cost: \$34,320

Description: This project will completely renovate Pillsbury Hall, replacing obsolete science facilities with modern, flexible non-laboratory teaching, learning, and research spaces for College of Liberal Arts' humanities programs including the Department of English (which teaches nearly 6,000 students per year). The renovated space is anticipated to be divided approximately equally between classroom- and assembly-type space to support multiple modes of learning and alternative workplace office space. At nearly 60,000 gross square feet, the renovation is expected to maintain an equivalent amount of space when complete. The rehabilitation of Pillsbury Hall is expected to be consistent with the Secretary of the Interior's Standards for Preservation.

RRC: College of Liberal Arts

Contact: Hanson, K.

Year: 2017

Stage: Resource Acquisition

This project was included in the University's 2016 State bonding request.

447 Plant Growth Research Facility

Vice President: Academic Affairs

Campus: UMTC

Facility: Plant Growth Facilities-West

Total Cost: \$6,900

Description: This project will provide a new 12,000 square foot greenhouse to the Plant Growth Facilities for the Biological Sciences Conservatory to replace and demolish the existing Biological Sciences Greenhouse on the St. Paul campus. The new greenhouse will be built similar to the neighboring structures, but will include aspects specific to the plant collection requirements. While the existing Plant Growth Facilities are set up for agricultural experimentation, the new greenhouse will be a specialized unit that serves the related educational missions necessary to ensure the State's agricultural future. Upon completion, plant specimens and program activities currently housed in the existing Biological Sciences Greenhouse will be moved to the new facility and the old greenhouse will be demolished.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2017

Stage: Resource Acquisition

This project was included in the University's 2016 State bonding request.

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

482 Public Safety Facility

Vice President: University Services

Campus: UMTC

Facility: Transportation And Safety Building

Total Cost: \$9,500

Description: The project will renovate an existing building to support public safety needs on the Twin Cities campus. Workforce changes, improved operational efficiencies and changes to policing activity drive the project. Relocation of existing tenants will be included in the project scope.

RRC: Public Safety

Contact: Berthelson, M.

Year: 2018

Stage: Planning & Feasibility

452 Research and Field Station Investments

Vice President: Systemwide

Campus: ROCs & Stations

Facility: Systemwide

Total Cost: \$6,000

Description: This project will invest in the CFANS Forestry Research Sites at Cloquet Forestry Center (CFC) and Hubachek Wilderness Research Center (HWRC). Planned facilities will enhance field instruction and research capacity on both sites. Projected needs at Cloquet include a new dormitory building with kitchen, laundry, and commons area and research laboratory spaces to accommodate wet and dry lab-based work. Supporting facilities such as kitchen and dining hall, extension building and water/ sewer system connections are included in the scope of the project. At Hubachek, the project will construct a new four-season dormitory building, kitchen and bathroom facilities, a new research laboratory building and supportive services, such as internet/ data access.

RRC: Systemwide

Contact: Buhr, B.

Year: 2018

Stage: Planning & Feasibility

403 St. Paul Lab Investment Phase I

Vice President: Academic Affairs

Campus: UMTC

Facility: New Facility

Total Cost: \$55,000

Description: This project will replace or upgrade laboratories for the College of Biological Sciences (CBS), the College of Food, Agricultural, and Natural Resource Sciences (CFANS), and / or the College of Veterinary Medicine (CVM). Modern laboratory facilities will support research in fields such as plant pathology, animal infectious diseases, microbial systems, synthetic biology, and fungal evolution.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2019

Stage: Planning & Feasibility

This project was included in the University's 2014 State bonding request.

This project will seek \$5.5 million in funding for design in 2018 and \$49.5 million for construction in 2019. Total project value is \$55 million.

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

409 St. Paul Lab Investment Phase II

Vice President: Academic Affairs

Campus: UMTC

Facility: TC Campus

Total Cost: \$60,000

Description: This investment will renovate laboratories in one or more research buildings on the St. Paul Campus. Renovation of space will be prioritized to achieve collegiate goals of synergy among researchers and to allow for the demolition of obsolete St. Paul campus research space.

RRC: Academic Affairs

Contact: Hanson, K.

Year: 2020

Stage: Proposal

519 UMM Briggs Library 21st Century Learning Commons

Vice President: Chancellor, Morris

Campus: UMM

Facility: Briggs Library

Total Cost: \$24,000

Description: This project will renovate the existing Briggs Library to support student learning in the 21st Century. The current facility, constructed in two phases in 1968 and completed in 1973, has significant infrastructure issues: health and safety; temperature inconsistency; lighting; wiring; inadequate restrooms; and access. Structure design is entirely inadequate for 21st century learning which requires collaborative spaces and technological sophistication. Consolidation of existing collections will allow the Library to provide new learning and collaboration space that is in high demand for our students and faculty. A significant portion of the investment will be to improve the infrastructure of the building, including building envelope, vertical transportation and improved connections to adjacent buildings for better pedestrian traffic flow. The Library learning spaces are the center of the campus academic mission, developing this space into a highly effective facility will enhance teaching, learning and research on the Morris Campus.

RRC: Morris Campus

Contact: Johnson, J.

Year: 2018

Stage: Planning & Feasibility

531 UMM Eco Center

Vice President: Chancellor, Morris

Campus: UMM

Facility: New Facility

Total Cost: To be determined

Description: This project will construct a four-season EcoCenter Facility on 140 acres of land gifted to UMM near Ashby, Minnesota. The EcoCenter Facility will connect students to nature, support environmental learning and complement the classroom experience. The project will include an open classroom, small kitchen, data room, bio sample room, and weather station. It is envisioned to be 100% energy efficient (Net Zero) and carbon neutral, with energy consumption data being recorded and available for study. This proposed facility will enable research, education, and outreach by utilizing this unique site's combined attributes of water, native prairie, and continuously cultivated soil. Source of funds is planned to be fundraising.

RRC: Morris Campus

Contact: Johnson, J.

Year: Under Consideration / Evaluation

Stage: Proposal

UNIVERSITY OF MINNESOTA

2016 Six Year Capital Plan - Project Description Report

414 UMR Academic Priority

Vice President: Chancellor, Rochester

Campus: UMR

Facility: New Facility

Total Cost: \$45,000

Description: The project will create academic space for the growing UMR student community. Master plan projections indicate that the campus is expected to be outgrown its existing facilities by 2020 prompting the need for additional dedicated academic space. The proposed building will include space to support active, collaborative, and adaptive learning environments, space for student laboratories, space for faculty/student interaction, and space that is open and adaptable.

RRC: Rochester Campus

Contact: Lehmkuhle, S.

Year: 2022

Stage: Proposal

528 VFW / Masonic Relocations

Vice President: Health Sciences

Campus: UMTC

Facility: Multiple

Total Cost: To be determined

Description: This project will renovate existing space in multiple buildings on the Minneapolis campus to accommodate occupants in VFW and Masonic that will allow for decommissioning of these facilities. These facilities are integral to advancing the Health Sciences Education and Learning Center.

RRC: Medical School

Contact: Jackson, B.

Year: Under Consideration / Evaluation

Stage: Proposal

2017 State Capital Request

University of Minnesota

Request Summary (Prioritized):

Project Title	Campus	Total	State Funds	University Funds
HEAPR	Systemwide	\$ 100,000,000	\$ 100,000,000	\$ -
Chemistry and Advanced Materials Science	UMD	\$ 42,380,000	\$ 28,253,000	\$ 14,127,000
AHC Phase I: Health Sciences Education Center	UMTC	\$ 104,000,000	\$ 69,333,000	\$ 34,667,000
Plant Growth Research Facility	UMTC	\$ 6,900,000	\$ 4,600,000	\$ 2,300,000
Academic and Student Experience Investments	Systemwide	\$ 24,000,000	\$ 16,000,000	\$ 8,000,000
Pillsbury Hall Renovation	UMTC	\$ 34,320,000	\$ 22,880,000	\$ 11,440,000
Collections and Contemporary Learning (Design)	UMTC	\$ 6,000,000	\$ 4,000,000	\$ 2,000,000
		\$ 317,600,000	\$ 245,066,000	\$ 72,534,000

Project descriptions are included in the 2016 Six-Year Capital Plan materials.

Issues Related to the Six-Year Capital Improvement Plan and the 2017 State Capital Request

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016



UNIVERSITY OF MINNESOTA

Driven to DiscoverSM



Six-Year Capital Plan

- Board of Regents Policy directs the administration to develop a capital budget with a “six-year time horizon, updated annually”
- U’s primary capital investment **planning** tool
- Board review and action each September / October
- Includes all major programmatic projects
- Outlines current and future State Capital Requests
- Detail, cost estimates, and general level of knowledge is refined as projects progress through the plan
- When funding is available and predesign is complete projects move to the **Annual Capital Budget**



Portfolio Planning Process

<p>Stage 1 Potential Projects</p>	<p>Stage 2 Preliminary Review and Program Analysis</p>	<p>Stage 3 Six Year Capital Improvement Plan</p>	<p>Stage 4 Approval and Implementation</p>
<p>Primary Drivers:</p> <ul style="list-style-type: none"> • Programmatic Needs <ul style="list-style-type: none"> - Strategic positioning - Compacts • Facility Conditions <ul style="list-style-type: none"> - Facility Condition Assessment (FCA) • Financial Resources Assessment <ul style="list-style-type: none"> - Bldg. Operation Costs - Debt Service Payments - Debt Capacity 	<p>Major Criteria:</p> <ul style="list-style-type: none"> • Strategic Positioning • Academic Priorities • Facility Conditions • Financial Constraints • Project Logistics • Space and Other Issues 	<p>Planning & Feasibility</p> <p>Resource Acquisition</p> <p style="text-align: center;"> </p> <p style="text-align: center; border: 1px solid black; padding: 5px;">Preliminary Design / Schematic Design</p>	<ul style="list-style-type: none"> • Individual projects over \$500K are approved in the Annual Capital Budget and required amendments • Predesign complete • Project fully funded • Approved projects move into the Design and Construction process
<p>Projects proposed by Chancellors, VP's & Deans</p>	<p>Review, analysis, and recommendation by Capital Strategy Group</p>	<p>Approved and recommended to Board of Regents by the President</p>	<p>Approved and recommended to Board of Regents by the President</p>



Strategic Emphasis

- **Renovate or Remove FCA Critical buildings**
- Advance the Health Sciences
- Modernize Saint Paul campus research laboratories
- Expand capacity in STEM programs
- Reposition Libraries for 21st Century





Critical Facilities

			FY2012	FY2013	FY2014	FY2015	Goal
Operational Excellence	System	Spending on leadership & oversight vs. mission and mission support (%)	7.9%	7.7%	7.4%	7.4%	Decrease over time
	System	GSF in poor or critical condition (facility condition assessment)	7.33M	7.61M	7.73M	8.32M	Decrease over time
	System	Sustainability—Metric tons of greenhouse gasses (2008 base level: 703,311)	566,057	626,599	603,504	592,269	50% reduction from 2008 levels by 2021 (351,656)
	System	Credit rating	Aa1	Aa1	Aa1	Aa1	Maintain per Board policy

Regents Progress Card: Maroon Measures

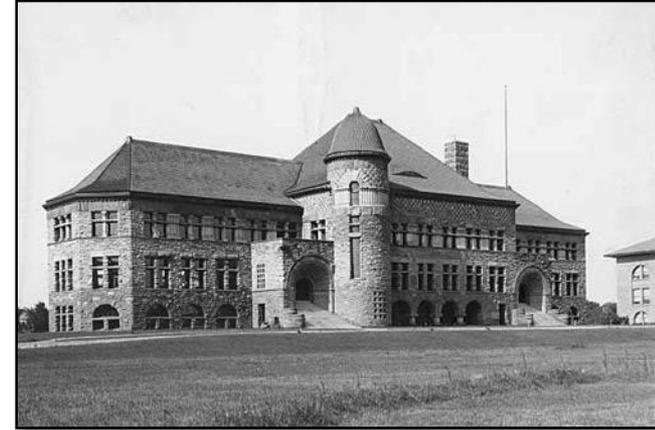


Critical Facilities

Poor and Critical Facilities ... or soon to be.

- 10 Church (Old Bell) – 80,229 gsf
- Armory – 72,709 gsf
- Child Development – 47,578 gsf
- Fraser – 92,994
- Masonic – 98,715 gsf
- Mayo Building – 862,133
- Pillsbury Hall – 59,476 gsf
- Plant Growth – 11,470 gsf
- Smith – 192,152 gsf
- UMM Briggs Library – 56,822 gsf
- VFW Cancer Center – 25,977 gsf

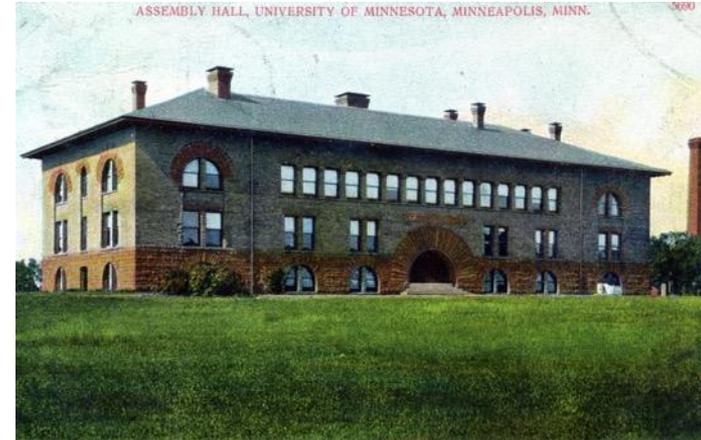
~ 1.5 Million Square Feet





Critical Facilities

- Plan has critical facility placeholders in each year in addition to HEAPR
- Placeholders provide flexibility to accommodate projects that shift years when the State does not fully fund the University's request
- Specific renovation projects will be determined based on State funding of listed projects
- Potential for an additional ~1.5 million gsf impact





Campus Condition

Campus	Total GSF ¹	Estimated Replacement Value ²	Projected 10-Year Needs ²	10 Year Needs/Replacement Value = (FCNI)	GSF Poor / Critical
Twin Cities	23,310,131	\$9,441,316,016	\$3,319,467,465	0.35	7,465,148
Duluth	3,240,317	\$1,053,978,972	\$331,653,112	0.31	315,700
Morris	993,166	\$385,855,238	\$151,799,913	0.39	404,331
Crookston	683,533	\$300,586,346	\$68,774,494	0.23	55,726
ROCs	1,643,634	\$272,065,581	\$78,505,445	0.29	76,245
TOTALS	29,870,781	\$11,453,802,154	\$3,950,200,429	0.34	8,317,150 ³

¹ Total Gross Square Feet. Excludes Rochester Campus. Does not include parking ramp decks.

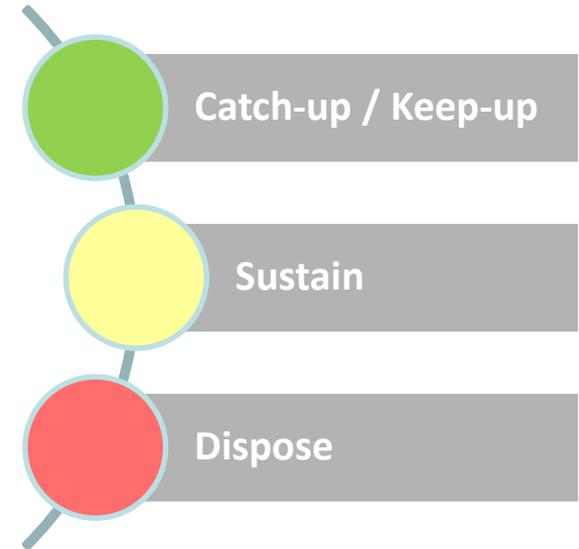
² Figures include all formally assessed facilities plus actual or modeled values for non-assessed facilities less than 5 years old.

³ Increase of 7.6% from previous year, resulting primarily from acquisition of Murphy Warehouse.



Building by Building Planning

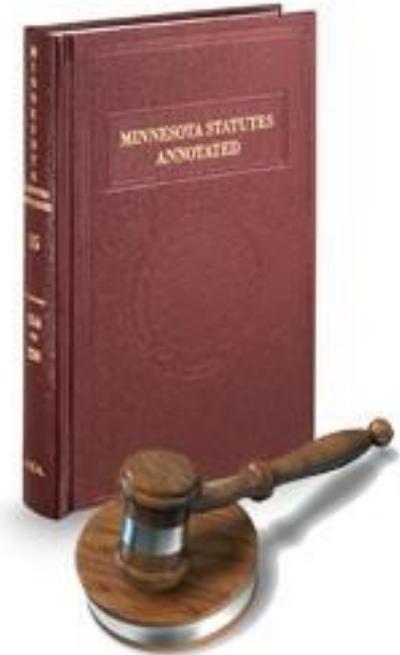
- Not enough funding to maintain all buildings to a suitable level
- Which are keepers? Which are candidates for decommissioning?
- Alignment with Colleges and Units Plans
- Alignment with Six Year Plan





HEAPR: Higher Education Asset Preservation and Replacement

- State statute requires that HEAPR projects must be for one or more of the following:
 - Health, safety, and accessibility
 - Building systems
 - Utility infrastructure
 - Energy efficiency and improvements
- HEAPR dollars can only be used for existing building and existing programs





Renewal Funding

- HEAPR
- Repair and Replacement (R&R)
- Utility Rates (Twin Cities Campus)
- Demolition
- Major Capital Renewal Projects





Prioritization Criteria

- Facility Condition
- Risk Assessment
- Health and Safety Assessment
- Regulatory requirements
- Program Impact
- Opportunity and Leveraging
- Sequencing
- Future of building plans
- Available funding
- Project Development

PRIORITIES

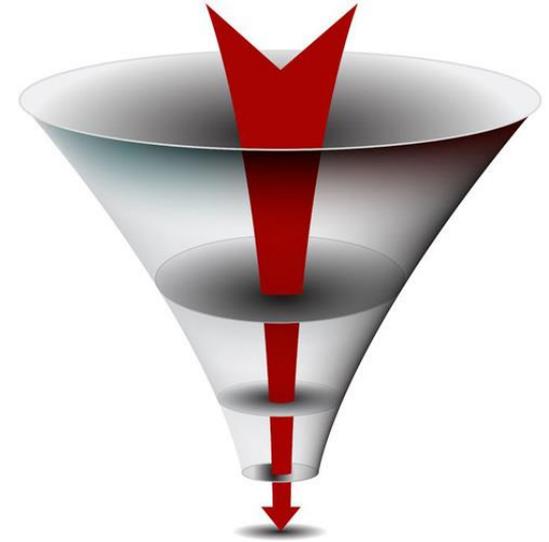
- 1.
- 2.
- 3.





Project Selection

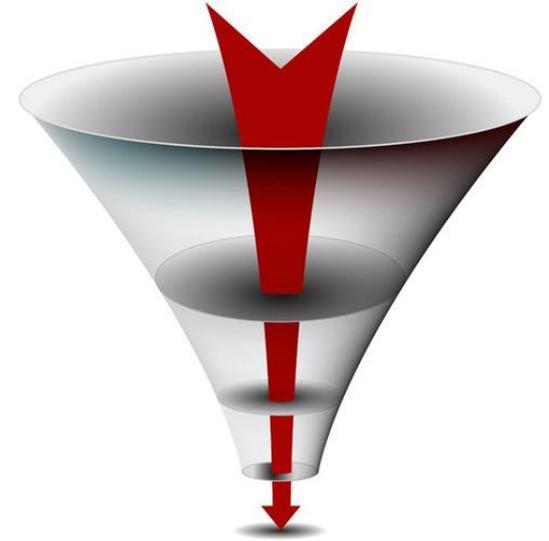
- Funds are used throughout the system
- Funds allocated based on facility need, overall quantity of HEAPR eligible space
- HEAPR eligible list developed through FCA process
- Facilities Management, Health and Safety, Building Codes, Risk Management, and Disability Services recommend HEAPR projects to Chancellors; Vice President for University Services determines final HEAPR allocations





Project Selection

- All projects are reviewed for statutory eligibility
- University maintains a list of *Poor and Critical Buildings*, these are high priorities for investment in Six-Year Capital Plan
- For projects involving upgrades:
 - the University will ask the state to fund 2/3 of the project cost (e.g. Tate Hall)
 - the University will fund eligible components with HEAPR (e.g. Mechanical Engineering) and supplement with University funds for programmatic improvements





STATE CAPITAL REQUEST



2017 State Capital Request

- Request is a resubmittal of the 2016 State Capital Request
- Projects costs have been adjusted for construction inflation where necessary to maintain original scope
- Request for Collections and Contemporary Learning design funds have been added to 2017 request





2017 State Capital Request

Request
(dollars in millions)

Location	Project	Total	State	U of MN
SYSTEM	HEAPR	\$100.0	\$100.0	\$0.0
UMD	Chemistry and Advanced Materials Science	\$42.4	\$28.3	\$14.1
UMTC	AHC Phase I: Health Science Education Facility	\$104.0	\$69.3	\$34.7
UMTC	Plant Growth Research Facility	\$6.9	\$4.6	\$2.3
SYSTEM	Academic and Student Experience Investments	\$24.0	\$16.0	\$8.0
UMTC	Pillsbury Hall Renovation	\$34.3	\$22.9	\$11.4
UMTC	Collections and Contemporary Learning (Design)	\$6.0	\$4.0	\$2.0
Total:		\$317.6	\$245.1	\$72.5



DISCUSSION



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UMNews



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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: Real Estate Transactions

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Michael Berthelsen, Interim Vice President, University Services
Susan Carlson Weinberg, Director of Real Estate

PURPOSE & KEY POINTS

The purpose of this item is to review the following Real Estate Transactions:

- A. Purchase of 600, 600½, and 602 27th Avenue SE, Minneapolis (Twin Cities Campus)
- B. Sale of 158.881 Acres, Rosemount (UMore Park)

BACKGROUND INFORMATION

Board of Regents Policy: *Reservation and Delegation of Authority* states that “the Board reserves to itself authority to approve the purchase or sale of real property with a value greater than \$1,250,000, or larger than ten (10) acres,” and “leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies.”

In February 2015, the Board of Regents approved the “*Resolution Related to the Reorganization of UMore Park Development Project.*” The resolution included market-based development at UMore Park led by business, commercial, and residential real estate developers to produce the highest potential financial return to the University over time. The resolution also included sale of land at UMore Park through public processes, at competitive prices, benchmarked to market rates.

PRESIDENT’S RECOMMENDATION

The President recommends approval of the following Real Estate Transactions:

- A. Purchase of 600, 600½, and 602 27th Avenue SE, Minneapolis (Twin Cities Campus)
- B. Sale of 158.881 Acres, Rosemount (UMore Park)

PURCHASE OF 600, 600½, and 602 27TH AVENUE SE, MINNEAPOLIS (TWIN CITIES CAMPUS)

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to purchase the properties at 600, 600½, and 602 27th Avenue SE, Minneapolis, Hennepin County, Minnesota and to demolish all structures on the property.

2. Location and Description of the Property

The subject property consists of approximately 2.68 acres and is located at 600, 600½, and 602 27th Avenue SE, Minneapolis, directly adjacent and contiguous to the University-owned property at 600 25th Avenue SE (formerly known as the Electric Steel Elevator property).

The legal description of the property: Parts of Lots 8 and 9, Auditors Subdivision No. 88, Hennepin County, Minnesota.

The property is known as the Mathisen Elevator property (former Kurth Malting property), with two separate grain elevator facilities on two separate parcels that are bifurcated by part of an old, narrow rail spur owned by Union Pacific Railroad (formerly Chicago and Northwestern Railroad). The grain elevators are vacant and empty, and the University has been advised they have not been used for grain storage and distribution purposes for at least ten years. The property includes additional obsolete building structures totaling an estimated 11,323 square feet.

3. Basis for Request

The purchase of this property is an opportunity purchase. The current owner of the subject property, Mathisen Properties LLC, contacted the University to advise that the property is for sale.

4. Details of Transaction

The purchase price for the subject property will be \$1,300,000 to be paid in cash at closing. The closing is expected to occur on or before October 31, 2016.

5. Use of Properties

The property at 600, 600½, and 602 27th Avenue SE, Minneapolis has been identified for relocation of Recreational Sports facilities (Rec Sports Bubble and an additional baseball field) in conjunction with the construction of the new intercollegiate athletics track and field facility.

6. Environmental

The University has completed a Phase I environmental site assessment and will complete a limited Phase II environmental site assessment prior to the closing to confirm the property is in acceptable environmental condition.

7. Source of Funding

The University will issue debt to purchase the property at 600, 600½, and 602 27th Avenue SE, Minneapolis.

8. Recommendations

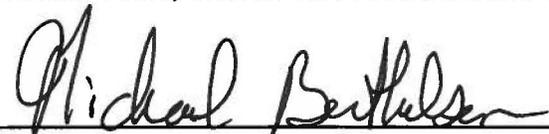
The above-described real estate transaction is appropriate:



Karen Hanson, Executive Vice President for Academic Affairs and Provost



Michael Volna, Interim Vice President and CFO



Michael Berthelsen, Interim Vice President for University Services

**Mathisen Elevator Demolition
Twin Cities Campus
Project No. 01-297-17-1173**

1. Basis for Request:

The Mathisen grain elevators are vacant and empty, and have not been used for grain storage and distribution purposes for at least ten years. The University's intent in acquiring this property is to provide a new location for the Recreation Sports Bubble and Softball Field in order to construct a new competition-level Track and Field as part of the Athletes Village Complex. In order to accommodate the Bubble and Softball Field at the corner of 25th Avenue SE and 6th Street SE, demolition of the Mathisen Elevator site, which is directly adjacent and contiguous to the University-owned property at 600 25th Avenue SE (formerly known as the Electric Steel Elevator property), is required.

2. Scope of Project:

This project will demolish the grain elevators and other structures on the Mathisen Elevator site in preparation for relocation of the Recreation Sports Bubble and Softball Field to this location.

3. Master Plan or Precinct/District Plan:

The project is in compliance with the Twin Cities Campus Master Plan dated March 2009.

4. Environmental Issues:

The University has completed a Phase I environmental site assessment and will complete testing of a limited Phase II environmental site assessment prior to the closing to confirm the property is in acceptable environmental condition.

5. Cost Estimate:

<u>Demolition Cost</u>	<u>\$2,500,000</u>
Total Project Cost	\$2,500,000

6. Capital Funding:

<u>University Debt</u>	<u>\$2,500,000</u>
Total Capital Funding	\$2,500,000

7. Capital Budget Approvals:

This project was not included in the FY2017 Annual Capital Budget at the June 2016 Regents meeting as the University had not purchased the property. Therefore, a Capital Budget Amendment is requested so the project may proceed.

8. Annual Operating and Maintenance Cost and Source of Revenue:

None

9. Time Schedule:

Proposed Demolition Start
Proposed Demolition Completion

November 2016
May 2017

10. Project Team

Design / Builder:

TBD

11. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:



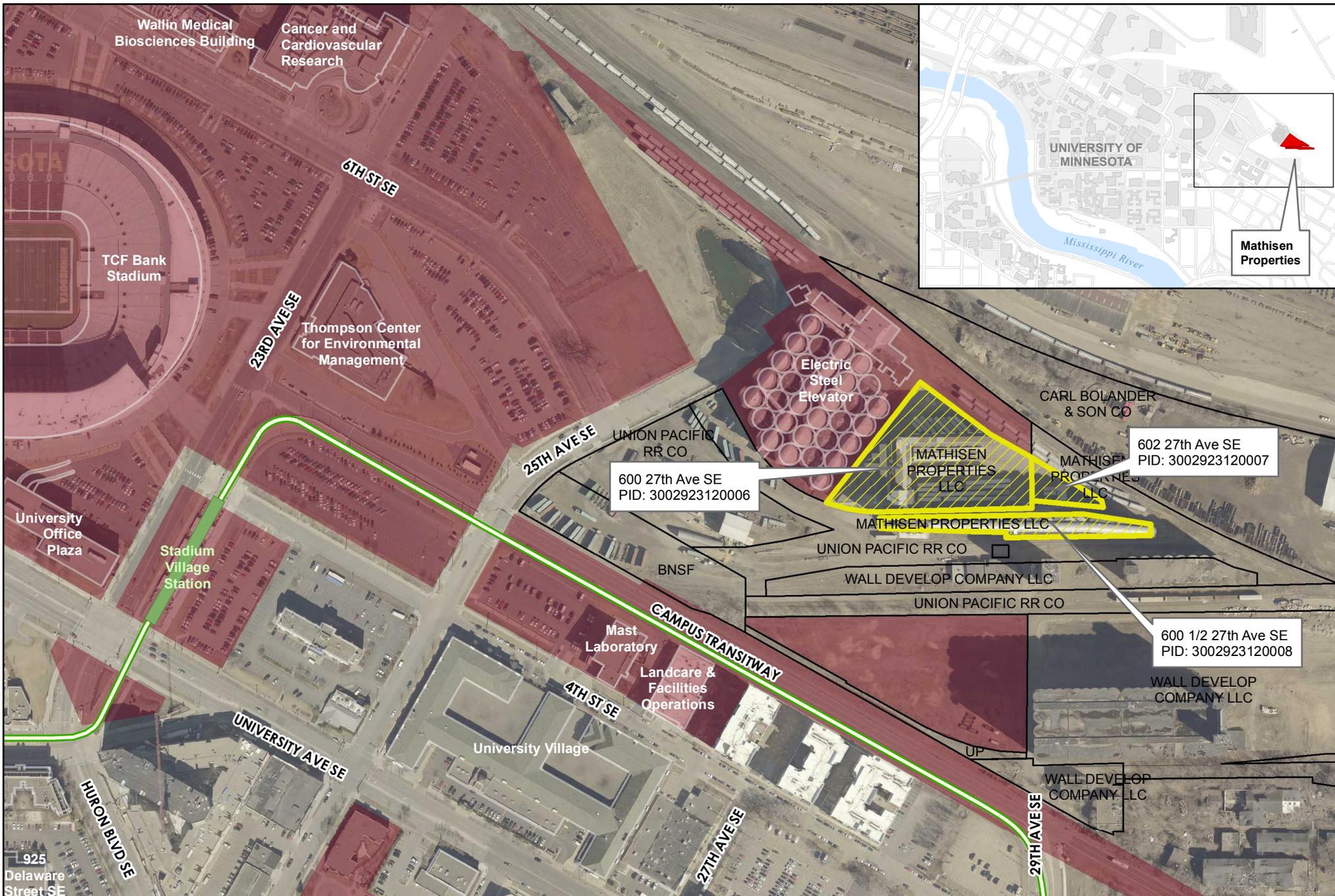
Karen Hanson, Executive Vice President and Provost



Michael Volna, Interim Vice President and CFO



Michael Berthelsen, Interim Vice President for University Services



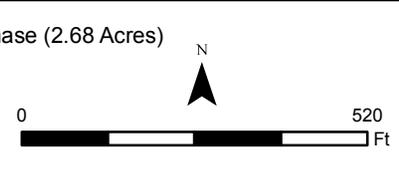
Real Estate Office



University of Minnesota

Purchase of 600, 600 1/2, and 602 27th Avenue SE Minneapolis, Twin Cities Campus

-  Mathisen Properties to Purchase (2.68 Acres)
-  University Property
-  Surrounding Properties
-  Green Line LRT



This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office, UServices GIS, Hennepin County

8/22/2016

**SALE OF 158.881 ACRES AT UMORE PARK
FOR INDUSTRIAL-BUSINESS PARK DEVELOPMENT
(UMORE PARK)**

1. Recommended Action

The President recommends that the appropriate administrative officers receive authorization to sell 158.881 acres at UMORE Park for Industrial-Business Park development.

2. Location and Description of the Property

The subject property consists of approximately 158.881 acres located in the northeast corner of UMore Park, abutting Blaine Avenue on the west and County Highway #42 (145th Street E) on the north (see included graphic). The property is undeveloped, fairly level, and currently has an agricultural zoning.

The legal description of the property to be conveyed: Southwest Quarter of Section 25, Township 115 North, Range 19 West of the 5th Principal Meridian, Dakota County, Minnesota; excluding minerals and mineral rights.

3. Background/Basis for Request

In February 2015 the Board of Regents approved a resolution related to the reorganization of UMORE Park development process that included:

- (a) Market-based development of UMORE Park led by business, commercial, and residential real estate developers to produce the highest potential financial return to the University over time, incorporating opportunities of the original Concept Master Plan vision when there is private market demand for such elements and such concepts serve to protect or enhance the development value of the remaining site;
- (b) Maximizing financial return to the University by selling land through public processes, at competitive prices, benchmarked to market rates;
- (c) Active University engagement with local jurisdictions and private parties to ensure development projects at UMORE Park protect and enhance the value of subsequent development stages;
- (d) All land sale proposals to be approved by the Board of Regents; sale and development proposals that are economically sound, compatible with the vision for UMORE Park

becoming a vibrant, market-driven community for residents and business, reflective of private sector demand, and in alignment with adjacent community needs, desires, and standards to be advanced by the University; and

- (e) Net proceeds derived from land sale transactions to be deposited into the Legacy Endowment as directed by the Board of Regents in 2009.

The University offered this property for sale for industrial-business park development by Request for Proposal (RFP) in August 2015. No acceptable proposals were received, and the property remained for sale for industrial-business park development.

Opus Development Company LLC (“Opus”) has offered to purchase the property for industrial-business park development on a phased take-down basis, with take-down timing reflective of market demand and identification of end-use clients by Opus, over a term of up to 10 years, which may be extended in University’s sole discretion for an additional 5 years. Nothing in the agreement prevents Opus from acquiring all of the property in the first take-down or all of the remaining property in a successive take-down, if market opportunities so allow.

Development of the property will require water and sewer utility infrastructure improvements as well as improvements to Blaine Avenue along the westerly boundary of the property. Pursuant to discussions with the City of Rosemount, the planned utility improvements include: 1) a 16-inch waterline providing capacity for development of 360 acres, 2) a lift station or alternative providing sewer capacity minimally for development of 406.2 acres, and 3) Blaine Avenue improvements to county road standards, minimally from County Road 42 to the southerly boundary of the 158.881 acres. The improvements and utility infrastructure costs have preliminarily been estimated at \$6.3 million.

At the time Opus has identified an end-user client for the property and is preparing for the closing on the First Takedown Parcel, the City of Rosemount will proceed to complete the design of the needed water, sewer, and roadway improvements, and bid the construction projects.

4. Details of Transaction

The earnest money for this transaction, \$100,000, will be deposited by Buyer within five business days following execution of the Purchase and Sale Agreement, and will be retained until the last of the phased takedowns completes Opus’ purchase of the 158.881 acres, when it will be applied to the purchase price. If Opus fails to complete the purchase of all 158.881 acres during the term, the earnest money will be retained by University

The sale price for the subject property will be \$2.25 per square foot of net developable area, which is defined to exclude non-buildable areas subject to easements for roadways, a sewer line,

and a gas line. The total net developable area for the 158.881 gross acres is estimated at 143.095 net developable acres, reflecting a total price of \$14,024,750 for the property (before needed expenditures for utility infrastructure, and relocation of a gas line, and removal of Ranney pipes impacting development of the property). Opus will have a 120-day Due Diligence Period to investigate the property, including its environmental and physical condition, the City of Rosemount processes for infrastructure improvements and development approvals, and the condition of title.

This sale transaction will require that the net developable area of the First Takedown Parcel and corresponding sale price equal or exceed the portion of the cost of the water, sewer, and roadway improvements not funded by the City of Rosemount, expected to be approximately two-thirds of the total cost of said improvements. The total cost of the improvements will be known once the City has bid the construction projects, and the portion not funded by the City of Rosemount will be paid to the City by Opus, and Opus will be given a purchase price credit at the closing of the First Takedown Parcel equal to this amount. Future Takedowns by Opus will generate cash sales proceeds to the University reflecting the \$2.25 per square foot net developable area sale price.

The City-funded portion of cost of the improvements will be the subject of an agreement between the University and the City that will require University voluntary payment in lieu of special assessments after, perhaps, 10 years for any portion of the 158.881 acres Opus has not purchased.

Costs to be incurred by the University required to complete this sale are estimated as follows: \$1,450,000 to relocate a Northern Natural Gas pipeline; \$71,500 to remove Ranney pipes across the SE corner of the 158.881 acres, and potentially an amount currently estimated at up to \$1.4 million to reimburse the City of Rosemount for the City-funded portion of the cost of the water, sewer, and roadway improvements attributable to the portion of the 158.881 acres that remains in University ownership following conveyance of the First Takedown Parcel, arising only if Opus does not complete its purchase of the 158.881 acres in phased Takedowns over 10 years. (As Opus closes on each phased Takedown, the property's exemption from real estate taxes ends, the City of Rosemount has the ability to assess Area Charges for the property, and the University obligation for the balance of the City-funded portion of the cost of the water, sewer, and roadway improvement is reduced.)

Subsequent Takedowns (i.e. Second Takedown, Third Takedown, etc.) will consist of no fewer than twelve (12) Net Acres, to be designated by buyer in the Takedown Notice, to be reviewed and approved by University. Opus will be required to diligently pursue the marketing and development of the property throughout the 10-year term for whatever portions of the 158.881 acres Opus has yet purchased.

5. Use of Properties

The property will be developed by Opus as an industrial-business park in phased take-downs over a period of up to ten (10) years, which period may be extended in the sole discretion of the University.

The University has developed a Declaration of Covenants (to be recorded before conveyance deeds to Opus are recorded) and Design Guidelines for industrial-business park development at UMORE Park to ensure the development of the property will reflect the goals of the University for a high-quality industrial-business park of mixed uses incorporating as appropriate the concepts of sustainability, environmental innovations, and social-cultural innovations that will enhance the value of future development of UMORE Park parcels.

6. Environmental

The property is being sold "as is / where is". The University does not believe there are any environmental issues with the 158.881 acres, but expects that the buyer will complete environmental investigation of the property the buyer deems necessary and appropriate.

7. Uses of Funding

The net proceeds from the sale of the property will be deposited to the UMore Park Legacy Endowment as directed by the Regents in 2009.

8. Recommendations

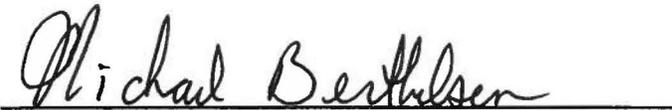
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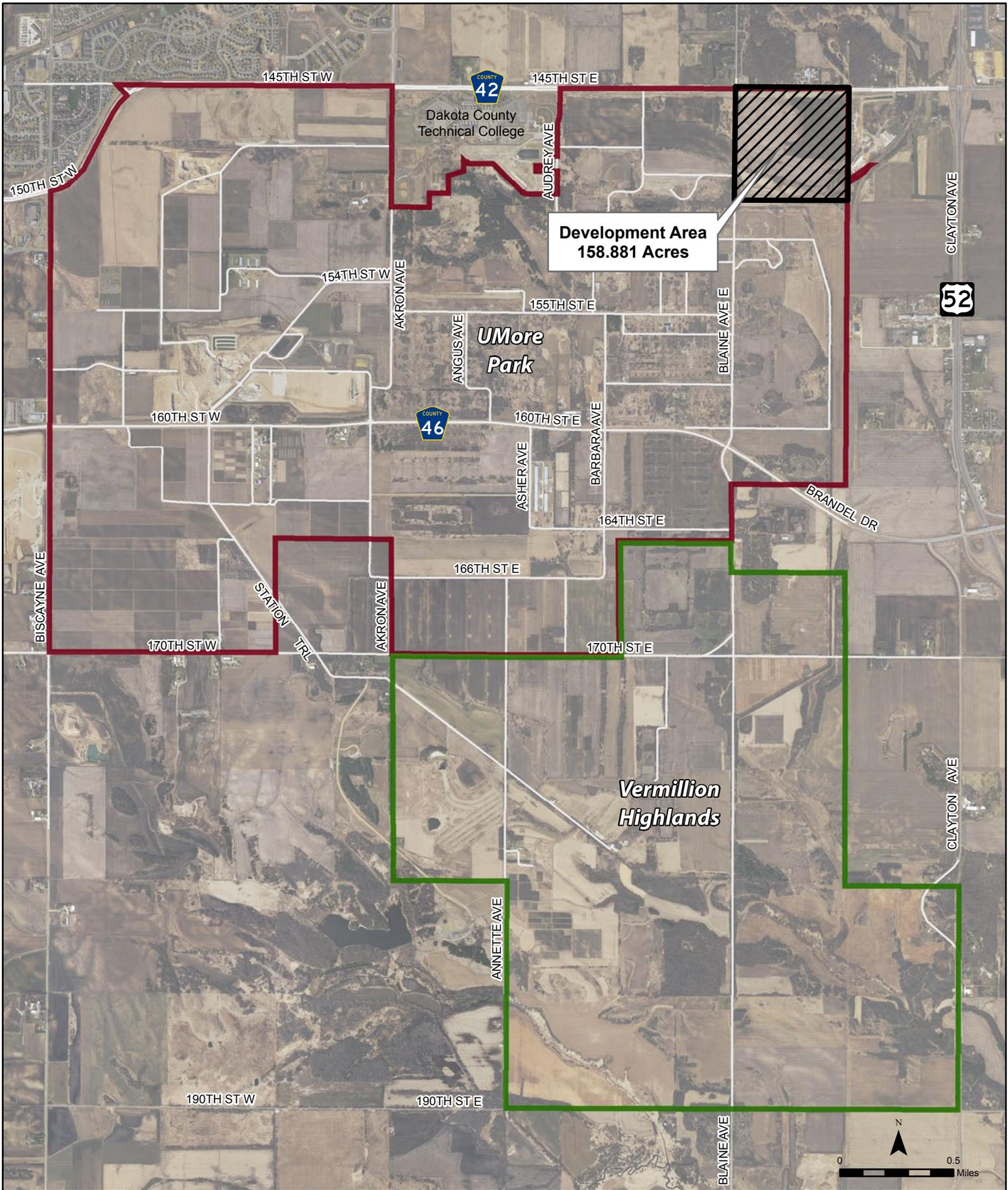
Karen Hanson, Executive Vice President for Academic Affairs and Provost



Michael Volna, Interim Vice President and CFO



Michael Berthelsen, Interim Vice President for University Services



Real Estate Office



University of Minnesota

**Sale of 158.881 Acres at Umore Park
For Industrial-Business Park Development**

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.

Base Data: Real Estate Office
Dakota County

8/22/2016

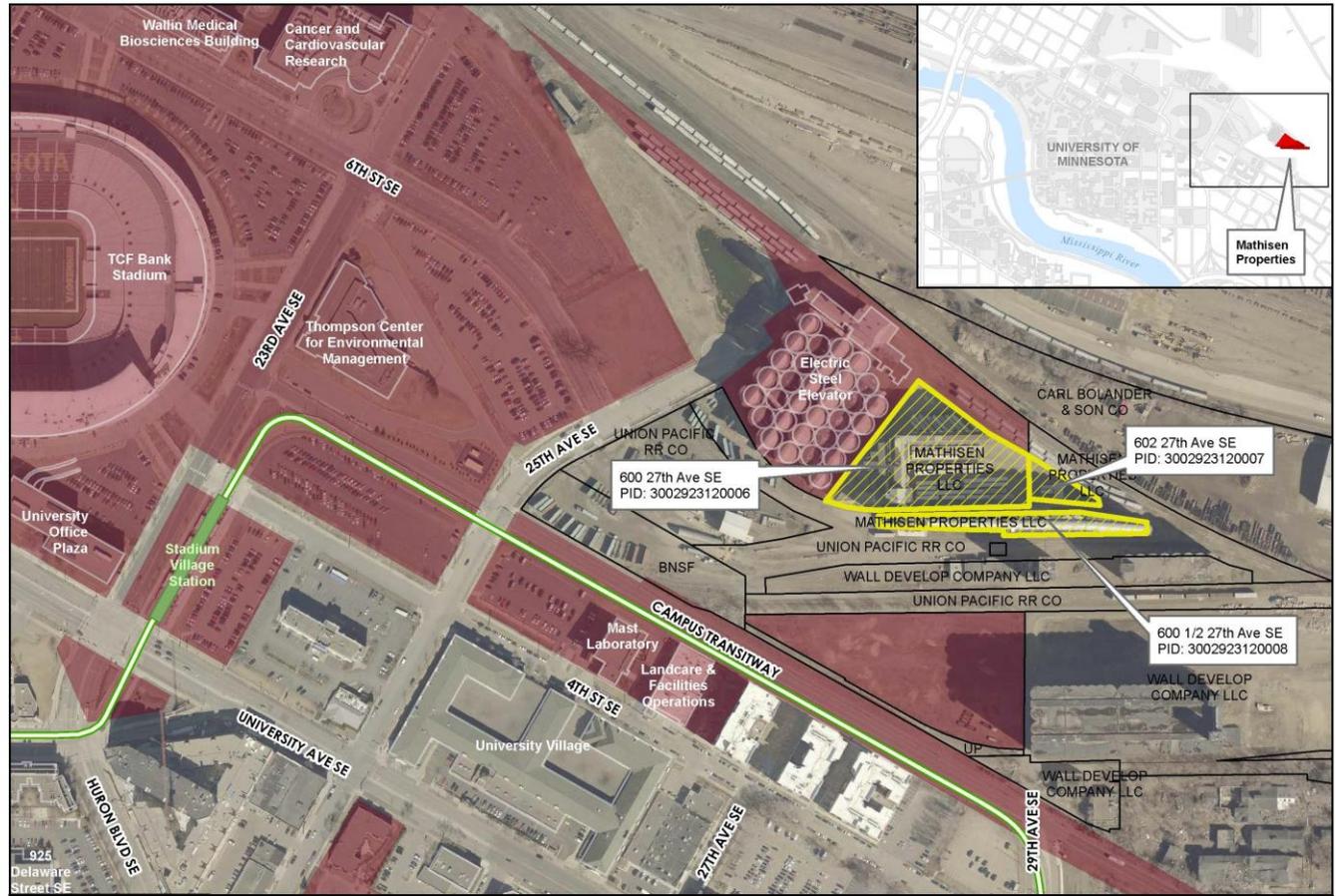
Real Estate Transactions

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016



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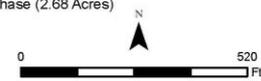


Real Estate Office

 University of Minnesota

**Purchase of 600, 600 1/2, and 602
 27th Avenue SE
 Minneapolis, Twin Cities Campus**

-  Mathisen Properties to Purchase (2.68 Acres)
-  University Property
-  Surrounding Properties
-  Green Line LRT



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Base Data: Real Estate Office, UServices GIS, Hennepin County
 8/22/2016



Capital Budget Amendment

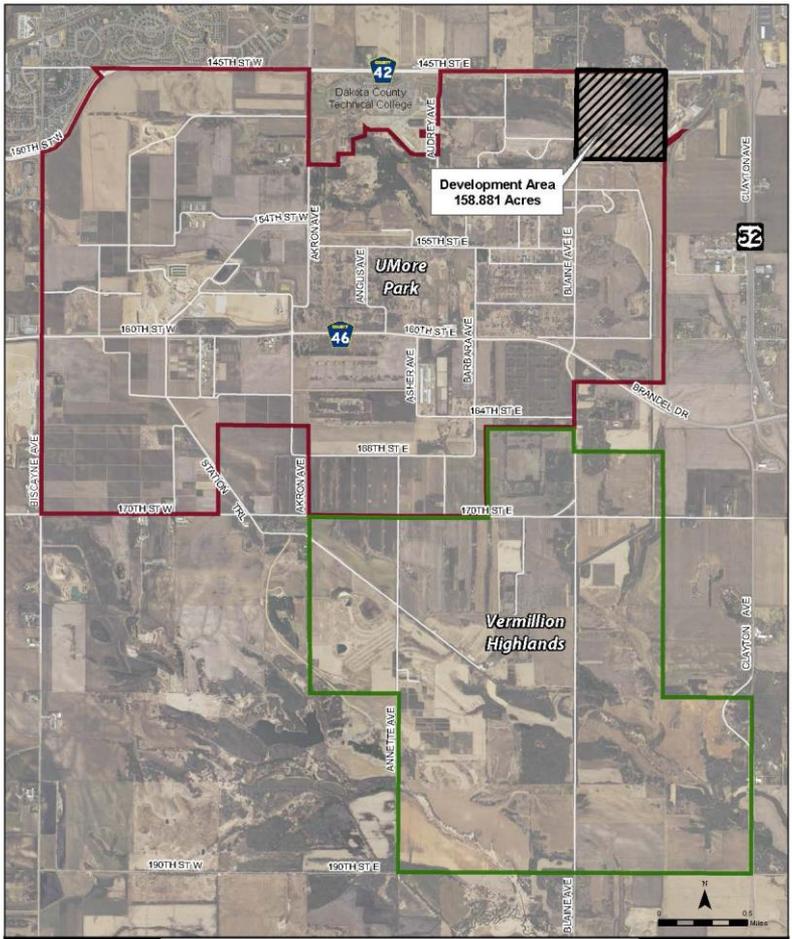
- Existing Track and Field was displaced by the Athletes Village
 - New location for Track and Field will be adjacent to Athletes Village, displacing Recreation Sports Bubble and Softball Field
- New location for the Bubble and Softball Field will be at the corner of 25th Avenue SE and 6th Street SE
 - Requires demolition of the Mathisen Elevator site





Capital Budget Amendment

- Demolition of the grain elevators and other structures on the Mathisen Elevator site.
- Cost Estimate
 - Demolition \$ 2,500,000
 - Total Project Cost \$ 2,500,000
- Capital Funding:
 - University Debt \$ 2,500,000
 - Total Approved Project Budget \$ 2,500,000
- Anticipated Completion: May 2017
- Design / Builder: TBD



Real Estate Office

University of Minnesota

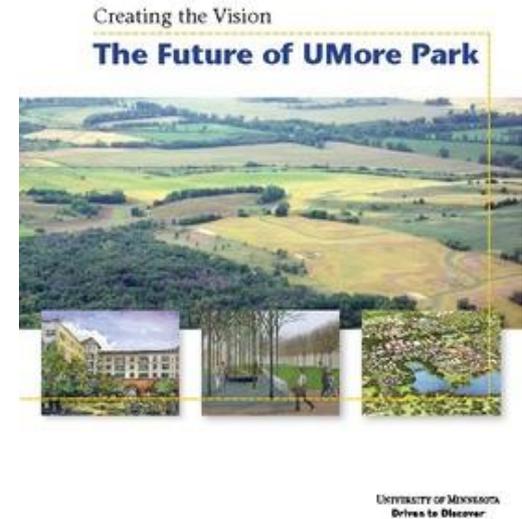
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For Industrial-Business Park Development**

This map is intended to be used for planning purposes only and should not be relied upon where a survey is required.
Base Data: Real Estate Office
Dakota County
9/22/2016



Key Decision Dates at UMORE

- 2006: Master concept and vision
- 2009: Regents create UMORE Development LLC
- 2010: Regents approve aggregate mining lease
- 2014: President charges workgroup to reexamine vision
- 2015: Regents approve reorganization of UMORE development





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: Resolution Related to Demolition of the Electric Steel Elevator Property

Review Review + Action Action Discussion

This is a report required by Board policy.

PRESENTER: Monique MacKenzie, Director of Planning, Capital Planning and Project Management
Suzanne Smith, Assistant Vice President, Capital Planning and Project Management

PURPOSE & KEY POINTS

The purpose of this item is to review a resolution related to the demolition of the electric steel elevator property. The electric steel elevators are located at 600 25th Avenue SE and 649 26th Avenue SE in Minneapolis. A study of the potential for adaptive reuse of the electric steel elevators identified no alternatives consistent with the University's needs, mission, or operational model. Demolition is proposed to achieve the University's land-assembly goals and to maintain public safety. Historic mitigation measures include both archival documentation of the property and salvage and donation of historic artifacts for interpretive display.

BACKGROUND INFORMATION

Built in 1901, the electric steel grain elevators complex has stood vacant since 2013, when the previous owner ceased operations due to the lack of commercially viable alternatives for the aging facility. The property was constructed for the sole purpose of handling grain delivered by railroad. It was not designed with modern standards of safety or accessibility in mind, and its multiple owners made no real improvements other than basic repairs. The property sits amid a large railroad yard, detached from the city's street network.

In September 2015, when the prior owner applied for a demolition permit, the position of the City of Minneapolis was that there had not been enough work done to consider adaptive reuse of the structures, and placed the property under interim protection until September 11, 2016. While both the city and the University agree on the historic significance of the site, concern remains regarding how to mitigate the impact of the structures' removal. The property was acquired "as is" by the University in November 2015.

In January 2016, the University informed the State Historic Preservation Office (SHPO) that it intended to demolish the structure and communicated mitigation measures it would take. This action is consistent with Minnesota Statutes 2015, section 138.666 *Cooperation*, which states that:

“...the Board of Regents of the University of Minnesota shall cooperate with the Minnesota Historical Society in safeguarding state historic sites and in the preservation of historic and archaeological properties.”

Similarly, Board of Regents Policy: *Historic Preservation*, Section IV, Subd. 2, states that:

“Feasibility of Reuse. Historic resources are valuable assets contributing to future campus development. Within the context of the campus master plans and academic and capital planning processes, historic resources will be evaluated as to their ability to be preserved and reused. Such evaluation shall balance functionality, cost, and historic significance.”

University staff completed an adaptive reuse study, issued in August 2016 (and included in the docket), to assess the potential for the University to adapt the grain elevator and ancillary structures on the electric steel elevator property for alternative uses. The study concludes that, due to the property’s unique construction and advanced age, it is a poor candidate for any adaptive reuse that would be consistent with the University’s needs, mission, or operational model. Furthermore, to adapt any grain elevator for a new use involving occupancy, it is typically necessary to cut multiple openings in the walls for windows, doors, etc., damaging the property’s historic integrity and disqualifying it from National Register designation. As a stand-alone development site, this 5-acre property is inefficient for typical University use due to its unusual parcel boundaries and limited access to public streets. Though the University has implemented extensive safety and security measures, the property continues to present a public safety hazard and remains a magnet for trespassers and vandals.

To mitigate the proposed demolition, the University completed an archival historic property record (HPR) to document the property with an historical narrative and archival, large-format photographs. (SHPO’s guidelines describe HPR documentation as a typical mitigation measure for the “demolition of, or significant alterations to, an historic property.”) Research for the HPR located previously unknown original engineering drawings from the building’s construction. The University donated high-resolution scans of these drawings to the Northwest Architectural Archives. The HPR has been received by SHPO and is available to the public through the Northwest Architectural Archives. In addition, the University partnered with the Minnesota Historical Society to identify many items of historic value to be carefully salvaged from the property as part of the proposed demolition project and donated to Mill City Museum for interpretive display. Together, the HPR and the salvaged items will make the property’s story accessible to the public.

Stakeholder Involvement

Recognizing interest in the property, University staff shared the results of the adaptive reuse study with recognized groups and organizations. In May and June 2016, staff met with the following stakeholder groups to inform them of the University’s intent and to receive comments.

- City of Minneapolis City Planning and Economic Development (CPED): May 19, 2016 – no further action taken.
- University District Alliance: April 28, 2016 and May 26, 2016 – no action taken.
- Prospect Park Association: June 6, 2016 – acted to oppose the proposed demolition.

Capital Planning and Project Management will accept comments or questions on the recommended action until September 23, 2016.

Prior Board Actions

- The Board of Regents approved the real estate transaction in June 2015.
- Information items were presented to the Facilities, Planning, & Operations Committee and the Finance Committee in December 2015. The items informed the Board that the University assumed the prior owner's contract with the demolition contractor in order to prepare the site for future use by the University. In a separate action, the Finance Committee approved a Resolution Related to Issuance of Debt that included \$2.5 million for the acquisition of the property, including the demolition.
- An *Exception to Bid: Electric Steel Elevator Demolition Contract* was included in the Information Items for the Finance Committee in February 2016.

PRESIDENT'S RECOMMENDATION

The President recommends adoption of the resolution related to the demolition of the electric steel elevator property.



REGENTS OF THE UNIVERSITY OF MINNESOTA

RESOLUTION RELATED TO

Demolition of the Electric Steel Elevator Property

WHEREAS, the Electric Steel Elevator property (Property) at 600 25th Avenue SE and 649 26th Avenue SE in Minneapolis was acquired by the University in November 2015 as an opportunity purchase; and

WHEREAS, the Property's many large and vacant industrial structures collectively present an "attractive nuisance" vulnerable to trespass and vandalism, similar to other vacant grain elevators in the area; and

WHEREAS, the Property was determined eligible by Minnesota State Historic Preservation Office for listing on the National Register of Historic Places in 2004, based on the Electric Steel Elevators' existing condition and its association with the history of the grain industry in Minnesota; and

WHEREAS, the Property has been documented to meet the State Historic Preservation Office's standards for archival Historic Property Record documentation; and

WHEREAS, the University cooperated with the Minnesota Historical Society to identify many items of historic value to be salvaged from the property and donated to Mill City Museum for interpretive display; and

WHEREAS, the Board has reserved to itself authority to take final action on all reviews of historic resources initiated by the administration for which the University is the responsible governmental unit; and

WHEREAS, in order to consider the demolition of the Property the University completed a study to evaluate its potential for adaptive reuse and completed a thorough and complete analysis of reasonable options for a financially feasible reuse of the Electric Steel Elevator property; and

WHEREAS, the adaptive reuse study identified no feasible alternatives that are consistent with the University's needs, mission, or operational model; and

WHEREAS, the *University of Minnesota Twin Cities Campus Master Plan* Guiding Principles and Core Values include efforts that “make the campus environmentally and operationally sustainable,” and recognizes the need for judicious removal of obsolete buildings to meet functional academic goals and enhance public spaces; and

WHEREAS, based on the foregoing the Board finds no feasible alternative to demolition.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents approves the demolition of the Electric Steel Elevator property.

ADAPTIVE REUSE FINDINGS

Electric Steel Elevator Property

University of Minnesota project no. 01-000-16-1435

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This document presents findings regarding the potential for the University of Minnesota (UMN) to adapt the grain elevator and ancillary structures on the Electric Steel Elevator property for alternative uses. It provides background information, refers to University policy, analyzes existing conditions at the property, evaluates a range of potential uses, and describes the University’s intended course of action.

Executive Summary

In November 2015 the University acquired this industrial property as an opportunity purchase. The intent is to acquire adjacent parcels over time to accommodate potential future development of University projects yet to be determined. Such land assembly presumes a high degree of flexibility that can only be afforded by sites cleared of structures and other impediments to future development.

This property sits at the edge of a large railroad yard ringed by other vacant or disused industrial facilities, many dating back more than a century to the very early days of industrial development in Minneapolis. Roadway and utility connections to these parcels are poor, as railroads have been the primary means of access. Continued use of these properties often requires far more investment than the existing buildings and facilities are worth. As a result, many large elevator complexes in the area stand vacant. As long as this property is held vacant it presents an “attractive nuisance” to vandals and trespassers, and demands University resources to secure and maintain it. In fact, prior to the University’s purchase the property’s previous owner documented evidence of trespassers tampering with safety measures installed to prevent falls from catwalks spanning the storage bins, a distance of approximately 100 feet above the ground. With such risks in mind, immediately following its purchase

the University invested in extensive safety and security measures including utility shut-offs, additional fencing, surveillance cameras and increased patrols.

This property was for sale for more than one year before the University's purchase and in years prior had been visibly in decline. In recent decades, many former industrial properties in the area have been purchased, demolished and redeveloped for a wide range of uses. However the real estate market showed no interest in the purchase of this property -- for use as a grain elevator, for adaptive reuse or for redevelopment.

A 2003 report describes in detail this and other historic properties within the context of the Southeast Minneapolis Industrial Area (SEMI)¹. In 2004 the State Historic Preservation Office (SHPO) determined that the property is eligible for the National Register of Historic Places (NRHP) based on its distinctive design, its association with a nationally prominent engineer and its significance to the history of the grain industry in Minnesota.

This report examines several potential reuse scenarios for the existing buildings on the property drawn from a wide range of projects that have repurposed grain elevators. However none of those examples are quite like this property's unique complex of massive, purpose-built steel structures, and none of the potential reuse scenarios examined below would be an appropriate fit with the University's mission, resources or operational model.

The University concludes that there are no feasible or practicable alternatives to demolition as part of an ongoing land assembly process, and in the interest of public safety.

To mitigate the anticipated demolition of this historic resource the University documented the property with an archival Minnesota Historic Property Record (HPR). In May, 2016, the completed HPR was delivered to the Minnesota Historical Society (MNHS) and the University's Northwest Architectural Archives (NWAA) where it is available for public access. While researching the HPR, the project team discovered an uncatalogued set of original drawings dating to the property's 1938 addition; high-resolution scans were donated to the NWAA collection. Furthermore, the University partnered with the Mill City Museum, a unit of MNHS, to identify many items of historical value which will be salvaged and donated, at the University's cost, for interpretation and display at the Museum.

Following demolition the University will stabilize the site using low-maintenance, naturalized plantings as an interim condition pending determination of future use. The resulting interim site will yield a net-positive environmental impact due to improved public safety, a decrease in impervious surfaces and improved stormwater management.

¹ Hess, Roise and Company (2003). *The Junction of Industry and Freight: The Development of the Southeast Minneapolis Industrial Area, A National Register Assessment*. Minneapolis Community Development Agency. See especially Appendix "Electric Steel Elevator – Inventory Number HE-MPC-3607."

Background

The property is located in Minneapolis at 600 25th Avenue SE (PID 3002923120005) and 649 26th Avenue SE (PID 3002923120004), two parcels totaling 4.84 acres. The existing grain elevator complex was constructed primarily between 1901 and 1914 based on designs by engineer C.A.P. Turner, with an addition in 1938. Each of the thirty-two steel grain bins measures approximately 50 feet in diameter and 60 feet tall; each of the two workhouse towers are more than 150 feet tall². Photographs and a site plan are appended below.

In 2004, SHPO found the property to be eligible for the NRHP under Criterion A, for its significance to the history of the grain industry in Minnesota and its association with a nationally prominent engineer, and under Criterion C for ““embody[ing] distinctive characteristics of terminal elevator design and engineering or represent[ing] significant phases in the evolution of terminal elevator engineering and construction.”³ The property also has a high degree of integrity, meaning its historically significant characteristics remain remarkably intact compared with similar structures.

In November, 2015, the University acquired the property as an opportunity purchase, with no specific future use designated. The University continues to pursue purchase of adjacent properties. But assembly of land sufficient for potential University projects could take years to complete.

The complex of buildings has been vacant since November, 2013, when Riverland Ag Corp. ceased grain handling operations at this location. At that time, Riverland Ag invested in significant security improvements throughout the property to deter trespassing and vandalism. Following the 2015 purchase the University invested in further security improvements. Collectively, these security measures have helped to protect the safety of the general public and University staff. They also have safeguarded the integrity of this unique historic resource while the University considers a course of action. However, both Riverland Ag and the University have expressed concerns that, despite these security measures, the property remains an “attractive nuisance” vulnerable to trespass or vandalism as long as the buildings stand vacant. The Minneapolis City Council recognized the public hazards of such vacant buildings when it passed an ordinance requiring trespassers to pay for rescue costs.⁴

Mission

According to its stated mission, the University “is Minnesota’s research university. We change lives—through research, education, and outreach. ... We apply our expertise to meet the needs of Minnesota, our nation, and the world. ... We partner with communities across Minnesota to engage our students, faculty, and staff in addressing society’s most pressing issues.”⁵ Furthermore, the University,

founded in the belief that all people are enriched by understanding, is dedicated to the advancement of learning and the search for truth; to the sharing of this knowledge through

² Ibid, Appendix Inventory Number HE-MPC-3607.

³ Ibid. See also pp. 50-59 of the City of Minneapolis Community Planning & Economic Development (“CPED”) staff report dated July 28, 2015, available at:
<http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcms1p-144234.pdf>

⁴ <https://www.minnpost.com/politics-policy/2015/09/how-do-you-solve-problem-old-unused-grain-elevators>

⁵ <https://twin-cities.umn.edu/about-us>

education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission, carried out on multiple campuses and throughout the state, is threefold: Research and Discovery; Teaching and Learning; and Outreach and Public Service.⁶

Policy

The Board of Regents policy on Historic Preservation⁷ guides the University's management of historic properties and cultural resources:

Section IV, Subd. 2 Feasibility of Reuse *Historic resources are valuable assets contributing to future campus development. Within the context of the campus master plans and academic and capital planning processes, historic resources will be evaluated as to their ability to be preserved and reused. Such evaluation shall balance functionality, cost, and historic significance.*

This documentation of Findings complies with Regents' policy by providing context and rationale for the University's intended course of action. The wealth of information available in the recent studies cited here, combined with the HPR completed by the University, provide a basis for evaluating the property's existing condition. These Findings include a general survey of comparable projects that involve reuse of grain elevators, as well as an analysis of the property's adaptability according to the University's criteria as applied to buildings throughout the UMTC campus.

End of Use by Previous Owner

In November, 2013, Riverland Ag ceased operations at the property due to a lack of commercially viable alternatives for the facility. As part of a demolition permit application to the City of Minneapolis, Riverland Ag provided the following summary:

The terminal grain elevator business within the city of Minneapolis has been in decline for the past 60 years for a variety of economic reasons. More recently the reluctance of the railroads to competitively price grain handling at the smaller centrally located terminal grain elevators has forced these less efficient facilities to close. Railroads today have targeted high volume elevators capable of loading and unloading unit trains of 52 and 110 car trains in less than 15 hours. The centrally located terminal grain elevators throughout Minneapolis were designed to handle much smaller number of rail cars and do not currently have the track capacity nor the land to expand the track capacity to handle these unit trains.

(Riverland Ag) has explored leasing the facility for long term storage to numerous end-users such as Anheuser-Busch Inbev, Grain Millers, MillerCoors, etc. but were unsuccessful as the inbound and outbound rail rate structure makes it uncompetitive.

In addition to the changing railroad business and the impacts its pricing has had on the industry, modernization of these operations are difficult to justify. Having been designed and built in 1901, the Electric Steel Elevator is no longer competitive in today's automated economy.

⁶ http://regents.umn.edu/sites/regents.umn.edu/files/policies/Mission_Statement.pdf

⁷ http://regents.umn.edu/sites/regents.umn.edu/files/policies/Historic_Preservation.pdf

Riverland Ag Corp conducted an engineering study and determined it would need to invest \$16 million to automate operations and improve grain handling capabilities. Unfortunately this investment cannot be justified for this smaller elevator as compared to much larger operations elsewhere in the country.

This cost of modernization does not address the railroad issues cited above.⁸

As noted above, a 2003 report found the property to have a high degree of historic integrity. However, Riverland Ag's statement suggests that, even as this historic property's buildings, site and systems have remained relatively unaltered since their construction more than a century ago, so, too it can be argued that no significant improvements have been made to ensure the continued life of this property beyond the era of grain handling in the SEMI district.

Adaptive Reuse and Building Rehabilitation

Riverland Ag's statement presents a compelling summary of the challenges to continued use of the property as a grain-handling facility. But if the facility has reached the end of its useful life as a railroad-oriented terminal grain elevator, then how might the University adapt it to alternative uses, and how might these potential uses fit with the University's mission and operational model?

Adaptive reuse generally can be understood as "transforming an unused or underused building into one that serves a new use."⁹ The design and construction process of renovating historic buildings to suit new uses while retaining historic character is referred to as "rehabilitation." Local examples abound in the many former warehouses now converted to residential uses. The Midtown Exchange mixed-use project occupies a former Sears distribution warehouse, and the Mill City Museum revived a burned-out flour mill. One proud example of adaptive reuse on the University's Twin Cities campus is the Educational Sciences building, and imposing industrial structure that formerly housed the Mineral Resources Research Center. After a long vacancy it was rehabilitated to accommodate offices, learning labs, meeting rooms and a café.

All of the examples cited above share several vital traits: good access to the city's transportation network, utilities and services; structural systems, materials and floor plans suitable for rehabilitation to new uses; and viable, market-driven uses, project financing and operational models. Unfortunately, the Electric Steel Elevator property does not share any of these traits. Though there are examples of grain elevators adapted to new uses, nearly all are constructed of concrete and many do not use the cylindrical silos as occupiable space. Furthermore, to adapt any grain elevator for a new use, it is typically necessary to cut multiple openings in the walls, damaging the property's historic integrity and thus disqualifying it from National Register designation due to such "adverse impacts."

Building and Site Characteristics

As shown in the site plan (see below) the Electric Steel Elevator property's parcel boundaries lie extremely close to the structures, leaving little room for access or site improvements to support an

⁸ See pp. 63-69 of the July 28, 2015 CPED staff report.

⁹ For example, see the Rhode Island School of Design website <http://intar.risd.edu/about/adaptive-reuse/>

alternative use. Access is further constrained by active railroad uses directly adjacent to the property. Under the terms of pending negotiations between the University's Real Estate Office and adjacent railroad property owners, dedicated railroad access will remain across the northern tier of the property, drastically reducing the area available for alternative uses.

Structures on the property are of two types. The minority are small, low masonry buildings built as offices and machine shops typical of the period. The majority are very large structures of riveted steel or reinforced concrete, built solely for the purpose of handling grain; the occupiable spaces in these latter structures are soaring enclosures for the machinery of grain sorting. Rehabilitating such structures to make them safe and accessible for new uses would require staggering investments in environmental remediation, structural stabilization, accessibility, utilities, mechanical systems, etc. For example, providing for full accessibility alone would require the installation of modern passenger elevators, but it is unknown whether the buildings' structure could even support such elements.

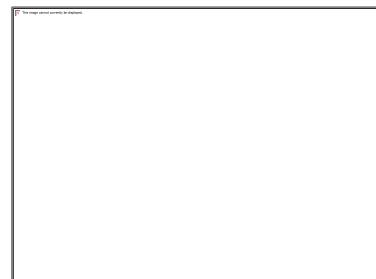
Setting aside any consideration of the potential cost to rehabilitate the property, it is prudent to consider the technical feasibility of rehabilitation. Attached below as an appendix is an analysis of the property's adaptability using the University's "Building By Building" (BxB) criteria. The BxB tool is used to guide decisions about reinvestment in buildings across the Twin Cities campus. The criteria include such factors as floor plan layout, mechanical systems, accessibility and life/safety considerations. Across each of the criteria the Electric Steel Elevator property scores poorly, due mostly to its unique design and the legacy of more than a century of industrial use.

Another way to understand the property's potential for rehabilitation is through an assessment of specific potential uses and comparable projects, as discussed in the following section.

Areas Available for Reuse

Due to such factors as the design of the structures, poor transportation access and the unusual configuration of the property lines relative to the buildings, very little of the property actually is available for adaptive reuse. Some elements, such as the steel storage bins, simply are not safely occupiable in their existing condition. The entire northern tier of the parcel is reserved for exclusive railroad use according to agreements in discussion between the UMN Real Estate Office and adjacent railroad property owners. The remaining one-third of the property area is inefficiently shaped with poor access. The table below shows these areas of the property:

	Total property area	4.84 acres	
A	Reserved for exclusive railroad use	1.75 acres	31.2%
B	Steel grain bins	1.51 acres	36.1%
C	Remaining occupiable areas of property, including all buildings	1.58 acres	32.6%



Potential Alternative Uses

The list below evaluates several potential alternative uses for the property using these factors:

- Would the use fit the University's mission, policies, operations and management of resources?
- Would the necessary building modifications adversely impact the property's historic character?
- How would the building's structure and materials constrain the use?
- How would the use fit the architecture and spaces of buildings on the property?
- How would the proposed use affect district character and adjacent land uses?

Where available, example projects are described. Photographs of select examples are included in Appendix iii.

Grain Elevator

Resume grain handling operations, the facility's original intended use.

- Inconsistent with UMN mission and East Bank campus operations.
- Economically infeasible. Larger, more efficient facilities exist elsewhere with better access to transportation.
- See above for an analysis provided by the property's former owner, Riverland Ag Corp., which ceased operations at the facility in 2013 due to inefficiencies and poor access.
- Would require disproportional improvements in machinery, safety equipment and building systems to achieve safe, efficient operation.

Industrial

Rehabilitate structures to support light manufacturing or other industrial uses that would benefit from railroad access.

- Impractical due to the size, structure and configuration of the buildings.
- Retaining only some of the buildings – the smaller machine shop and the office – but demolishing the large workhouses and storage bins would adversely impact the property's historic character.
- Would compete with existing railroad-dependent industrial uses in the area, which already are in decline.
- Would require UMN resources to manage leases, added security needs, etc.

Utility Plant

Convert some or all structures to serve power-generation and/or ancillary needs.

- To meet project requirements the existing structures would require significant alterations to structural, mechanical and life-safety systems which would adversely impact the property's historic character.
- The uncertain need or timeline for such a project would obligate the University to long-term management of these vacant structures.

Residential

Convert some or all existing buildings to house UMN students, faculty and/or staff.

Examples [Calhoun Isles Condominium](#), Minneapolis, MN; living spaces in heavily remodeled, cylindrical concrete silos [The Granary Apartments](#), Philadelphia PA; living spaces in square-sided, concrete elevator silos [The Lofts at Globe Mills](#), Sacramento, CA; the cylindrical silos are not used for residential spaces [A-Mill Artist Lofts](#), Minneapolis, MN; the cylindrical silos of the "Red Tile Elevator" are not used. [Quaker Square](#), Akron OH; developed privately as a hotel, currently student housing for University of Akron; units occupy both the workhouse and the concrete grain silos.

- As shown in the examples listed above, rehabilitation for residential use requires significant modifications resulting in adverse impacts to a property's historic character. For example, at the ESE property, building codes would require cutting many openings in the head houses and/or bins to serve as doors and windows.
- Public access to this location is poor. The site is poorly connected to existing UMN student-services and facilities.
- Such a project is unlikely to be competitive against developments on better-suited properties nearby.

Hotel

Convert some or all existing buildings to hotel rooms and support facilities

- Example [La Quinta Irvine Spectrum Hotel](#), Irvine, CA; some rooms occupy a former low-rise concrete silos
[Quaker Square Hotel](#), Akron OH; developed privately as a hotel, now student housing for Univ. of Akron.
- Rehabilitation for this use would result in significant adverse impacts to a property's historic character. Many holes must be cut through exterior walls for windows and doors as required by building codes.
 - Unlikely to compete against hotel uses nearby, including the potential future "2407 Joint Venture" site
 - Public access to the ESE property is poor.

Research

Use existing conditions or rehabilitate structures to support research in engineering, materials or destructive testing.

Example Would serve a function similar to the MAST Lab in the UMN Civil Engineering Building

- Would duplicate existing engineering research facilities on campus.
- Challenging to establish the clean, controlled environments required by University researchers.
- Inconsistent with state-of-the-art UMN research facilities in the nearby East Gateway district.
- Poor access to and from existing campus research and teaching facilities.
- Could result in adverse impacts or even damage to this historic property.

Offices/Flex space

Temporary office space for UMN staff during departmental moves or renovations

Examples none known

- Impractical due to size, structure and configuration of buildings.
- Poor access to site and buildings.
- Better UMN office space exists closer to campus, including the potential future "2407 Joint Venture" project.
- Even complete renovations would yield very little efficient office space.
- Would require disproportional investment in security, heating & cooling, etc. compared with other buildings.

Public Safety Training Facility

Allow buildings to be used in training scenarios for law enforcement agencies and emergency-response units.

Example Buildings at 617 and 701 Broadway in Rochester were used for such training before being demolished.

- These training operations typically are destructive and would adversely impact or even damage this historic property.
- It is unclear how the site could be made secure and safe for potential users or for the public.

Cultural Events and Installations

Allow arts and cultural programming on the site and/or inside the buildings

Examples [Harvest Dinner](#), Omaha NE; food-related outdoor public event on the site of an elevator
[Stored Potential](#), Omaha NE; temporary installation of large banners mounted on elevator exteriors
[Le Moulin à images](#) ("The Image Mill"), Quebec City, Canada; projections on elevator exteriors

- Raises significant public safety concerns
- Public access to this location is poor, unlike similar events such as UMN Spring Jam which is held on a parking lot.
- Unclear how such a use would directly contribute to the preservation of structures on the property.
- Unlikely that such a use would be economically sustainable.

Storage

Unheated storage for bulk materials

- Impractical due to size, structure and configuration of buildings.
- Storage space would be poorly accessible and not climate-controlled.
- Would duplicate existing space in better-equipped UMN facilities.

Museum

Rehabilitate as a publicly accessible facility to interpret the history of the bulk grain storage industry locally

Example Mill City Museum's [Washburn Crosby Elevator No. 1](#), Minneapolis, MN

- Mill City Museum occupies the adjacent former flour mill, not the Washburn Crosby Elevator No. 1, which remains vacant. The MNHS has continues to invest significant resources simply to stabilize the vacant elevator structure¹⁰.

¹⁰ <http://www.millcitymuseum.org/grain-elevator-construction-project>

- Only a fraction of the existing building space could be utilized in this way
- Such a museum would be inconsistent with the University's mission and operational model.
- Poor access to this site for the general public.

Recreation/Fitness

Select buildings could be rehabilitated to support recreational uses such as rock-climbing.

Example [Stoneworks Climbing Gym](#), Beaverton, OR; a private climbing gym inside the concrete silos
[North Texas Outdoor Pursuit Center](#), Carrollton, TX; a private multi-sport training center
[Upper Limits](#), Bloomington, IL; a private climbing gym inside the concrete silos

- Significant public safety concerns and poor access to this location.
- Rehabilitation for climbing uses is impractical due to the structure and materials of the buildings and bins/silos.
- Likely that much of the existing building space would remain unused, vacant and hazardous.
- Would duplicate University recreation facilities on the UMTC campus.

Cultural Artifact/Remnant

Retain select structures for their visual appeal as "ruins" as described in the concepts for a public park in the Bridal Veil Refined Master Plan (2001)¹¹

Example [Gas Works Park](#); Seattle, WA; no public access to structures from the site's former industrial use.
[Landschaftspark](#); Duisburg-Meiderich, Germany: a public park at a former coal and steel production facility.

- It is inconsistent with UMN mission and operations to develop and maintain a public park or stabilized ruins. It is unclear which public agency would lead the funding, development and operation of such a park at this site.
- The concept described in the Bridal Veil Refined Master Plan suggests that many of the existing ESE structures would be demolished, leaving only the cluster of storage bins as a remnant.
- Significant public safety concerns and poor access to a potential public park in this location.

In short, while many examples can be found that suggest some potential for reuse of industrial sites and structures similar to the Electric Steel Elevator, none fulfill all the necessary criteria of being truly comparable to the property, ensuring the protection of historic resources, remaining consistent with the University's mission.

Proposed Actions: Demolition and Mitigation

Pending Regents approval, the University intends to demolish the existing structures in accordance with State and University permitting standards and safe construction practices. Landfill waste and overall project cost will be minimized by salvaging recyclable materials. The site will be stabilized with low-maintenance native and naturalized vegetation, resulting in a net decrease in impervious surface compared to existing conditions. Stormwater will be managed to detain and infiltrate runoff, consistent with University policy and similar to a City of Minneapolis stormwater retention basin on an adjacent property. The site will then be secured and maintained according to University practices until a redevelopment use is identified and funded with Regents approval.

To mitigate the anticipated demolition of this historic resource the University documented the property with an archival Minnesota Historic Property Record (HPR). According to the Minnesota Historical Society (MNHS) an HPR often serves as "mitigation for demolition of, or significant alterations to, a historic property."¹² A Level I HPR "provides extensive, detailed information about the historic property.

¹¹http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/convert_275257.pdf

¹² "Minnesota Historic Property Record Guidelines" (2009). Minnesota Department of Transportation and Minnesota Historical Society. p. 2

Level II provides a brief, concise documentation.¹³ The finished document for this property includes a narrative of the property's history and commissioned photographs printed and scanned from large-format film negatives. The narrative is based on many hours of research in archives and in the field. The research team toured the complex several times, making detailed notes about the facility's operation and unique qualities, and sought out for interviews individuals who had worked in the facility when it functioned as a grain elevator. The resulting HPR tells the story of the property not simply in historical terms, but also in terms of human experience and even describes the buildings' functions, following the path grain followed from delivery, to sorting to storage. The HPR was completed in May, 2016 (SHPO no. HE-MPC-3607). Hard copy was delivered to the MNHS library, as required, and an extra copy was donated to the University's Northwest Architectural Archives. A digital copy is available at <http://z.umn.edu/ese2016>.

In addition to the HPR, the University partnered with Mill City Museum, a unit of the Minnesota Historical Society, to explore potential donation of artifacts from the property for display and interpretation in the Mill City Museum. At the University's invitation, Museum staff toured the complex several times and identified many items of historical value. The list includes a large section of the grain-conveyor system, which according to Museum staff typically is difficult to obtain and will fill a gap in interpretive displays on the history of the Minneapolis grain industry. Careful salvage and delivery of these items, at the University's cost, will be among the first tasks of the demolition team.

Findings

These findings support a conclusion that demolition of the property is consistent with University policy:

1. Preservation of this vacant property in its current state will perpetuate a public safety hazard and will drain unduly vital University resources.
2. The University has identified no feasible or practicable alternative use that is economically viable and consistent with the University's mission.
3. Demolition of the property will result in a net positive environmental impact.
4. Through cooperation and partnership with the State Historical Society, the loss of this historic resource is mitigated by archival documentation and by the donation, display and interpretation of salvaged artifacts of historical and cultural value.

Pending approval by the Board of Regents, the University will proceed with the actions described above as soon as project resources and site conditions allow.

Select Annotated Sources

Hess, Roise and Company (2003). *The Junction of Industry and Freight: The Development of the Southeast Minneapolis Industrial Area A National Register Assessment*. Minneapolis Community Development Agency.

¹³ Ibid. p. 3

This invaluable and exhaustive report was commissioned by the MCDA to build on the 1997 Preliminary Evaluation (see below). It evaluates the National Register potential of eighteen properties in the SEMI based on archival research, field surveys and interviews.

The Appendix comprises detailed inventory forms for all eighteen properties, including the Electric Steel Elevator (SHPO no. HE-MPC-3607).

Landscape Research (1997). *Preliminary Evaluation: Historic Resources in the Southeast Minneapolis Industrial Area*. Minneapolis Community Development Agency.

This study identified eighteen properties in the SEMI with potential to meet National Register criteria, and ranked the need to conduct further research on each as high, medium, or low priority. The Wabash Screen Door property was ranked “High Priority.”

Minneapolis Community Development Agency (2001). *Southeast Minneapolis Industrial Area (SEMI) Alternative Urban Areawide Review*. Accessed July, 2016:
http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/convert_282754.pdf

City of Minneapolis Community Planning & Economic Development (2015). *CPED Staff Report: Heritage Preservation Summary*.. Accessed July, 2016:
<http://www.ci.minneapolis.mn.us/www/groups/public/@cped/documents/webcontent/wcms1p-144234.pdf>

The report adds new information to the many well-known sources cited here. Of primary interest is the property owner’s statement regarding the challenges of securing the vacant complex against repeated occurrences of trespassing and vandalism and amid an uncertain real estate market.

Minnesota Department of Transportation and Minnesota Historical Society (2009). *Minnesota Historic Property Record Guidelines*. Accessed July, 2016 at
<http://www.mnhs.org/shpo/review/mhprguidelines.php>

The Guidelines describe the methodology for researching and producing an HPR, and characterize HPRs as a common means of mitigating demolition or alteration of historic properties.

Appendix i - Site Location, Drawings and Photographs

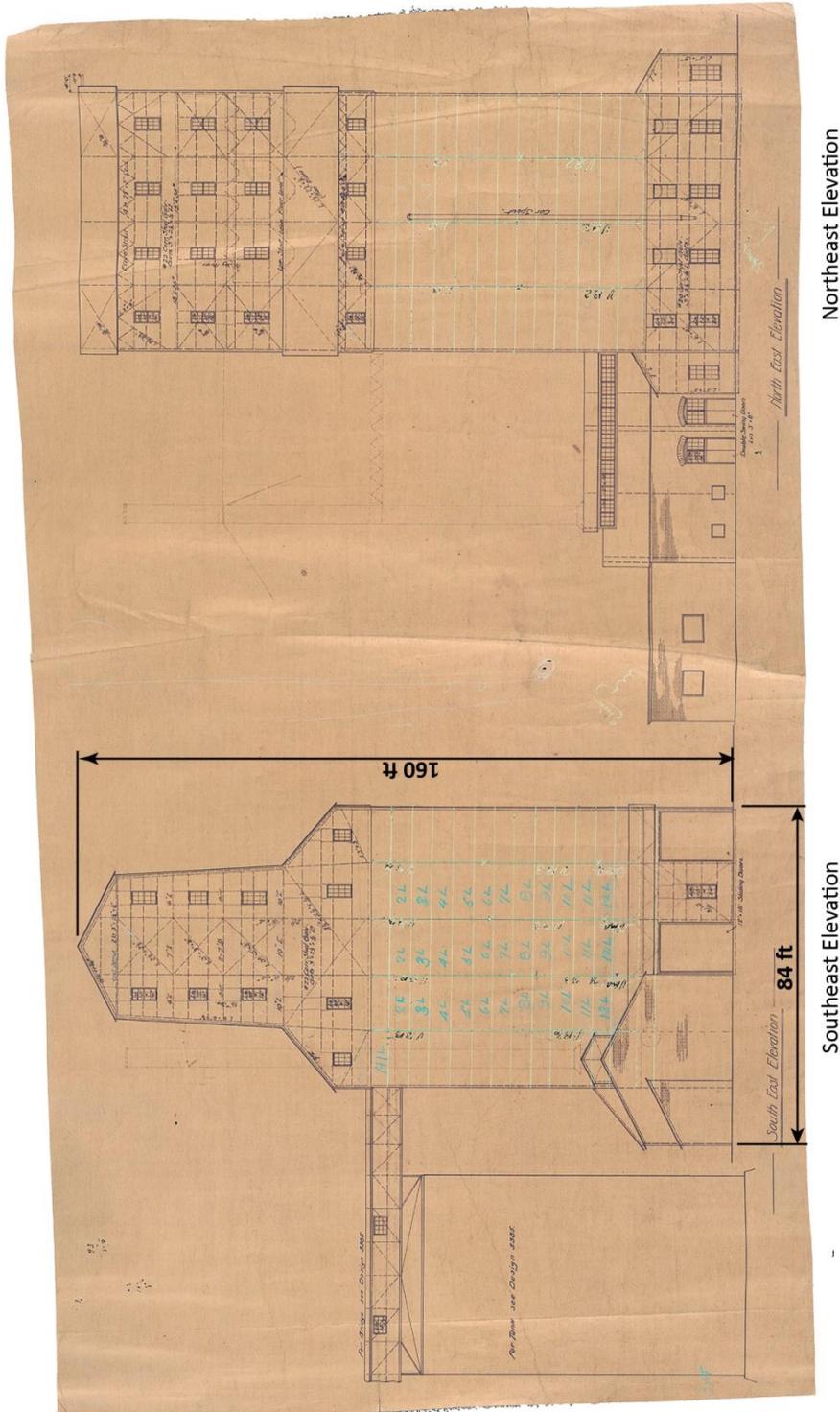


Site Location: East Bank of the Twin Cities campus



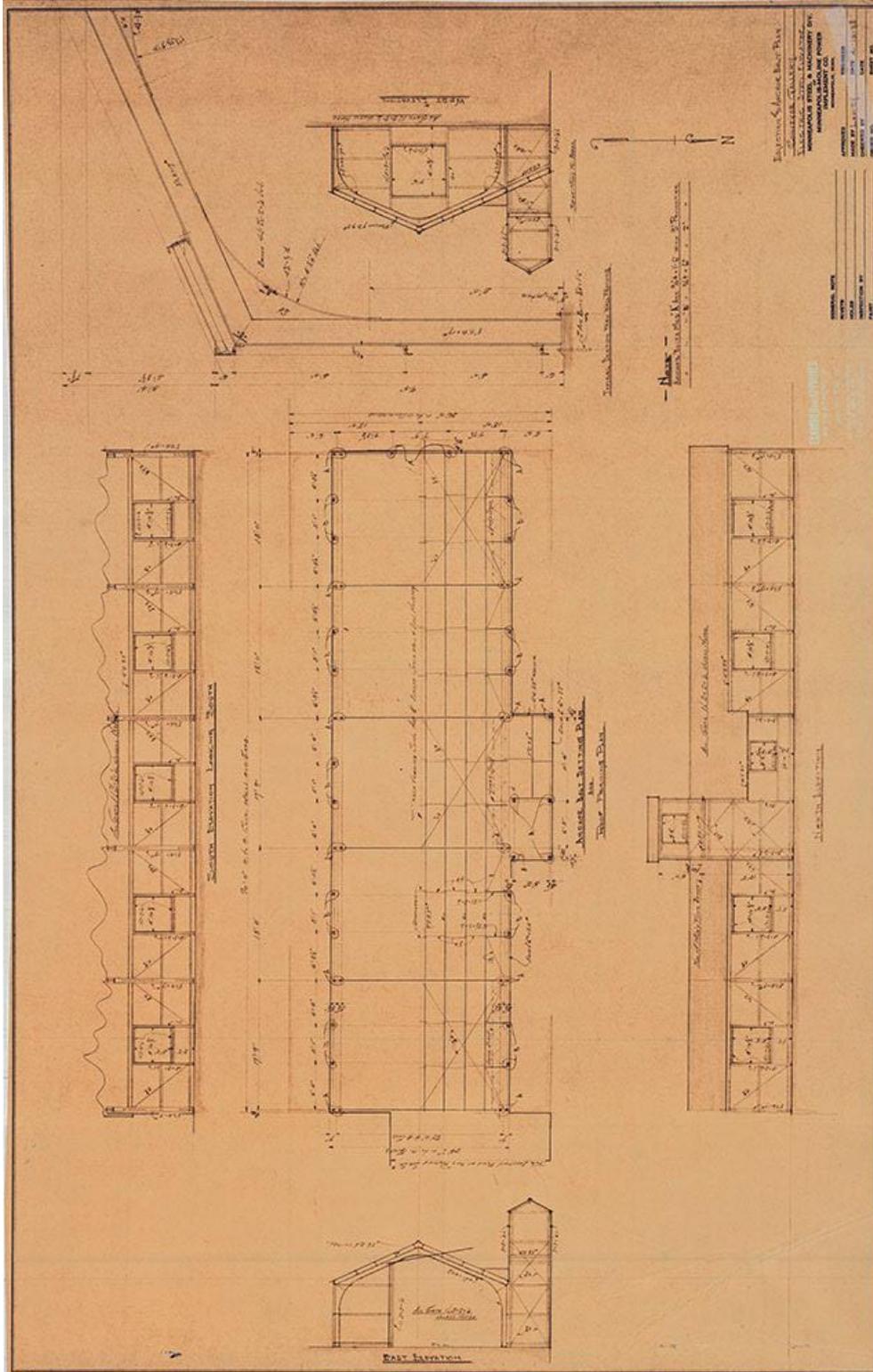
Site Location: 600 25th Avenue Southeast, Minneapolis

Building Drawings



Building elevations (ca. 1901)
Source: Northwest Architectural Archives

Building Drawings



Typical drawing from a set of thirty-four sheets (1938)
Source: Northwest Architectural Archives

Photographs



View from the west showing, from left to right, the original 1901 steel head house, the 1938 concrete head house and the 60-foot tall steel grain bins. In the foreground is the office, machine shop and garage.

Source: University of Minnesota



Aerial view (no date) showing then-unimproved 25th Avenue SE at lower left.

Source: City of Minneapolis

Photographs (continued)



At the upper conveyor galleries connecting the circular storage bins the many safety hazards include floor hatches -- now secured -- which lead to 100-foot drops to the ground.



Touring the property with Mill City Museum staff to identify historic artifacts for donation.

Appendix ii - Building-By-Building Adaptability Criteria

The University uses the following criteria to evaluate the potential to renovate its buildings and facilities to suit new or changing uses. Typically, these criteria have been used to weigh the cost/benefit of major repair or complete rehabilitation of older buildings originally designed as general-purpose classrooms, teaching labs or offices. The analysis below applies these criteria to the Electric Steel Elevator (ESE) property located in Minneapolis at 600 25th Avenue SE (PID 3002923120005) and 649 26th Avenue SE (PID 3002923120004). While the ESE property is unlike other buildings on campus in its construction and past use, applying these criteria can inform discussion of the appropriateness of investing University resources to rehabilitate the ESE property for new uses.

For the purposes of this analysis, these criteria are applied primarily to the spaces in the ESE property that were designed to be occupiable: offices, machine shops and both vertical workhouses. Unlike most general-purpose buildings, the ESE property was designed solely for handling grain delivered by railroad. Its massive structures accommodated railroad cars at ground level and, above and below, housed machinery and storage areas. This analysis does not specifically address the thirty-two cylindrical grain bins – each measuring 50 feet in diameter and 60 feet tall, and constructed of hand-riveted steel plates – or the narrow, dangerous conveyor-belt galleries and tunnels connecting the bins. These structures currently are not safely or practicably occupiable. To renovate them for occupancy clearly would require modifications that would adversely impact the property’s historic character.

Structural Floor-to-Floor Height

Floor-to-floor heights in classroom or laboratory buildings typically range between 11 and 14 feet, and typically remain consistent throughout a building. Floor heights and structure types can constrain potential uses and the ability to install new mechanical systems effectively.

Due to the custom built nature of the ESE property there is no consistent floor height. Dimensions range from 10 feet in the main office, to 18 feet in the machine shop, and up to 67 feet and even more in the upper grain-handling lofts of the two head-houses.

Structural Column Grid / Bay Spacing

The spacing of structural grids and column bay spaces can determine whether a building is adaptable for certain programmatic needs.

Throughout the ESE property, columns in large spaces are spaced on a typical grid of 14x16 feet. The design was intended to accommodate railcars at ground level and to support multiple levels of massive structure and vibrating machinery above. The adaptability of this grid would depend on the proposed alternative use, but in general this is a small structural module compared to modern standards or even to the historic campus buildings on Northrop Mall, which typically have structural grids of 20 to 22 feet.

Quality of Documentation

Does the available architectural and structural documentation accurately reflect the original construction and building revisions over time?

Documentation of the ESE property is extremely limited. Despite an exhaustive search, apparently only a few drawings are available from the original 1901 building permit. An “ALTA” property survey

dated 2006 shows the building footprints relative to property lines and railroads, but includes very little useful detail that would support architectural design for rehabilitation of the property.

Connected to Adjacent Buildings for Pedestrian Use

Is the building connected to adjacent buildings either via skyway or Gopher Way tunnels?

The ESE property was sited and designed to provide direct links to the adjacent railroad yard. No direct connection exists to University campus infrastructure. The existing City of Minneapolis street and sidewalk network does not provide safe or convenient connection to the property for anything but the most rugged service vehicles.

Facade

Is the facade adaptable (i.e. not load bearing) for new windows, entrances, modifications, etc.?

Most of the ESE building facades are load-bearing and integral with the structure, and therefore are not readily adaptable for new openings. This applies to the office and machine shops (brick masonry) and the head house addition (reinforced concrete). The original head house facade is hand-riveted plate steel. A structural analysis has not been performed to determine whether this steel facade is load-bearing. While there are examples of grain elevators that have been rehabilitated to accommodate additional openings in structural walls, it must be noted that such modifications typically damage a property's historic integrity to the point of disqualifying it from National Register designation.

Facades Thermal Properties

Does the existing facade have sufficient thermal properties to support the new code required energy efficient designs?

As described above, the materials used to enclose the ESE building facades provide virtually no thermal insulation and would result in extremely inefficient energy use if the buildings were rehabilitated to occupancy standards.

Sufficient Centralized Vertical Shafts for Mechanical Systems

Does the existing building floor plate allow for introduction of vertical shaft elements?

At the ESE head houses, there are opportunities for vertical shafts. However, these would reduce the occupancy efficiency of the irregularly shaped floor plates. In the more conventionally occupiable office and machine shops, there are no opportunities for vertical shafts.

Sufficient Vertical Egress / Access and Sufficient Elevator Access

Are there sufficient vertical access or egress routes, i.e. two each of stair egress, elevator(s) and entrances?

Built as single-purpose industrial structures, the ESE buildings make absolutely no concessions to current accessibility requirements. For example, the sole functioning elevator on the property, in the steel head house, has manually-operated lift gates and a cab with space for only four typical adults. To bring the buildings up to current accessibility codes would be prohibitively costly and would compromise many of the property's distinctive historic features.

Significant Mechanical or Electrical Infrastructure

Are the existing mechanical and electrical systems sufficient to accommodate a renovation? Is the age of existing equipment adequate to avoid replacement? Are there existing service rooms sufficient to accommodate current code requirements and program needs? Is the existing mechanical distribution area sufficient to house a new mechanical system or is it of age that will not require replacement? If the existing mechanical penthouse is too small or non-existent, additional costs would be required to add space to accommodate the new mechanical distribution system.

In all of these regards, the ESE property is woefully inadequate. Originally constructed for the sole purpose of handling grain delivered by railroad, its building systems and mechanical spaces would require complete replacement. Space to accommodate current code-required building systems would greatly reduce the efficiency of the buildings' irregular floor plates, if included within the existing building footprints, and/or would require the construction of additional building area. In either case, the potential adverse impacts to historic resources would need to be assessed.

Opportunity for Floor Plan Efficiency Gain

Can the floor plate be revised to increase building space efficiency for assignable square footage (example removal of double corridors, etc...)

The ESE buildings are not constructed on a typical structural grid and include many irregular spaces built for specific industrial uses. It is assumed that, to accommodate any new uses, the grain handling equipment would be removed completely, as these ducts, chutes and conveyors occupy much of the buildings' square footage.

Building Construction Type Concerns

Does the existing building construction type present any constraints to potential alternative uses?

As described above, the construction types of these single-purpose industrial buildings, present significant constraints which render most potential reuse options impracticable.

Fire Suppression Systems

If the building is not sprinkled, any renovation would require installation of sprinklers or other fire-suppression systems, potentially throughout the building.

Rehabilitation of the ESE buildings for occupancy uses would require installation of code-compliant fire-suppression systems throughout. Further study would be required to understand how current building codes would address fire-suppression for the steel-plate construction of the original 1901 head house.

High Rise Building

Will the structure be considered a high rise building? This is defined as a building more than 75 feet in height, measured from the lowest level of fire department vehicle access to the floor of the highest occupiable story under the current Building Code.

With occupiable stories more than 140 feet above the ground floor, both head houses would qualify as "high rise buildings" if they were to be rehabilitated as occupiable spaces. According to current building codes, significant additional fire protection and egress accommodations would be required.

Resolution Related to Historically Eligible Asset: Electric Steel Elevators

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016

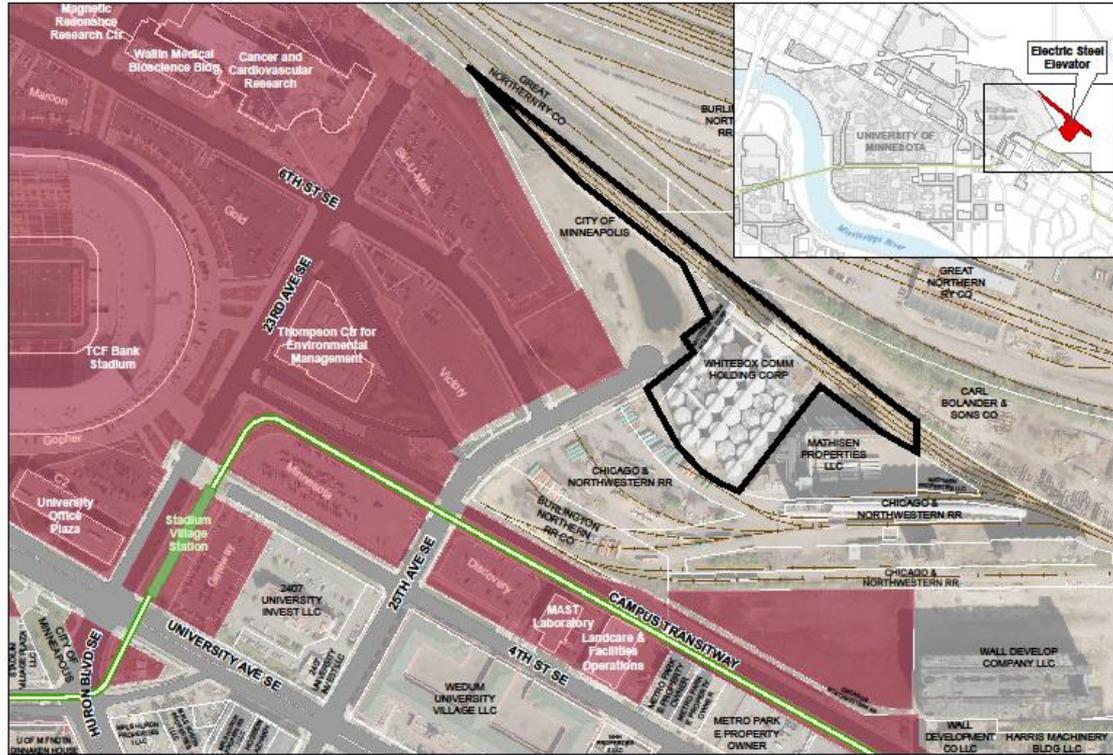


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Location Map





Property Description

- Constructed over a century ago for the sole purpose of handling grain delivered by railroad
 - not designed with modern standards of safety or accessibility
 - multiple owners made no real improvements other than basic repairs
 - property sits amid a large railroad yard, detached from the city's street network





Property Analysis and Timeline

- June 2015: Regents approved property acquisition, which included demolition of the electric steel elevators by prior owner
- November 2015: University acquired property
- January 2016: State Historic Preservation Office
- January-May 2016: Historical Property Record
- May-June 2016: Stakeholder involvement meetings
- August 2016: Adaptive Reuse Study completed
 - Identified no alternatives consistent with the University's needs, mission, or operational model
- September/October 2016: Regents review/action





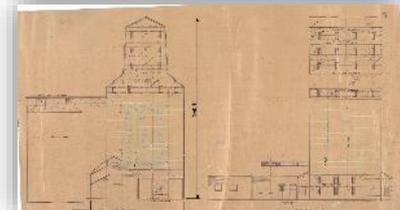
Property Recommendation

- Demolition proposed
 - Achieves the University's land-assembly goals
 - Maintains public safety
- Mitigation measures
 - Archival documentation of the property - Historic Property Record (SHPO standards)
 - Salvage and donation of historic artifacts for interpretive display
 - Mill City Museum

Grain paddle



Grain scale





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning & Operations

September 8, 2016

AGENDA ITEM: Capital Budget Amendment

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Suzanne Smith, Assistant Vice President, Capital Planning and Project Management
 Mark Coyle, Director of Intercollegiate Athletics
 Danita Brown Young, Vice Provost for Student Affairs

PURPOSE & KEY POINTS

The purpose of this item is to review an amendment to the FY 2017 Annual Capital Improvement Budget for the following project:

- *Intercollegiate Athletics Track and Field Facility and Rec Sports Facilities Relocation - Twin Cities campus*

A project data sheet is included in the docket materials and addresses the basis for request, project scope, cost estimate, funding, and schedule for this project. A map locating the project on the Twin Cities campus is also included.

BACKGROUND INFORMATION

This project will construct a new competition level track and field facility for Intercollegiate Athletics at the Athletes Village site on the East Bank and relocate the existing Recreation Sports bubble and softball field to the intersection of 25th Avenue SE and 6th Street SE.

PRESIDENT'S RECOMMENDATION

The President recommends approval of an amendment to the FY 2017 Annual Capital Improvement Budget for the project listed below and of the appropriate administrative officers proceeding with the construction for this project:

- *Intercollegiate Athletics Track and Field Facility and Rec Sports Facilities Relocation - Twin Cities campus*

**Intercollegiate Athletics Track and Field Facility
and Recreation Sports Facilities Relocation
University of Minnesota Twin Cities
Project No. 01-000-16-1667**

1. Basis for Request:

The University’s Track and Field Practice Facility was displaced as a result of the construction of the new Athletes Village Complex. The University’s Women’s and Men’s Track and Field teams are currently commuting to Hamline University for practice. The creation of the new track on the Twin Cities Campus, adjacent to the new Athletes Village Complex, will strengthen the University’s commitment to track and field and provide opportunities for the University to host competitive events.

The new location for Track and Field currently houses the Recreation Sports Bubble and Softball Field, requiring its’ relocation. The new location for the Bubble and Softball Field will be at the corner of 25th Avenue SE and 6th Street SE, which provides a prominent location with improved access to parking and mass transit.

2. Scope of Project:

The project will construct a new NCAA competition-level Track and Field Facility at the Athletes Village site at the current location of the Recreation Sports Bubble and Softball Field. The 48” wide, 9 lane track will also contain javelin, shotput, discuss/hammer throw, long/triple jump, and steeplechase. The facility will include 5,600 SF of amenities including: restrooms, press box, concessions, and 4,000 seat capacity (permanent and temporary) stands.

The relocation of the Recreation Sports Bubble and Softball Field will reconstruct the existing facilities. The project will repurpose the existing bubble facility and salvage, as applicable, the existing mechanical, plumbing, and electrical systems.

3. Master Plan:

The project is in compliance with the Twin Cities Campus Master Plan dated March 2009.

4. Environmental Issues:

Identified remediation costs include anticipated contaminated soil on both sites. The project budget accounts for the remediation as currently identified.

5. Cost Estimate:

	<u>Track & Field</u>	<u>Rec Sports</u>	<u>Total</u>
Construction Cost	\$11,025,000	\$5,425,000	\$16,450,000
Non-Construction Cost	1,975,000	575,000	2,550,000
Total Project Cost	\$13,000,000	\$6,000,000	\$19,000,000

6. Capital Funding:

University Debt	\$19,000,000
Total Capital Funding	\$ 19,000,000

7. Capital Budget Approvals:

This project was not included in the FY2017 Annual Capital Budget as project scope determination was still under way. Therefore, a Capital Budget Amendment is requested so the project may proceed.

8. Annual Operating and Maintenance Cost:

It is anticipated that annual costs for both facilities will be similar to current costs.

9. Time Schedule:

Design complete	April 2017
Bubble Relocation estimated substantial completion	November 2017
Track estimated substantial completion	August 2018

10. Project Team:

Architect	TBD
Contractor	TBD

11. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:

Mark Coyle

Mark Coyle, Director of Intercollegiate Athletics

Michael D. Volna

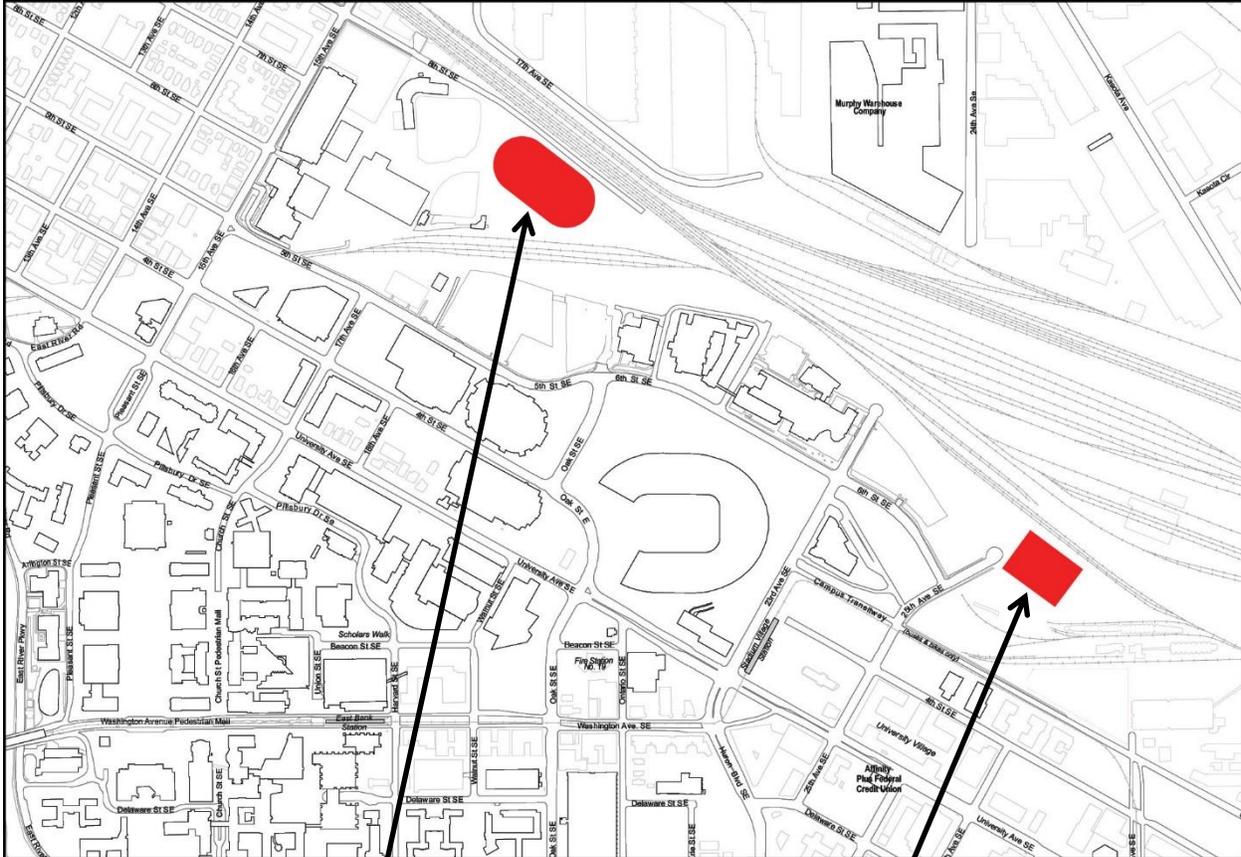
Michael Volna, Interim Vice President and CFO

Michael Berthelsen

Michael Berthelsen, Interim Vice President for University Services

**Intercollegiate Athletics Track and Field Facility
and Recreation Sports Facilities Relocation
University of Minnesota Twin Cities Campus**

Site Map



Track & Field Facility

Recreation Sports Bubble & Softball Field Replacement



Track and Recreation Sports Bubble

Twin Cities Campus

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016



UNIVERSITY OF MINNESOTA

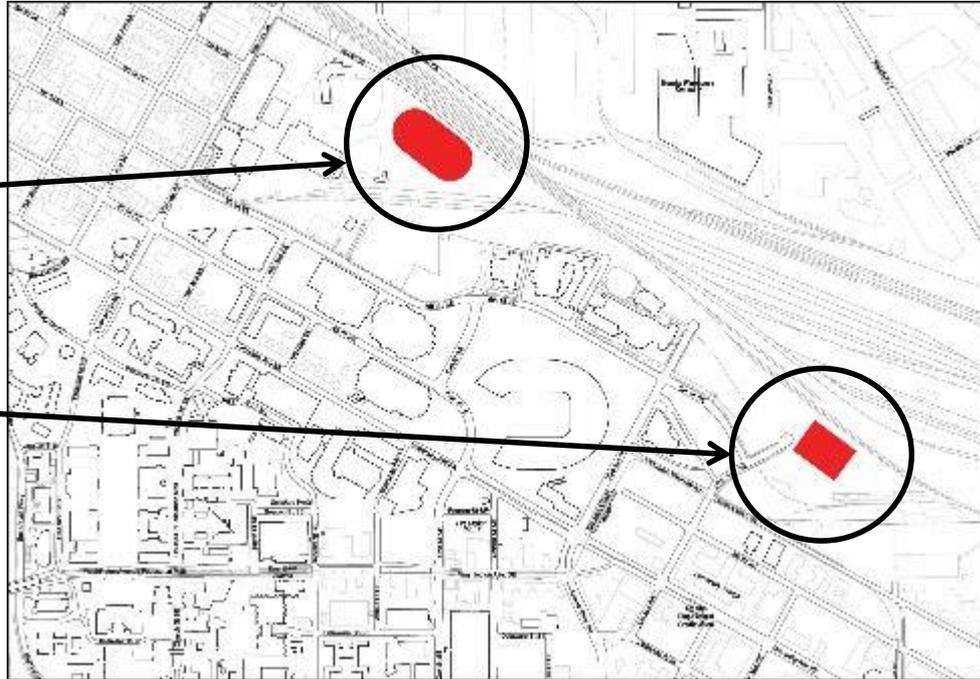
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Capital Budget Amendment Location Map

**Athletes Village
Track & Field Site**

**Recreation Sports
Bubble & Softball
Field Site**





Capital Budget Amendment Project Rationale

- Provide a NCAA competition-level Track and Field Facility on campus
- Comparable relocation for the Recreation Sports Bubble and Softball Field
 - Improved parking and access to light rail
- Maximize shared amenities with the Athletes Village Complex creating an integrated Intercollegiate Athletic experience





Capital Budget Amendment Project Description

- Track and Field Facility
 - 9 lane track, javelin, shot put, discus/hammer throw, long/triple jump, and steeplechase
 - 5,600 gsf of new support buildings
- Rec Sports Bubble/Softball Field
 - Relocation of existing sports bubble and softball field





Capital Budget Amendment Project Description

• Cost Estimate		
– Track and Field Facility		
• Construction		\$ 11,025,000
• Non-construction		<u>1,975,000</u>
• Project Cost		\$ 13,000,000
– Recreation Sports Bubble and Softball Field Relocation		
• Construction		\$ 5,425,000
• Non-construction		<u>575,000</u>
• Project Cost		\$ 6,000,000
Total Project Cost		\$ 19,000,000
• Capital Funding:		
– University Debt		<u>\$ 19,000,000</u>
Total Approved Project Budget		\$ 19,000,000



Capital Budget Amendment Project Description

- Anticipated Completion:
 - Bubble Relocation: November 2017
 - Track Construction: August 2018
- Estimated Annual Operating Costs:
 - No significant change
- Design / Build Contractor:
 - To Be Selected





Capital Budget Amendment Track and Field Facility: Site Plan





Capital Budget Amendment Rec Sports Facilities Relocation: Site Plan





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: Capital Budget Amendment

Review **Review + Action** **Action** **Discussion**

This is a report required by Board policy.

PRESENTERS: Michael Berthelsen, Interim Vice President, University Services
Suzanne Smith, Assistant Vice President, Capital Planning and Project Management
Laurie McLaughlin, Director, Housing and Residential Life

PURPOSE & KEY POINTS

The purpose of this item is to review an amendment to the FY 2017 Annual Capital Improvement Budget for the following project:

- *Pioneer Hall Renovation and Consolidated Superblock Dining Facility - Twin Cities campus*

A project data sheet is included in the docket materials and addresses the basis for request, project scope, cost estimate, funding, and schedule for this project. A map locating the project on the Twin Cities campus is also included.

Following review of this item by the committee on July 6, 2016, President Kaler is now recommending the option that increases capacity by 60 beds. The total bed count is now 756, total dining seats remain 850, and the total project cost is \$104.5 million.

BACKGROUND INFORMATION

The University's housing strategy deploys a variety of methods to meet student residential needs as they progress through their academic careers. For first-year students, University-owned and operated residence hall style housing is a critical tool. The benefits of a residential environment for incoming students have been shown to include supporting academic achievement, retention, and progression in four-year graduation rates. The supportive services available to students within University-owned housing include:

- Community dining.
- Educational, social, and developmental programs.
- Staff with specialized education and training to support and respond to student needs.
- Interaction between institutional administrative offices and systems to facilitate problem resolution.

Incoming students who start their academic careers in University housing are well equipped to address the challenges of academic rigor, personal development, and social connections at a pivotal time in their lives.

The Superblock contains four undergraduate residence halls – Pioneer, Centennial, Frontier, and Territorial – housing approximately 2,800 students, serving meals in two dining halls, and providing the style of first-year housing experience parents and students are seeking. The location is a highly desirable, hard-to-replicate, first-year-focused neighborhood defined by the density and size of the student population, green space features, adjacency to the heart of the East Bank, and easy access to transit.

Facility Facts and Deficiencies

Designed by Clarence Johnston, Pioneer Hall is four stories and includes 164,020 gross square feet. The southern half was built in 1928 and the northern half in 1932. Pioneer houses 693 first-year students, has a dining facility that seats 190, and offers limited student support spaces.

Pioneer is considered an eligible historic resource, according to federally funded Environmental Impact Study documents supporting the Central Corridor LRT (Green Line) project. The campus master plan references retention of historic buildings and landscapes, when appropriate, as part of the strategy of enhancing a place-based experience on campus.

A significant revamping of Pioneer was completed in 1977. While repair and maintenance of systems and the building structure have continued since then, no major work has been done over the past 15 years. Pioneer does not meet current building code in many areas, is not ADA-compliant, and is in need of significant modifications, including integration of HVAC, plumbing and electrical system replacement, bathroom renovation, and the addition of community study space.

In addition to building deficiencies, the residential and dining components require significant investment to bring the program into alignment with other residence halls and dining experiences on campus, as well as peer institutions. Dining at Pioneer, as well as at Centennial, is below-grade and physically constrained, limiting the type of service and food production format available. Kitchen ventilation is inadequate and many pieces of equipment have failed, are inoperable, or unable to be repaired. Operating two dining centers, neither of which has the capacity to serve the entire Superblock, creates duplication in equipment, operating costs, and staff expenses. Ongoing operational efficiencies and cost savings are possible in a consolidated dining facility.

The proposed project will include 700-800 beds, a residential dining facility to serve 2,800 students, community and recreational spaces, academic support spaces, and office space. The building will provide adequate common area space to foster community building and student interaction (including, but not limited to community and floor lounges, main building lounge, recreation room, etc.) and designated individual and group study/learning spaces that support academic success (including state-of-the art technology/support space).

Support for the Twin Cities Enrollment Plan

University housing exists to enhance the student experience, and aligns its programs and planning to meet and support the institution's enrollment strategy. The Board approved a new enrollment plan for the Twin Cities campus in March 2016. That plan calls for growth in the undergraduate body to 32,000-33,000 students; housing 90 percent of first-year students in University housing; retaining 25 percent of those students for a second-year experience; and providing housing to 10 percent of the incoming transfer class.

To support this projected growth, several concurrent housing strategies are being deployed:

- Protection of existing residence hall supply, which is adequate to accommodate 90 percent of first-year students.
- Expansion of apartment supply through master leasing, with the intention of increasing retention of second-year students in University housing. [At its July meeting, the Facilities, Operations & Planning committee will be considering recommendations for master leasing, which would add 936 beds to University-managed inventory.]
- Examination of opportunities to acquire existing apartment-style facilities adjacent to campus, where such acquisitions support long-term campus plans.
- Planning for future residence hall expansion along the riverfront corridor, in anticipation of enrollment growth and changes in healthcare delivery.

Understanding Program Need

A request for proposal for a predesign was issued in December 2015 to determine the strategies, program, and cost for the renovation or replacement of Pioneer. The predesign work, starting with a feasibility study, was initiated on January 25, 2016. Its goals and objectives were:

- Determine physical capacity to accommodate program objectives (living and dining space).
- Understand campus planning repercussions associated with achieving program objectives.
- Investigate contemporary models of student housing and dining facilities on other campuses to inform the programming process.
- Determine appropriate treatment of historic resources relative to operations feasibility.
- Evaluate a range of opportunities to remodel, expand, or replace the outmoded facilities to create quality residential housing stock and supportive spaces, including a consolidated residential dining facility to enhance the first-year student experience, while advancing goals regarding space- and cost-efficiency.
- Demonstrate potential strategies to provide housing stock and spaces that support and enhance the first-year student experience on campus.
- Balance efficiency, utilization, and experience as part of a strategy for providing dining services to University residents.
- Reinforce long-range planning strategies and a framework for responsive, contextual growth and development of housing in defined neighborhoods on the Twin Cities campus.

The design team examined a range of alternative approaches that tested the varying degrees to which Pioneer can be adapted, modified, or replaced to accommodate the program for student housing and dining services. The feasibility schemes included site analysis diagrams, space allocation tests, basic program metrics and efficiencies, conceptual building massing, and preliminary cost estimates and schedules.

Design Options, Rate Impact, and Recommendation

Three general baseline options were tested, with variations of each generated for discussion:

Option 1 – Update As Built

This scenario retains the existing building envelope and footprint on all floors. Housing is designed to meet current residence hall style, programs, and mechanical systems, resulting in a single loaded corridor and a significantly reduced number of beds. Dining is retained in the current footprint with a refreshed interior and resolved floor level changes. Due to the limited

footprint, the service model cannot be altered to provide a contemporary student dining experience.

Option 1:

Housing:	385 beds	\$51.0 million project cost
Dining:	225 seats	\$8.5 million project cost

Option 2 – Maintain Character and Capacity

This scenario retains the character-defining features of the existing building while strategically expanding the building footprint to accommodate a number of beds comparable to the current capacity of Pioneer. (An opportunity exists to increase capacity by 60 beds through the addition of a fifth story to the center bar of the building at a cost of \$5.5 million, not reflected in the totals below.) The dining component is brought to grade, and seating capacity is expanded to better serve the student population of the Superblock while offering expanded meal and serving options, similar to the 17th Avenue Residence Hall. The per-bed cost of this option is comparable to the per-bed cost of the 17th Avenue residence hall, adjusted to 2018 dollars.

Option 2:

Housing:	696 beds	\$76.2 million project cost
Dining:	850 seats	\$22.8 million project cost

Option 3 – Demolish and Build New

This scenario demolishes Pioneer and replaces it with new construction within the boundaries of the current property line. Both housing and dining components of the new building were designed to optimize the program and student experience, similar to the 17th Avenue Residence Hall. This option was rejected due to excessive cost and the belief that the existing facility supports a place-based campus experience.

Option 3:

Housing:	798 beds	\$105.3 million project cost
Dining:	900 seats	\$24.7 million project cost

To meet the University's goals and objectives for housing first-year students, plans for future increased enrollment, and maintaining housing rates within the bottom half of the Big Ten, the administration recommends Option 2. This option preserves overall capacity, is consistent with Board policy regarding treatment of historic resources, and is the most fiscally responsible. Under this option, room rates are expected to bear an approximately 3 percent supplemental increase for fiscal years 2018-2023, by which time it is projected that the University will remain below the midpoint of the Big Ten.

PRESIDENT'S RECOMMENDATION

The President recommends approval of an amendment to the FY 2017 Annual Capital Improvement Budget or the project listed below and of the appropriate administrative officers proceeding with the completion of the design and construction for the project:

- *Pioneer Hall Renovation and Consolidated Superblock Dining Facility - Twin Cities campus*

Pioneer Hall Renovation and Consolidated Superblock Dining Facility
Minneapolis Campus
Project No. 01-052-16-1660

1. Basis for Request:

The University's overall housing strategy deploys a variety of strategies to meet student residential needs as they progress through the course of their academic careers. For first-year students, University-owned and operated residence hall style housing is a critical tool that meets these needs. The benefits of this residential environment for incoming students have been shown in terms of academic achievement, retention, and progression in the form of four-year graduation rates.

The Superblock contains four undergraduate residence halls – Pioneer, Centennial, Frontier, and Territorial – housing approximately 2,800 students, serving meals in two dining halls, and providing the style of first-year housing experience parents and students are seeking. The location is a highly desirable, hard-to-replicate first-year focused neighborhood, defined by the density and size of the student population, green space features, adjacency to the heart of the East Bank campus, and easy access to transit. Relocating the same housing density with a complementary open space pattern equivalent to the current day Superblock is not financially feasible elsewhere on or near the East Bank campus.

The existing Pioneer Hall does not meet current building code in many areas, is not ADA compliant, and is in need of significant modifications, including integration of HVAC, plumbing and electrical system replacement, bathroom renovation, and the addition of community study space. A significant revamping of Pioneer Hall was completed in 1977. While repair and maintenance of systems and the building structure have continued since 1977, no major work has been done over the past 15 years.

In addition to building deficiencies, both the residential and dining components require significant investment to bring the program into alignment with other residence halls and dining experiences on campus, as well as peer institutions. A capital budget amendment for this project is requested so that the project may proceed.

2. Scope of Project:

The Pioneer Hall renovation will retain the character-defining features of the existing building, while strategically expanding the building footprint to 241,000 gross square feet to accommodate a comparable number of beds in the existing Pioneer Hall. The renovated facility includes approximately 756 beds and an 850 seat consolidated dining facility that will more effectively and efficiently serve all students living in the Superblock.

In addition, the project will integrate community/recreational spaces along with office and academic support spaces. Space within the building will provide adequate common area spaces to foster community building/student interaction and designated individual and group study/learning spaces that support academic success.

3. Master Plan or Precinct/District Plan:

The project is in compliance with the Twin Cities Campus Master Plan dated March 2009.

4. Environmental Issues:

Identified abatement costs include asbestos-containing materials within the building. The project budget accounts for the asbestos abatement.

5. Cost Estimate:

	<u>Housing</u>	<u>Dining</u>	<u>Total</u>
Construction Cost	\$71,000,000	\$20,500,000	\$91,500,000
Non-Construction Cost	10,725,000	2,275,000	13,000,000
Total Project Cost	\$81,725,000	\$22,775,000	\$104,500,000

6. Capital Funding:

<u>University Long-Term Debt</u>	<u>\$104,500,000</u>
Total Capital Funding	\$104,500,000

7. Capital Budget Approvals:

The project was not included in the FY17 Annual Capital. A Capital Budget Amendment for this project is requested so that the project may proceed.

8. Annual Operating and Maintenance Cost and Source of Revenue:

The annual operating and maintenance cost of the new facilities is estimated to be approximately \$14.30/SF.

9. Time Schedule:

Proposed Design Completion	February 2018
Proposed Construction Substantial Completion	August 2019

10. Project Team

Architect/Engineer Team (Predesign only):	TKDA Architects
Construction Manager @ Risk:	TBD

11. Recommendation:

The above described project scope of work, cost, funding, and schedule is appropriate:

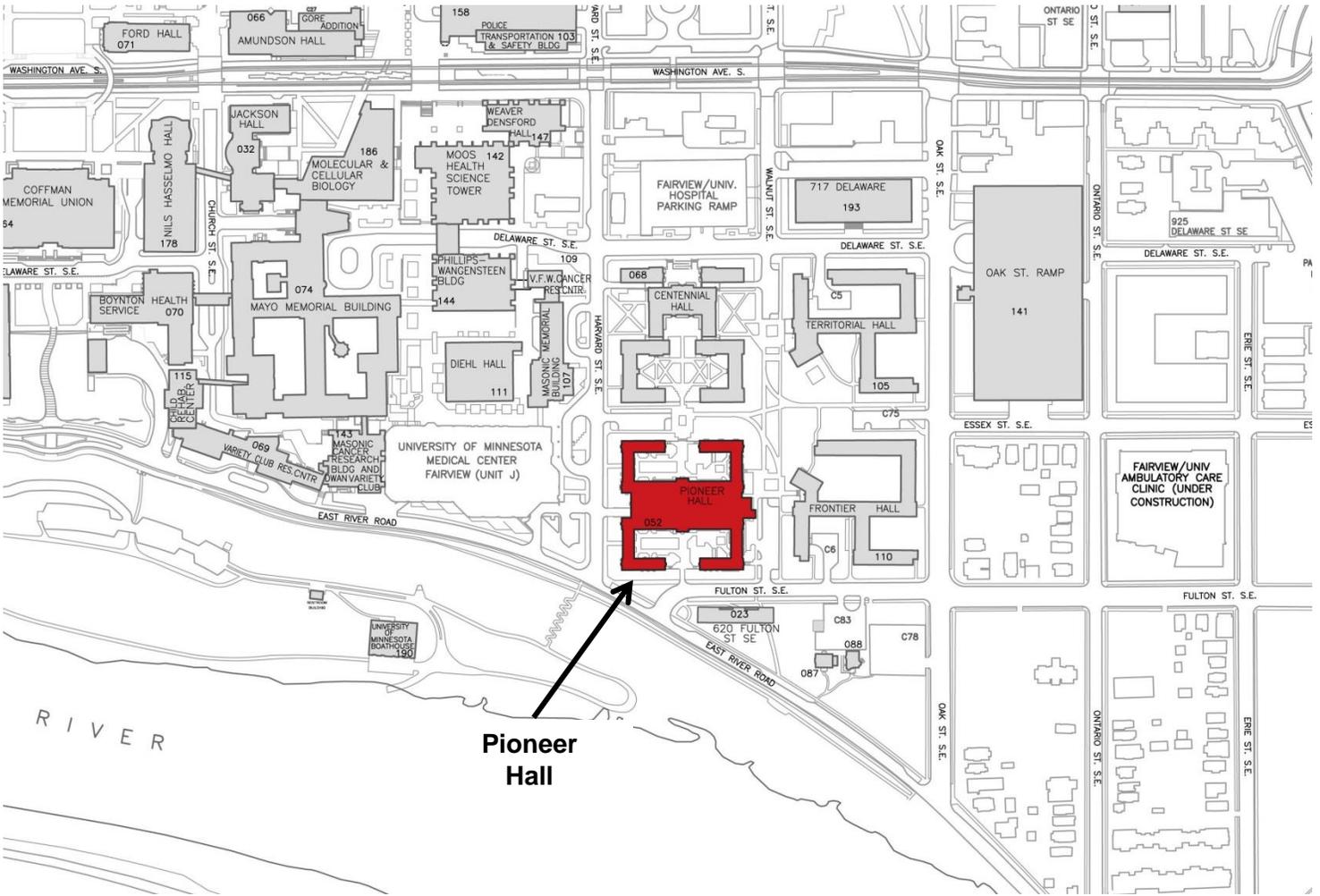


Michael Volna, Interim Vice President and Chief Financial Officer



Michael Berthelsen, Interim Vice President for University Services

**Pioneer Hall
Minneapolis East Bank Campus
Site Location Map**



Pioneer Hall Renovation and Consolidated Superblock Dining Facility (Twin Cities Campus)

Board of Regents Facilities, Planning, and Operations Committee
September 8, 2016



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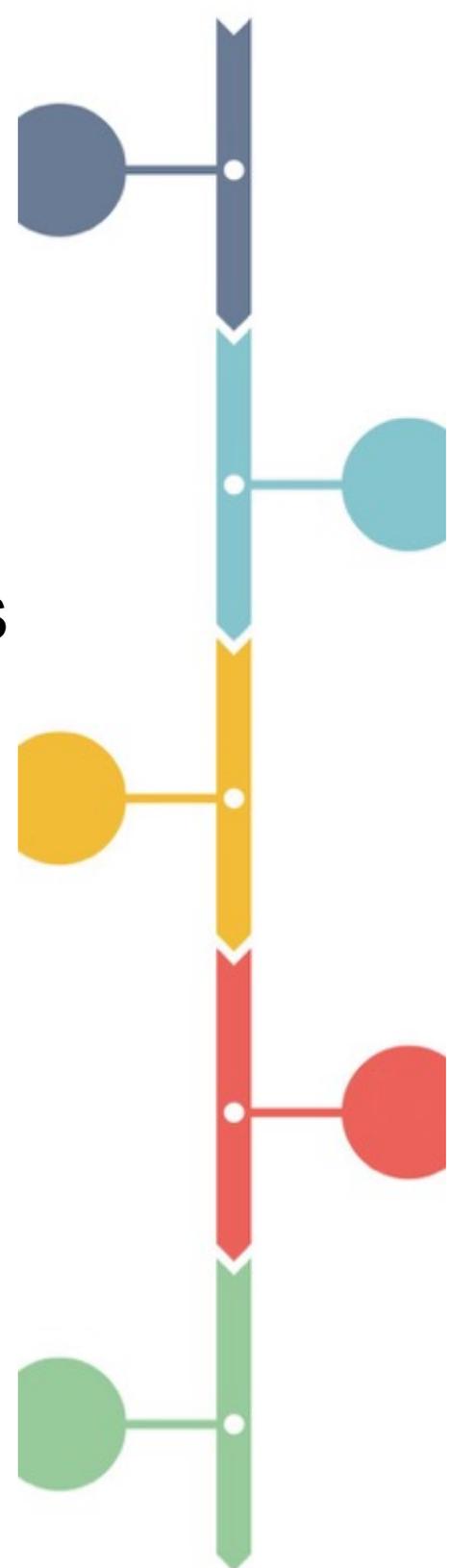
Intended Goals

- Address building obsolescence (facility condition / ADA / building code)
- Preserve residence hall bed capacity
- Expand residence hall capacity
- Enhance student experience
- Offer student facilities that compete well with peers and internal alternatives
- Improve dining experience on the Superblock
- Increase efficiency of dining operations
- Align with campus development plans for Southeast Gateway



Pioneer Historical Planning

- First major project evaluation in 2009
- Listed “under consideration” in 2014, 2015 Six Year Plans
- RFP to study options in 2015
- Presented to committee for review in July
 - \$99 million, 696 beds
- Recommendation for action in September
 - \$104.5 million, 756 beds





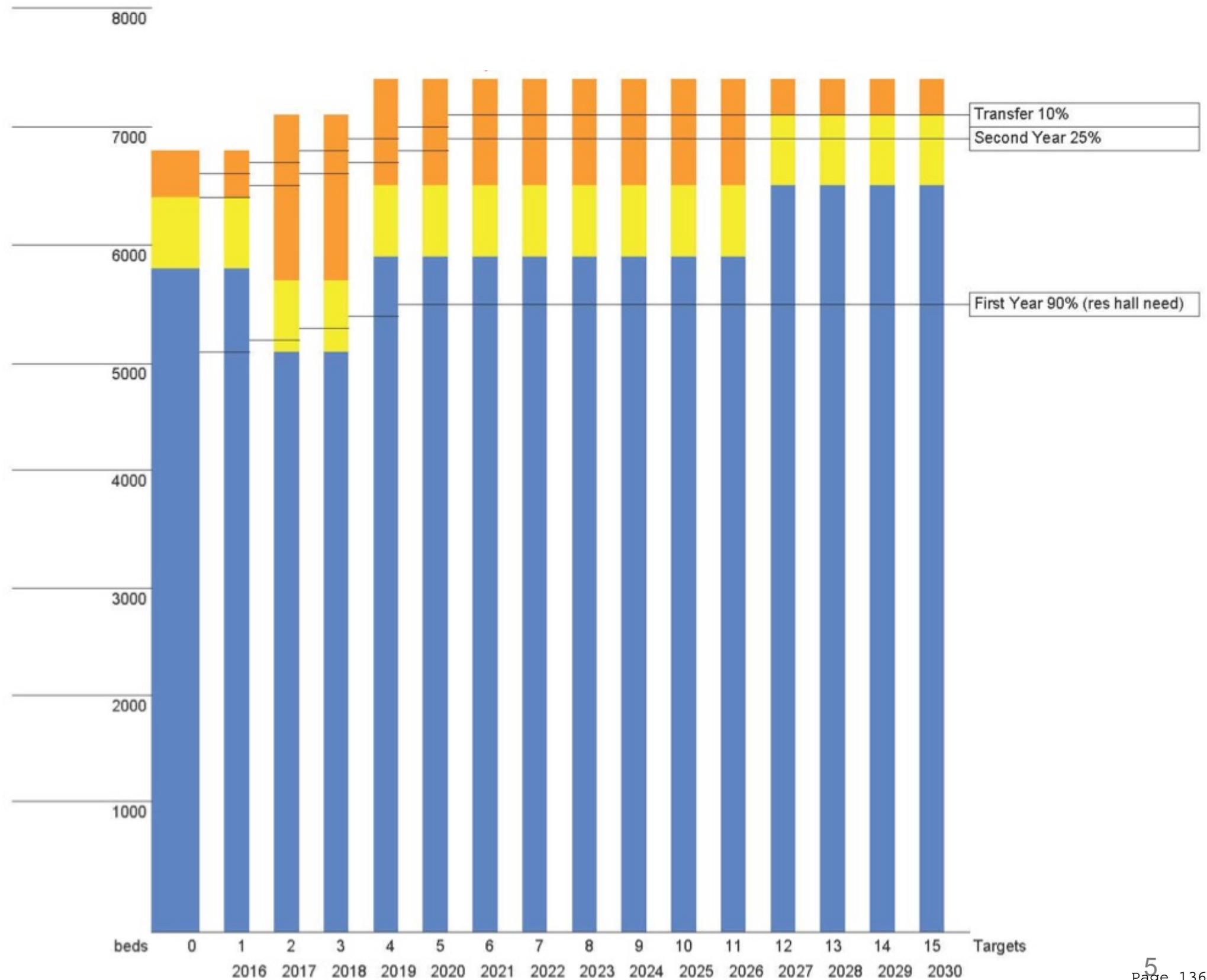
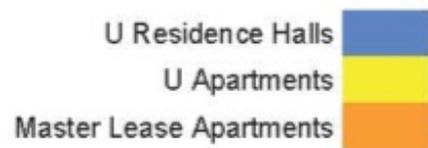
Capital Budget Amendment Project Rationale

- New enrollment strategy adopted March 2016
 - Growth in the undergraduate body to 32,000-33,000 students
 - Housing 90% of first-year students in University housing
 - Retaining 25% of those students for a second year experience
 - Providing housing to 10% of the incoming transfer student class





Projected Capacity and Demand





Capital Budget Amendment Project Rationale

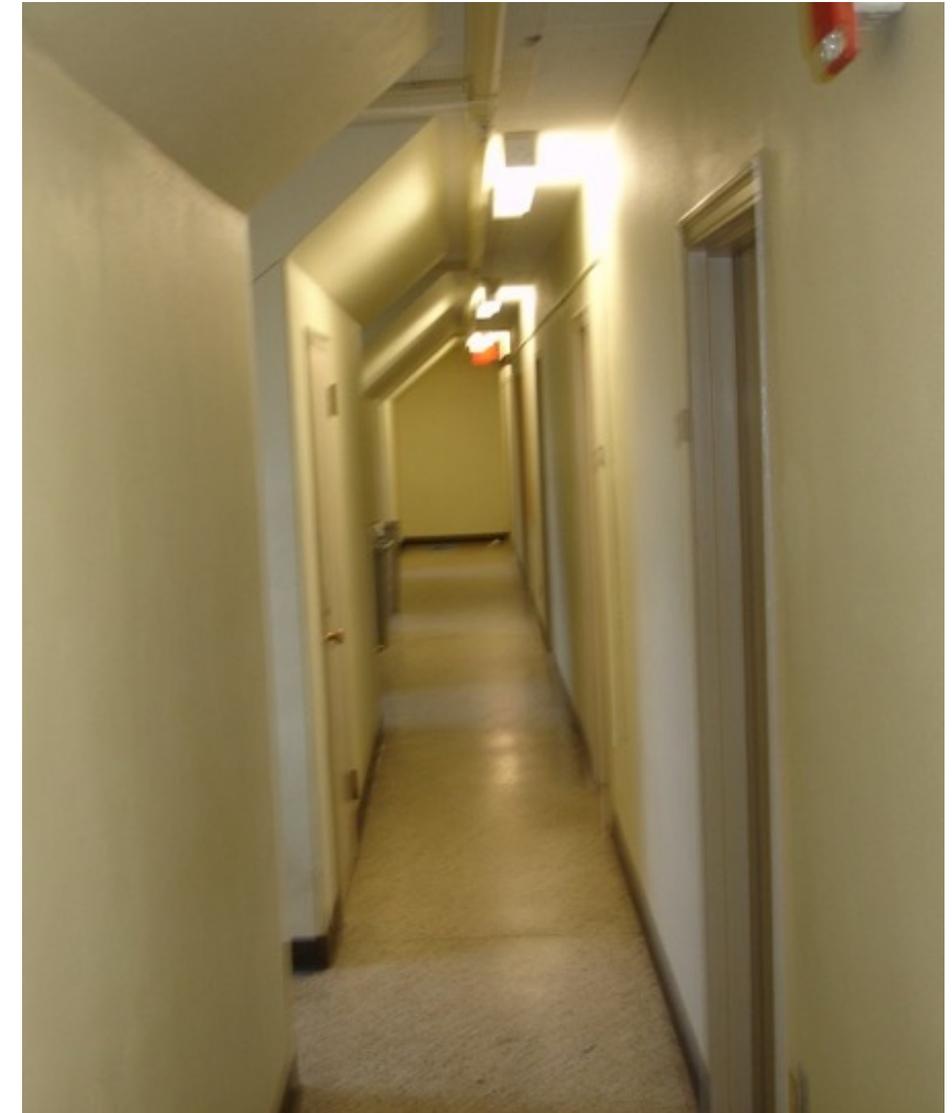
- Concurrent Strategies to support Enrollment
 - Protection of existing residence hall supply
 - Expansion of apartment supply through master leasing
 - Examination of opportunities to acquire existing facilities adjacent to campus
 - Planning for future residence hall expansion along the riverfront corridor





Capital Budget Amendment Project Rationale

- Existing Pioneer Hall deficiencies
 - Does not meet current building code and ADA requirements
 - Lacks modern HVAC, investments in building systems, bathroom renovations
 - Below-grade, physically constrained dining with mechanical deficiencies
- Requires significant investment
 - Program alignment for residential halls and dining experiences on campus, as well as peer institutions
 - Consolidation of two dining centers for operational cost reduction





Summary of Options

Option	Housing			Dining	
	Beds	Cost	Per Bed	Seats	Cost
Mothball	0	\$2,850,000	\$7,200	0	included
Extend Useful Life (short list)	693	\$15,500,000	\$22,370	190	included
Extend Useful Life (long list)	693	\$34,950,000	\$50,430	190	included
Renovate Existing Structure	385	\$51,000,000	\$111,690	225	\$8,500,000
Maintain Character and Capacity	696	\$76,225,000	\$95,260	850	\$22,725,000
Maintain Character and Capacity +	756	\$81,725,000	\$93,920	850	\$22,725,000
Demolish and Build New	798	\$105,250,000	\$112,160	900	\$24,750,000

17th Avenue Cost Per Bed (2018 dollars)

\$ 95,130



Option: Maintain Character and Capacity +

- Cost Estimate - Housing
 - Construction \$ 71,000,000
 - Non-construction 10,750,000
 - Total Project Cost \$ 81,725,000
- Cost Estimate - Dining
 - Construction \$ 20,500,000
 - Non-construction 2,275,000
 - Total Project Cost \$ 22,775,000
- Total Project Cost \$104,500,000
- Housing Construction Cost Per Bed \$ 93,920
 - 17th Avenue Cost Per Bed \$ 95,130
(2018 dollars)

- Bed count 756
- Dining seats 850
- Address building obsolescence
- Preserve residence hall bed capacity
- Expand residence hall capacity
- Enhance student experience
- Offer student facilities that compete well with peers and internal alternatives
- Improve dining experience on the Superblock
- Increase efficiency of dining operations
- Align with campus development plans for Southeast Gateway



Capital Budget Amendment Recommendation: Maintain Character and Capacity+

- Retains character-defining features of the existing Pioneer Hall
- Expands footprint to accommodate approximately 750 beds
- Integrates residential on grade dining facility for approximately 2,800 students
- Community/recreational/study space along with office and support spaces





Capital Budget Amendment Building Exterior



Aerial View from Northeast



Capital Budget Amendment Building Exterior



View of Renovated Pioneer Entry from Centennial



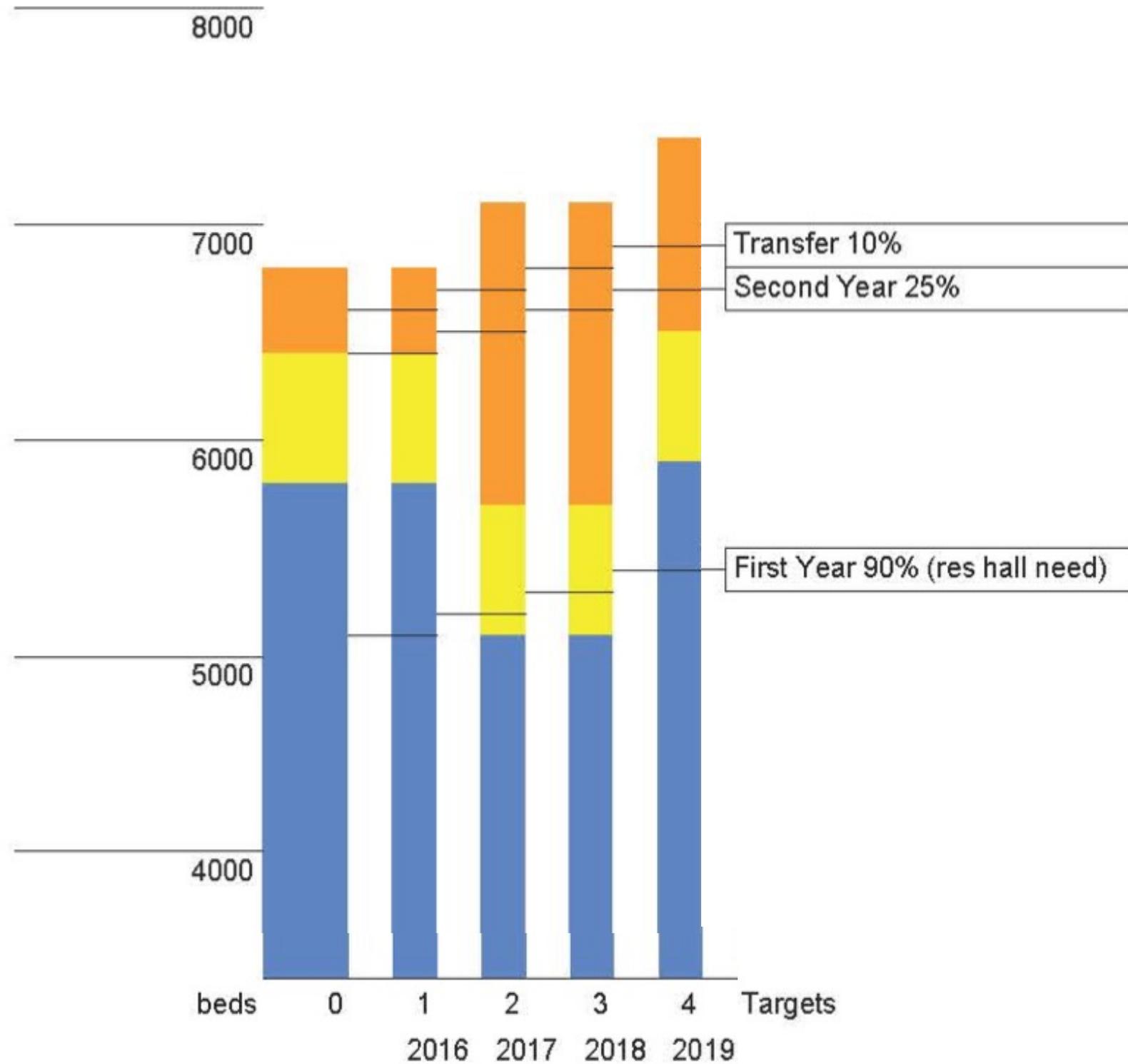
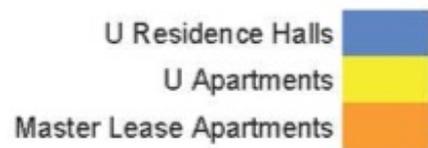
Providing Housing During Renovation

- Wilkins Hall will expand capacity and operate as a first-year student hall for two years
 - Option to do the same in one or more floors of Yudof Hall if needed
- 900+ new apartment beds come online at Keeler and Radius, existing master leased beds remain in inventory
- Sufficient capacity to meet Board targets
 - Limited opportunities for third and fourth year students to live in University-managed housing





2016-2019 Capacity and Demand





Capital Budget Amendment Project Description

• Cost Estimate - Housing	
– Construction	\$ 71,000,000
– Non-construction	<u>10,750,000</u>
– Total Project Cost	\$ 81,725,000
• Cost Estimate - Dining	
– Construction	\$ 20,500,000
– Non-construction	<u>2,225,000</u>
– Total Project Cost	\$ 22,725,000
• Capital Funding:	
– University Debt	<u>\$ 104,500,000</u>
Total Approved Project Budget	\$ 104,500,000
• Housing Construction Cost Per Bed	\$ 93,920
– 17th Avenue Cost Per Bed (2018 dollars)	\$ 95,130



Capital Budget Amendment Project Description

- Anticipated Completion:
 - September 2019
- Estimated Annual Operating Costs:
 - \$14.30 / sf
- Predesign Architect:
 - TKDA
- Construction Manager at Risk:
 - To Be Selected





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BOARD OF REGENTS DOCKET ITEM SUMMARY

Facilities, Planning, & Operations

September 8, 2016

AGENDA ITEM: Information Items

Review

Review + Action

Action

Discussion

This is a report required by Board policy.

PRESENTERS: Michael Berthelsen, Interim Vice President, University Services

PURPOSE & KEY POINTS

This item provides an update on the following:

FY 2016 Report on Real Estate Transactions Over \$1,250,000 and/or Over 10 Acres

Board of Regents Policy: *Reservation and Delegation of Authority* reserves to the Board authority to approve the purchase or sale of real property with a value greater than \$1,250,000 or larger than ten (10) acres, and leases of real property, easements, and other interests in real property if the initial term amount to be paid by or to the University exceeds \$1,250,000, consistent with Board policies.

The FY 2016 Real Property Transactions Over \$1,250,000 and/or Over 10 Acres report is provided to the Board for information on real property transactions.

Request by Minnesota United to use TCF Bank Stadium for Major League Soccer

The administration is currently engaged in negotiations with the Minnesota United soccer franchise regarding their desire to use TCF Bank Stadium for the 2017 and part of the 2018 Major League Soccer seasons. This item provides an interim status update prior to a full review of a fully negotiated lease agreement, expected to be brought for review and action in October.

Update on UMore Park Physical Hazards Mitigation

University Health and Safety are working in partnership with the Real Estate Office to eliminate those physical hazards at UMore Park that present the greatest risk to the general public. A memo on this initiative is included in the docket.

UNIVERSITY OF MINNESOTA

FY2016 REAL PROPERTY TRANSACTIONS OVER \$1,250,000 AND/OR OVER 10 ACRES

	<u>Amount (to be) Received</u>	<u>Amount (to be) Paid</u>
Purchase of 21.76 Acres and Buildings Thereon Totaling Approximately 706,000 Square Feet at 701 24th Avenue SE, Minneapolis (Twin Cities Campus)		\$17,975,000 (1)
Ten-Year Lease of Approximately 664,000 Square Feet of Building Space at 701 24th Avenue SE, Minneapolis, to Murphy Warehouse Company (Twin Cities Campus)	\$21,248,000 (2)	
Second Amendment to Phased Aggregate Mining Lease with Dakota Aggregates, LLC Covering 1,722 Acres in Rosemount and Empire Township, Dakota County (UMORE Park)	N/A (3)	
Sale of 36.87 Acres, Carlton County (Cloquet Forestry Center)	\$7,400	
Agreement for Use of University Facilities and Services by NHL Enterprises, L.P. for 2016 Coors Light Stadium Series, February 9-29, 2016 (Twin Cities Campus)	\$1,616,761 (4)	
Sale of 217.46 Acres of Salt Spring Lands in Bear Head Lake State Park, St. Louis County (University Salt Spring Lands)	\$978,570	

Five-Year Lease for 44 Apartments (164 beds) at Keeler Apartments,
317 17th Avenue SE, Minneapolis, for Student Housing Purposes
(Twin Cities Campus) \$6,675,831 (5)

Five-Year Lease for 200 Apartments (772 beds) at Radius at 15th,
710 15th Avenue SE, Minneapolis, for Student Housing Purposes
(Twin Cities Campus) \$33,821,755 (5)

- (1) Portion of purchase price paid in cash; \$2 million of property's value donated to the University by Murphy Warehouse Company
- (2) Reflects simple estimate for 10-year lease at \$2,124,800 per year
- (3) Lease extended 20 years to allow agricultural research to continue on certain parcels 20 additional years; no change expected in total amount of royalties to be received
- (4) Estimate
- (5) Approved in July 2016; lease will commence August 2017

**REQUEST BY MINNESOTA UNITED
TO USE TCF BANK STADIUM
FOR 2017 AND PORTION OF 2018 MAJOR LEAGUE SOCCER SEASONS
(TWIN CITIES CAMPUS)**

Major League Soccer (MLS) announced on August 19, 2016 that the Minnesota United Soccer Team will join the MLS in 2017 as an expansion team.

On August 17, 2016 the Saint Paul City Council approved plans for development of a 16-acre site in the Snelling-Midway Area at the northeast quadrant of Snelling Avenue and Interstate 94, including a \$150 million, 20,000 seat soccer stadium for Minnesota United on 6.5 acres.

The University is currently in negotiations with Minnesota United for its use of TCF Bank Stadium with related University services for the MLS 2017 Season, and the portion of the 2018 Season prior to the date the new soccer stadium is ready for use. The MLS season runs from March through October. Minnesota United would play up to 20 regular/preseason games and up to 2 to 3 exhibition games in 2017 in TCF Bank Stadium on dates selected from a list of available dates provided by the Department of Athletics to ensure no conflicts with Gopher home football games or other University events or academic activities. Soccer games will not be scheduled in TCF Bank Stadium on weekends of Gopher home football games, and weeknight games will only be allowed on dates outside of the University's regular academic year (fall and spring semesters) with start times no earlier than 7:00 PM.

The fees and payments for Minnesota United's use of TCF Bank Stadium and other facilities will consist of the game fee and a ticket fee, the replacement cost of the stadium turf, and reimbursement to the University for all services provided and costs incurred, including all game day expenses and reserved parking fees.

It is anticipated that a lease transaction will be presented to the Board of Regents for review and action in October 2016.

UNIVERSITY OF MINNESOTA

Twin Cities Campus

*University Services
Office of the Vice President*

*317 Morrill Hall
100 Church Street Southeast
Minneapolis, MN 55455
Office: 612-624-3557
Fax: 612-626-2278*

TO: Regents

FROM: Mike Berthelsen, Interim Vice President for University Services

DATE: August 29, 2016

RE: UMORE Park Physical Hazards Mitigation



Background

In 2015, University Health and Safety completed an assessment of the known physical hazards on the UMORE Park property in Rosemount. The assessment established the locations of existing physical hazards and identified the hazards that pose the greatest risk to the members of the general public who enter the property. Earlier this year, University Health and Safety requested and received funding from the Real Estate Office to eliminate the physical hazards that present the greatest risk. That work is currently underway.

Notable Structures

The most prominent structures on the site are smoke stacks from two power plant complexes dating back to the Gopher Ordnance Works era, commonly referred to as the Four Stack and the Five Stack. While the power plants have long since been removed, the crumbling towers with failing access ladders remain. The Five Stack is clearly visible from US Highway 52 and the structures continue to attract trespassers as evidenced by the extensive amount of graffiti and litter in the area. The plan is to eliminate the hazards by demolishing the stacks and using the concrete to fill in equipment pits and trenches in the area. In addition to the stack demolition, entrances to the box sewer system that runs across the property will be filled to ground level, and the approximately 200 manhole entrances to the system will be secured or filled to grade. Finally, the Morton Sphere or “8-Ball” will be demolished and scrapped. The sphere is an above ground ammonia and LP storage tank that has not been used in more than 30 years.

Schedule

Asbestos abatement is complete and crews are prepared to begin demolition of the notable structures in mid-September. Once underway, demolition is expected to last six weeks.

Please don't hesitate to contact me if you have questions regarding the hazard mitigation work.