

COLORADO COMMISSION ON HIGHER EDUCATION

SPECIAL TELECONFERENCE MEETING

July 17, 2003
Colorado Commission on Higher Education Office
Denver, Colorado

MINUTES

Commissioners

On Teleconference: Judith Altenberg; Ray Baker, Chair; Terrance Farina, Vice Chair; "Pres" Montoya; Ralph Nagel; Gully Stanford; James Stewart; and Judy Weaver.

Advisory Committee: Wayne Artis (via teleconference); and Ryan McMaken.

Commission Staff

Present: Tim Foster (via teleconference); JoAnn Evans; Joan Johnson, Kathi Williams

I. Call to Order

The special teleconference meeting of the Colorado Commission on Higher Education was called to order on July 17, 2003 at 2:05 p.m. in Conference Room B at the Colorado Commission on Higher Education Office, 1380 Lawrence Street in Denver, Colorado. A quorum was present.

II. Action Item

A. FIVE UNIVERSITY OF COLORADO HEALTH SCIENCES CENTER PROJECTS FUNDED BY STATE CERTIFICATES OF PARTICIPATION (COPS): EDUCATION FACILITY II, EDUCATION BRIDGE, LIBRARY AT FITZSIMONS, ACADEMIC OFFICE FACILITIES, AND FACILITIES SUPPORT BUILDING

Joan Johnson explained that the University of Colorado Health Sciences Center (UCHSC) wants to expedite the relocation of programs from the 9th Avenue and Colorado Boulevard campus to the campus at the former Fitzsimons Army Base in order to realize the economic benefits of the transition to Fitzsimons sooner; reduce overall facility costs while the construction market is highly competitive and the rate of inflation for construction costs is low; avoid continuing operating, maintenance, and remodeling costs at 9th Avenue and Colorado Boulevard; and replace private leased space with state-operated space at Fitzsimons.

The General Assembly passed and Governor Bill Owens signed HB 03-1256 which authorizes the state to make lease-purchase payments for the new academic buildings to be built at Fitzsimons. Under that legislation, the state of Colorado, acting through the Board of Regents, is authorized to execute lease-purchase agreements for up to \$202,876,102 (plus "reasonable and necessary" administrative, monitoring, and closing costs and interests) for up to 25 years to finance construction of the academic facilities. Annual aggregate rentals under all the lease-purchase agreements shall not exceed \$15,100,000 annually.

CCHE staff recommend that the Commission approve five additional projects financed through state-backed COPS to enable UCHSC to get the designs completed and the

projects built within the three-year period that the Internal Revenue Service requires for spending of proceeds from the sale of tax-exempt certificates and revenue bonds.

Tim Romani, Vice Chancellor of Campus Planning, commended John Johnson and Gail Hoffman for their work on this project. He stated that all the staff recommendations and conditions are acceptable to the UCHSC.

The questions raised by Commissioners during this discussion were for clarification on the space utilization percentage for the Library, the cost per square foot, and the life expectancy of the COP-built buildings. Tim Romani responded to all the questions and reaffirmed that the buildings are designed for a thirty to fifty year life. Betsy Hoffman, President of the University of Colorado, thanked the Commission and staff for the quick response to the University's request.

Staff Recommendation

1. That the Commission approve Academic Office Facilities and the Facility Support Building without conditions.
2. That the Commission approve the program plan for Education Facility II and Education Bridge with the following condition:
 - If costs escalate beyond what is planned, the UCHSC will reduce the square footage in Education Facility II devoted to student community spaces, student group learning, educational support services, and the 600-seat lecture hall before it reduces the square footage for classrooms and smaller lecture halls. Alternatively, the UCHSC could opt to pay for the increase in costs from their cash funds.
3. That the Commission approve the program plan for the Library at Fitzsimons with this condition:
 - UCHSC re-evaluate the relative inefficiency of the library (66.3 percent vs. CCHE recommended building efficiency for libraries of 75 percent) during the design phase and report the final decision to CCHE staff.

Action: Commissioner Stanford moved approval of the staff recommendation. Commissioner Altenberg seconded the motion and the motion carried unanimously.

Action: Commissioner Weaver moved to adjourn. The special meeting adjourned at 2:25 p.m.