

Minutes
Physical Planning and Funding Committee
Thursday, September 8, 2005

Committee Chair Regent Salas convened the Physical Planning and Funding Committee meeting at 2:36 p.m. in Room 117 at Washington County Fair Park in West Bend, Wisconsin. Present were Regents Crain and Gracz.

I.3.a. Approval of Committee Minutes

The minutes of the June 9, 2005 meeting of the Physical Planning and Funding Committee stood approved as distributed.

I.3.b. UW-Extension Presentation: Educational and Public Service Applications for Datacasting

The committee began its proceedings with a presentation titled "Educational and Public Service Applications for Datacasting" from UW-Extension Director of Broadcasting and Media Innovations Byron Knight. Knight explained that the advent of new digital technology allows television transmitters to be used to disseminate large amount of digital information to ordinary computers across the state. Wisconsin Public Television Digital Project Manager Tina Hauser and UW-Extension Dean of UW-Baraboo/Sauk County described the latest developments in "datacasting" and a new pilot project to deliver three UW Colleges courses via digital broadcasting.

I.3.c. UW-Madison: Approval to Implement the University Square Development Project and Amend the Campus Boundary

This item requested approval to: (1) implement the Master Term Sheet for the University Square Redevelopment Project (2) amend the campus boundary to include the redevelopment site; (3) release \$17,000,000 Program Revenue Supported Borrowing (student segregated fees) in September 2005; (4) release \$39,850,000 General Fund Supported Borrowing in July 2007; and (5) authorize the officers of the Board to execute the necessary documents implement the project.

This project will allow UW-Madison to address a number of high-priority campus issues – consolidated and replacement space for University Health Services (UHS), construction of a student activities center, and consolidation of high traffic student service departments in a single location. By combining the University Health Services and student activities center into one project, the students have made a commitment to fund a portion of the UHS cost in addition to 100% of their student activities center. Their strong commitment led to a waiver of Regent policy that disallows anything but GPR funding for student health facilities. Including these three offices together at University Square offers an opportunity to eliminate redundancies and customer confusion. The proposed student activity center will accommodate the needs of approximately 100 student organizations that require mail boxes, meeting rooms, locker/storage spaces and temporary program spaces.

The State of Wisconsin and the University of Wisconsin-Madison will partner with Madison Real Estate Properties (MREP) to engage the developer (Executive Management Incorporated) to construct a master condominium project on the development parcel which will create a minimum of four condominium units; the University Unit, one or more Retail Units, one or more Private Housing Unit(s), and a Parking Unit.

The University Square Mall is a one story retail building occupying 2.05 acres and bordered by University Avenue to the north, West Johnson Street to the south, and Lake Street to the east. On the west side of

University Square is the approximately 1.38 acres property owned by the Board of Regents which encompasses a parking lot (Lot 47) and the east campus mall. This project provides an opportunity for the university and the private sector to cooperate in the redevelopment of the eastern gateway to the UW-Madison campus. The project will be approximately 1,104,656 square feet including parking. The University Unit portion will occupy approximately 229,779 square feet and will consist of offices for the bursar, registrar, Student Financial Services, University Health Service, and a student activity center.

The university requests that the redevelopment site be included within the campus development plan boundary. The portion of the developer's land will remain privately held.

The project will require the execution of five sets of documents, including a ground lease between the Board of Regents and MREP, leasing the university property to MREP for purposes of creating the development parcel. The parties will also execute a Development Agreement, a Purchase Agreement and a Right of First Offer.

Upon the motion of Regent Gracz and the second of Regent Crain 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:

1. implement the Master Term Sheet for the University Square Redevelopment Project in conjunction with Madison Real Estate Properties, in accordance with the Master Term Sheet, along with improvements to the East Campus Pedestrian Mall, at an estimated total cost of \$56,850,000;
2. amend the campus boundary to include the redevelopment site;
3. release \$17,000,000 Program Revenue Supported Borrowing (student segregated fees) in September 2005;
4. release \$39,850,000 General Fund Supported Borrowing in July 2007; and
5. authorize the officers of the Board to execute the Ground Lease, Development Agreement, Condominium Documents, Purchase Agreement, Right of First Offer, easements and other agreements and documents required to implement the project in accordance with the provisions of the Master Term Sheet.

I.3.d. UW-Madison: Park Street Residence Hall Naming

This item requested authority to name the Park Street Residence Hall, which is located at 35 North Park Street on the UW-Madison campus, the "Newell J. Smith Hall". This request is contingent upon the acquisition of the building. This request was discussed in closed session by the Board of Regents in June 2005. This naming is not a stipulation of a gift and Mr. Smith retired from university service in 1983.

Mr. Newell joined the university staff in 1941 after earning a bachelor's degree in economics, and served continuously – with the exception of military service in WWII – until his retirement in 1983. Newell was director of the Division of University Housing for 28 years (1955-1983). In a remarkable career of

ascending responsibility at the University of Wisconsin–Madison, Newell J. Smith provided decades of quality work and dedicated service to the university, its students, their families, and the state of Wisconsin. During Newell’s tenure, the University of Wisconsin enrollment almost doubled and the number of residents in university housing almost tripled. Through Newell’s skillful coordination with campus staff, as well as state and federal agencies, University Housing successfully adapted to educational and social changes, and maintained its financial position.

Upon the motion of Regent Crain and the second of Regent Gracz 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 name the Park Street Residence Hall, which is located at 35 North Park Street on the UW-Madison campus, the “Newell J. Smith Hall”.

I.3.e. UW-Madison: University Ridge Golf Course Phase III – Revised Scope and Budget

This item requested authority to increase the scope and the budget of the University Ridge–Phase III project by \$1,192,200 Program Revenue Supported Borrowing, for an estimated project cost of \$4,880,200 (\$3,680,200 Program Revenue Supported Borrowing, and \$1,200,000 Program Revenue-Cash).

The previously approved project added a new short game practice area for use by both the UW men's and women's golf teams. It also reconstructed and added space to the existing practice tee area, and added a new nine-hole academy course. The project scope increase will expand some of the holes on the existing course, add a cross country course on the undeveloped land for use by both UW men’s and women’s track teams, and replace the existing irrigation system throughout the entire course, expanding it to serve the new areas. The length of the University Ridge course must be expanded to allow the course to have an opportunity to host NCAA men’s tournaments.

A larger expansion project was enumerated as part of the 2001-03 Capital Budget at a cost of \$15,560,000. Since that time a number of factors have led to the establishment of new priorities for University Ridge and as a result, a project of smaller scope is being proposed.

The program revenue cash funding component of this project will be covered by University Ridge existing cash reserves. Revenue generated from the course is expected to cover the debt service. Any gift funds raised for this project will replace the bonding.

In response to questions from Regent Salas and Regent Gracz, UW-Madison Associate Vice Chancellor for Facilities Management Alan Fish explained that this project would have no impact on student fees. Fish stated that the University Ridge project contained no state dollars of any kind and that it is funded entirely gift funds and program revenue. The cash reserves result from the operation of the golf course business. He continued by explaining that University Ridge is run like a business and that the receipts for use of the greens are kept in a segregated account.

Upon the motion of Regent Gracz and the second of Regent Crain 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 the budget of the University Ridge–Phase III project by \$1,192,200 Program Revenue Supported Borrowing, for an estimated project cost of \$4,880,200 (\$3,680,200 Program Revenue Supported Borrowing, and \$1,200,000 Program Revenue-Cash).

I.3.f. UW-Madison: Dayton Street Residence H all Revised Budget

Assistant Vice President reported that this item was withdrawn because bids for the project were \$800,000 less than expected.

I.3.g. UW-Superior: Wessman Arena Locker Room Addition (Design Report)

This item requested approval of the Design Report and authority to construct the Wessman Arena Locker Room Addition project for an estimated total project cost of \$1,124,000 (\$449,600 General Fund Supported Borrowing and \$674,400 Program Revenue Supported Borrowing).

This project will construct a 4,600 GSF addition to the Wessman Arena at UW-Superior to improve inadequate facilities by providing two varsity locker rooms, one for each gender, a training room, a stretching/conditioning room, and additional storage space. Approximately 1600 GSF of existing space will be remodeled to provide a laundry/storage room, a workshop, an administrative area, a maintenance room, and an accessible toilet room. This project will provide Title IX compliant locker facilities for the women's hockey team which have been housed in temporary trailer facilities for several years.

In February 2004, the student body approved a segregated fee increase of \$20.00 to fund the program revenue portion of the project. The fee increase is being phased in over two years, with 2006 being the final year of phase-in. In addition to student support for the facility, the city of Superior provides a subsidy which is increased annually by consumer price indices. The city subsidy for fiscal year 2005 was \$56,265. This agreement is in effect until 2020. Also, the School District of Superior pays the competitive market rate for use of the Wessman Arena for their hockey program practice and games.

Upon the motion of Regent Gracz and the second of Regent Crain the Committee approved Resolution I.3.g.

Resolution I.3.g.

That, upon the recommendation of the UW-Superior Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Wessman Arena Locker Room Addition project for an estimated total project cost of \$1,124,000 (\$449,600 General Fund Supported Borrowing and \$674,400 Program Revenue Supported Borrowing).

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

This item requested authority to construct various maintenance and repair projects at an estimated total cost of \$7,523,500 (\$4,448,200 General Fund Supported Borrowing, \$246,400 Program Revenue Supported Borrowing, and \$2,828,900 Program Revenue-Cash). Those projects were:

La Crosse – Cartwright Center & Whitney Center Plumbing System Replacement (\$1,566,100): The project replaces the domestic water supply, drain, and vent piping originally installed in the 1957 and 1963 portions of Cartwright Center.

La Crosse – Whitney Center Roof Replacement (\$143,400): This project replaces the Whitney Center's Insulated Roof Membrane Assembly (IRMA) system consisting of a membrane placed directly on the roof deck structure and covered with rigid insulation, weed barrier, and rock ballast.

UW-Oshkosh – Nelson Hall Fire Alarm System Replacement (\$180,500): This project replaces the fire alarm system in Nelson Residence Hall with a new fully addressable type system with voice annunciation.

UW-Superior – Wessman Arena Fire Alarm System Replacement (\$131,800): This project replaces the fire alarm system in Wessman Arena with a new fully addressable type system with one way voice capability.

UW-Green Bay – Campus City Water Main Connection (\$375,000): The project provides a new primary connection between the campus and the city of Green Bay water distribution systems. Project work includes installing 2,165 linear feet of 12-inch water main, six fire hydrants, three 12-inch main isolation valves, and a campus system pressure reducing valve installed in an underground vault.

Milwaukee – Heating Plant Chiller Steam/Electric Power Conversion (\$1,538,700): This project installs new variable speed electric motor driven compressor sets connected in parallel with the steam turbine powered compressors on the two original chillers.

UW-Madison – Charter Street Heating Plant Direct Digital Controls (\$3,588,000): This project provides a turn-key design and installation of a state of the art digital control system to replace the obsolete pneumatic control systems.

Regent Salas commented that since higher utility costs will impact our budget we need to think of ways to create more energy efficiencies.

Upon the motion of Regent Crain and the second of Regent Gracz 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 \$7,523,500 (\$4,448,200 General Fund Supported Borrowing, \$246,400 Program Revenue Supported Borrowing, and \$2,828,900 Program Revenue-Cash).

I.3.i. UW System: 2005-07 Required Capital Budget Adjustments

This item requested authority to recommend adjustments to the UW System 2005-07 Capital Budget as required by 2005 Wisconsin Act 25; the Wisconsin Biennial Budget. The Legislature's Joint Finance Committee reduced the overall general fund supported borrowing for UW System 2005-07 capital budget enumerated major projects by \$10 million and directed the state Building Commission to allocate that reduction. UW System will present recommendations to the state Building Commission on September 21, 2005 regarding what adjustments the Board of Regents recommends.

The UW System Office of Capital Planning and Budget recommended reduction of the following project budgets to meet the \$10 million reduction requirement.

	Project	GFSB	Reduction	New Budget
System	Classroom Renovation/IT Improvements	\$7.0	\$4.5	\$2.5
Stout	Jarvis Science Wing Renovation & Addition	\$40.6	\$5.5	\$35.1

Funding for the Systemwide Classroom Renovation/IT Improvement project has not yet been allocated to the institutions and the remaining \$2.5 million for that project can be used to meet the most critical needs.

The \$5.5 million budget reduction for the UW-Stout Jarvis Hall Renovation and Addition project will be accomplished by applying higher standards of space utilization to classrooms and labs. All other UW System projects in planning for construction in 2005-07 and 2007-09 have also faced budget reductions and have been re-estimated using higher space utilization specifications.

For planning purposes each institution uses enrollment data to determine how best to utilize existing classrooms. The standard metric in the UW System for classroom utilization has been 30 periods per week with an average of 67% capacity. To meet increasingly tight budgets the UW System has begun planning new projects for 35 periods per week with higher capacity ratios – especially in larger classrooms and lecture halls. This adjustment will be applied to Jarvis Hall along with slightly reducing the square-feet-per-student allocation in labs to the level of other new science buildings in the UW System.

UW-Oshkosh Chancellor Sorensen told the Committee that Oshkosh worked with UW System staff to develop the budget reduction for the Jarvis Hall Renovation and Addition project and that his campus is satisfied with the result since they still have a project of integrity. The Committee thanked Regent Sorenson for his willingness to have the funding for that project reduced.

Regent Salas commented on the impact that the reduction of the Classroom Renovation and Technology Improvement project will have for the campuses to make the technology advances that they all need.

Upon the motion of Regent Gracz and the second of Regent Crain the Committee approved Resolution I.3.i.

Resolution I.3.i.

That, upon the recommendation of the President of the University of Wisconsin System, the 2005-07 Capital Budget revision including the following be submitted to the Department of Administration and the state Building Commission. This revision is made to comply with direction from the Joint Finance

Committee that \$10 million be reduced from the 2005-07 UW System Capital Budget funding of major projects.

1. Reduce funding for the UW System Classroom Renovation/IT Improvements project from \$7,000,000 to \$2,500,000 General Fund Supported Borrowing.
2. Reduce funding for the UW-Stout Jarvis Science Wing Renovation and Addition project from \$40,600,000 to \$35,100,000 General Fund Supported Borrowing.

I.3.j. Report of the Assistant Vice President

Assistant Vice President Miller reported that the Building Commission approved about \$25 million of program revenue funding at their June and July/August meetings. (For details, please see the chart at the end of these minutes.)

UW Colleges Annual Report. Steve Wildeck reported to the Committee that counties and local municipalities contribute \$9 M annually for financial support of UW Colleges.

Adjournment

The Physical Planning and Funding Committee meeting adjourned to closed session at 4:10 p.m. for purposes of considering personal histories, as permitted by s.19.85(1)(f), *Wis. Stats.*, related to the naming of a facility at UW-Madison and concluded their discussion at 4:20 p.m.

June/July/August 2005 SBC Actions on Projects for September 2005 PPF Committee Meeting		
Campus	Project / Funding	Amt. Approved
June SBC Action		
MSN	Purchase improved .83 parcel of land at 1433 Monroe Street	
	\$2,131,700 Program Revenue-Cash	\$2,131,700
WTW	Land Exchange w/ Fairhaven Retirement Community - \$0	\$0
SYS	Maintenance and Repair Projects	
	WTW Arey Hall Elev Inst \$448,000 PRSB	\$448,000
July/August SBC Action		
EXT	Lowell Hall Parking Structure Budget Increase	
	waive to accept a single-prime contractor bid	
	\$166,400 Program Revenue-Cash	\$166,400
SYS	Maintenance and Repair Projects	
	EAU - Bridgeman Elec Srvc Upgrade \$130,700 PRSB	
	PLT Brigham Glenview Lot Reconst \$272,000 PRSB	\$402,700
June/July/August SBC Meeting TOTAL		\$3,148,800