

Minutes
Capital Planning and Budget Committee
Thursday, July 9, 2009

Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 9:08 a.m. in Room 1820 of Van Hise Hall on the UW-Madison campus. Committee members present were Regents Bartell, Drew, S. Davis, Loftus, and Opgenorth.

I.3.a. Approval of the Minutes of the June 4, 2009 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Drew and the second of Regent Opgenorth, the minutes of the June 4, 2009 meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Madison: Approval of the Design Report and (1) Authority to Adjust the Scope and Budget, (2) Seek a Waiver of Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to Allow Single-Prime Bidding, and (3) Construct the School of Human Ecology Addition and Renovation Project

This item requested approval of the Design Report of the School of Human Ecology Addition and Renovation project and authority to: (a) increase the budget by \$5,000,000 (\$4,760,000, Gift Funds and \$240,000 Building Trust Funds-Contingency); (b) seek a waiver Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to accept a single-prime contractor bid for the project; and (c) construct the project at a total cost of \$52,950,000 (\$22,500,000 General Fund Supported Borrowing, \$240,000 Building Trust Funds, \$27,260,000 Gift Funds, \$2,850,000 Program Revenue Supported Borrowing-Parking, and \$100,000 Program Revenue Cash-Parking).

This project will renovate the 76,145 GSF existing School of Human Ecology Building located at 1300 Linden Drive. A new 97,060 GSF addition with an underground parking garage will be constructed on the west side of the existing building. Both the new building and the existing will be connected on all five levels. The Human Development and Family Studies Building, located at 1430 Linden Drive, and the Preschool Laboratory, located at 1440 Linden Drive, will both be demolished to create a site for the new addition.

The original windows will be restored and new storm windows with insulated glass will be installed on the east, west, and south facades. Windows on the north façade will be replaced. The building's mechanical system will be designed to be over 30% more energy efficient than the current State of Wisconsin Building Code. This project will pursue LEED certification through the US Green Building Council. It is imperative to have one coordinator of all the various aspects to ensure the certification requirements are met.

The project was enumerated at \$47,950,000 projecting an addition of approximately 80,000 ASF. After completing the program and design phases, the program has increased 16.3%, resulting in a 12.5% larger addition.

The campus requests single-prime bidding for this project to ensure that responsibility for coordination, scheduling, and quality control is contractually awarded to a single firm. The

waiver will allow the assignment of a single-prime responsibility to properly address numerous complex construction issues associated with this major addition such as simplifying scheduling, coordination, the reporting of LEED certification documentation requirements, and quality control.

Dean of the School of Human Ecology Robin Douthitt discussed the gift funds that have been raised for the project. Dean Douthitt stated that private donors have been strongly supported the academic mission of the school and the project. Regent Bartell asked about the expansion of the program and space. Dean Douthitt responded that the enrollment is growing and that grant funded research has tripled requiring a slightly larger addition of new space from the original program. The committee commended Dean Douthitt and the school on the success of the fund raising campaign.

Upon the motion of Regent Loftus and the second of Regent Drew, the Committee approved Resolution I.3.b. with Regent Davis abstaining from the vote due to a conflict of interest with a business client related to the waiver request.

Resolution I.3.b.

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report of the School of Human Ecology Addition and Renovation project be approved and authority be granted to: (a) increase the budget by \$5,000,000 (\$4,760,000, Gift Funds and \$240,000 Building Trust Funds-Contingency); (b) seek a waiver Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to accept a single-prime contractor bid for the project; and (c) construct the project at a total cost of \$52,950,000 (\$22,500,000 General Fund Supported Borrowing, \$240,000 Building Trust Funds \$27,260,000 Gift Funds, \$2,850,000 Program Revenue Supported Borrowing-Parking, and \$100,000 Program Revenue Cash-Parking).

I.3.c. UW-Milwaukee: Authority to Seek Building Trust Funds to Expand the Scope of the Campus Master Plan

This item requested authority to seek the release of \$525,000 Building Trust Funds-Planning for additional detailed planning in conjunction with the Campus Master Plan. This funding will be used for consultant fees that are necessary to advance the more detailed site plans resulting from the current master plan.

This next step of the master planning process will evaluate the capability of designated locations (precincts) to support the academic and facility needs identified in the ongoing master plan. This will allow the detailed planning of four high priority projects to meet the academic and research needs at UW-Milwaukee and prepare them for design and construction in an effective and efficient manner. The four priority precincts that will be evaluated are: the Integrated Research Building at the Kenwood campus, Academic Health facilities on or near the Pabst Brewery development site, the School of Freshwater Science facilities on or near the Great Lakes Research Facility site, and a Phase I Research Building at the County Grounds site.

UW Milwaukee Chancellor Santiago stated that the additional funds are needed to further study the feasibility of prospective building sites. Associate Vice President Miller stated that the

Building Commission originally authorized up to \$3,300,000 for master planning at UWM. Regent Bartell asked how much of that amount would be allocated with this addition to which Miller answered \$2,525,000.

Upon the motion of Regent Drew and the second of Regent Loftus the Committee unanimously approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted to seek the release of \$525,000 Building Trust Funds-Planning for additional detailed planning in conjunction with the Campus Master Plan.

I.3.d. UW-Oshkosh: Authority to: (1) Purchase a Parcel of Land with Improvements at 650 Witzel Avenue in the City of Oshkosh to Provide a Campus Maintenance Facility; (2) Accept a Portion of the Parcel's Value as a Gift-In-Kind; (3) Seek the Release of Funding for Furnishings and Parking; and (4) Amend the Campus Boundary

This item requested authority to: (a) acquire from Chamco Inc. 4.33 acres of property and associated improvements located at 650 Witzel Avenue, Oshkosh, Wisconsin, for the Facilities Management Relocation – Phase II project for approximately \$4,900,000 General Fund Supported Borrowing; (b) accept a gift-in-kind from Chamco Inc. equal to the difference between the market value of \$5,700,000 and the purchase price; (c) seek the release of \$973,300 General Fund Supported Borrowing for fixtures, furniture, and equipment to outfit the improved structure and upgrade the asphalt parking lot; and (d) amend the campus boundary to incorporate the properties located at 650 Witzel Avenue, and 662 and 663 Third Avenue, Oshkosh, Wisconsin.

The 2007-09 UW-Oshkosh New Academic Building project enumeration of \$54,296,000 included \$6,296,000 for the relocation of the Facilities Management operations to create a site for the new academic building. The relocation is divided into two phases. Phase I is a completed \$422,700 project that renovated a facility that was transferred from the Department of Military Affairs. Phase II completes the relocation by acquiring the Chamco Inc. property.

(a) The property to be acquired is a renovated 54,008 gross-square-foot former grocery store and surrounding property located at 650 Witzel Avenue in the city of Oshkosh on 4.33 acres of land. The structure will house the majority of the campus facilities maintenance operations and will also accommodate the storage, circulation, and parking for approximately 300 vehicles.

This Witzel Avenue property, in conjunction with the renovated former Department of Military Affairs property located at 662 and 663 Third Avenue, will allow for the relocation of facilities maintenance, central stores, and the receiving departments from the current maintenance facility. The relocation of these campus functions will allow for the razing and site remediation of the current maintenance facility to provide a clear site upon which to construct the new academic building.

An environmental audit for the property found that the site was recognized by Wisconsin Department of Natural Resources (WDNR) as having been a historic landfill. In response to recommendations from Phase I and II environmental site assessments, and based upon a recent evaluation of both conditions resulting from past use and the intended future use, Chamco sought, and WDNR granted, a Preventive Action Limit (PAL) Exemption and an Exemption to Construct on a Historic Land Fill Site.

(b) Chamco, which is a non-profit industrial development organization designed to meet the Oshkosh area's needs for economic development, bought and redeveloped this property. The purchase price is less than the average of two independent market appraisals that were prepared using a prospective as-completed value-in-use approach. The appraisals of \$5,400,000 and \$6,000,000 were averaged to establish an estimated fair market property value of \$5,700,000.

Given the favorable appraisals and the willingness of Chamco Inc. to accept a purchase price of approximately \$4,900,000, there is residual value of approximately \$800,000. This value is appropriately recognized as a gift-in-kind.

(c) The renovated building will be outfitted for campus maintenance functions using the funds for the fixtures, furniture, and equipment requested. Asphalt parking lots that are associated with these facilities buildings will be resurfaced to accommodate intended circulation and parking uses.

(d) These new land areas will be contained within the campus boundary.

Associate Vice President Miller explained that the purchase was enumerated in the 2007-09 Capital Budget. The budget authorized purchase at the lesser of either the actual cost to Chamco or the appraised value. Since the actual cost was less the university was saving approximately \$800,000.

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

Resolution I.3.d.

That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to: (a) acquire from Chamco Inc. 4.33 acres of property and associated improvements located at 650 Witzel Avenue, Oshkosh, Wisconsin, for the Facilities Management Relocation – Phase II project for approximately \$4,900,000 General Fund Supported Borrowing; (b) accept a gift-in-kind from Chamco Inc. equal to the difference between the market value of \$5,700,000 and the purchase price; (c) seek the release \$973,300 General Fund Supported Borrowing for fixtures, furniture, and equipment to outfit the improved structure and upgrade the asphalt parking lot; and (d) amend the campus boundary to incorporate the properties located at 650 Witzel Avenue, and 662 and 663 Third Avenue, Oshkosh, Wisconsin.

I.3.e. UW-Parkside: Authority to Seek a Waiver of Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to Allow Single-Prime Bidding for the Communication Arts Remodeling and Addition Project

This item requested authority to seek a waiver of Wis. Stat. § 16.855 under provisions of Wis. Stat. § 13.48 (19) to allow single-prime bidding for the construction of the Communication Arts Remodeling and Addition project at an estimated total project cost of \$38,606,000 (\$33,700,000 General Fund Supported Borrowing, \$2,830,000 Program Revenue Supported Borrowing–Utilities Repair and Renovation, and \$2,076,000 Gift Funds).

Single-prime bidding is requested for this project due to its complex nature. In addition to the renovation and remodeling that will occur within the existing Communication Arts building, space will also be remodeled in Wyllie Hall and Molinaro Hall. Additions will be constructed on two sides of the existing Communication Arts Building, and a stand-alone structure for sculpture and ceramics will be constructed near the Heating Plant and Facilities Management building, which is located farther away from the rest of the project. A further complexity will be the reconstruction of the road and parking lot serving Communication Arts and the southwest portion of campus.

In order to accomplish this construction during the continuation of instructional activities and campus operations, sophisticated phasing will be required to ensure they begin and end on schedule. Many parts of the buildings will be touched by construction. That situation will require an extraordinary amount of project coordination to assure occupant safety in areas adjacent to construction and to avoid unanticipated shutdowns of plumbing, ventilation, electrical, and telecommunications systems and the resultant disruption of operations.

Upon the motion of Regent Drew and the second of Regent Opgenorth, the Committee approved Resolution I.3.e. with Regent Davis abstaining from the vote due to a conflict of interest with a business client.

Resolution I.3.e.

That, upon the recommendation of the UW-Parkside Chancellor and the President of the University of Wisconsin System, authority be granted to seek a waiver of Wis. Stat. § 16.855 under provisions of Wis. Stat. § 13.48 (19) to allow single-prime bidding for the construction of the Communication Arts Remodeling and Addition project at an estimated total project cost of \$38,606,000 (\$33,700,000 General Fund Supported Borrowing, \$2,830,000 Program Revenue Supported Borrowing–Utilities Repair and Renovation, and \$2,076,000 Gift Funds).

I.3.f. UW-Stout: Approval of the Design Report and Authority to Adjust the Scope and Budget and Construct the Harvey Hall Theater Renovation Project

This item requested approval of the Design Report for the Harvey Hall Theater Renovation project and authority to: (a) increase the project scope and budget by \$467,000 Existing General Fund Supported Borrowing for a total estimated project cost of \$5,606,000 (\$5,139,000 General Fund Supported Borrowing and \$467,000 Existing General Fund Supported Borrowing) and (b) construct the project.

The Harvey Hall Theater Renovation project will renovate and upgrade the theatre, support spaces, and related infrastructure in approximately 10,500 ASF/15,000 GSF of space. Work will include the reconstruction of the stage extension, the replacement of the stage and house

lighting and controls, the installation of a new sound system, and the renovation of the stage rigging, curtains, and tracks. The seating will be replaced and reconfigured; the scene shop, control rooms, and dressing rooms will be completely renovated; and the theatre entrance, vestibules, display cases, and box office will be upgraded. Accessibility improvements will be made to the theatre and support spaces. The ventilation and exhaust systems will be renovated and replaced with more efficient modern systems. Life safety improvements will include improved smoke protection for the stage, safer stair exiting, and fire stopping upgrades. Asbestos and lead-based paint will be remediated and all of the finishes will be renewed. All modifications will be sensitive to the historic characteristics of Harvey Hall.

The project budget increase is necessary to provide for additional needs that became apparent during the programming and design stage of the project. These include the installation of a safer electronic stage rigging system, the reconstruction of an existing stage extension, and additional work related to the ventilation system.

Regent Bartell asked if the project was at the 35% design stage now to which Miller answered it is at that stage of design at this time. UW-Stout Chancellor Sorenson added that this project has been talked about and needed for approximately 25 years and he appreciates the support of the Board of Regents for this project.

Upon the motion of Regent Loftus and the second of Regent Drew, the Committee unanimously approved Resolution I.3.f.

Resolution I.3.f.

That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, the Design Report of the Harvey Hall Theater Renovation project be approved and authority be granted to: (a) increase the project scope and budget by \$467,000 Existing General Fund Supported Borrowing for a total estimated project cost of \$5,606,000 (\$5,139,000 General Fund Supported Borrowing and \$467,000 Existing General Fund Supported Borrowing) and (b) construct the project.

I.3.g. UW-Superior: Approval of the Design Report and (1) Authority to Seek a Waiver of Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to Allow Single-Prime Bidding and (2) Construct the Barstow Hall Remodeling Project

This item requested approval of the Design Report of the Barstow Hall Remodeling project and authority to: (a) seek a waiver of Wis. Stat. § 16.855 under provisions of Wis. Stat. § 13.48 (19) to allow single-prime bidding and (b) construct the project at an estimated total cost of \$2,255,500 General Fund Supported Borrowing–UW Infrastructure Funds.

The use of single-prime bidding is requested for this project for several reasons. This project involves remodeling portions of Barstow Hall, while leaving other areas untouched. The coordination of project activities will be especially important to avoid the occurrence of disruptions, dust, or damage in the un-remodeled portions of the building. Compliance with the construction schedule will be critical to ensure coordination with academic semesters and avoid disruption of instructional operations.

This project will remodel approximately 13,000 GSF of space in Barstow Hall for science labs, classrooms, student and faculty research spaces, and faculty offices. The remodeled space will provide additional lab and office spaces for the Biology Department and Lake Superior Research Institute (LSRI) to replace space these units currently occupy in McCaskill Hall. McCaskill Hall is being demolished as part of the Swenson Hall Academic Building project. Included in the remodeling will be two new multi-use physics labs, two new instructional biology labs, a new aquatics lab for LSRI research, and flexible faculty and student research labs. Additional faculty offices with adjacent student workspace will also be added to accommodate faculty who will be relocated to this building.

UW-Superior Chancellor Erlenbach spoke about how this project is a critical domino in the renovation of this campus. Relocation of key science academic programs provided by this project is necessary for demolition of outdated McCaskill Hall.

Upon the motion of Regent Loftus and the second of Regent Opgenorth, the Committee approved Resolution I.3.g. with Regent Davis abstaining from the vote due to a conflict of interest with a business client.

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 of the Barstow Hall Remodeling project be approved and authority be granted to: (a) seek a waiver of Wis. Stat. § 16.855 under provisions of Wis. Stat. § 13.48 (19) to allow single-prime bidding and (b) construct the project at an estimated total cost of \$2,255,500 General Fund Supported Borrowing – UW Infrastructure Funds.

I.3.h. 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 \$2,198,000 Program Revenue Supported Borrowing.

Energy Conservation - MSN-Multi-Building Lighting Renovation Energy Conservation Opportunities (\$1,276,000): Work for this project will be implemented in Atmospheric, Oceanic, and Space Sciences; Biotron; Engineering Centers; Engineering Drive; Material Science and Engineering; and Parking Ramps 6, 17, 29, 46, 75, and 76. Project work will include the replacement of light fixtures, light fixture ballasts, and light fixture lamps; installation of new occupancy sensors; removal of light fixtures; and reconfiguration of the electrical distribution services and circuitry to achieve desired light levels.

Facilities Maintenance and Repair - RVF-Hathorn Hall East and West Wings Exterior Windows Replacement (\$408,000): This project will improve the thermal performance of the Hathorn Hall building envelope and reduce the operational maintenance costs. Project work will include replacement of 243 exterior window units in the east and west wing resident rooms of the hall with new slider units.

RVF-Hathorn Hall Center Section HVAC System Replacement (\$514,000): This project will replace the heating and ventilation systems in the center section of Hathorn Hall. The replacement mechanical equipment will be easier to service and maintain by the maintenance

personnel. Project work includes replacement of the basement air handling unit, perimeter radiation units, stairwell cabinet heaters, and all associated piping, valves, traps, pumps, control systems, and electrical wiring. Hazardous materials on the mechanical piping and equipment will be abated.

Upon the motion of Regent Drew and the second of Regent Loftus, the Committee unanimously 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 \$2,198,000 Program Revenue Supported Borrowing.

I.3.i. Report of the Associate Vice President

Associate Vice President David Miller reported that the Building Commission approved approximately \$6.4M for projects at its June 2009 meeting. The funding breakdown for those projects is \$4.6M General Fund Supported Borrowing and \$1.8M Program Revenue.

Miller updated the committee with a brief review of the final legislative changes to the 2009-11 Capital Budget. Miller reported that the final budget retained all previously reported major projects and funding levels except for the UW-Madison Nursing Research Facility which had been added by the Joint Finance Committee. The Conference Committee recommended the project for advance planning in anticipation of funding in 2011-13.

Regent Loftus inquired if any projects presented today have student segregated fees attached to them to which Miller answered there were none.

I.3.j. Additional items which may be presented to the Committee with its approval

No additional items were presented to the Committee.

Upon the motion of Regent Loftus and the second of Regent Davis the Capital Planning and Budget Committee adjourned at 9:47 a.m.