

TRUSTEE FINANCE COMMITTEE

AGENDA

Friday, September 11, 2009

Administration Building

I. Discussion Only

Investment Update

II. Action Items

Orion Capital Manager

Attachment 1

A. Authorization to Plan

Residential and Hospitality Services - Dining Master Plan

Attachment 2

B. Project Approval – Authorization to Proceed

Anthony Hall – Alterations to Rooms 3200 and 3211

Attachment 3

Giltner Hall – Alterations to Suites 31 and 32

Attachment 4

C. Bid and Contract Award

Food Stores – Alterations to Freezer Walls

Attachment 5

MICHIGAN STATE
UNIVERSITY

September 2, 2009



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager – Orion Capital Managers

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select Orion Capital Managers as an investment manager.

BACKGROUND

Orion Capital Managers (Orion) is seeking approximately \$1.4 billion for its third fund, Orion European Real Estate Fund III, C.V. (the Fund). The Fund will make equity and equity-related investments in a diversified portfolio of real estate assets and operating companies throughout Europe. Orion will seek opportunities to create value by focusing on management, leasing, financial and legal structure, and repositioning assets. Historically, Orion has been most active in France, followed by Italy, Germany, and the United Kingdom, because of the high level of market activity in those countries and Orion's knowledge of those markets.



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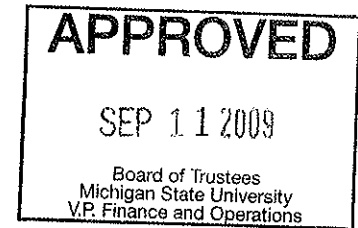
Orion was formed in 1999 by former LaSalle Investment Management (LaSalle) directors Bruce Bossom, Aref Lahham, and Van Stults. Orion has an investment team of 17 people with half of the staff located in the Paris office and the remainder in London, Milan, and Madrid. To supplement the team, where they do not have a direct presence, Orion has established operating partnerships with local firms. One of Orion's differentiators is the depth of experience of the team. The three founding partners average almost 30 years of real estate experience and have worked together, either at LaSalle or Orion, for the past 15 years.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Orion European Real Estate Fund III, C.V. represents an opportunity to invest with an experienced European real estate firm that will be complementary to MSU's existing real estate investments. The Administration plans to invest approximately \$5 million in the Fund.

cc: D. Brower, N. Carter, G. Klein, K. Lindahl


MICHIGAN STATE
UNIVERSITY

September 2, 2009



MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Authorization to Plan
Residential and Hospitality Services – Dining Master Plan

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to plan for the project entitled Residential and Hospitality Services – Dining Master Plan.

BACKGROUND

Program Need:

Michigan State University has the largest and most diverse self-operated dining service in the country. The Division of Residential and Hospitality Services (RHS) provides 30,000 meals daily in 12 residential dining facilities, MSU Union, International Center, and 15 coffee houses. The dining facilities range in age from 70 years at Landon Hall to two years at the Gallery in Snyder Phillips. The facilities are in need of renewal to meet today's student dining needs in addition to mechanical, electrical, plumbing, and kitchen improvements. Likewise, the University needs to develop a dining services plan consistent with the neighborhood concept included in Residential Hospitality Services planning.

General Description of the Project:

The Residential and Hospitality Services – Dining Master Plan will create a truly integrated campus dining program, which will provide a seamless experience for customers, while optimizing limited shared resources. This integrated program will provide flexibility in accommodating needs and demands, mix and location of dining venues across campus, and will provide an optimal level of service to customers at the lowest cost. The implementation of the plan is estimated to take seven to eight years. The completed Master Plan will be shared with the Board once developed, and each project will follow established Board Policy for construction projects.



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Communication Plan:

During the planning phase, the campus community including the Residence Hall Association, various constituent groups, and the Resource Center for Persons with Disabilities will be given several opportunities to provide consultation and feedback on the project as it is being designed and developed. Input from the project planning team will also be solicited during the design phase.

Preliminary Project Cost Information:

The preliminary project cost estimate is yet to be determined and will be developed as part of the planning process.

The source of funds for this project is expected to be from a combination of current Residential and Hospitality Service funds and tax-exempt financings with debt repayment from the Auxiliary Activity – RHS.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, B. Kranz, K. Lindahl, M. McCabe, J. Mumma, R. Nestle, D. Quinney, V. Gore, S. Margraves, N. Carter

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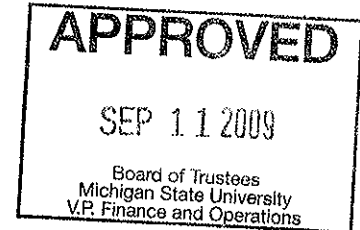
September 2, 2009

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Project Approval - Authorization to Proceed
Anthony Hall - Alterations to Rooms 3200 and 3211



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees authorize the Administration to proceed with the project entitled Anthony Hall - Alterations to Rooms 3200 and 3211 and to approve a budget of \$2,500,000.

BACKGROUND

Program Need:

The University has created the Institute of Cyber-Enabled Research (iCER), with the mission of coordinating and supporting multidisciplinary cyber-enabled research at Michigan State University. iCER will enhance MSU's national and international presence and competitive edge in disciplines and research thrusts that rely on advanced computing. iCER is in need of space to execute its mission. The third floor attic of the east side of Anthony Hall is currently a "shell only" space that was constructed in 1999.

Description of the Project:

This project incorporates the design and build-out of the east side of the third floor of Anthony Hall, and will include office and meeting space to support theoretical/computational research, graduate instruction, administrative and academic support, and conferences/seminars. Approximately 11,000 square feet will be converted into office space including six individual offices, a conference room, a copy room, open office space, bathrooms, and other storage and mechanical space to accommodate 34 people.

The Architect/Engineer is Bernath Coakley, with engineering support from Physical Plant Engineering and Architectural Services. The Construction Manager is Skanska.

Communication Feedback:

Faculty, staff, and students who work in Anthony Hall were given an opportunity to provide feedback during the planning phase; no issues or concerns were raised.



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The Office of Campus Planning and Administration has reviewed this project and found it to be consistent with the Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As construction proceeds, the schedule and phasing will be reviewed with the building occupants and key administrators.

Project Cost and Timetable:

The budget for this Construction Management project is \$2,500,000, which is being funded by the General Fund – Vice President for Research and Graduate Studies and the Institute for Cyber Enabled Research.

Construction is planned to begin in October 2009 and will be substantially complete by September 2010, with final completion by August 2011.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, B. Kranz, K. Lindahl, M. McCabe,
J. Mumma, R. Nestle, D. Quinney, I. Gray, W. Bauer


CP09084

MICHIGAN STATE
UNIVERSITY

September 2, 2009

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Project Approval - Authorization to Proceed
Giltner Hall - Alterations to Suites 31 and 32



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees authorize the Administration to proceed with the project entitled Giltner Hall Alterations to Suites 31 and 32 and to approve a budget of \$1,000,000.

BACKGROUND

Program Need:

Suites 31 and 32 in Giltner Hall are configured as wet bench laboratory space and have recently been vacated. The Department of Zoology, in the College of Natural Sciences, has recruited a new faculty member, Dr. Jennifer Bourghman, interested in important and long-standing questions in evolutionary biology, such as how new species arise. Most recently her research has focused on the behavioral mechanisms involved in the differentiation of stickleback fish species in varying aquatic environments. Dr. Bourghman studies these fish both in their natural environments and in the laboratory, where she conducts both behavioral and genetic studies of different populations collected in the wild. Dr. Bourghman needs a laboratory that will support approximately 420 fish tanks.

Description of the Project:

Giltner Hall is located on the east side of Farm Lane in the North Academic District. This project involves renovation of laboratory suites in Giltner Hall to provide ventilation, room temperature control, installation of observation benches, tank rack space, utility modifications, and structural enhancements to increase the load capacity.

There will be approximately 420 (70 gallon) tanks which will be distributed in five different rooms to provide improved functionality for the research. Structural support modifications will be made to support the weight of the tanks. Condenser units will be placed directly outside to accommodate the required year-round temperature of 60 degrees Fahrenheit.

The Architect/Engineer is Fishbeck, Thompson, Carr, & Huber.



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Communication Feedback:

Faculty, staff, and students who work in or adjacent to Giltner Hall were given opportunities to provide feedback during the planning phase; no issues or concerns were raised.

The Office of Campus Planning and Administration has reviewed this project and found it to be consistent with the Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As construction proceeds, the schedule and phasing will be reviewed with the building occupants and key administrators.

Project Cost and Timetable:

The budget for this Design-Bid-Build project is \$1,000,000, which is being funded by the General Fund – College of Natural Science.

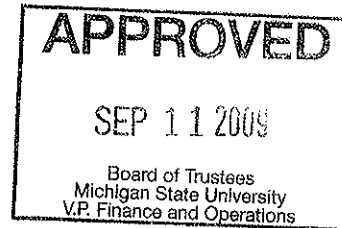
Construction is planned to begin in November 2009 and will be substantially complete by February 2010, with final completion by February 2011.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, B. Kranz, K. Lindahl, M. McCabe,
J. Mumma, R. Nestle, D. Quinney, J. Kirkpatrick, F. Dyer

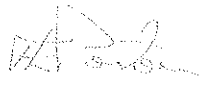
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MICHIGAN STATE
UNIVERSITY

September 2, 2009



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Bid and Contract Award**
Food Stores – Alterations to Freezer Walls

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees award a contract in the amount of \$2,301,274 to Nielsen Commercial Construction Company for the project entitled Food Stores – Alterations to Freezer Walls.

BACKGROUND

Description of the Project:

This project involves replacement of the existing insulation panels with new ones having a 20% better insulation value and the replacement of freezer and refrigeration equipment with new high efficiency, energy saving equipment. The refrigerator/freezer portion of the building currently uses approximately 60% of the total building energy. Security and access control enhancements will be included and the HVAC system, which serves the office area of the building, will be replaced. This higher-efficiency equipment will allow for better zone-level control, improved ventilation, and an expected decrease in overall building energy use.



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Bid List:

The following bids were received:

<u>BIDDERS</u>	<u>BID</u>
Nielsen Commercial Construction Company	\$2,301,274
Laux Construction, LLC	2,331,900
Moore Trosper Construction Company	2,381,000
Kares Construction Co., Inc.	2,389,000
Frank Rewold and Son Inc.	2,445,469
C.D. Barnes Associates, Inc.	2,582,456

Project Cost:

In June 2009, the Board of Trustees authorized a budget of \$3,500,000 for this project which is being funded by Auxiliary Activities – Residential and Hospitality Services.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, B. Kranz, K. Lindahl, M. McCabe,
J. Mumma, R. Nestle, D. Quinney, V. Gore, S. Margraves, J. Bonk

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