Committee Chair Regent Salas convened the meeting of the Physical Planning and Funding Committee at 12:32 p.m. in Room 1511 of Van Hise Hall on the UW-Madison campus. Present were Regents Salas, Bartell, and McPike.

I.3.a. **Approval of the Minutes of the November 9, 2006 Meeting of the Physical Planning and Funding Committee**

Upon the motion of Regent Bartell and the second of Regent McPike, the minutes of the November 9, 2006 meeting of the Physical Planning and Funding Committee were approved as presented.

I.3.b. **UW-Madison: Authority to Enter Into a Land Use Agreement to Construct an Olin House Renovation Project and Accept the Completed Renovations as a Gift-In-Kind**

This item requested authority to enter into a use agreement with the Olin House Trust for the renovation of Olin House, located at 130 North Prospect Avenue in Madison, and to accept the renovations as a gift-in-kind.

This agreement will allow the Olin House Trust to undertake the fundraising, design, and renovation of Olin House, the residence of the UW-Madison chancellor. The trust, in conjunction with the UW-Madison University Architect, will oversee the renovation process which is expected to last two years. UW-Madison will accept the renovations as a gift-in-kind when they are completed. Approval of this use agreement will provide an opportunity to leverage private gifts to fund the renovation.

The Olin House was built in 1911 as a private residence. In 1924 it was deeded to the university with the stipulation that it be used as a residence for the academic head of the university and it has been home to university presidents and chancellors for over 70 years. Today it serves both as a residence and the location of many public university functions, however, the house in not configured to accommodate the more than 4,000 guests that attend 50 events each year.

This project will update the mechanical, electrical, and plumbing infrastructure in the house as well as masonry and window repairs. Improvements will be made to meet building code requirements and provide handicapped accessibility to the upper floors.

At the suggestion of Regent Salas, Chancellor Wiley explained to the committee that he had formed the Olin House Advisory Council to consider all options of what should be done with this property that is so badly in need of repair. That council studied the remodeling and infrastructure needs of Olin House and recommended that the best, most cost-effective solution would be to renovate the property. Wiley continued by explaining that it is the UW Foundation that is raising the money for this project.
Regent Salas asked how much the project would cost. Chancellor Wiley stated that the estimate of doing the renovation through the normal state process is $2.2 million but the campus expects the actual cost to be much less than that amount because this project will use the trust to accomplish the renovation. Wiley said they also expect many private donations for this project which will lessen the cost of the project.

Upon the motion of Regent Bartell and the second of Regent McPike the Committee approved Resolution I.3.b.

Resolution I.3.b.

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to enter into a use agreement with the Olin House Trust for the renovation of Olin House, located at 130 North Prospect Avenue in Madison, and to accept the renovations as a gift-in-kind.

I.3.c. UW-Madison: West Campus Utility Improvements Project - Release of Funds

This item requested authority to: (a) seek the advance release of $2,600,000 ($1,929,200 General Fund Supported Borrowing, and $670,800 Program Revenue Supported Borrowing) from the 2005-07 West Campus Utility Improvements project to complete the design through bidding of the project; (b) fund the purchase of chilled water piping; and (c) fund the construction of steam, steam condensate, air, and chilled water piping and signal/power ductbanks within the American Family Children's Hospital (AFCH) and Interdisciplinary Research Complex (IRC) project sites.

Approximately $1,300,000 of the released funds will be used to purchase chilled water piping and valves and $488,000 will provide payment for consultant fees. An estimated $412,000 of the released funds will be transferred to the IRC project to pay for a portion of a utility tunnel beneath the IRC building. An estimated $400,000 of the released funds will provide for box conduit, steam pits, water piping, and signal/power ductbank within the AFCH project work site.

Assistant Vice President Miller stated that the pre-purchase of the water piping now will avoid having the expense of another year's price escalation.

The completion of the design and bidding of the West Campus Utility Improvements project will allow the campus to determine what funds are necessary to complete the project. Current funding will only allow the consultant to complete the preliminary design of the project. After this project is bid, a request will be submitted for construction authority based on the bids received.

Regent Salas asked if there were any way to better estimate the budget of projects. Miller explained that the current state process requires that a specific budget amount be affixed to a project when it is enumerated, which happens before any project design work is done. Miller continued by saying that System is suggesting that the process be changed and that future project budgets be determined by cost-estimating with the result of a cost range.
Upon the motion of Regent Bartell and the second of Regent McPike, 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: (a) seek the advance release of $2,600,000 ($1,929,200 General Fund Supported Borrowing, and $670,800 Program Revenue Supported Borrowing) from the 2005-07 West Campus Utility Improvements project to complete the design through bidding of the project; (b) fund the purchase of chilled water piping; and (c) fund the construction of steam, steam condensate, air, and chilled water piping and signal/power ductbanks within the American Family Children's Hospital (AFCH) and Interdisciplinary Research Complex (IRC) project sites.

I.3.d. UW-Madison: Authority to Adjust the Budget and Scope of the Sterling Hall Renovation Project, Reallocate Funds to the Biochemistry II Project and the West Campus Utility Improvements Project, and Increase Gift Funding for the Biochemistry II Project

This item requested authority to: (a) reduce the project scope and budget of the Sterling Hall Renovation project from $39,500,000 to $16,500,000; (b) reallocate $15,000,000 General Fund Supported Borrowing to the Biochemistry II project, increase the gift funding for the Biochemistry project by $10,000,000; and (c) reallocate $6,000,000 General Fund Supported Borrowing to the West Campus Utility Improvements project. This project was approved at a total estimated cost of $34,000,000 General Fund Supported Borrowing as part of the 2005-07 Capital Budget.

The Sterling Hall Renovation project, as enumerated, would have renovated 105,000 ASF in Sterling Hall to provide improved office, lab, and classroom space for the departments of astronomy and psychology. During the programming and design of the project, a number of concerns arose in terms of cost, schedule, and functionality of the space for the psychology department. The project budget estimate increased to $49,500,000, however, the project still did not meet the needs of the psychology department, so the campus administration decided to have the department remain in Brogden Hall. They decided to reduce the scope and budget of the Sterling Hall project and make the building functional as a classroom/office building for a variety of short and long term campus space needs and request reallocation of the remaining amount of enumerated GSFB to other high priority campus projects ($15,000,000 GFSB to the Biochemistry Addition/Renovation project and $6,000,000 GFSB to the West Campus Utility Improvements Project).

In response to a question from Regent Salas about how the campus would meet the space needs of the psychology department, UW-Madison Associate Vice Chancellor Alan Fish explained that the campus was working to identify another location for them in the campus master plan that should be available for them in about six years.
Regent Salas asked what role coincidence played in the distribution of the remaining funds from the downsized Sterling Hall project to the Biochemistry and West Campus Utility projects. Fish explained that at the time of that decision there were at least twelve campus projects that were underfunded because they were budgeted four or more years ago. Fish continued by saying that cost escalation in the last three years has been 20 to 25 percent and that escalation has been a chronic problem for all of System projects. He explained that the Biochemistry project and the West Campus Utility project were the two projects that the administration thought were the most crucial to receive the additional funding at this time.

Upon the motion of Regent McPike and the second of Regent Bartell, 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: (a) reduce the project scope and budget of the Sterling Hall Renovation project from $39,500,000 ($17,500,000 2005-07 General Fund Supported Borrowing(GFSB), $20,000,000 2007-09 General Fund Supported Borrowing and $2,000,000 Gift Funds) to $16,500,000($16,500,000 General Fund Supported Borrowing); (b) reallocate $15,000,000 General Fund Supported Borrowing to the Biochemistry II project, increase the gift funding for the Biochemistry project by $10,000,000; and (c) reallocate $6,000,000 General Fund Supported Borrowing to the West Campus Utility Improvements project.

I.3.e. UW System: Authority to Construct All Agency Maintenance and Repair Projects

This item requested authority to construct two maintenance and repair projects at an estimated total cost of $2,971,300 ($2,009,700 General Fund Supported Borrowing; $354,600 Program Revenue Supported Borrowing; $404,650 Program Revenue Cash; and $202,350 Gifts Funding).

MSN – Parking Ramp 93 Maintenance and Repairs ($607,000): This project will repair and seal levels of Parking Ramp 93 next to the UW Foundation Building at 1848 University Avenue.

MIL – Heating Plant 4,000-Ton Chiller Installation ($2,364,300 Increase): This request will increase the project budget and change the project scope from the installation of two new variable speed electrical motor drives for two existing steam turbine driven chiller compressors to the installation of one 4,000-ton electrically driven chiller with variable speed drive capabilities. The new chiller will be installed in an open bay alongside the existing 3,000-ton chiller.

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

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 $2,971,300 ($2,009,700 General Fund Supported Borrowing; $354,600 Program Revenue Supported Borrowing; $404,650 Program Revenue Cash; and $202,350 Gifts Funding).


This item requested authority to seek the enumeration of three additional program revenue and gift funded building projects as part of the 2007-09 Capital Budget: Two of the three additional projects are funded primarily with student segregated fees.

Regent Salas commented that the Board recently received an audit of the use of student segregated fees. He mentioned that although an original recommendation was to have some uniformity of authorizing the use of these fees for all campuses, it was later decided that each campus should determine which method is the best for them – a referendum or student association authorization.

The first project is the UW-Eau Claire Davis University Center Remodeling and Addition project at a total project cost of $48,835,000 ($39,500,000 Program Revenue Supported Borrowing and $8,885,000 Program Revenue-Cash). This project will remodel approximately 66,700 GSF of the existing 129,822 GSF Davies University Center, demolish approximately 63,100 of space, and construct an addition of approximately 72,400 ASF/111,400 GSF. Depending on results of a feasibility and design analysis study, the entire structure may be demolished and a replacement structure of approximately 112,400 ASF/172,900 GSF be constructed. The resulting facility will provide updated and expanded space for dining, retail services, lounge and recreation, meetings, student organizations, and administrative offices.

UW-Eau Claire Chancellor Brian Levin-Stankevich introduced UW-Eau Claire student leaders Anthony Frick, Chris Nielson, Ray Frank, and Sara Lisko to speak about this project. The students spoke of the educational campaign, the design of the survey that was conducted about the project, and the conditions of the student center that necessitate remodeling.

The debt service for this project (assuming the more expensive complete replacement option) will be approximately $3,220,000 per year, based on 20-year bonds. Three student governance groups have approved the segregated fee increase necessary to support this debt service. The segregated fees will increase $125 per semester and will be phased in over a four year period beginning in fall 2007. Revenue from an original fee increase, combined with revenue from this fee increase, will result in approximately $8.8 million of cash reserves that will also be applied to the cost of this project. David Miller explained that by using the fees collected since 2001 to fund this project, a payment of six million dollars of interest will be avoided.
Former UW-Eau Claire Chancellor Don Mash stated that this project will be a tremendous benefit to the campus. Regent McPike said that he and other Regents had the opportunity to see the Union and hear comments about the loading dock and the non-accessible elevator. Regent Bartell asked if the results of the student survey showed that they were in favor of a green design for the building. UW-Eau Claire Vice Chancellor Andy Soll responded that 72% of those surveyed said they would support a rate to include green design concepts. Regent Bartell stated he was especially heartened to hear that students are going to be actively included in the design phase of this project because it involves student segregated fees.

The second project is the UW-Madison South Campus Union and Memorial Union Theater at a total project cost of $139,700,000 ($126,200,000 Program Revenue Borrowing and $13,500,000 Gift Funds). This project will construct a 170,000 ASF/274,200 GSF replacement for the existing Union South, which will be demolished, along with HiRay Hall, and the Randall Towers. The new facility will provide updated and expanded dining and retail services, lounge and recreation space, student organization space, and 120 guest rooms for campus visitors as well as a 270 stall parking structure beneath the building.

This project also includes complete renovation of the existing 1939 theater wing of Memorial Union. Restoration work will preserve the historical characteristics of this structure and the plumbing, mechanical, and electrical infrastructure will be updated. Existing space will be reconfigured and approximately 14,000 GSF of new space will be constructed.

A student referendum passed in October 2006 which approved an increase in student segregated fees of approximately $48 per semester for 2 years and then $96 per semester for 28 years. Debt for the renovation work of this project will be retired after 20 years while debt for the new construction will be retired over a 30 year period.

Regent Salas asked for and received clarification from David Miller that students had authorized the use of segregated fees for this project. When asked by Regent Salas to explain the use of the Union South guestrooms that are to be constructed as part of this project, Miller said that their use was restricted to campus guests who are attending campus related events and that the rental revenue from the rooms will pay for their construction, not segregated fees.

Regent Shields joined the meeting.

Mark Guthier responded to questions from Regent Salas as to whether or not the SOAR program would be disrupted by this project by stating that other campus buildings will absorb the SOAR requirements for the two years of construction of the Union project.

Shayna Hetzel, who was elected Union Council Officer in the spring of 2005, spoke to the committee about the involvement of students in the development of the Union project. She mentioned that the project was student-led and that students were involved in open discussion forums as well as web based meeting groups. She continued by saying that the plan passed with 60% of the student body vote in October of 2006 and that students will
participate in the design committee. In response to a question by Regent Salas, Hetzel said that the design committee will include nine students, two staff, two faculty and two alumni.

The third project is the UW-Parkside Residence Hall project at a total project cost of $17,013,000 Program Revenue Supported Borrowing. This project will construct a 62 suite, 248 bed residence hall. Each suite will include four single-occupancy bedrooms, a common living area, a kitchenette and a bathroom. Schematic design for a second phase of 23 suites/152 beds, along with necessary utility work, building plumbing, mechanical, and electrical infrastructure, and common areas necessary to support the second phase are also part of this project.

In response to a question from Regent Salas regarding whether or not there was a demand for a residence hall at UW-Parkside, David Miller responded that the campus is now running a deficit of 100 beds and that this project will fulfill their need for the short term and will provide the foundation for future residence hall expansion if that becomes necessary.

Upon the motion of Regent Bartell and the second of Regent McPike, the Committee approved Resolution I.3.f.

Resolution I.3.f.

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to amend the 2007-09 Capital Budget to include three additional major program revenue and gift funded projects which are:

UW-Eau Claire: Davies Center Replacement Project $48,385,000 ($39,500,000 PRSB and $8,885,000 Program Revenue-Cash,

UW-Madison: South Campus Union and Memorial Theater Wing Renovation $139,700,000 ($126,200,000 PRSB and $13,500,000 Gift Funds), and

UW-Parkside: Suite Style Residence Hall $17,013,000 PRSB
I.3.g. **UW-Madison: Chadbourne Residence Hall Renovation Project Budget Adjustment**

This item requested authority to increase the budget of the Chadbourne Residence Hall Renovation project by $1,075,000 ($946,000 existing Program Revenue Supporting Borrowing and $129,000 Gift Funds) for a total revised project cost of $7,674,000 Program Revenue Supported Borrowing. This project was enumerated as part of the 2005-07 Capital Budget at an estimated cost of $6,599,000 Program Revenue Supported Borrowing.

This project will renovate two separate portions of the 143,600 GSF Chadbourne Residence Hall, located at the corner of Park Street and University Avenue. This project is part of the Division of University Housing’s Housing Master Plan which is addressing deficiencies in its undergraduate residence halls.

The bids for this project, which were opened on November 29, 2006, were higher than the original estimated budget. The higher bids were due to increases in copper, stainless steel, and black iron costs; higher labor costs to meet the tight construction schedule; and additional costs associated with the underground chilled water piping.

The $129,000 of gift funds will provide for an area dedicated to the production of Kosher/Halal food which was requested, but not funded as part of the original project.

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

**Resolution I.3.g.**

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 Chadbourne Residence Hall Renovation project by $1,075,000 ($946,000 existing Program Revenue Supporting Borrowing and $129,000 Gift Funds) for a total revised project cost of $7,674,000 Program Revenue Supported Borrowing.

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

Assistant Vice President David Miller reported that the Building Commission approved about $50M for projects at their November meeting. The funding breakdown for those projects is $25M General Fund Supported Borrowing, $13M Program Revenue, and $12M Gift and Grant Funds. (For more details about those projects, please see the chart at the end of these minutes.)

i.3.x. **Additional items that may be presented to the Committee with its approval**

No additional items were presented to the Committee.
**Adjournment**

The Physical Planning and Funding Committee adjourned at 2:15 p.m.

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<th>Campus</th>
<th>Project / Funding</th>
<th>Amt. Approved</th>
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<tr>
<td>MSN</td>
<td>DOA in behalf of UW-MSN - Purchase of 2102 Wright St facility/sale/ lease</td>
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<td>EAU</td>
<td>Sale of 283 sq feet on Hwy 12/West Clairemont Ave to DOT</td>
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<td>MSN</td>
<td>Camp Randall Heritage Hall project - waiver for single prime</td>
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<td>Purchase 2 properties - 717 Irving Ave. and 738 High St. in Oshkosh</td>
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<td>PLT</td>
<td>Engineering Building - Construct and Increase Budget</td>
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<td>WTW</td>
<td>Wyman Mall Utility Replacement - DR - single prime</td>
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**November SBC Meeting Total** | **$50,624,970**