

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES
Agenda Item Summary Sheet**

Name: Finance and Facilities Committee

Date: March 17, 2015

Title: Winona State University Building Gift

Purpose (check one):

- | | | |
|---|--|---|
| <input type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input checked="" type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

The Board of Trustees is asked to approve a gift of real property, known as the Laird Norton Building, in Winona, Minnesota on behalf of Winona State University. Board approval is required consistent with Policy 7.7, *Gift and Grants Acceptance*.

Scheduled Presenter(s):

Brian Yolitz, Associate Vice Chancellor for Facilities
Scott Olson, President, Winona State University

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION

Winona State University Building Gift

PURPOSE

To obtain Board of Trustees approval of a real property donation of the Laird Norton Building and land, located at 125 West Fifth Street, Winona, Minnesota, consistent with Policy 7.7, *Gift and Grants Acceptance*.

BACKGROUND

Winona State University was approached about a donation of a building, known as the Laird Norton Building, 125 West Fifth Street, Winona. The Laird, Norton Co., one of the lumber firms which dominated Winona's riverfront, built and operated this building as its headquarters since 1917, and desired to donate the facility to the university for educational and public purposes. Property orientation to Winona State University and exterior views are at **Attachment 1**. Select interior elements are at **Attachment 2**. Proposed floor plans are at **Attachment 3**.

KEY TERMS OF THE DONATION

The building (30,070 gross square feet) and underlying property (approximately 0.38 acres) is being donated to the Minnesota State Colleges and Universities system for Winona State University's benefit, along with \$165,000 cash to assist in the abatement of asbestos within the facility. The donor has made two conditions to the donation:

1. Winona State University will maintain the building in a manner consistent with its status on the National Register of Historic Places
2. The building will maintain "Laird Norton" in its name. The current proposed name is "Laird Norton Center for the Arts and Design"

The appraised value of the property is \$700,000. The current county assessed value for the property is \$523,900.

KEY INVESTIGATIONS

The donor and university completed several investigations related to the building's condition, both architectural and environmental, which included a hazardous building materials assessment, evaluating the status of asbestos, and the evaluation of the presence of hazardous and special waste materials such as lead paint in the building. The donor and/or university have completed the hazardous building materials assessment report, Phase I and Phase II

environmental site assessments, and secured petroleum tank release site closure letter from the Minnesota Pollution Control Agency.

A building assessment was conducted to determine the functional and building code compliance of the building. In addition, a utility, mechanical and electrical system assessment was done to assess system efficiency. Based on these evaluations, the consultants have identified approximately \$1.3 million worth of work to bring the facility up to current code.

NATIONAL REGISTER OF HISTORIC PLACES

The Laird Norton building was listed on the National Register of Historic Places on July 11, 2014 (#14000391). The designation was in recognition of the significant place the building has in American history, architecture, archeology, engineering, and culture. Owners of properties on the National Register can do whatever they want with the property as long as there are no federal monies attached to the property. However, before this occurs, the property owner should contact the state historic preservation office (SHPO). If federal monies are attached to the property then any changes to the property have to allow the Advisory Council on Historic Preservation to comment on the project.

Reflecting the historical and cultural significance the building has in the region, the parties agreed to a historic covenant wherein the university and Laird Norton LLC agree that the property will be used primarily for university and educational purposes, which may include public use and community events as long as these activities do not adversely impact the historic designation of the facility.

UNIVERSITY'S USE AND FINANCING OF THE BUILDING

The university intends to use the facility in the immediate term to house offices and studios for the Department of Art and Graphic Design, and to house galleries for the exhibition of student and faculty art and art owned by the WSU Foundation. Proposed floor plans are at **Attachment 3**. Long range, the university expects to use this as showcase space and for art exhibits.

The university intends to abate asbestos around piping, and floor and ceiling tiles and make initial work to bring the building up to the expected occupancy standards for university use. This work includes:

- Asbestos abatement
- Boiler replacement
- New elevator and new entrance ramp
- Additional fire suppression capabilities
- Upgrades to information technology networks and lighting

The estimated cost of this work is \$1.3 million. The estimated annual operating expense, to include custodial and maintenance staff, utilities, annual R&R, and service contracts is \$150,000. The university has \$2.0 million in general fund resources set aside. In addition, the Winona State Foundation has committed to providing \$1 million to defray future costs of operations and maintenance of the building, future capital investment needs, and to support special initiatives associated with the building and its programs. A letter from the Winona State University Student Senate supporting the gift of the Laird Norton Building to Winona State University is at **Attachment 4**.

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends that the Board of Trustees adopt the following motion:

The Board of Trustees formally accepts the Laird Norton Building and related land, located at 125 West Fifth Street, Winona, under the terms as documented in this report. The board further directs the chancellor or the chancellor's designee to execute any necessary documentation to accomplish the transfer to the system on behalf of Winona State University.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees formally accepts the Laird Norton Building and related land, located at 125 West Fifth Street, Winona, under the terms as documented in this report. The board further directs the chancellor or the chancellor's designee to execute any necessary documentation to accomplish the transfer to the system on behalf of Winona State University.

Date presented to the Board of Trustees: March 18, 2015

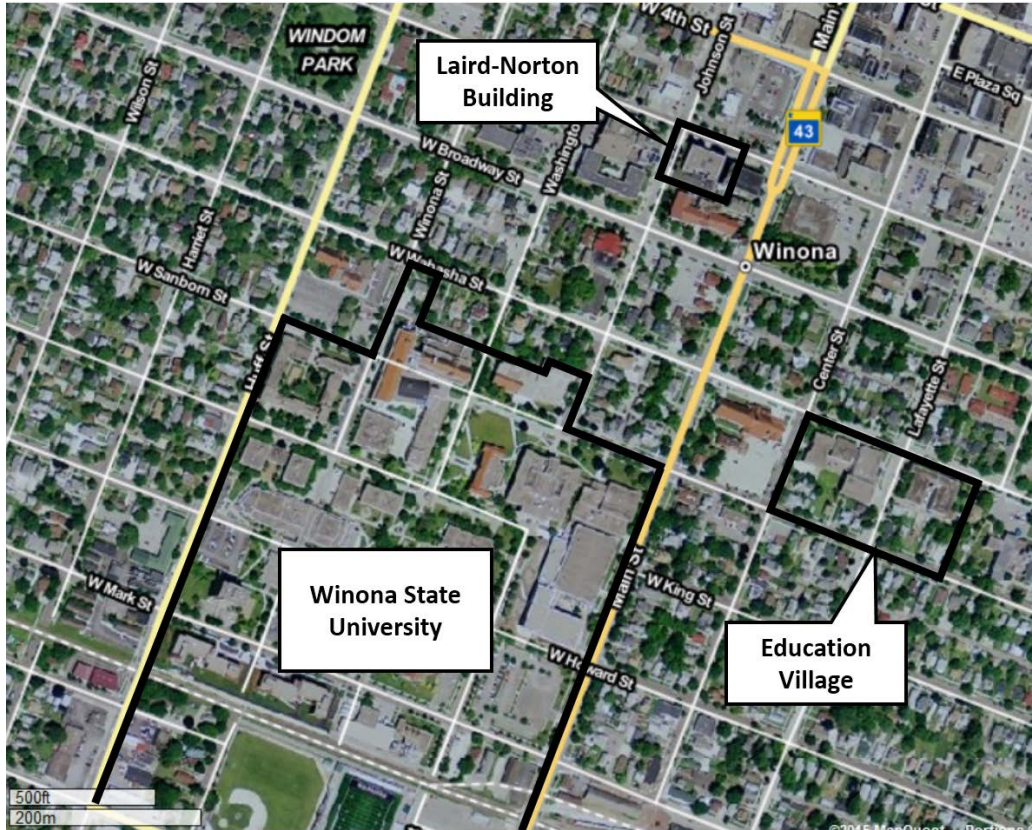


Figure 1 – Site Plan: Laird Norton Building, 125 West Fifth Street, Winona, Minnesota

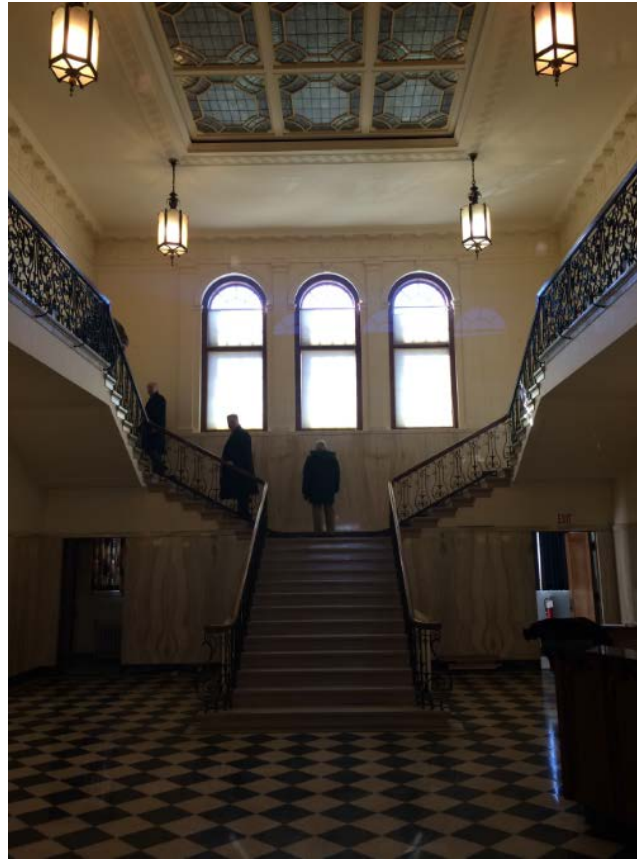


Figure 2 – Front View: Laird Norton Building, 125 West Fifth Street, Winona, Minnesota



Figure 3 – Side View: Laird Norton Building, along Johnson St. Winona, Minnesota

Attachment 2



Figures 4 – Main Lobby, looking south



Figures 5 – Main Lobby, looking north



Figure 6 – Interior elements: Ceilings



Figure 7 – Interior elements: Light fixtures

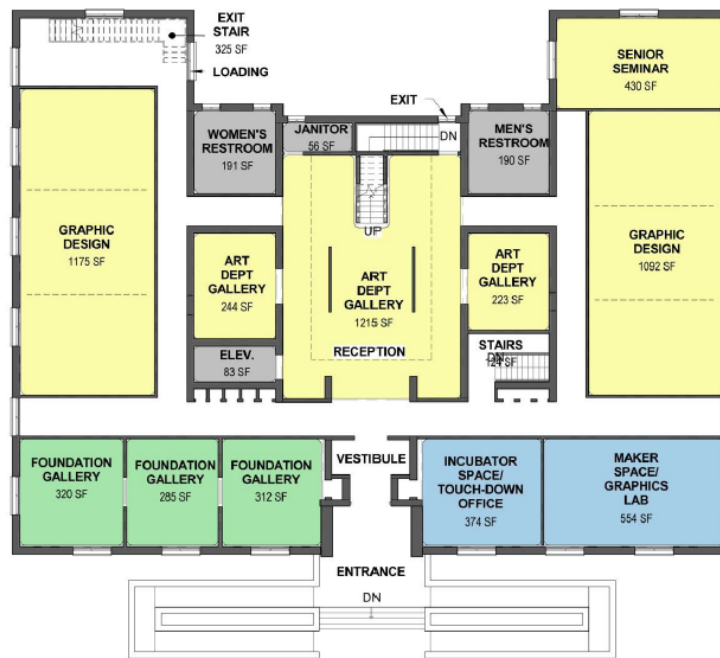


Figure 8 – Proposed Floorplan: First (Main) Floor



Figure 9 – Proposed Floorplan: Second (Upper) Floor

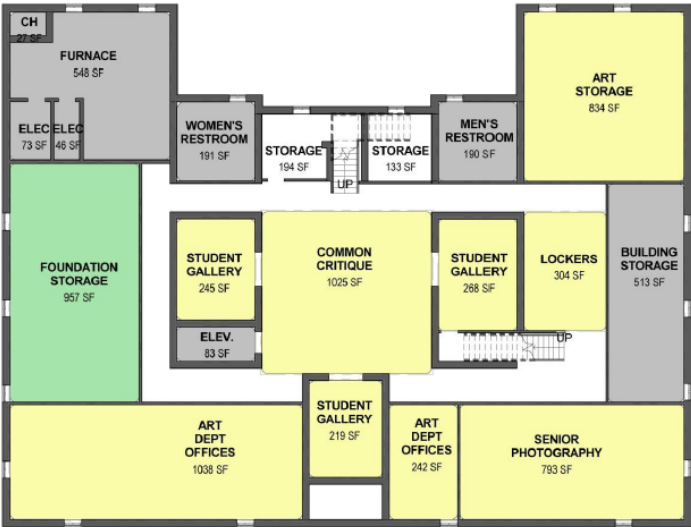


Figure 10 – Proposed Floorplan: Lower Floor

Attachment 4



February 24, 2015

Chancellor Steven Rosenstone
Minnesota State Colleges and Universities
30 East Seventh Street, Suite 350
Saint Paul, MN 55101

Chancellor Rosenstone & Board of Trustees,

I am writing this letter in regard to the donation of a building from the Laird Norton Foundation to Winona State University. The Winona State University Student Senate has been properly informed and consulted about the acquisition of the historic Laird Norton Building and accompanying gift of \$165,000; the body passed the following motion on February 12, 2015:

Whereas, the Student Senate is the official voice for all students at Winona State University.

Whereas, the Laird Norton Building is an exciting gift and opportunity for Winona State University.

Be it resolved that Winona State University Student Senate (WSUSS) supports the gift of the Laird Norton Building to Winona State University.

The Laird Norton Building will greatly benefit Winona State University by providing additional space for offices and classrooms displaced by the construction of the Education Village in Wabasha Hall. The building will also provide WSU with art gallery space, as well as community space for the greater Winona area. Finally, WSU students will not experience any tuition or fee increases to cover the maintenance costs of the Laird Norton Building. For these reasons, the Student Senate unanimously supports the acceptance of this gift, and is optimistic for its approval by the Board of Trustees.

Sincerely,

Jessica Hepinstall
President, Winona State Student Senate