

MINUTES
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS
FACILITIES, CONSTRUCTION AND MASTER PLANNING COMMITTEE

Tuesday, May 6, 2014 – The members of the Facilities, Construction and Master Planning Committee (“FCMP”) of The University of Houston System Board of Regents convened at 10:53 a.m. on Tuesday, May 6, 2014, at the Hilton University of Houston Hotel, Conrad Hilton Ballroom, Second Floor, 4800 Calhoun, Houston, Texas, with the following members participating:

ATTENDANCE –

Present

Welcome W. Wilson, Jr., Chair
Spencer D. Armour III, Regent
Benjamin P. Wells, Student Regent
Jarvis V. Hollingsworth, Ex Officio

Member(s) Absent

Tilman J. Fertitta, Vice Chair

Non-Member(s) Present

Peter K. Taaffe, Regent

In accordance with a notice being timely posted with the Secretary of State and there being a quorum in attendance, Chair of the Committee, Welcome W. Wilson, Jr. called the meeting to order and asked Dr. Carl Carlucci, Executive Vice Chancellor for Administration and Finance to introduce the first item on the agenda.

AGENDA ITEMS

Action Items:

1. Approval is requested for appointment of a Committee member and Appointment term for the System-wide Art Acquisition Committee (SWAAC) – University of Houston System, Item B – FCMP-B4-6

Dr. Carlucci introduced the first action item to the committee for their consideration and asked Emily Messa, Associate Vice Chancellor for Administration and the Chair of the SWAAC committee to present this item. Ms. Messa stated there was a vacant spot for a regent position on this committee and the term for this position ends on August 31, 2015. The SWAAC committee serves to oversee the public art collection for the UH System which comprises more than 520 pieces of art. The art collection was established in the late 1960s when there was a construction boom under President Hoffman. Ms. Messa stated she understood that the Board wanted to appoint a regent to this vacant position.

Ms. Messa stated that the UH System has one of the largest art collections in the state, if not in the country; and we were also founded, if you will, public art collections in the State of Texas. The UH System was the first institution to establish such a collection and in 1969 it was codified into legislature to set aside 1% of construction funds for public art.

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The committee followed the guidelines established as noted in the UH System SWAAC procedures manual; and Ms. Messa stated that a nomination from the chair of the FCMP Committee would be acceptable and upon the committee's approval of the nomination, it would then be considered and approved by the full Board.

Regent Armour nominated Regent Beth Madison to fill the vacant regent position on the SWAAC Committee.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the committee members in attendance, the appointment of Regent Beth Madison as a Committee member and appointment term for the System-wide Art Acquisition Committee (SWAAC) was approved.

Regent Madison accepted the nomination and stated she was honored to be a member of this committee.

2. Approval is requested for the Campus Recreation and Wellness Center Natatorium Rehabilitation Project program at the University of Houston – University of Houston, Item C7-26.

Dr. Carlucci introduced this item and asked Ms. Messa to describe the project and Dr. Richard Walker, Vice Chancellor for Student Affairs to present the details of this project. Ms. Messa stated that over several years there have been a number of facilities' items that have developed with the natatorium in the Campus Recreation and Wellness Center. This facility was completed construction in 2003, so it is a circa 2003 facility. The natatorium encompasses the indoor natatorium and it also encompasses a leisure pool and spa associated with the facility. As a result of these issues, we have had several studies completed, including the Facilities Condition Assessment that was completed in 2012 as well as pool consultants and architects that have helped us understand the challenges that we are facing with this facility.

Ms. Messa presented a slide presentation showing the various areas of concern. The first slide showed the indoor natatorium but the issues raised include both the indoor natatorium as well as all of the pools, and specifically related to the pump rooms, chemical rooms and the HVAC ventilation. Ms. Messa introduced Dr. Richard Walker, Vice Chancellor for Student Affairs and members of his team who were present at the meeting to address this project in further detail as well as scheduling issues as the UH swim and diving team utilize this facility.

Dr. Walker deferred to Ms. Kim Clarke, who is the Director of Campus Recreation and has been extensively involved in this analysis since she arrived at the University of Houston in February 2012. Dr. Walker asked Ms. Clarke to outline the scope of this project that will be undertaken. Below is a brief summary of Ms. Clarke's remarks.

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- Ms. Clarke stated that as Ms. Messa had indicated, a number of studies have been done on the natatorium, the pump room and HVAC system with the most recent one being completed this past fall.
- In total there have been five (5) different studies completed on this facility and there are a number of issues as outlined below:
 1. The poolpak units are basically rusting from the inside out and are in need of replacement.
 2. The air circulation for the natatorium is also deficient; and part of this is the result of the design. Exhibits were presented which showed that pipes have had a number of leaks, poor design and construction issues, and poor maintenance due to nine (9) years of inefficient maintenance. As a result, we are on the verge of a catastrophic failure.
 3. There are twelve inch main lines in the pump room; and there are a number of leaks. A catch basin was developed to actually gather the water so that it would drain into the pit so that it did not pose a further issue.
 4. There are no Variable Frequency Devices (VFDs) in the pump room; therefore, every time a pump or a motor is started, there is massive water hammering. A number of structural supports have been added; but even with the supports being added, the water hammering and the vibration that it has created causes further challenges.
 5. There are currently four (4) poolpak units that are rusting from the inside out; and one (1) is completely down. They are currently running at 75% capacity.
 6. The pool surface needs replacement. The pool plaster is nearing the end of its useful life cycle of 8-12 years.
 7. The pump pit is very wet – it should be completely dry. There are also electrical units. There is no separate electrical room; therefore, the moisture impacts the electrical so part of the scope would be to separate, and to add and enclose, the electrical room for safety purposes.
 8. None of the flow meters are working. They cannot measure the flow or the volume of the water going through the pipes and that is a code and regulation that they are currently not in compliance with.
 9. Filtration system needs replacement. There are six (6) filters that serve both the indoor natatorium, the leisure pool and both spas. The filter media is past the end of its 5-10 year replacement cycle. Steel filter tanks are also showing signs of corrosion. It is recommended to replace filter tanks with new fiberglass filtration system to further enhance the water quality and remove chloramines.
 10. The indoor pool is 70 meters and there are three (3) bulkheads that are also in need of replacement. They are aged and corroded.
 11. This project is also adding new ventilation at deck level with additional vents that will take and remove the chloramines and improve the air quality.

A lengthy discussion followed.

Regent Hollingsworth also expressed concern regarding the competitive Athletic issue which should be addressed. The pool is an intramural pool and used by the swim team as well. Dr. Walker stated that the pool was part of the Campus Recreation and Wellness Center building that was funded by student fees and was created specifically for this building. It is used for

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recreational purposes by both faculty and staff and it is also home to both the swimming and diving program.

Regent Hollingsworth asked Dr. Walker for the plan for alternative uses by students as well as the swim team. This facility would be operational through the fall semester and then in December everything would be completed in one phase, stated Dr. Walker. We will displace and close down both pools for the duration of the spring semester in order to complete this work all in one phase. There will be no leisure swimming for faculty, staff or students during this period of time. Dr. Walker stated he also met with Mr. Mack Rhoades, Vice President for Intercollegiate Athletics and Athletics is aware that they will have to relocate swim practices during this interim period. Ms. Clark said there were other pools in the Houston area to support the swim team but the challenge would be with the platform diving team. A 10-meter platform does not exist in the Houston area; the closest one is located at Texas A&M in College Station.

Dr. Walker emphasized and stated that he had communicated to Mr. Rhoades that they were basically holding this together; but they could have a catastrophic situation where they would have to shut down at any point in time. Therefore, this was the reasons why they were being aggressive with their schedule; it was to at least get through the fall semester because they needed at least that time from the planning process with Facilities to order the equipment and complete the design work. The soonest this project could get underway would be the beginning of December 2014. A discussion followed.

Regent Hollingsworth asked about the procurement plan. Dr. Carlucci replied that there will be a bid put out for the construction work and the bid would be according to the university's procedures. It is a \$9.0 million project. The preventative maintenance issues for this building were also addressed and Dr. Carlucci stated that the new management was on top of this issue. They also realize that there had not been appropriate maintenance, which is true for the entire facility not just the natatorium.

Regent Hollingsworth inquired as to whether or not the university has a post-contract completion evaluation process, in writing, so that we assess the abilities of contractors that have worked for us in the past, that information is available for future evaluations of procurements if those vendors apply again, we can look back and have the benefit of that information when we hire contractors. Regent Hollingsworth stated he wanted to make certain that we have a process for evaluating, in writing, past work by vendors who apply to work for us in the future and also have deferred maintenance plans as part of this process.

Dr. Carlucci stated that all projects going forward have an audit completed by a construction auditor; they have a commissioning done by firms that are brought in that are specialists in the area that is appropriate to the building; and the university goes after anything that is not according to design and does not live up to the standards. The university uses the warranty period but we also do not accept any project that does not meet the standards of the outside commissioning firms. Therefore, it is a completely different process and we do not expect

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this kind of issue with the design construction pieces. Maintenance is now part of the pro forma process for every project. The estimated cost of approximately \$9.0 million for this reconstruction project will be addressed in the Finance and Administration Committee meeting held on February 26, 2014. A discussion followed.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the committee members in attendance, the request for the Campus Recreation and Wellness Center Natatorium Rehabilitation Project program at the University of Houston was approved.

3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the conveyance of land to the City of Sugar Land at the University of Houston-Sugar Land – University of Houston, Item D – FCMP-D.

Dr. Carlucci introduced this item and asked Ms. Emily Messa to present this item for the committee's consideration. Slides were presented of the UH-Sugar Land campus which showed the right-of-way conveyance for the deceleration lane and the existing I-59 feeder road and the proposed deceleration lane. It is requested to "swap" approximately .23 acres of lane as required to obtain Texas Department of Transportation (TxDOT) approval for the construction of a proposed curb cut and deceleration lane by the City of Sugar Land. This allows TxDOT to provide the appropriate right-of-way buffer necessary for the deceleration land. The curb cut will align with the Roadway Easement recently granted to the City and as previously approved by the UH System Board of Regents.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the committee members in attendance, the request to delegate authority to the Chancellor to negotiate and execute contracts for the conveyance of land to the City of Sugar Land at the University of Houston-Sugar Land was approved.

4. Approval is requested to update the University of Houston-Clear Lake's Master Plan for the site and program of the new modular building – University of Houston-Clear Lake, Item E – FCMP-E.

Dr. Carlucci presented this item requesting approval to update the UH-Clear Lake Master Plan for the site and program of the new modular building. UH-Clear Lake is going through downward expansion and as part of this UH-Clear Lake needs to add additional facilities. In order to accommodate their need, UH-Clear Lake decided to purchase a 7,500 sq. ft. modular facility to house the UH-Clear Lake Police Department. This modular building will provide a permanent location for the entire UH-Clear Lake Police Department and will meet all needs of the department including office space, training room, processing and interview rooms, storage, locker room and dispatch. Dr. Carlucci stated they were asking for an amendment to the Master Plan to locate this modular building.

Dr. Bill Staples, President of UH-Clear Lake, presented the committee with a description of the request to house the UH-Clear Lake Police Department in this new modular building. At the moment, the UH-Clear Lake Police Department is located in the Bayou Building. In the

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last year and a half, the Bayou Building has undergone significant repurposing for downward expansion. For the first time, freshman and sophomores will be on the UH-Clear Lake campus in August 2014. Currently, the UH-Clear Lake Police Department is located in two different locations in the Bayou Building – one space is adequate and the other space is not even near inadequate. This is an issue that has been at UH-Clear Lake for a number of years but when it came time to invest funds, first and foremost, UH-Clear Lake invested in academic items. This is a modular building which would be located next to the Central Services Building. UH-Clear Lake has had prior experience with one other modular building on campus and it has worked out extremely well. This would consolidate both areas of the Police Department that are currently in the Bayou Building into this new modular building; and then UH-Clear Lake would repurpose part of the space that they vacate in the Bayou Building for other needs related to downward expansion.

President Staples called this a one-time fix and once this modular building was in place, the issue regarding the home of the UH-Clear Lake Police Department was basically solved. It is long overdue. The life expectancy of this building would be approximately 30-years.

Dr. Carlucci stated this was a contract purchase as opposed to a construction contract. A brief discussion followed.

On motion of Regent Armour, seconded by Regent Hollingsworth, and by a unanimous vote of the regents in attendance, the request to update the University of Houston-Clear Lake's Master Plan for the site and program of the new modular building was approved.

The last action item for the committee's consideration and approval was presented.

5. Approval is requested for the University of Houston Capital Improvement Plan – University of Houston, Item F – FCMP-F.

Dr. Carlucci introduced this item and asked Ms. Messa to describe the plan, the process and the result. Ms. Messa also invited Mr. Mike Yancey, Director of Facilities Planning and Ms. Jeanne LaMontagne, Assistant Director for Planning, who helped lead the efforts for the University of Houston on the Capital Improvement Plan. The Capital Improvement Plan is a program that establishes a short-range of a 5-year plan that is updated annually and ranks projects based on the facility condition index number as well as costs so that we are then able to finance those projects. Importantly, the Capital Improvement Plan provides a link between the academic plan for the institution; it encompasses facility needs that we determine from our user groups and interviews; it connects the facility condition assessment process; and importantly it also links with the capital budget.

The Capital Improvement Plan (CIP): Overall Methodology was addressed. The university uses a four (4) step process as follows:

1. Capital Improvement Plan Process.
 - (a) Facilities Condition Assessment (Completed in 2012)
 - (b) Facilities Users Space Needs Assessment (Completed in 2014)

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- (c) Capital Project Planning Form (Ongoing)
- (d) Campus Master Plan (January 2015)
- 2. Capital Improvement Plan Schedule
- 3. Capital Projects Sorted by Facilities Condition Index Number
- 4. Capital Projects Sorted by Space Type
 - (a) Education and General Use (E&G)
 - (b) Non E&G (Auxiliary Space, Athletics, Residential)
 - (c) Mixed Use

The Capital Improvement Plan includes the approximately 667 acres of the main campus as well as the Energy Research Park (ERP). It includes 152 buildings and approximately 12 million gross square feet for the campus.

Ms. Messa asked Mr. Yancey to come forward and discuss the steps and the outcomes from the plan to the committee.

Mr. Yancy addressed the committee regarding the steps and outcomes of the Capital Improvement Plan (CIP) and below is a brief summary of his remarks.

- Step 1: the Facilities Condition Assessment was completed in 2012. It is a 10-year look that takes the recommended repairs over the next 10 years.
 - Of the 152 with building numbers, 75 facilities were assessed, excluding new, ERP and buildings scheduled for demolition.
 - The costs was identified and categorized and escalated them to the 4th quarter 2015. The 2012 costs are escalated until today. Of the critical items identified, \$17.9 million in Priority 1 were all life/safety issues; \$223.4 million in Priorities 1-3 (0-5 years) were for immediate repairs; and \$355 million in Priorities 1-5 (for the entire 10 years) and this number includes all necessary repairs over the 10-year period in order to bring all of the buildings up.
 - Fifteen facilities of those assessed were potential CIP projects which totaled \$4.0+ million.
 - Projects assigned Facilities Condition Index Numbers (FCIN) is basically an index estimate that compares the maintenance divided by the replacement value. It is a ratio that gives you a relative gauge for determining the general condition of the building.
 - The assessment represents the basic infrastructure needs of the facilities that include structure, roofing, window system, HVAC, electrical, plumbing, accessibility, etc., but does not include renovations related to user needs, refreshing, repurposing, etc.
- Step 2: the Facilities Users Space Needs Assessment has been completed. They have surveyed the user groups to determine and report on the adequacy of current / projected operational space needs to meet intended functions. They met with 30 user groups including deans and department heads; over 20 responded to an electronic questionnaire; and they were able to determine that numerous buildings had building-related issues that our user needs but none of them were standalone capital projects. So none of the user needs identified determine more than \$4 million per building, but they did include the

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need for comfort issues and determined that they needed more office space; 30-40 person classrooms; and basically more efficient layouts.

- Step 3: Identifying and Prioritizing Capital Projects. This is combining the conditions assessment and the needs assessment to create capital projects that they are currently seeking approval. They are identifying the CIP projects and developing preliminary budgets and these will become the basis for the LAR/TRB requests due July 2014. They are in the middle of CIP preparation, currently defining the projects, and they were here before the Facilities, Construction and Master Planning Committee (FCMP) and they intend to come back annually with their CIP projects. The MP1 Reports to the Texas Higher Education Coordinating Board (THECB) will be completed in June 2014; and the CIP will be reflected in the MP1 Reports. The Campus Master Plan Preparations will be done over the next nine (9) months and this will come back annually to the FCMP Committee as well.
- Step 4: Campus Master Plan will be completed by January 2015. This is a Campus Land Use Plan. It is a 10-year look so it will cover 2015 to 2025; and they will further develop the 2010 Master Plan to include current CIP projects.

Ms. Jeanne LaMontagne address the CIP projects and below is a brief summary of her remarks.

- The CIP projects by Facility Condition Index Number (FCIN) was outlined to the committee. The lists of projects were listed in priority order. The FCIN (Facilities Condition Index Number – Cost of repairs divided by current replacement value). $\leq 35\%$: keep as-is, maintain for a ten to fifty year life and $\geq 50\%$: consider replacement; minor repairs only.
- CIP Education and General Use (E&G) projects were addressed.
 - Category I – New Construction / Replace in Place projects were briefly discussed. They included the Cougar Substation; Chilled Water Distribution Center; and Electrical Distribution problems. The total project renewal costs for fall 2012 – 2015 was \$34.9 million.
 - Category II – Repairs and Rehabilitation System. There were eight (8) buildings that were listed in this category and all of them are highly utilized and very efficient buildings. These buildings are located in the core of the campus and include the Science Building, Roy G. Cullen, Farish Hall, Lamar Fleming, Jr., Engineering Lecture Hall, Science and Research I, McElhinney Hall, and Agnes Arnold Hall. The total project renewal costs for fall 2012-2015 was \$381.4 million. Dr. Carlucci stated that these would all be TRB candidates. A discussion followed.
 - Category III – Decommission or Demolish. There were four (4) areas addressed in this category totaling \$12.7 million. They included the Science & Engineering Annex, Technology Annex, EHRM 2 and EHRM 1.
 - Category IV – Maintenance. There were numerous items listed in this category which totaled \$7.0+ million.
- CIP Non Education & General Use (E&G) projects were outlined.
 - Category I – New Construction / Replace in Place projects numbered five (5) buildings and totaled \$87.8 million. They included Bates Residence Hall, Law Residence Hall, Taub Residence Hall, Settegast Residence Hall and E.E. Oberholtzer Residence Hall.
 - Category II-IV – Repair and Rehabilitation System and Maintenance.

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- CIP Mixed-Use Projects were addressed. Category I – New Construction / Replace in Place projects totaled \$7.2 million and included the Student Service Center 1 and 2 buildings; and various ERP buildings.

Ms. LaMontagne reviewed the CIP Budget Summary for the CIP as follows:

• <u>Education and General Space (E&G)</u>	
Category I – New Construction / Replace in Place	\$ 34,936,903
Category II – Rehabilitate or Repair	381,391,271
Category IV – Maintenance	<u>\$ 7,030,493</u>
Subtotal	<u>\$ 423,358,667</u>
• <u>Non – E&G (Auxiliary, Athletics, Residential, Etc.)</u>	
Category I – New Construction / Replace in Place	\$ 87,754,750
Category II – Rehabilitate or Repair	24,001,712
Category IV – Maintenance	<u>\$ 189,185,219</u>
Subtotal	<u>\$ 300,941,681</u>
• <u>Mixed E&G / Non E&G</u>	<u>\$ 7,158,317</u>
TOTAL	<u>\$ 731,458,665</u>

A copy of this presentation has been filed in the Board office.

On motion from Regent Armour, seconded by Regent Hollingsworth and by a unanimous vote of the committee members in attendance, the request for the University of Houston Capital Improvement Plan – University of Houston was approved.

At the conclusion of the approval of the above action item, Regent Wilson, Jr. called for a motion to place the five (5) action items presented to the committee and approved on the Board’s Consent Docket Agenda for final board approval.

Regent Hollingsworth made a motion to approve all five (5) action items, but requested that Chairman Wilson, Jr., as chair of the Finance and Administration Committee, request that this item be pulled from the Consent Docket at the Board of Regents meeting scheduled for tomorrow, May 7, 2014 for an overview to the full Board. This motion was seconded by Regent Armour and by a unanimous vote of the committee members in attendance, the following five (5) action items will be placed on the Board’s Consent Docket Agenda at the Board of Regents meeting scheduled for May 7, 2014 for final board approval as follows:

1. Approval is requested for appointment of a Committee member and Appointment term for the System-wide Art Acquisition Committee (SWAAC) – University of Houston System;
2. Approval is requested for the Campus Recreation and Wellness Center Natatorium Rehabilitation Project program at the University of Houston – University of Houston;

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3. Approval is requested to delegate authority to the Chancellor to negotiate and execute contracts for the conveyance of land to the City of Sugar Land at the University of Houston-Sugar Land – University of Houston;
4. Approval is requested to update the University of Houston-Clear Lake’s Master Plan for the site and program of the new modular building – University of Houston-Clear Lake; and
5. Approval is requested for the University of Houston Capital Improvement Plan – University of Houston.

No Executive Session was called.

There being no further business to come before the committee, the meeting adjourned at 12:24 p.m.

All documentation submitted to the Committee in support of the foregoing action items, including but not limited to “Passed” agenda items and supporting documentation presented to the Committee, is incorporated herein and made a part of these minutes for all purposes; however, this does not constitute a waiver of any privileges contained herein.

Others Present:

Renu Khator
Paula Myrick Short
Carl Carlucci
Dona Cornell
Rathindra Bose
Elwyn Lee
Eloise Dunn Stuhr
Richard Walker
Don Guyton
William Flores
Victor Morgan
William Staples
Kim Clark
Shannon Harrison
Don Price
Brian Thomas
Gerry Mathisen

Emily Messa
Raymond Bartlett
Tom Ehardt
Maria Elena Soliño
Darrin Hall
Mike Emery
Oscar Gutierrez
Jeanne LaMontagne
Pam Muscarello
Floyd Robinson
Sacha Ryder
David Bradley
Wayne Beran
Brandon Alexander
Phil Booth
Marquette Hobbs

Craig Ness
Asit Shah
Dick Phillips
Chris Stanich
Jonathan Thurston
Mark Clark
Dan Maxwell
Michelle Dotter
Jeffrey Cass
Mike Yancey
Sean York
Ward Martaindale
Dan Wells
Joe Brueggeman
Jon Aldrich
Brenda Robles