

**Minutes**  
**Physical Planning and Funding Committee**  
**Thursday, March 6, 2008**

Committee Chair Regent Bartell convened the meeting of the Physical Planning and Funding Committee at 9:03 a.m. in Room 1820 of Van Hise Hall on the UW-Madison campus. Present were Regents Bartell, Falbo, Vasquez, and Walsh.

**I.3.a. Approval of the Minutes of the February 7, 2008 Meeting of the Physical Planning and Funding Committee**

Upon the motion of Regent Walsh and the second of Regent Falbo, the minutes of the February 7, 2008 meeting of the Physical Planning and Funding Committee were approved as presented.

**I.3.b. UW-Madison: Authority to Exchange Land with the Wisconsin Alumni Research Foundation**

This item requested authority to amend the existing land exchange agreement, related to the Wisconsin Institutes for Discovery, between the Board of Regents and the Wisconsin Alumni Research Foundation (WARF) to incorporate a portion of the 1200 block of Johnson Street on the UW-Madison campus. The Board of Regents-owned property will be exchanged for properties of equal value acquired by WARF and of strategic importance to future UW-Madison development.

The approximately 1/3 acre property that is known as the “1200 Block Parcel” is located at the north corner of Campus Drive and North Orchard Street immediately south of the Service Building Annex and west of Brogden Hall (Psychology). The parcel currently contains an electrical substation, a boiler stack, structural appendages to the south side of the Service Building annex, and a surface parking lot.

The property to be acquired by WARF and transferred to the Board of Regents will be within the development boundary of UW-Madison. The value of the university's assets will be derived from an average of two appraisals established for the 1300 block of University Avenue which was used for other recent land transfers. The value of the WARF assets will be based on the purchase price of the acquired properties plus the transaction costs.

After receiving the property, WARF will construct and own facilities comprised of an at-grade receiving dock and an underground vivarium. The total building area is 22,400 GSF. The net assignable area associated with the receiving dock is 3,500 ASF. The net assignable area associated with the vivarium is 8,500 ASF.

Site preparation will occur prior to the land transfer and include the demolition of the boiler stack base and other structural appendages on the south side of the Service Building Annex. To clear the site, demolition of an electrical substation will occur as a separate project prior to construction.

The enclosed receiving dock facility will serve the Wisconsin Institutes for Discovery (WID) and the Service Building Annex with four service bays. A service tunnel crossing North Orchard Street will provide access to the Wisconsin Institutes for Discovery facilities located on the 1300 Block of University Avenue. The service tunnel will be utilized by researchers to access the vivarium.

UW-Madison Associate Vice Chancellor Alan Fish showed architectural drawings of the proposed site. Regent Bartell inquired about ownership of the air space rights above the vivarium. Fish answered that WARF will have a right of first refusal for building on the site of the underground vivarium, but such additions would have to be for research associated with WID. Regent Walsh asked if WARF could lease future development to which Fish responded yes, if the development was related to the Institutes for Discovery.

Regarding the land trade, Regent Falbo asked if the university had previously worked with this type of arrangement. Fish stated that the WARF parcel in the 1300 block of University Avenue was being exchanged in this manner and that WARF had placed the funds in escrow pending closure on property purchases. Regent Falbo asked which party was accruing the escrow earnings. Fish stated that WARF retained the earnings. He continued by saying both WARF and the university were moving quickly on several parcels. Fish explained that WARF was the university's partner in this project and that unlike a typical private business arrangement, ultimately all funds would benefit the university.

Regent Bartell asked what would trigger the first right of refusal for future development. UW System Deputy General Counsel Ed Alschuler emphasized the partner relationship by stating that WARF exists to benefit the university and that it is in the best interest of both WARF and the university to continue that partnership in decisions about future development and escrow earnings. Alschuler remarked that the exchange agreement will call for both the university and WARF to disclose future development needs and plans from which the university would learn whether WARF proposed other development.

Regent Bartell asked if UW-Madison would operate the facility. Fish responded that the campus would manage the facility through an operating agreement. Miller added that Chancellors have the authority to contract with not-for-profit entities for such management arrangements to gain economies of scale.

Upon the motion of Regent Falbo and the second of Regent Vasquez, the Committee unanimously 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 amend the existing land exchange agreement, related to the Wisconsin Institutes for Discovery, between the Board of Regents and the Wisconsin Alumni Research Foundation (WARF) to incorporate a portion of the 1200 block of Johnson Street on the UW-Madison campus. The Board of Regents-owned property will be exchanged for properties of equal value and of strategic importance to future UW-Madison development, which will be acquired by WARF.

**I.3.c. UW-Whitewater: Approval of the Design Report and Authority to Adjust the Project Scope and Budget and Construct the Residence Hall Project**

This item requested approval of the Design Report of the New Residence Hall project and authority to (a) increase the scope and budget by \$1,132,000 (\$532,000 Program Revenue Supported Borrowing, and \$600,000 Program Revenue-Cash) and (b) construct the project at a total cost of \$36,860,000 (\$36,260,000 Program Revenue Supported Borrowing and \$600,000 Program Revenue-Cash).

This project provides for the construction of a 446-bed 130,600 ASF/197,200 GSF residence hall that will replace outdated Sayles Hall and White Hall. The selected site is at the southeast corner of Prince Street and Starin Road, bounded on the east by Carter Mall and on the south by Carlson Hall.

The targeted occupants of this new hall will be juniors, seniors, and graduate students. Thirty-eight resident bedrooms will meet ADA residential access requirements. The project will replace approximately 165 parking spaces displaced by construction of this new building. The new hall will have a basement and five floors consisting of two wings each with shared public support spaces and a common main entry. The residence hall will be sited, developed, and operated to maximize resource conservation and minimize negative environmental impact. A LEED™ Silver certification rating will be sought for this project.

The upper-division students have expressed a strong preference for suite-style living accommodations that offer private bedrooms, semi-private bathrooms, and a kitchen and living area.

The student living units in the new hall will be configured with single occupancy bedrooms in suite-style arrangements. Each suite will include four bedrooms; a common area; a kitchenette with a sink, microwave, refrigerator; and bathroom. The building will also contain a front desk/main lounge area and other student support facilities. The basement will include a laundry room, a multipurpose/TV room, and storage rooms.

The increase in scope and budget of this project is to restore the parking spaces displaced by the building site.

This project will primarily be funded by and operated through room rental rates that are charged to students who choose to live in the units. Preliminary projections of academic year room rates for students living in the suites are estimated at \$4,518/year (\$2,259 per semester). The projected room rate for double occupancy rooms on campus during the same time frame is \$3,054/year (\$1,527 per semester).

UW System Senior Architect Maura Donnelly showed architectural drawings of the proposed residence hall and explained the design of the building. This project is the first LEED™ certified project for the UW System. Regent Bartell asked what the points for a gold rating represented. Donnelly explained that the gold rating required the hiring of an independent commissioning authority to audit the LEED™ aspects of the project. Donnelly

commented that this would have required an additional project expense without adding any significant value to the project.

In response to a question from Regent Walsh, Associate Vice President David Miller explained that the source of cash for the project was program revenue accrued from parking operations for the purpose of this project and that the cash will reduce the amount of bonding required. Regent Bartell inquired what the actual number of beds would be in the hall. Donnelly stated that the budget is for a minimum 405 beds, however, if the bids come in under budget, more beds can be added, up to the full design of 446 beds. In response to a question from Regent Bartell, UW-Whitewater Vice Chancellor Randy Marnocha added that the private housing near the campus is well occupied and this residence hall will not directly compete with nearby private housing.

Upon the motion of Regent Falbo and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report of the New Residence Hall project be approved and authority be granted to (a) increase the scope and budget by \$1,132,000 (\$532,000 Program Revenue Supported Borrowing, and \$600,000 Program Revenue-Cash) and (b) construct the project at a total cost of \$36,860,000 (\$36,260,000 Program Revenue Supported Borrowing and \$600,000 Program Revenue-Cash).

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

This item requested authority to construct various maintenance and repair projects at an estimated total cost of \$1,361,700 (\$163,600 General Fund Supported Borrowing and \$1,198,100 Program Revenue Cash). This request provides maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

**Facilities Maintenance and Repair Requests**

MSN - Camp Randall Stadium South End Zone Maintenance (\$272,700): This project will repair water leaks in the south end zone bleachers section to protect building finishes and the retail merchandise located underneath the seating areas. This project will also apply a waterproofing system to the precast concrete seating areas in south end zone sections.

RVF - Stratton Hall Exterior Window and Floor Tile Replacement (\$538,000): This project will replace all 135 original exterior window units and a store front entryway to address energy conservation problems associated with the original units. This project will also replace all vinyl asbestos floor tile to address aesthetic and maintenance condition problems.

## **Programmatic Remodeling and Renovation**

MSN - Memorial Union Coffee House Remodeling (\$551,000): This project will create a dedicated coffee house operation to address student surveys and peer review findings. All building services will be renovated and sized to accommodate the new coffee house, and if possible, the mechanical systems will be sized to include a deli operation.

Alan Fish explained that underutilized space in the Memorial Union will have upgraded electrical service, air handling systems, and bathroom facilities. Equipment and furnishings will be installed to convert the area into a coffee house. Regent Walsh asked whether the UW would own the equipment or would it be outsourced. Fish answered that the coffee house is a university owned and managed operation. Regent Bartell commented that a student survey concluded that they desire such a space and it will not compete with other food vendors in the Union. Regent Vasquez asked whether separate items, not related to the coffee house, such as bathroom upgrades and air handling, would benefit the Union overall and not just the coffee house. Fish replied that because these additional upgrades are needed they will serve the Union overall.

After further discussion, Miller proposed that he would provide the committee with additional documentation describing the business plan and components of the project prior to the State Building Commission meeting in two weeks.

Upon the motion of Regent Falbo and the second of Regent Walsh, the Committee unanimously approved Resolution I.3.d.

### Resolution I.3.d.

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 \$1,361,700 (\$163,600 General Fund Supported Borrowing and \$1,198,100 Program Revenue-Cash).

### I.3.e. **Report of the Associate Vice President**

1. Building Commission Actions - Associate Vice President David Miller reported that the Building Commission approved about \$69M for projects at their February meeting. The funding breakdown for those projects is \$24M General Fund Supported Borrowing and \$8M Program Revenue and 37M Gift Funds.

Miller informed the committee that of the six requests for alternative delivery methods for building projects approved by the Regents last month, only two projects (the UW-Madison South Campus Union project and the UW-Stout Jarvis Science Wing Remodeling project) were approved for alternative delivery by the Building Commission. However, the commission did instruct the Department of Administration (DOA) to work with interested parties to recommend statutory changes by November 2008 to improve the efficiency of project delivery.

Miller stated that a group directed by the Division of State Facilities will study and make recommendations to change the statutes of delivery methods. Regent Bartell asked if the Board of Regents will be involved in this study. Miller said that the working group has not been convened and he will be updating the Board of Regents as information about this group becomes available.

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

No additional items were presented to the Committee.

**I.3.z. Closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), Wis. Stats., related to naming of a facility at UW-Superior.**

Upon the motion of Regent Walsh and the second of Regent Vasquez the Physical Planning and Funding Committee adjourned to closed session. The session adjourned at 10:02 a.m.