

(\$ in thousands)

| Project Title | Rank | Fund | Project Requests for State Funds | | | Gov's Rec | Gov's Planning Estimates | |
|---|------|------|----------------------------------|------|------|-----------|--------------------------|---------|
| | | | 2018 | 2020 | 2022 | 2018 | 2020 | 2022 |
| Higher Education Asset Preservation and Replacement (HEAPR) | 1 | GO | 200,000 | 0 | 0 | 250,000 | 250,000 | 250,000 |
| Greater MN Academic Renewal | 2 | GO | 10,533 | 0 | 0 | 10,533 | 0 | 0 |
| Pillsbury Hall Capital Renewal | 3 | GO | 24,000 | 0 | 0 | 24,000 | 0 | 0 |
| Glensheen Capital Renewal | 4 | GO | 4,000 | 0 | 0 | 4,000 | 0 | 0 |
| Total Project Requests | | | 238,533 | 0 | 0 | 288,533 | 250,000 | 250,000 |
| General Obligation Bonds (GO) Total | | | 238,533 | 0 | 0 | 288,533 | 250,000 | 250,000 |

AT A GLANCE

- Five Campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- Seven Research and Outreach Centers throughout the state (previously known as the Agricultural Experiment Stations)
- Budget: \$3.7 billion (FY18)
- 20,059 faculty and staff employees; 6,377 graduate student & professionals in training employees (as of 10/16)
- Enrollment (Fall 2016):
43,951 Undergraduate
13,392 Graduate
4,018 First Professional
6,119 Non-Degree
67,480 Total
- Sponsored research awards: \$744.5 million (FY17)

PURPOSE

The University of Minnesota's statutory mission is to offer undergraduate, graduate and professional instruction through the doctoral degree, and be the primary state supported academic agency for research and extension service (MN Statute 135A.052). The University's mission is threefold: research and discovery, teaching and learning, and outreach and public service.

The University of Minnesota is the state's only land grant and research institution, and has a unique responsibility to better the lives of Minnesotans through education, research, and public engagement. As one of the nation's top research institutions, the University is a venue where human talent, ideas and innovations, and discoveries and services converge to fuel Minnesota's economy and improve our quality of life.

In carrying out its mission on five campuses and research and outreach centers throughout the state, the University contributes to all eight of the state's outcome areas through knowledge generation and by providing services, but advances most directly the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities;
- Minnesotans have the education and skills needed to achieve their goals;
- All Minnesotans have optimal health; and
- Sustainable options to safely move people, goods, services and information.

STRATEGIES

The Twin Cities campus is in year three of implementing a ten-year strategic plan to accelerate advancement of excellence and impact in research, teaching, and outreach. The plan builds on the strengths of the campus as Minnesota's only land grant and globally engaged research university. Called "Driving Tomorrow," the plan recognizes the special opportunities and responsibilities the campus has to bring its resources more powerfully to bear on addressing "Grand Challenges" – the most pressing and complex problems facing Minnesota and the world.

The plan, which aligns with plans for the individual system campuses, frames many actions the Twin Cities campus will take over the next decade. These actions will fulfill the University's distinctive responsibilities as Minnesota's land-grant University, dedicated to serving the public good, and as the state's designated research institution, charged with positioning Minnesota at the forefront of emerging knowledge and educating highly skilled workers, professionals, leaders, and global citizens to thrive in a diverse and changing world.

Implementation of the plan involves all sectors of the campus in initiatives and collaborations to accelerate excellence across four goal areas:

- **Leverage exceptional research and curricular strengths to address society's "Grand Challenges"**
- **Reject complacency to foster an invigorated campus culture of ambition, challenge, exploration, and innovation**
- **Recruit and retain field-shaping researchers and teachers from diverse disciplines and backgrounds**

- **Capitalize on the campus's unique location and its global reach to build a culture of reciprocal engagement**

The University has moved forward in the first three years of implementation to align academic priorities and programs with the strategic goals. Initiatives during the first three years of implementation have yielded accomplishments across the four goal areas, and progress has been made on larger institutional transformations. The University has placed special emphasis on curricular and research goals as key components of the larger vision. A Grand Challenges Curriculum has been launched and the University is moving forward to expand high-potential research collaborations in areas where the University can marshal interdisciplinary and collaborative strengths to have great impact on critical challenges of the state and world. Five initial Grand Challenges research areas have been identified, building on existing areas of strength, such as MnDRIVE:

- **Assuring clean water and sustainable ecosystems:** Achieve adequate supplies of safe and clean water to sustain people, agriculture, and industry, while protecting water resources and ensuring the sustainability of environmental systems and the vitality of communities on rivers, lakes and seas.
- **Advancing health through tailored solutions:** Foster community and population health – together with individual physical, mental and psychosocial well-being – by tailoring health care services and interventions to biological, social, and cultural circumstances.
- **Fostering just and equitable communities:** Assure quality of life and equality of opportunity for all members of diverse communities – including educational and health equity, economic opportunity, personal security, and cultural experience.
- **Enhance individual and community capacity for a changing world:** Foster physical, mental, and cognitive well-being from early childhood through late maturity, across the course of life transitions, ensuring that individuals and communities thrive amid great social, technological, and ecological change.
- **Feeding the world sustainably:** Produce, distribute, and maintain safe and sufficient food supplies through environmentally sustainable practices to ensure the vitality of growing and demographically diverse populations.

The momentum toward the curricular and research goals is synergistic with progress in other areas – including initiatives to strengthen recruitment and support for field-shaping researchers and teachers, wide-ranging work to strengthen engagement with both the public and private sector that leverages the advantages of our statewide locations, and steps to create an invigorated culture that embraces ambition, challenge, innovation, and diversity. Each University campus – Crookston, Duluth, Morris, Rochester, and the Twin Cities – will align its unique goals to meet the needs of students and regions they serve, and to pursue system-wide strategies.

As a part of this system-wide focus, the University of Minnesota embarked on a system-wide strategic planning effort in Fall 2016 to better align its resources and leverage its strengths as a system. The plan will benefit students and citizens across the state by embracing a system-wide perspective. In June 2017, the Board of Regents adopted the System-wide Strategic Plan Framework; work on the System-wide Strategic Plan is ongoing. Additional information on these efforts can be found at: <https://president.umn.edu/strategic-vision/system-wide>.

At A Glance

- The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).
- University of Minnesota facilities comprise 29.4 million gross square feet including classrooms, research labs, clinics, offices, libraries, performance space, student unions, housing, and utilities. Being responsible stewards of this portfolio requires ongoing renewal investments.
- The University has incorporated five strategic objectives into its long-range capital planning process.
 - Address poor and critical backlog
 - Advance the health sciences
 - Modernize St. Paul Campus research laboratories
 - Expand capacity in STEM programs
 - Repositioning libraries for the 21st century

Factors Impacting Facilities or Capital Programs

For more than 150 years, the University of Minnesota has met the changing needs of the state's citizens, businesses, farmers, and public institutions. The University must continuously strengthen its role as the state's only major research university, as its land grant institution, and as its magnet for students, faculty, professionals, entrepreneurs, and civic and artistic leaders.

As a large, multi-faceted research institution, a variety of factors affect the University's demand for facilities and capital programs. Five issues that are relevant to the 2018 capital request and future capital plans are outlined below:

1. Address Poor and Critical Backlog

University of Minnesota facilities comprise 29.4 million gross square feet (GSF) including classrooms, research labs, clinics, offices, libraries, performance space, student unions, housing, and utilities. Owning and operating this large and diverse portfolio of more than 900 facilities is fundamental to supporting the University's mission of teaching, research and outreach.

Despite diligent efforts to keep buildings clean and well maintained, all systems and equipment eventually age out. With the average building age now exceeding 50 years, and several constructed before 1900, the University's portfolio is comprised of numerous buildings beyond their useful life. Through a comprehensive Facility Condition Assessment (FCA) the relative health of each building is defined on a scale from Excellent down to Poor and Critical. The University Board of Regents has set forth a goal to reduce Poor and Critical space. It is unacceptable to have people study, live, work, or receive care in buildings classified as "Poor" or "Critical".

To meet this goal, results from the independent FCA are combined with an internal operational assessment that evaluates maintenance and operations costs, utility consumption, and space utilization to name a few. Based on conclusions from both efforts, each building is assigned to a strategic renewal path: Keep Up, Catch Up, Sustain, or Dispose. This strategy ensures that funding is directed to the most essential facilities that need it most.

Beginning with the 2018 capital requests, this plan puts a strong emphasis on reinvestment into existing infrastructure, and to "catching up" poor and critical buildings. Higher Education Asset Preservation and Replacement (HEAPR) funding remains at the core of this strategy.

2. Advance the Health Sciences

The University is home to Minnesota's only public medical school in addition to health science schools for dentistry, public health, pharmacy, nursing and veterinary medicine. The University's Academic Health Center (AHC) offers 62 accredited professional degrees, educates 6,400 students, and plays a key role in educating Minnesota's health care workforce, with two-thirds of the state's health professionals educated in the AHC. The University's long-range capital plan proposes investments in improving the educational and clinical research spaces for the Medical School and the other colleges of the Academic Health Center (AHC), including a major project placeholder in 2022, a clinical research project under consideration, and other investments that advance the goal of removing the Mayo Building.

3. Modernize Saint Paul Campus Research Laboratories

The University's long-range capital plan continues the vision first set out in the 2013 Six-Year Capital Plan to renovate, construct, and decommission targeted laboratories on the Saint Paul campus. The State provided funding to replace the Veterinary Isolation Facility in the 2015 session and the Biological Sciences Greenhouse in the 2017 session. Additional projects are planned in future years. The University is undertaking a strategic facilities plan for the campus that will prioritize future capital investments. Additional investments are planned with HEAPR funds.

4. Expand Capacity in STEM Programs

Student demand 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.

5. Repositioning Libraries for the 21st Century

Library spaces are in high demand by the campus community. Investments will provide for materials that remain accessible, but are no longer housed in prime campus real estate. This will ensure existing libraries remain the center of campus scholarship and exchange by creating flexible teaching, learning, and collaboration spaces.

Self-Assessment of Agency Facilities and Assets

The University's Facility Condition Assessment (FCA) identifies a facility's physical condition and needs. This process looks at each building across the system and identifies deferred, non-recurring, and projected renewal needs to determine a facility condition needs index (FCNI). The FCNI (ten-year projected needs divided by the estimated replacement value of the facility) determines the relative health of each building on a scale that starts at 0.0 (new building, excellent) and extends to 1.0 (significant needs, critical.) This industry standard assessment is conducted by a third-party under contract.

As previously stated, the University supplements the FCA with an internal operational assessment that evaluates numerous quantitative and qualitative metrics of a building, from operating and maintenance costs to usability and adaptability for programs. This rigorous approach ensures alignment between infrastructure and programmatic investments, and focuses scarce funding into the right facilities at the right time.

Agency Process for Determining Capital Requests

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 an institution-level strategic facility plan (six-Year Capital Plan) that is reviewed and approved by the Board of Regents every year.

In addition to academic priority and facility condition, factors included in the long-range strategic facility plan include:

- Projected size of future bonding bills
- Debt and operating cost impact
- Private fundraising capacity
- Timing and sequencing of projects
- Impact on academic programs
- Health, safety, and regulatory requirements
- Geographic distribution

The resulting Six-Year Capital Plan advances the University's highest capital priorities while retaining flexibility in support of emerging strategic initiatives. Investments are targeted to programs with academic strategic value.

Major Capital Projects Authorized in 2016 and 2017

| 2017 Appropriation | (\$ in Thousands) |
|---|-------------------|
| HEAPR | \$20,600 |
| Chemistry and Advanced Materials Sciences | \$28,267 |
| Health Sciences Education Facility | \$66,667 |
| Plant Growth Research Facility | \$4,400 |

Higher Education Asset Preservation and Replacement (HEAPR)**AT A GLANCE****2018 Request Amount:** \$200,000**Priority Ranking:** 1**Project Summary:** This request is for funds to renew existing campus facilities and infrastructure in accordance with Minnesota Statutes, section 135A.046.**Project Description**

The purpose and use of Higher Education Asset Preservation and Replacement (HEAPR) funds is defined in statute 135A.046 Asset Preservation and Replacement. Funds are intended to preserve and renew existing campus facilities by supporting five categories of projects: Accessibility, Health and Safety (e.g. hazardous material abatement, building code compliance), Building Systems (e.g. exterior envelope, mechanical, and electrical systems), Energy Efficiency, and Infrastructure. HEAPR funds are used throughout the University of Minnesota system. Funds are allocated to campuses and research stations based on facility need and overall quantity of space. The University regularly reports on the status of its HEAPR funding to Minnesota Management and Budget and the Legislature.

Project Rationale

HEAPR funds are essential in supporting the University of Minnesota's mission of teaching and learning, research and discovery, and outreach and public service. This mission will be compromised without continued, sustained reinvestment in buildings and infrastructure to extend and maximize useful life while ensuring the health, safety, and well-being of facility occupants and visitors.

Rigorous process ensures every HEAPR dollar supports the most urgent and impactful needs. Individual projects are identified and prioritized through the University's Facility Condition Assessment (FCA). The FCA is a comprehensive systemwide evaluation of the condition of campus facilities and infrastructure portfolio. FCA data is used to triage existing buildings into those that need long-term investments, those that need short-term investments, and those where no investment is required, in alignment with academic priorities.

HEAPR funds are used throughout the University of Minnesota system and are allocated to campuses and research stations based on facility need and overall space. Funds keep people safe and make the campuses accessible for all Minnesotans. Funds leverage the State's past investment in buildings and infrastructure by extending the functionality and useful life of those assets. HEAPR projects are green, since renewing an existing facility and maximizing useful life is always more sustainable than new "green" construction. HEAPR dollars are flexible, allowing the University to respond quickly to emergencies and to respond to unique opportunities. Regulatory compliance items, e.g. elevators, storm water and building code compliance are funded with HEAPR allocations. HEAPR projects move faster, put people to work quicker, and provide different firms an opportunity to participate in design and construction at the University of Minnesota.

Project Timeline

Timeline will vary by project.

Other Considerations

None.

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

Description of Previous Appropriations

The University includes HEAPR in each capital request. The University received \$20.6 million in 2017, no appropriation in 2016, no appropriation in 2015, \$42.5 million in 2014, no appropriation in 2013 and \$50 million in 2012.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$250 million in general obligation bonds for this request. Also included are budget estimates of \$250 million for each planning period for 2020 and 2022.

(\$ in thousands)

Higher Education Asset Preservation and Replacement (HEAPR)

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------------|-------------------|-------------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 122,500 | \$ 200,000 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 122,500 | \$ 200,000 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|-------------------------|-------------------|-------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 16,000 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 7,500 | \$ 0 | \$ 0 |
| Construction | \$ 122,500 | \$ 176,500 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 122,500 | \$ 200,000 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2018 | FY 2020 | FY 2022 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|------------|------------------|
| General Fund | \$ 200,000 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | Yes |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)? | N/A |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | N/A |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Greater MN Academic Renewal

AT A GLANCE**2018 Request Amount:** \$10,533**Priority Ranking:** 2**Project Summary:** \$10.533 million in state funds is requested to make capital renewal investments in existing classrooms and student focused laboratories on the University's Duluth, Morris and Crookston campuses.**Project Description**

This request is for funds to make capital renewal investments in existing classrooms and student focused laboratories on the University's Duluth, Morris and Crookston campuses. These projects will convert obsolete spaces into modern facilities to meet the needs of today's programs and provide new learning opportunities across Minnesota. Up-to-date classrooms, instructional laboratories, and collaboration spaces are essential to attract the best and brightest students and remain competitive with other regional universities.

Projects will include:

Crookston Campus (\$4.8 million total funds)

- Owen Hall – This request funds the renovation of approx. 5,500 sf for modern chemistry and biology labs and a multi-purpose teaching lab. The chemistry and biology labs will provide flexible bench space for up to 30 students working with faculty or conducting independent undergraduate research projects. The multi-purpose teaching lab will be upgraded to support classes in nutrition, food processing and art. Owen Hall is home to many academic programs including Agricultural Systems Management, Agronomy, Horticulture and Natural Resources. The building features classrooms, laboratories and faculty offices for these majors. Owen Hall was initially constructed in 1908 with multiple additions and renovations since. The high-bay addition, which will be converted into chemistry and biology teaching labs, was built in 1970.
- Dowell Hall – This request funds a 9,500 sf renovation to support science teaching, undergraduate research and teacher education. Dowell Hall is home to UMC's programs in Business, Math, Science and Technology as well as the Undergraduate Collaborative Learning and Experiential Applied Research (UCLEAR) lab – an immersive visualization and informatics lab suite.

Duluth Campus (\$6.2 million total funds)

- A.B. Anderson Hall – This request funds a major interior renewal of classrooms, faculty offices and related building systems throughout the 35,000 sf facility. A.B. Anderson Hall is a structurally solid building, but does not meet the standard of space for the University. To aid in meeting curricular and learning goals, the spaces will be aesthetically updated, including better lighting and updated finishes at the ceiling, floor, and walls. This facility is a core classroom building on the UMD campus and houses faculty from the departments of Communication, Philosophy, History, and Art. More than 75% of the useable space in the building is dedicated to classrooms and teaching spaces. A. B. Anderson Hall was constructed in 1969.

Morris Campus (\$4.8 million total funds)

- Humanities Building – This request funds a 16,800 sf renovation of classrooms and teaching space on all three levels of the Humanities Building. The shell of the original spaces are to remain while the finishes, furniture, and technology will create more functional collaborative spaces that enhance today’s students’ educational experience. Existing spaces to be reevaluated and upgraded will be: five classrooms, one language teaching center, one media screening room, two seminar/conference rooms and one seminar/presentation lounge. The Humanities Building was built in 1954.
- Blakely Hall – This request funds a 5,000 sf renovation of former residence hall space for the teacher education program. Newly renovated spaces will include two classrooms, a seminar room and a curriculum room. In addition, collaboration and individual work areas will be developed within the renovated spaces. Blakely Hall was built in 1920.

Project Rationale

Learning spaces are at the heart of the University’s teaching mission. To meet the needs of faculty and the expectations of students, the University must provide modern, technology-rich classrooms in order to optimize teaching and learning. Improved classrooms, instructional laboratories, and collaboration spaces are essential to attract the best and brightest students and remain competitive with other regional universities. The overall student experience at the University of Minnesota will be improved by enhancing the physical environment and adding modern classroom learning technologies.

National studies of higher education facility conditions identify the post-war years of 1950-1975 as an era when the amount of space and speed of construction resulted in lower construction quality. The buildings were built quickly, and many were never intended to hold up over time. (Sightlines, *State of Facilities in Higher Education*). Facilities from this era are due for major repair and renovation. Capital renewal investments in this request will target post-war era facilities on each of the Morris, Crookston and Duluth campuses.

Project Timeline

Crookston Campus (Dowell Hall and Owen Hall)

- Designer Selection: June 2018 to August 2018
- Design: September 2018 to April 2019
- CMAR Procurement: December 2018
- Construction: May 2019 to August 2019
- Occupancy: September 2019

Duluth Campus (A.B. Anderson)

- Designer Selection: June 2018 to August 2018
- Design: September 2018 to February 2019
- Bidding & Award: March 2019 to April 2019
- Construction: May 2019 to December 2019
- Occupancy: December 2019

Morris Campus (Blakely Hall and Humanities Building)

- Designer Selection: June 2018 to August 2018
- Design: September 2018 to December 2018
- Bidding and Award: January 2019 to February 2019

- Construction: April 2019 to August 2019
- Occupancy: August 2019

Other Considerations

None.

Impact on Agency Operating Budgets

The project will have little to no impact on utilities and maintenance, as the project affects existing space. No academic or support staff changes are anticipated as a result of this project.

Description of Previous Appropriations

None.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$10.533 million in general obligation bonds for this request.

(\$ in thousands)

Greater MN Academic Renewal

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------------|-------------|------------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 10,533 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| GO Bonds-User Financing | \$ 0 | \$ 5,267 | \$ 0 | \$ 0 |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 15,800 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------|-------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 106 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 1,149 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 346 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 13,376 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 271 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 552 | \$ 0 | \$ 0 |
| Inflationary Adjustment* | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 15,800 | \$ 0 | \$ 0 |

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2018 | FY 2020 | FY 2022 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 10,533 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)? | N/A |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | N/A |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Pillsbury Hall Capital Renewal**AT A GLANCE****2018 Request Amount:** \$24,000**Priority Ranking:** 3**Project Summary:** This request is for \$24 million in state funds to design, renovate, furnish, and equip historic Pillsbury Hall (1887) on the Minneapolis campus. This capital project will renew and modernize this iconic campus building by replacing obsolete science facilities with flexible teaching, learning, and research spaces to serve over 6,000 students.**Project Description**

This project will completely renovate and restore historic Pillsbury Hall (1887), which will be vacated by the Department of Earth Sciences when Tate Hall reopens in fall 2017. The obsolete science facility will be repurposed to create modern, flexible teaching, learning, and non-laboratory research spaces focused on serving undergraduates as well as the College of Liberal Arts' humanities programs, including the Department of English, which teaches nearly 6,000 students from across the University each year.

The renovation of Pillsbury Hall will focus on renewing the building's interior and systems while preserving the building's historic exterior, and is expected to be consistent with the Secretary of the Interior's Standards for Preservation. The project will reconfigure the building's interior to: increase accessibility throughout the building; upgrade building systems to comply with current standards and codes; significantly improve the sustainable qualities of the building; advance University-wide goals regarding space and cost-efficiency; and create an inviting entry in to and passage through the building.

The project strives to capture previously unusable space on the attic floor level. The 62,000 gross square foot building will be divided between flexible, multipurpose classrooms and collaborative spaces capable of supporting multiple modes of learning, and adaptable, efficient workspace for faculty and staff.

Project Rationale

Pillsbury Hall is the second oldest and one of the most iconic buildings on campus and is a key component of a sequenced plan: (1) Constructing a new Physics and Nanotechnology Building and relocating the Department of Physics from the Tate Laboratory Building (Complete); (2) Renovating the Tate Laboratory Building and relocating the Department of Earth Sciences from Pillsbury Hall (Complete); (3) Renovating Pillsbury Hall and relocating the Department of English from Lind Hall (Proposed); and (4) finally freeing up space in Lind Hall for growing programs in the College of Science and Engineering, such as Computer Science and Engineering and Industrial and Systems Engineering.

While Pillsbury Hall is no longer adaptable to modern science research or teaching, it plays a significant role in the East Bank humanities district, which encompasses Folwell Hall, Jones Hall, Nicholson Hall, Nolte Hall, Pillsbury Hall and Scott Hall. Recent and planned investments in these

historic buildings – all built between 1889 and 1935 on the historic knoll – locates the humanities in proximity, creating synergies and collaborations among programs, and preserves the University’s historic assets for future generations.

With Pillsbury Hall vacant, it is an excellent opportunity to renew and reinvest in one of the University’s most enduring architectural structures. By converting Pillsbury’s obsolete science facilities into a humanities center, the renovated building will foster collaboration in spaces that are more cost effective and require less relative investment than its currently mismatched science uses. New innovative, interactive, and adaptable spaces will promote collaborative scholarship, foster community engagement, and bolster the undergraduate student experience.

After the renovation, Pillsbury Hall will house the College of Liberal Arts Department of English, which teaches the core skills of liberal education – such as analytical and critical thinking, oral and written communication, and digital literacy – to the entire undergraduate student body. English is the most popular humanities major on campus with high national rankings. The department teaches nearly 6,000 students and generates about 20,000 student credit hours of instruction each year. At the end of the 2016/2017 academic year, the department had 591 undergraduate majors and minors, 32 MFA students in the Creative Writing Program, and 73 MA/PhD students in the Literature Program. In addition to literature and creative writing, undergraduates take courses in editing and publishing, which includes production of an award-winning literary magazine, and in literacy and public engagement, with internships in community organizations. New technology-equipped production spaces in Pillsbury will create new research and learning opportunities in journal editing, video making, digital storytelling, website building, and web-based research. And flexible presentation spaces will host a wide variety of events convened annually by English and other humanities departments.

The renovated Pillsbury Hall will also be home to the Minnesota Humanities Engagement Hub, a collaborative initiative focused on research, teaching, and public engagement. Humanities scholars, students, and community members will address challenges facing Minnesota citizens through focused projects, such as: rural and urban access to food resources; histories of Minnesota immigrant institutions and neighborhoods; and literature and literacy services to communities. New high-tech, interactive spaces in Pillsbury will advance the University’s and College of Liberal Arts’ goals of integrating research, teaching, and public service about the human condition, producing future leaders who will use the knowledge, skills, and collaboration they learned here to build vibrant communities.

Project Timeline

- Predesign: Complete
- Design: July 2018 – September 2019
- Construction: October 2019 – February 2021
- Occupancy: March 2021

Other Considerations

None.

Impact on Agency Operating Budgets

Enhanced revenues offset increases in maintenance costs.

Description of Previous Appropriations

None.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$24 million in general obligation bonds for this request.

(\$ in thousands)

Pillsbury Hall Capital Renewal

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------------|-------------|------------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 24,000 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| GO Bonds-User Financing | \$ 0 | \$ 12,000 | \$ 0 | \$ 0 |
| Pending Contributions | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 36,000 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------|-------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 409 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 2,930 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 720 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 29,494 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 106 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 240 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 2,101 | \$ 0 | \$ 0 |
| Inflationary Adjustment* | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 36,000 | \$ 0 | \$ 0 |

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2018 | FY 2020 | FY 2022 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 24,000 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)? | N/A |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | N/A |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Glensheen Capital Renewal**AT A GLANCE****2018 Request Amount:** \$4,000**Priority Ranking:** 4**Project Summary:** This request is for funds to create the Glensheen Renewal Challenge, which will be a program to match one-for-one non-university donations to preserve the historic Glensheen estate in Duluth.**Project Description**

Capital renewal of the Glensheen estate is required to stabilize site structures and renew critical infrastructure to support the current and future use of this important Minnesota cultural destination. The Glensheen estate is a major tourism destination hosting more than 100,000 visitors a year.

Restoration of deteriorated garden terraces and walls on the lake facing side of the house will promote public access, improve visitor safety and be built consistent with preservation standards appropriate to this National Register-listed property.

Additional urgent renewal needs include renovation of HVAC and other building systems including envelope for the Manor House and Carriage House. To the extent that funding allows, further erosion to shoreline and structures should be prevented by replacing the existing pier/seawall element at the lakeshore.

Project Rationale

Since the University received Glensheen as a gift from the Congdon family in 1968, it has been operated as a historic property. The Glensheen estate, with 22 acres of land on the Lake Superior shoreline has multiple structures and original landscapes. In 1990 it was listed on the National Register of Historic Places due to its exemplary architecture both interior and exterior to the structures, as well as the historical significance of the original owner's role in development of northeast Minnesota's mining industry.

The estate, consisting of six buildings is an integral cultural landscape and site. It requires significant renewal as conditions within the buildings and on the site have deteriorated with the passage of time.

The property is largely a self-financing activity within the University - using tickets, donations and rental income to cover operating and maintenance costs. The Glensheen operating budget is only able to fund a small amount of capital renewal each year. The Glensheen estate plays an important role in the regional tourism industry in Northeast Minnesota with significant growth in visitorship in recent years. In 2016 there were more than 100,000 primary purpose visitors in 2016, of which an estimated 90% come from outside of the region. Net economic benefit to St Louis County and the region, measured in direct and indirect terms has been preliminarily estimated at over \$7.5 million annually, including direct expenses, material and service spending and wages paid.

The property is a resource for academic programs based in Duluth and the Twin Cities, across multiple disciplines. Museum and fine arts programs as well as horticulture and environmental

programs have access to the house and supporting structures for teaching and research. The buildings and site also support campus activities in the form of conferences and meetings, and employs 26 full-time equivalent employees on the estate, including 120 part-time student workers.

Project Timeline

The schedule for the various projects to be completed at the Glensheen property is dependent on the availability of non-University and non-state matching funds raised through the Glensheen Renewal Challenge.

Other Considerations

None.

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

Description of Previous Appropriations

None.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$4 million in general obligation bonds for this request.

(\$ in thousands)

Glensheen Capital Renewal

PROJECT FUNDING SOURCES

| Funding Source | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------------|-------------|-----------------|-------------|-------------|
| State Funds Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 4,000 | \$ 0 | \$ 0 |
| Funds Already Committed | | | | |
| | | | | |
| Pending Contributions | | | | |
| Other Funding | \$ 0 | \$ 4,000 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 8,000 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Prior Years | FY 2018 | FY 2020 | FY 2022 |
|--------------------------|-------------|-----------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 80 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 640 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 200 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 6,800 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 40 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 40 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 200 | \$ 0 | \$ 0 |
| Inflationary Adjustment* | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 8,000 | \$ 0 | \$ 0 |

*Inflation is already included in project costs.

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2018 | FY 2020 | FY 2022 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0.0 | 0.0 | 0.0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|----------|------------------|
| General Fund | \$ 4,000 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|---|-----|
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6 and 16E.05 subd. 3)? | N/A |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | N/A |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2022? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 174.93: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |