Committee Chair Regent Salas convened the meeting of the Physical Planning and Funding Committee at 1:38 p.m. in Room 1511 of Van Hise Hall on the UW-Madison campus. Present were Regents Gottschalk, McPike, and Smith.

I.3.a. **Approval of Committee Minutes**

The minutes of the November 4, 2004 meeting of the Physical Planning and Funding Committee stood approved as distributed.

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

Assistant Vice President Miller reported that the Building Commission approved about $178 million for various projects at their November meeting. (For details, please see the chart at the end of these minutes.)

Miller told the committee about Governor Doyle’s announcement to build an Institute of Discovery on the UW-Madison campus. This is a ten year, multi-phase plan which will incorporate many of the initiatives under the current BioStar project, and will further stem cell and inter-disciplinary biosciences research.

I.3.c. **UW-Madison: Authority to Modify the Marshfield Farm Land Agreement**

This item requested approval to amend the land agreement between the Board of Regents and the city of Marshfield for the UW-Madison Marshfield Agricultural Research Station in Marshfield, Wisconsin to (1) remove a 50 ft. wide by 300-ft long strip of land on a parcel currently leased by the university from the city of Marshfield and (2) authorize a Fourth Amended Memorandum of Agreement to an existing option to purchase land to allow the university to retain an additional four (4) acres (for a total of 16) at the Marshfield Agricultural Research Station headquarters. The strip of land is part of a 40 acre parcel leased from the city of Marshfield.

The city of Marshfield would like to provide railroad access to its business park. The ideal location for this railroad access is the 50 by 300 foot strip of land on the northern edge of a parcel leased by the university from the city. This amendment will allow the city to develop that strip of land and will have a minimal impact on the agricultural research station operations.

In exchange, the city has agreed to amend the city’s option to purchase an additional 140-acre parcel of Regent owned land for long term development of the business park. The option excludes approximately 12 acres containing the agricultural research station headquarters complex. The research station is now requesting an additional four acres to be excluded for a new total of sixteen acres. This additional acreage will insure an adequate site for continued long term operation of the Marshfield Station headquarters.

Upon the motion of Regent McPike and the second of Regent Smith the Committee approved Resolution I.3.c.

Resolution I.3.c.
That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to amend a land agreement between the Board of Regents and the city of Marshfield for the UW-Madison Marshfield Agricultural Research Station in Marshfield, Wisconsin to (1) remove a 50-foot wide by 300-foot long strip of land on a parcel currently leased by the university from the city of Marshfield and (2) authorize a Fourth Amended Memorandum of Agreement to an existing option to purchase land to allow the university to retain an additional four acres, for a total of 16 acres, at the Marshfield Agricultural Research Station headquarters.

I.3.d. UW-Madison: Authority to Increase the Budget of the Microbial Science Project

This item requested authority to increase the budget of the Microbial Sciences Building and Parking Structure project, by $13,507,864 ($1,548,793 General Fund Supported Borrowing – BioStar, $10,274,000 Gifts/Grants and $1,685,071 Program Revenue Supported Borrowing).

Construction of the Microbial Sciences Building on the UW-Madison campus is a key component of the State of Wisconsin BioStar Initiative, a ten-year program to support biotechnology research, development, and education in the state of Wisconsin. This project will construct a 190,000ASF/330,000 GSF building which will serve as the center for coordinating research, instruction, and outreach activities in microbiology, immunology, and food safety.

The lowest base bid exceeded the approved amount by more than $14,000,000. In order to avoid a severe scope reduction and to complete the project, the university has identified $11,744,000 of additional private funds, $1,685,071 of additional program revenue bonding, and plans to use $1,548,793 of existing BioStar GPR.

Upon the motion of Regent Gottschalk and the second of Regent McPike the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Microbial Sciences Building and Parking Structure project, by $13,507,864 ($1,548,793 General Fund Supported Borrowing–BioStar, $10,274,000 Gifts/Grants and $1,685,071 Program Revenue Supported Borrowing) for a revised total project cost of $120,552,270 ($47,048,793 General Fund Supported Borrowing-BioStar, $2,930,406 General Fund Supported Borrowing from Project 04A1W; $64,774,000 Gifts/Grants, and $5,799,071 Program Revenue Supported Borrowing).

I.3.e. UW-Madison: Authority to Increase the Budget of the Central Campus Utility Improvements Project

This item requested authority to increase the scope and budget of the Central Campus Utility Improvement Project by $3,366,000 ($3,169,000 General Fund Supported Borrowing–Utilities and $197,000 City of Madison Water Utility) for total revised project budget of $18,066,000 ($14,878,000 General Program Revenue Supported Borrowing, $2,991,000 Program Revenue Supported Borrowing and $197,000 city of Madison funds).

This project will construct utility system improvements that coincide with the construction of the West Campus Cogeneration Facility (WCCF). The project will provide steam, condensate, air, chilled water
distribution piping, domestic water, electric and signal ductbank systems from the WCCF north through the Biotron utility corridor to the Observatory Drive Corridor. The project will include improvements to utility systems in Linden Drive and the east side of Henry Mall to accommodate increased capacities.

A budget increase is needed because: (1) the additional project scope components which were not included in the original project scope were identified during the design process, (2) there have been recent cost increases of construction materials such as steel and concrete, and (3) unexpected costs have arisen which are associated with excavation depths, relocation of existing utilities, de-watering, and waterproofing the utility lines.

Upon the motion of Regent McPike and the second of Regent Smith the Committee approved Resolution I.3.e.

Resolution I.3.e.

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the scope and budget of the Central Campus Utility Improvement Project by $3,366,000 ($3,169,000 General Fund Supported Borrowing–Utilities and $197,000 City of Madison Water Utility for total revised project budget of $18,066,000 ($14,878,000 General Program Revenue Supported Borrowing, $2,991,000 Program Revenue Supported Borrowing and $197,000 city of Madison funds).

I.3.f. UW-Milwaukee: Authority to Execute an Easement to the Town of Richfield, Washington County, Wisconsin, for Right-of-Way Purposes

This item requested authority for the President and Secretary of the Board of Regents to execute a permanent 10-foot by 300-foot, .07 acre easement to the Town of Richfield, Washington County, Wisconsin, for right-of-way purposes to accommodate a by-pass lane at a new entry/exit along Hubertus Road.

This easement will permit the Town of Richfield to construct a proper new entry/exit onto Hubertus Road for the St. Gabriel Parish. The easement is along the south edge of a seven-acre parcel gifted to the Board of Regents by the Nature Conservancy.

Upon the motion of Regent Smith and the second of Regent Gottschalk the Committee approved Resolution I.3.f.

Resolution I.3.f.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted for the President and Secretary of the Board of Regents to execute a permanent 10-foot by 300-foot, .07 acre easement to the Town of Richfield, Washington County, Wisconsin, for right-of-way purposes to accommodate a by-pass lane at a new entry/exit along Hubertus Road.
I.3.g. **UW-Milwaukee: Authority to Increase the Budget of the Lapham North Wing Remodeling Project**

This item requested authority to increase the project budget for the Lapham Hall North Wing Remodeling project by $1,465,000 General Fund Supported Borrowing–Facilities Maintenance and Repair funds. This project was enumerated for construction as part of the 2001-03 capital budget.

This project remolds the entire 26,728 ASF of the north wing of Lapham Hall to provide research labs, instructional labs, and offices for biological sciences. Early in design, the budget appeared to be inadequate and value engineering was done to bring the project within budget. Later on, the construction industry experienced significant increases in the cost of basic materials such as steel, concrete, lumber, and fuel for transportation. An updated cost estimate reflected this recent inflation and showed that the project was significantly over budget. Further value engineering was not possible so a base bid package was developed that was within budget, but deleted program elements which were bid as add alternates.

The acceptance of two of the five add alternates, which is essential to provide a functional facility, resulted in a project that exceeded the budget by $1,465,000.

Upon the motion of Regent Smith and the second of Regent McPike the Committee approved Resolution I.3.g.

**Resolution I.3.g.**

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to increase the project budget for the Lapham Hall North Wing Remodeling project by $1,465,000 General Fund Supported Borrowing–Facilities Maintenance and Repair, for a revised total project budget of $11,760,000 ($9,858,000 General Fund Supported Borrowing, $1,465,000 General Fund Supported Borrowing–Facilities Maintenance and Repair, and $437,000 Agency Funds).

I.3.h. **UW-Platteville: Authority to Construct a Dairy Center Project (Design Report)**

This item requested approval of the Design Report and authority to (1) construct a Dairy Center project at the Pioneer Farm in Platteville, Wisconsin, at an estimated project cost of $1,825,000 ($1,725,000 General Fund Supported Borrowing, $100,000 Agency Funds) and (2) increase the project budget by $100,000 (Agency Funds).

This project is part of the Wisconsin Agricultural Stewardship Initiative and will replace an existing 8,800 GSF free stall barn and 1,200 GSF milking center with a new 30,852 GSF free stall barn, new milking systems, and new manure handling system. The facility is designed for a 200 head milking cow herd, and will greatly improve milking operations. Construction of new facilities will allow for future farm growth and enable the Pioneer Farm to accommodate the new technology available for milking and manure handling systems.
Upon the motion of Regent McPike and the second of Regent Smith the Committee approved Resolution I.3.h.

Resolution I.3.h.

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to (1) construct a Dairy Center project at the Pioneer Farm in Platteville, Wisconsin, at an estimated project cost of $1,825,000 ($1,725,000 General Fund Supported Borrowing, $100,000 Agency Funds) and (2) increase the project budget by $100,000 (Agency Funds).

I.3.i. UW-Stevens Point: Authority to Increase the Budget of the DeBot Center Kitchen and dining Upgrade Project

This item requested authority to increase the budget of the DeBot Center Kitchen and Dining Upgrade project by $385,300 Program Revenue-Cash for a revised total project cost of $970,000 Program Revenue-Cash.

Assistant Vice President David Miller explained that DOA requested that the program revenue – cash funding for this project and three maintenance and repair projects be changed to program revenue supported borrowing and that the university hold our cash reserves at this time.

Regent Salas asked if campuses normally hold cash reserves. Associate Vice President Freda Harris explained that good business practice requires that cash balances be maintained to pay for maintenance funding and equipment maintenance on an ongoing basis.

This item was tabled after discussion of DOA’s request to change the funding request from institutional Program Revenue-Cash to state bonding authority. UW-Stevens Point Chancellor Linda Bunnel said that doing so would make students pay more for the facility.

United Council of Students Shared Governance Director Daniel Bush commented that during the last budget cycle there was a raid of auxiliary funds which were used in lieu of GPR tax funds and that students find the timing of this request to change the funding of these projects from program revenue – cash to program revenue supported borrowing very suspicious at this time of the budget cycle.

UW-Milwaukee Vice Chancellor Monica Rimai suggested that a delay in acting on this item might present an opportunity to have a detailed discussion with the Department of Administration to understand what the nature of their request is and to explain to them how the campus program revenue – cash was accumulated.

Miller commented that since the January board meeting was cancelled, a delay would be until February.

UW-River Falls Interim Chancellor Virgil Nylander added that students on his campus have saved enough program revenue – cash to fund a residence hall renovation project, but if they are forced to fund it with program revenue bonding that project will cost them more.

The committee moved to table the motion to approve authority to increase the budget for the DeBot upgrade project until the February committee meeting to give members adequate time to seek clarification from DOA officials on their bonding recommendation.
Upon the motion of Regent McPike and the second of Regent Smith Resolution I.3.i. was tabled.

I.3.j. **UW System: Program Revenue Maintenance and Repair Projects**

This item requested authority to construct four maintenance and repair projects at an estimated total cost of $2,544,620 Program Revenue-Cash. This item was tabled after discussion of DOA's request to change the funding of the program revenue-cash funded projects to state bonding authority.

This item was tabled after discussion of DOA's request to change the funding request of this item from institutional Program Revenue-Cash to program revenue.

Upon the motion of Regent McPike and the second of Regent Smith Resolution I.3.j. was tabled.

I.3.k. **UW System: 2005-07 Capital Budget Revisions and Additions**

This item concerns additional information for three 2005-07 Capital Budget projects that were recommended in August of 2004 and an additional project that has resulted from a research grant requirement. The budget for the UW-Madison portion of the UW System Utilities Improvement - Four Campuses project has been changed from all GFSB funding to a funding split of GFSB and PRSB because the utility distribution systems addressed by the project support both GPR and PR facilities.

The level of university participation in the UW-Madison University Square Development project has been reduced by the elimination of university owned student housing and parking component. The university is still seeking to purchase a condominium interest in the redevelopment for its student health services, student activities center, and general student services interests. The original total budget of this project was $111.9 million. This revision to the original request will allow the university to purchase a condominium interest in the redevelopment with release of $17,000,000 PRSB (student segregated fees) in July of 2005 and the release of $39,850,000 GFSB in July of 2007.

The UW-Milwaukee Columbia Campus-Acquisition and Remodeling project is now estimated at a total cost of $112.2 million (with a maximum of $56.5 million of GFSB and the remaining amount funded by PRSB). Funding for the project will be structured to permit implementation of the project during the 2007-09 and 2009-11 biennia.

The UW-Madison IceCube Research Facility project is estimated at a total budget of $3,850,000 Gifts/Grants. This project is necessary to meet research grant requirements that were not known in August when Board action was taken on the 2005-07 Capital Budget. The project will construct a new 23,000 GSF facility at the Kegonsa Research that will accommodate production, packaging, and testing functions for the fabrication of research equipment to be used in the IceCube Research Project at the South Pole.

Regent Salas asked for assurance that the university would provide the student housing that parents want. Associate Vice Chancellor for Facilities Planning and Management Al Fish stated that the campus is committed to providing that housing and is looking at a variety of campus locations rather than what was originally proposed as part of the University Square project.

Upon the motion of Regent Smith and the second of Regent McPike the Committee approved Resolution I.3.k.
Resolution I.3.k.

That, upon the recommendation of the President of the University of Wisconsin System, President of the University of Wisconsin System, the 2005-07 Capital Budget Revisions and Additions request including the following be submitted to the Department of Administration and the State Building Commission.

1. Revised funding for the $24,750,000 UW-Madison element of the UW System Utilities Improvement - Four Campuses project to be $21,037,000 GFSB and $3,713,000 PRSB.

2. A revised scope and budget for the UW-Madison University Square Development project to be $17,000,000 PRSB and $39,850,000 GFSB for a total budget of $56,850,000 with release of $17,000,000 PRSB (student segregated fees) in July, 2005 and release of $39,850,000 GFSB in July of 2007.

3. Refinements in the UW-Milwaukee Columbia Campus - Acquisition & Remodeling project to include an estimated $112,200,000 total budget with a maximum of $56,500,000 in GFSB with the balance to be PRSB, and to further recommend the funding be structured to permit implementation of the project during the 2007-09 and 2009-11 biennia.

4. The addition of the UW-Madison IceCube Research Facility project to the 2005-07 biennial capital budget for enumeration and construction at a total budget of $3,850,000 Gifts/Grants.

Adjournment

The Physical Planning and Funding Committee meeting was adjourned.
### November SBC Actions for December 2004 PPF Committee Meeting

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<tr>
<th>Campus</th>
<th>Project / Funding</th>
<th>Amt. Approved</th>
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<tr>
<td>EXT</td>
<td>Storage Facility and 1.5 acre parcel in Mt. Horeb for WI Geo &amp; Natural History Survey</td>
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<td>$675,000 All Agency General Fund Supported Borrowing</td>
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<td>MSN</td>
<td>Grainger Hall Graduate School Addition (Design Report)</td>
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<td>Accept gift of planning and design from UW Foundation</td>
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<td>Increase project scope and budget by $500,000 Gift Funds</td>
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<td>$10,000,000 Existing General Fund Supported Borrowing</td>
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<td>$30,500,000 Gift Funds</td>
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<td>MSN</td>
<td>(Healthstar) Interdisciplinary Research Complex - Phase I</td>
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<td>Contingent upon successful fundraising - Allow passive review of addition of future gift and grant funding</td>
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<td>$10,356,000 General Fund Supported Borrowing - HealthStar</td>
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<td>MIL</td>
<td>Kenilworth Building Redevelopment - Approval of agreements in Master Term Sheet</td>
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<td>Facility Maintenance and Repair - $1,690,400</td>
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<td>PLT Art Ext Envelope/ADA Renovation - $574,200</td>
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<td>RVF Ag Science Chiller Replacement - $625,200</td>
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<td>SUP Multi-Bldg Normal/Emergency Elec Renovation - $491,000</td>
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<td>Programmic Remodeling and Renovation - $242,000</td>
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<td>STO Johnson Fieldhouse Phy Ed Office Remodel - $242,000</td>
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<td>Utility Repair and Renovation - $648,000</td>
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<td>MSN Lake Mendota Dr. Reconstruction - $376,800</td>
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<td>STP Treehaven Ext Lighting Repl - $114,800</td>
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**November SBC Meeting TOTAL** $177,771,400