

**Minutes**  
**Physical Planning and Funding Committee**  
**Thursday, February 10, 2005**

Committee Chair Regent Salas convened the meeting of the Physical Planning and Funding Committee at 1:40 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 December 9, 2004 meeting of the Physical Planning and Funding Committee stood approved as distributed with a clarification by Regent Salas that when the committee authorized the UW-Madison University Square Development project in December, the campus staff provided the committee with information showing a need for additional student housing. The campus also provided information which stated that the parents of freshman and sophomores want the university to provide housing for their children and that students who stay in university housing tend to do better than those who live off campus. Regent Salas continued by saying that the committee authorized the project based on those assessments and is still committed to that ideal. Miller commented that the need for residential space still exists and the campus is still committed to providing an additional 700 beds.

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

Assistant Vice President Miller reported that the Building Commission approved about \$23 million for various projects at their December and January meetings. Of that amount \$9 million was GPR, \$3 million was Program Revenue, and \$10.7 million was Gifts and Grants. (For details, please see the chart at the end of these minutes.)

Building Commission Actions: Miller reported that the Building Commission did not forward the December UW-Madison University Ridge Phase III request and asked that the project be held over. He indicated that request would be submitted again at a later date. Miller reported that another request, the UW-River Falls Dairy Science Teaching Center, was recommend by DSF, however, the commission members were uncomfortable with the size of the budget increase of GFSB and they instructed that the project be pulled out of the state building process and that an RFP be issued to the construction industry. That RFP is currently being designed with an expectation of lower project costs by the use of contractors who specialize in the construction of agriculture facilities. Regent Salas expressed his concern that this change of process would only further delay the project and result in the same situation of increased project costs. Miller responded by saying that the intent is to try and keep project as close to its original schedule as possible. Miller continued by saying that the problem with this project seems to be its unusual combination of an instructional facility and a dairy facility, a combination unfamiliar to many builders. Regent Gotschalk added that we should examine all ways we can legitimately avoid a bureaucratic bottleneck with respect to building construction. He explained that it doesn't take seven years to build a building in the private sector.

Minority Business Enterprise: Miller requested that the committee defer this item until a future time. Miller stated that he had requested data on 50 of the universities' building projects that had closed in the last two years, however, the Department of Administration was unable to generate the data needed for the report because of staffing problems. Regent Salas expressed his and Regent Randall's continuing interest and commitment to making sure that the jobs created by our building projects reflect the population of the

minority community. He remarked that it was important to get a broad picture of how we are doing in that respect and a discussion of this item was deferred until a report can be completed.

State Building Commission Awards of Excellence: Miller reported that at the January Building Commission meeting Governor Doyle presented the 2004 Design and Construction Awards which recognize excellence in state building projects. A firm won an *Excellence in Architectural Design Award* for their work on the UW-Platteville Pioneer Student and Technology Center. UW-Stevens Point Engineering Specialist Jerry Walters won an *Excellence in Service Award* for his proactive work on UW-Stevens Point construction projects.

Miller mentioned that DOA has worked with state agencies to create process improvements and, as a result, the Building Commission will forward over a dozen statutory and rule changes to update the building approval process. Those changes will save money and time and give agencies greater involvement in the building process. He said that, if adopted, these rules should be in place by the summer.

Finally, Miller reminded the committee that he has been involved in meetings with DOA and their consultants, Equis during the last year. A recent meeting with them considered what could be done to monetize some university operations related to real estate, specifically parking. Miller stated that DOA is moving ahead with monetizing their own parking. He said that, so far, this idea has been presented to the university only as a question of interest to discover ways to raise revenue.

Regent Gottschalk stated that on the surface he objected to the idea of selling assests and then leasing them back to provide short-term operating revenues. In response to a question by Regent Salas, Miller stated that he thinks the real question in the parking senario is to ask where the lease payments would originate. He continued by stating that if cash is used to fill an operating budget hole, then a lease payment is still owed.

**I.3.c. UW Colleges: Authority to Release a .62 Acre Parcel Leased from Fond du Lac County**

This item requested approval for the officers of the Board of Regents to release leased property rights for a .62-acre parcel of land leased from Fond du Lac County for the site of UW-Fond du Lac as requested by Fond du Lac County.

This requested action will result in removing the .62-acre parcel from land leased by the county to the Board of Regents, and enable Fond du Lac County to sell the parcel to the adjoining property owner for \$26,983. The L-shaped parcel is nominally 50 feet by 540 feet.

The property owner immediately to the southeast of the L-shaped parcel has been encroaching on the subject land since the 1970's. The land has not been and will not be used by the College. The county has no other use for the parcel and wants to sell it to the adjoining property owner.

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

**Resolution I.3.c.**

That, upon the recommendation of the UW Colleges Interim Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents to release leased property rights for a .62-acre parcel of land leased from Fond du Lac County for the site of UW-Fond du Lac as requested by Fond du Lac County.

**I.3.d. UW-Extension: Lowell Hall Lobby Renovation (Design Report)**

This item requested approval of the Design Report, authority to construct, and increase the budget of the Lowell Hall Improvements project by \$194,000 Program Revenue - Cash for a revised total project cost of \$1,338,000 (\$1,144,000 Program Revenue supported Borrowing; and \$194,000 Program Revenue - Cash).

This project will improve accessibility and the outdated appearance of the Lowell Center to be equivalent to that of the Pyle Center, another UW-Extension Conference Center which was remodeled in 1998 and which presents a contemporary and professional environment for conferences. The project will renovate 5,910 GSF and construct 1,680GSF of additional space. The improvements will consist of upgrading the appearance of the Lowell Conference Center main reception area, improving accessibility to and within the building, renovating the first floor restrooms, installing an elevator and a new air handling unit, upgrading building signage and creating additional guest suites.

Upon the motion of Regent Gottshalk and the second of Regent Smith the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-Extension Interim Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct, and increase the budget of the Lowell Hall Improvements project by \$194,000 Program Revenue - Cash for a revised total project cost of \$1,338,000 (\$1,144,000 Program Revenue supported Borrowing; and \$194,000 Program Revenue - Cash).

**I.3.e. UW-Madison: Authority to Lease Space for the UW-Madison Graduate School – Wisconsin National Primate Research Center**

This item requested authority for the Department of Administration to execute a lease for 19,000 square feet of space at 555-585 Science Drive in Madison, Wisconsin, on behalf of UW-Madison's Graduate School for the Wisconsin National Primate Research Center. The proposed lease addresses the Primate Center's shortage of laboratory space for its growing AIDS research program.

The proposed lease covers 19,000 square feet of laboratory and office space at the University Research Park for the UW-Madison Primate Center's AIDS research program. The lease is for the period beginning June 1, 2005, (or date of occupancy) through May 31, 2010, at an initial annual rate of \$346,750 (\$18.25/GSF). That rate will include the annual base rental at \$175,750 and estimated annual operating expenses of \$171,000. The lease also will provide for a three-year renewal option and a subsequent two-year renewal option from June 1, 2010, to coincide with research fund renewals.

This space is being redesigned to provide flexible research lab space and some offices. Remodeling will begin when the lease is executed, with completion targeted for June of 2005. The labs will be retrofitted to attain Biosafety Level 3 requirements and meet the specific needs of the Primate Center's AIDS Research Program. The improvement costs will be funded by Primate Center research grant monies. The requested Research Park laboratory space design will be easily adapted for use by other university units.

Upon the motion of Regent Smith and the second of Regent McPike 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 for the Department of Administration to execute a lease for 19,000 square feet of space at 555-585 Science Drive in Madison, Wisconsin, on behalf of UW-Madison's Graduate School for the Wisconsin National Primate Research Center.

**I.3.f. UW-Platteville: Authority to Enter Into a Land Use Agreement and to Lease Space**

This item requested authority for the officers of the Board of Regents: (1) to enter into a land use agreement to permit Platteville Partners, LLC to construct additional student housing on land owned by the Board of Regents, and (2) to lease the 141,600 leasable square foot (lsf) residence hall from Platteville Partners, LLC. Development of the building and the surrounding site is estimated to cost \$17.650 million for which Platteville Partners, LLC will secure financing from commercial banks.

This project is necessary to support growth in student enrollments from 5,800 to 7,800 students starting in 2005, reaching 7,800 students in 2011 through the Regent approved Tri-State Initiative. The new residence hall will accommodate the new Tri-State Initiative students as well as other students seeking university housing.

The lease covers 141,600 lsf of space for the period beginning August 7, 2006, through July 31, 2036, at an annual rate of \$1.694 million the first year (\$11.96/lsf). UW-Platteville will operate the facility and pay the utilities, maintenance, and housekeeping costs estimated to be \$348,000 annually (\$2.46/lsf) for a total annual operating lease and operating cost of \$2.042 million (\$14.42/lsf). The net rent will be increased two and one-half percent annually. The lease includes one 36-year renewal option and will include an option to purchase at a price of \$17,650,000 upon occupancy, \$18,543,000 in the third year, and at market rate thereafter. Housing revenues will pay all lease, operating, and utility costs.

Platteville Partners, LLC will construct a 151,500 gross square feet, six-story residence hall on a parcel of land owned by the Board of Regents on the UW-Platteville campus. The residence hall will be available for occupancy in August of 2006 to house 380 students in suite style living units.

The UW-Platteville has requested enumeration of program revenue bonding authority in the 2005-07 biennial capital budget to purchase the building which will be connected to the campus heating and utilities systems.

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-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted for the officers of the Board of Regents: (1) to enter into a land use agreement to permit Platteville Partners, LLC to construct additional student housing on land owned by the Board of Regents, and (2) to lease the 141,600 leasable square foot (lsf) residence hall from Platteville Partners, LLC.

**I.3.g. 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. The increase in funding is required to add additional mechanical equipment and increase the capacity of the existing equipment so the facility meets code for occupancy during peak periods.

This project will renovate three dining rooms and the kitchen during the summer of 2005. Improved access will be provided to the public restrooms. The three serving areas will be converted into one Marche-style serving area with multiple serving “platforms” featuring cook-to-order and hands-on demonstration cooking. Some kitchen equipment will be eliminated and storage space relocated. Finishes will include a mix of highly durable materials such as ceramic tile, sheet flooring, and stainless steel.

The DeBot Center is the primary residential dining facility for contract meal plans on the UW-Stevens Point campus and the existing food service facilities have reached the point where improvements are necessary to continue to provide an appropriate environment for meal plan service.

David Miller commented that the funding question regarding this project was finally worked out with DSF and the program revenue cash project was approved by the Building Commission. Regent Salas commented that the problem of whether projects of this type should be funded in the future by program revenue cash or borrowing needs to be resolved. Salas also stated that in December there was a concern from students that they would end up paying twice for program revenue cash projects that were being required by DSF to have a funding change to program revenue supported borrowing. Regent Salas said he wanted to assure students that cash from student fees was available to pay for those projects and that the students would not wind up paying for those projects twice.

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

Resolution I.3.g.

That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted 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.

**I.3.h. UW System: Maintenance and Repair Projects**

This item requested authority to construct various maintenance and repair projects through the All Agency Projects Program at an estimated total cost of \$4,004,100 (\$1,806,000 PRSB – Facilities Maintenance and Repair, \$276,000 PRSB – Health, Safety, and Environmental Protection, \$392,400 PRSB – Utilities Repair and Renovation, \$277,000 Program Revenue Cash, and \$1,252,700 Gifts/Grants funding).

### **Facilities Maintenance and Repair Requests**

RVF – May Hall and Prucha Hall Restroom/Shower Room Renovation (\$1,806,000): This project will completely renovate approximately 5,000 SF of restrooms and shower rooms and 1,150 SF of residence rooms in May Hall and Prucha Hall to create new restroom and shower room pairs on each floor.

### **Health, Safety, & Environmental Protection Requests**

SUP – Hawkes Hall and Ross Hall Fire Alarm System Replacement (\$276,000): This project replaces the fire alarm systems in Hawkes Hall and Ross Hall to replace obsolete systems.

### **Programmatic Remodeling & Renovation Requests**

MSN – Kegonsa Research Campus Instrument Storage Facility (\$305,000): This project will construct a new 6,000 GSF insulated pole building at the Kegonsa Research Campus to house scientific instrumentation and equipment for the IceCube research project.

MSN – Kohl Center Dining Room and Weight Room Remodeling (\$450,000): This project will renovate a weight room, temporary dining room, and three service bays into a 2,285 SF dining room and a 4,250 SF weight room.

MSN – Medical Sciences Center Ophthalmology Laboratory Renovation (\$497,700): This project will create an ophthalmology research laboratory and associated support space in former Medical School Student Teaching Labs.

### **Utilities Repair and Renovation Requests**

EAU – Bollinger Fields Parking Lot and Exterior Lighting Installation (\$277,000): This project will create a new 100-stall parking lot, make asphalt trail improvements, construct new landscaping material storage bins, create a new storm water retention pond, and install new exterior lighting and emergency phone for the parking lot and trails.

OSH – Woodland Avenue Parking Lot Construction (\$392,400): This project will widen the recently vacated Woodland Avenue right-of-way between Elmwood Avenue and Algoma Boulevard into two new parking areas with a total of 100 parking stalls.

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

#### Resolution I.3.h.

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$4,004,100 (\$1,806,000 PRSB – Facilities Maintenance and Repair, \$276,000 PRSB – Health, Safety, and Environmental Protection, \$392,400 PRSB – Utilities Repair and Renovation, \$277,000 Program Revenue Cash, and \$1,252,700 Gifts/Grants funding).

### **Adjournment**

The Physical Planning and Funding Committee meeting was adjourned at 2:38 p.m.

<b>Dec 04 &amp; Jan 05 SBC Actions for Feb 2005 PPF Committee Meeting</b>		
<b>Campus</b>	<b>Project / Funding</b>	<b>Amt. Approved</b>
<b>MSN</b>	University Ridge Phase III - <b>No Action taken</b>	
	<i>\$2,488,000 Program Revenue Borrowing - Athletics</i>	
	<i>\$1,200,000 Program Revenue Supported Borrowing</i>	\$0
<b>MSN</b>	Microbial Sciences Building and Parking Structure Budget Increase	
	\$1,548,793 General Fund Supported Borrowing - BioStar	
	\$10,274,000 Gifts/Grants	
	\$1,685,071 (previously deposited cash)	\$13,507,864
<b>MSN</b>	Central Campus Utility Improvement Scope and Budget Increase	
	\$2,524,000 General Fund Supported Borrowing	
	\$645,000 Program Revenue Supported Borrowing	
	\$197,000 City of Madison Funds	\$3,366,000
<b>MIL</b>	Lapham Hall North Wing Remodeling Budget Increase	\$0
	\$350,000 Unneeded funds from the GFSB portion of the Klotsche PE Enumeration	
	\$650,000 Already allocated to UW All Agency	
	\$465,000 Facilities Maintenance and Repair	\$1,465,000
<b>PLT</b>	Dairy Center @ Pioneer Farm	
	\$1,725,000 General Fund Supported Borrowing	
	\$100,000 Campus Funds	\$1,825,000
<b>RVF</b>	Dairy Science Teaching Facility Budget Increase	
	Approved to waive S.16.855 to allow for RFP	\$0
<b>SYS</b>	Maintenance and Repair Projects	
	\$1,775,700 Utility Repair and Renovation	
	<i>MSN Charter St Plant Air Comp Repl</i>	
	<i>MSN Police Emergency Power Renv</i>	
	<i>MSN Walnut St. Dom/Water/Elec Renv</i>	
	<i>SUP Pit 3-5 Condensate Line Repl</i>	\$1,775,700
<b>January 2005</b>		
<b>MSN</b>	Middleton Library Renovation Budget Increase	
	<i>combined with Grainger Hall Grad School Addn. Project</i>	
	\$93,000 Agency Funds, non-GPR	\$93,000
<b>STP</b>	De Bot Center Kitchen and Dining Upgrade Budget Increase	
	\$385,300 Program Revenue - Cash	\$385,000
<b>SYS</b>	Maintenance and Repair Projects	
	Kohl Center Dining Room and Weight Room Remodeling \$450,000 Gifts	\$450,000
	<i>Held until Feb. - PLT - Feed Center Replacement Budget Increase \$622,950 GFSB</i>	
	<i>Not forwarded - UW-River Falls May &amp; Prucha Hall Restroom/Shower Renov</i>	
	<i>Not forwarded - OSH - Woodland Ave Parking Lot Cnstruction</i>	
<b>December &amp; January SBC Meeting TOTAL</b>		<b>\$22,867,564</b>