Committee Chair Regent Gracz convened the meeting of the Physical Planning and Funding Committee at 1:35 p.m. in Room E260 of the Student Union at UW-Milwaukee. Present were Regents Randall, Rosenzweig, and Salas. Regent Amato was absent.

I.3.c. Approval of Committee Minutes

The minutes of the May 8, 2003 meeting of the Physical Planning and Funding Committee stood approved as distributed.

I.3.b. Report of the Vice President/Assistant Vice President

Assistant Vice President Ives reported that the Building Commission agreed to allow the use of a Construction Manager-At-Risk for building the upcoming $160 million Interdisciplinary Research Center at UW-Madison. This approach should help facilitate getting that project done on time and within budget since it typically shortens construction completion time.

Ives indicated that DOA did not submit our requests to the Building Commission to begin design of the UW-Whitewater Business and Economics School and the UW-Green Bay Phoenix Center. DOA wanted additional information before moving these projects ahead. Assistant Vice President Ives, Chancellor Shepard, Senator Dave Hansen, and staff met recently with DOA Secretary Marotta about the Phoenix project. Chancellor Miller and Ives will also meet with Secretary Marotta regarding the UW-Whitewater project. The goal is to receive Building Commission approval in June to begin design.

Ives reported that the Joint Committee on Finance approved enumeration of the Phoenix Sports Center using $7.5M GPR bonding that will become available in July of 2005. The remaining $22.5M will come from gifts and segregated fee supported bonding. This project was supported by the Board of Regents for design during 2003-05.

Ives also reported that the Joint Committee on Finance approved the Capital Budget as recommended by the Building Commission, except they reduced the all agency funds for maintenance by $30M which should mean a $15M reduction for UW System. They also approved enumeration of $90M PR Bonding for our participation in the cogeneration project at UW-Madison. Associate Vice Chancellor Alan Fish talked about two Memoranda of Understanding that were developed with several environmental and neighborhood groups, involving environmental mitigation and ongoing operations of the cogen plant.

I.3.c. UW-Milwaukee: Current Campus Projects

The Committee heard an update provided by UW-Milwaukee staff about two potential building projects. Facilities Planning Director Claude Schuttey spoke about the opportunities that the purchase of the Columbia Hospital property could provide. Columbia Hospital is relocating in
the near future. The campus is about to begin a study of that property to see how it would best suit their needs. Ideas under consideration are: student housing, parking, and the consolidation of various student services. Dean of Architecture and Urban Planning Bob Greenstreet discussed the results of the RFP for the redevelopment of the Kenilworth building, a 500,000 square foot building which was acquired 30 years ago through the Federal Surplus program. The two final proposals are now being reviewed and would provide a combination of retail, housing and academic spaces. A decision on those proposals will be made in a few months.

Regent Randall commented that he is excited about the opportunities for economic development that will be created by both UW-Milwaukee projects, and he hopes that these projects will use every opportunity to include people of color in all aspects of the projects’ development. Regent Randall stated he would like to see a demonstration of real commitment to inclusiveness because those building initiatives are opportunities for everyone to share in the economic growth. Dean Greenstreet addressed Regent Randall’s concerns by saying that inclusiveness was a very important criteria included in the RFP evaluation process for Kennilworth and that both finalists have demonstrated that their teams will be quite diverse.

After the discussion of UW-Milwaukee building projects, Regent Gracz introduced Jeff Pertl of United Council of UW Students, Inc. who spoke briefly to the Committee about the interest that UC has in developing an ongoing dialog with the Regents to determine what the future costs of their education might be as well as how to define good governance policies. UC will return to this Committee and the Business and Finance Committee in the future to continue this discussion.

I.3.d. UW-River Falls: Child Care Center Budget Increase

This item requested authority to increase the scope and budget of the Child Care Center project by $476,000 Program Revenue Supported Borrowing for a revised total project cost of $1,076,000 Program Revenue Supported Borrowing.

The current Child Care Center which is located in the lower level of the Ames Teacher Education building is scheduled to be demolished during the summer of 2004, to provide a construction site for the New Student Center. This project will construct a new 7,800 GSF Child Care Center on the UW-River Falls campus. The single story commercial building will have rooms for child care for up to 98 children plus support facilities such as restrooms, a kitchen, storage rooms, and offices. Construction will include utility extensions from municipal and campus utilities adjacent to the site. Site development will provide a loading/unloading area, short-term parking, landscaping, and a fenced playground.

UW-River Falls has provided on-site childcare for its students, faculty, and staff for over 20 years. The Child Care Center is used as an on-campus laboratory for observing and instructing young children and for student field experience, practice teaching, and internships.

The 2001-03 Capital Budget included enumeration of $20,451,800 of Program Revenue Supported Borrowing for a New Student Center Building. Subsequent to enumeration, the Building Commission authorized $600,000 of Residual Program Revenue Borrowing for the Child Care Center. The 2003-05 Capital Budget recommendation included a funding increase for construction of the Student Center Building and Child Care Center projects of $8,334,000.
The original Child Care Center project budget estimate of $600,000 was based on construction of a 5,000 GSF facility. During project programming and preliminary design it became clear that, in order to support the desired census of 98 children, a larger building of 7,800 GSF would be required. This revised scope increased the project budget estimate to $1,133,000. The anticipated $533,000 increase for the Child Care Center was included as part of the requested 2003-05 Capital Budget increase of $8,334,000 for the Student Center Building project.

Bids received in May 2003, for the Child Care Center project resulted in a reduced project budget of $1,076,000, or $57,000 less than the projected estimate. The existing Program Revenue Bonding authority for the Student Center Building project, enumerated as part of the 2001-2003 Capital Budget, will be used to fund the requested increase. The remaining authority, plus the additional funding recommended as part of the 2003-05 Capital Budget will provide adequate funding to construct the Student Center Building, which is anticipated to start in the fall of 2004.

A non-allocable revenue stream has been established to provide debt service payments. The UW-River Falls student governance has approved a series of three segregated fee increases beginning in 1998, to support increasing childcare needs. The total $16.00 per year, per FTE fee will cover debt service on a principle of $1,076,000 borrowed over 20 years at an annual interest rate of five percent. Operating costs will continue to be paid from user fees. Student rates for childcare have consistently been 75-80 percent of the average rate in the River Falls community while faculty and staff pay an amount comparable to the average rate.

Upon the motion of Regent Rosenzweig the second of Regent Gracz Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to increase the scope and budget of the Child Care Center project by $476,000 Program Revenue Supported Borrowing for a revised total project cost of $1,076,000 Program Revenue Supported Borrowing.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 2:50 p.m.
<table>
<thead>
<tr>
<th>Campus</th>
<th>Project / Funding</th>
<th>Amt. Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSN</td>
<td>Authority to waive s.16.855 under s.13.48 (19) to allow selection through an RFP process of a Construction Manager-At-Risk for IRC</td>
<td></td>
</tr>
<tr>
<td>OSH</td>
<td>Budget Increase for Taylor &amp; Fletcher Residence Halls Storage Building Project</td>
<td>$54,000 Program Revenue – Cash $54,000</td>
</tr>
</tbody>
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**May SBC Meeting TOTAL** $54,000