



KANSAS BOARD OF REGENTS

Agenda Call
Fiscal Affairs and Audit Standing Committee
Thursday, June 5, 2014
Noon-1:00pm, Conference Room B, Teleconference
Dial in number - - (866) 620-7326
Conference Code – 476-523-6449

FAA AGENDA ITEMS FOR JUNE 18-19, 2014 BOARD MEETING

FACILITIES – JUNE 18, 2014 AGENDA – CONSENT

1. AUTHORIZATION TO ENTER INTO A LEASE AGREEMENT – KSU

Kansas State University requests approval to execute a lease agreement for a 2-bedroom apartment unit with Georgetown Apartments, 1400 Monticello Dr., Manhattan, KS 66502. The purpose is to provide housing for up to six College of Veterinary Medicine students from Creighton University who are on-call during various times for the animal hospital and pharmacy. The students are currently housed in apartments in Mosier Hall, however, renovation of the Mosier Hall apartments is scheduled to begin early this fall requiring the students to be temporarily relocated. The students will be accommodated in the Jardine apartments beginning July 1, 2015. Therefore, we are requesting approval of an off-campus housing lease for one year, July 1, 2014 – June 30, 2015. The cost of the one-year lease is \$12,780 (\$1,065/month).

2. AUTHORIZATION TO ENTER INTO A LEASE AGREEMENT – KU

The University of Kansas requests authorization to enter into a lease agreement with CWAPTS, LLC, a KU Endowment subsidiary, for four apartments to house visiting international students and guests of the Medical Center. The Office of International Programs at KUMC has the need to provide monthly short-term housing for various international students and guests of the University. For that purpose, they would like to lease four two-bedroom units in the Cambridge West Apartments located at 3600 Rainbow Boulevard in Kansas City, Kansas. The apartment building is owned by CWAPTS, LLC, whose sole member is the Kansas University Endowment Association. The lease will be effective June 23, 2014 so that two of the four units can be furnished and otherwise prepared for occupancy on July 1.

3. APPROVE AMENDMENT TO FY 2015 REHABILITATION AND REPAIR LIST – KU

The University of Kansas requests authorization to amend its FY 2015 Rehabilitation and Repair list to include a project to upgrade infrastructure on the third floor of the Delp building at the Medical Center and to reallocate \$1,199,810 of Rehabilitation and Repair funds from the Research Support Facility Improvements Project to the Delp Infrastructure project.

The University of Kansas Medical Center main campus continues development in areas of education, research, and patient care. Due to ever growing needs of space, driven by University and hospital expansion, the campus infrastructure remains a constant issue. In order to preserve our campus, now and into the future, it is imperative we take opportunities to upgrade HVAC, piping, and electrical whenever possible. The Delp building has had such upgrades over the last three years on the 5th and 6th floors. The current inpatient rehab unit housed on the 3rd floor will be moving to new space on the campus and, prior to moving new occupants into that space, the Medical Center proposes to upgrade the HVAC, piping and electrical systems on this floor of Delp. With this work, 50% of the building infrastructure improvements will be complete.

The project includes the demolition of the entire 3rd floor to the perimeter walls. All mechanical systems will be upgraded. HVAC, piping and electrical will be brought up to current code requirements. The new HVAC will include design scope which will address future needs on the 2nd and 4th floors. Some energy savings will be expected due to new windows and HVAC. The work also will include the addition of fire sprinklers which will resolve code footprint issues. This 3rd floor space is leased to the KU Hospital with the requirement that the university maintain the infrastructure. The university retains ownership of the building and occupies the other floors. After completion of the infrastructure work, the KU Hospital will renovate the vacant space for the Radiology offices and staff.

The Medical Center requests a reallocation of FY 2015 Rehabilitation and Repair funds currently allocated to the Research Support Facility Improvements project. The Research Support Facility Improvements project is a \$6.7 million project that is being constructed in phases and will continue with additional funding to be provided in FY 2016.

The Delp Infrastructure project will have the following components:

Demolition of 3 rd floor Space	\$266,724
HVAC Replacement (2, 3, and 4 floors)	410,000
Piping, Electrical, Telecom upgrade	448,086
Window replacement	<u>75,000</u>
Total	<u>\$ 1,199,810</u>

Reallocation Request

	<u>From</u>	<u>To</u>
Research Support Facility Improvements	\$2,000,000	\$ 800,190
Delp Infrastructure	<u>0</u>	<u>1,119,810</u>
Total	<u>\$2,000,000</u>	<u>\$2,000,000</u>

FACILITIES – JUNE 18, 2014 AGENDA – DISCUSSION

1. AUTHORIZATION TO NAME BUILDING – PSU

President Scott

Pittsburg State University requests authorization to name the new Center for the Arts building.

The PSU Center for the Arts is a \$33 million facility located at the corner of Homer and Ford Streets on the campus of Pittsburg State University. Construction of this 90,000 square foot facility began in January 2013. The Center for the Arts contains two primary performance spaces – a 1,100 seat performance hall and a 250 seat theater. In addition, the facility includes a grand entrance lobby, an art gallery, workspace for an artist-in-residence, a garden courtyard, a meeting room/rehearsal hall, and extensive support space including dressing rooms, scene shops,

concession areas and storage. The Center for the Arts was funded primarily through private gifts, but also included funds generated through student fees.

President Scott will be recommending a name for this facility for the Board's approval.

2. AUTHORIZATION TO NAME BUILDING – KSU **President Schulz**

Kansas State University requests authorization to name the new university Residence Hall.

The new eight floor residence hall will house 840 students with additional apartments for key staff. In addition to the residence hall, the larger project includes a new dining facility, and renovations to Marlatt and Goodnow halls to bring those aging buildings into code compliance. The overall budget is \$76 million, to be funded from housing revenue.

President Schulz will be recommending a name for this facility for the Board's approval.

3. AUTHORIZATION TO NAME BUILDINGS – KU **Chancellor Gray-Little**

The University of Kansas requests authorization to name the Earth Energy and Environment Center – South and the Earth Energy and Environment Center – North.

As one of the initial phases of the KU-Lawrence Science Facility Master Plan the Earth Energy and Environment Center - South provides space for programs that links many projects associated with energy and environment research. This additional 94,700 gross square foot expansion on the Lindley Hall site for programs includes teaching and research space for various disciplines working in oil and gas resources, water and nanoscience, and will link the Geology, Petroleum Engineering, Physics and other programs with research initiatives and industry partners. It will create facilities needed for interdisciplinary teaching and research, and spaces supporting outreach on a highly visible site on the Lawrence campus. The estimated cost of the addition is \$63,590,000 and will be funded with private gifts and up to \$25 million in revenue bonds.

As the first component of the KU-Lawrence Science Facility Master Plan the proposed Earth Energy and Environment Center - North will add 50,600 gross square feet (29,800 net square feet) onto Lindley Hall and will provide a mix of spaces including a state-of-the-art instructional space with 200 seats promoting collaborative learning. Other instructional spaces include Analytical Project lab, a GIS/Remote Sensing Lab, and a Visualization Lab suitable for 3-D images. Research space includes a Pressure/Volume/Testing lab, Experimental Environmental Bio-geo-chemistry lab and Environmental/Paleo Environmental Labs for analytical equipment suitable to assess a variety of geo-chemistry based samples. The estimated cost of the addition is \$32,973,000 and will be funded with private gifts.

Chancellor Gray-Little will be recommending names for these facilities for the Board's approval.

4. ACT ON REQUEST TO AMEND THE BUDGET FOR THE SCHOOL OF BUSINESS BUILDING - KU

The University of Kansas requests authorization to amend the budget for the School of Business building. Due to a number of strategic decisions, the School of Business has grown faster than originally projected. This has led to an increased need for faculty and staff offices as well as a need for more teaching space. The building is at a point in the design stage that it would be advantageous to plan for an expansion. The bid package for the piers and foundation work will be complete and ready for bidding at the end of June. The piers and the foundation can be included in this package at a much lower cost now than in the future. The School of Business is seeking additional donors to fund the expansion area project. If sufficient private funds are raised, the additional work may be

constructed with the original project. The estimated cost of the addition is \$6,780,000 which will bring the total project budget to \$72,520,000. The project will be funded with \$62,520,000 in private funds and \$10 million in university funds. A revised architectural program is attached.

5. ACT ON CAPITAL IMPROVEMENT REQUESTS FOR FY 2016 & 2017 – STATE UNIVERSITIES

FISCAL – JUNE 18, 2014 AGENDA – DISCUSSION

- 1. ACT ON FY 2015 STATE UNIVERSITY TUITION AND FEE PROPOSALS**
- 2. ADOPT ADDITIONAL DEBT POLICIES FOR STATE UNIVERSITIES**

FISCAL – JUNE 19, 2014 AGENDA – DISCUSSION

- 1. ACT ON ALLOCATION/DISTRIBUTION OF STATE APPROPRIATIONS TO COMMUNITY COLLEGES, TECHNICAL COLLEGES, WASHBURN INSTITUTE OF TECHNOLOGY, AND WASHBURN UNIVERSITY**
- 2. RECEIVE AND DISCUSS PROPOSALS FOR THE BOARD’S FY 2016-2017 UNIFIED STATE APPROPRIATIONS REQUEST**

OTHER MATTERS

Next FAA Regular Committee Meeting – WEDNESDAY, JUNE 18, 2014, 10:00 am – 11:25am

Suggested agenda items:

1. Follow up on issues raised during the June 5, 2014, teleconference call regarding FAA items on the Board’s agenda and any other questions/clarifications about Board agenda items
2. Finalize Committee Recommendations for FY 2015 Tuition Proposals
3. FAA 13-11 Development of the FY 2016 and FY 2017 Unified State Appropriations Request and FAA 13-14 Study of financial projections related to Foresight 2020
4. Audits for committee review and discussion (standing item)
5. Other Committee Business