Subject: S.T. Dana Building - School of Natural Resources and Environment
        Phase II Renovation Project

Action Requested: Approval of Budget and Authorization to Issue the Project for Bids and
        Award a Construction Contract

Background:

At the February 1998 meeting, the Regents approved Phase I of the Dana
        Building renovation project. Phase I involved the enclosure of the interior courtyard to
        create 11,000 square feet of program space, and modification of the existing roof and attic
        to provide 2,250 square feet of mechanical support space. Phase I work was intended as
        preparation for a more extensive renovation project that was to be carried out in Phase II.

At the March 1999 meeting, the Regents approved Phase II renovation of the
        Dana Building and authorized appointment of Quinn Evans/Architects as architect in
        association with William McDonough + Partners, Architects and Planners. Preparation of
        construction documents is now nearing completion for a project that will renovate, to
        varying degrees, most of the existing building's 71,500 square feet. In addition, we will be
        outfitting 23,100 gross square feet of shell space created during Phase I.

Building systems and practices have been planned and evaluated to optimize
        environmental sustainability. The "greening" of the Dana Building includes reusing and
        recycling removed building components; use of new materials from sustainable sources
        where feasible; installation of cooling, ventilating and lighting systems that will
        dramatically reduce energy consumption over the life of the building; installation of a
        demonstration photovoltaic solar collection system; construction of demonstration
        composting toilets; and monitoring activities to achieve sustainability objectives.

The Phase II Renovation Project is budgeted at $15,000,000. The proposed
        detailed budget for the project is as follows:

          Construction Cost       $10,030,000
          Movable Equipment      1,910,000
          Professional Fees (Including Testing, Surveys, etc.)  1,865,000
          Contingency            1,195,000
          TOTAL                  $15,000,000

The Phase II project has been approved as a FY 2000 Capital Outlay project
        by the State of Michigan. The State, through the State Building Authority, will fund
        seventy-five percent of the cost of the project while the University will fund the balance of
        project costs (twenty-five percent). The University's share may be provided through the
        issuance of tax-exempt debt secured by a pledge of General Revenues to be paid from student
        fees and the balance from Central Administration sources. The construction cash flow may be
        provided, all or in part, by increasing the commercial paper issuance under the $120 million
        program, secured by a pledge of General Revenues, and authorized by the Regents.

APPROVED BY THE REGENTS ON

MAR 2 0 2000
Construction of the Dana Building Phase II Renovation Project is proposed to begin in May 2000 and be completed in the Summer 2002. Six stages of construction are proposed, which will allow construction to take place without displacing the School of Natural Resources and Environment during the construction period.

We recommend the Regents approve the project budget and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,

[Signature]

Robert Kasdin
Executive Vice President

March 2000