

Minutes
Capital Planning and Budget Committee
Thursday, April 8, 2010

Capital Planning and Budget Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 2:04 p.m. in Room S238 of the Science Building on the UW-Fond du Lac campus. Committee members present were Regents Bartell, S. Davis, Loftus, and Opgenorth. Regent Drew was absent.

I.3.a. Presentation by Fond du Lac County Executive Allen Buechel: *Returns on Local Investments*

UW Colleges and UW Extension Vice Chancellor Steve Wildeck introduced Fond du Lac County Executive Allen Buechel who explained to the committee how the county benefits from the investments it makes in the local campus and extension offices. Buechel spoke about how the County Board supports UW-Fond du Lac in many different aspects because they realize the importance of a state of the art facility for higher education in their community and the other benefits such as the common areas that are widely used by the community. He also stated that many graduates from UW-Fond du Lac remain in the community working after graduation which enhances the local economy. Buechel also spoke of the role UW Extension plays in the county. UW Extension was instrumental in assisting people of the county involved in the Work not Welfare program by giving people life skills training as well as other tools helpful to people entering the workforce.

I.3.b. Approval of the Minutes of the February 4, 2010 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Opgenorth and the second of Regent Davis, the minutes of the February 4, 2010 meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.c. UW-Eau Claire: Approval of the Design Report of the New Student Union Project and Authority to Seek a Waiver of Wis. Stat. § 16.855 under Provisions of Wis. Stat. § 13.48 (19) to Accept a Single Prime Contractor Bid and Construct the Project

This item requested approval of the Design Report of the New Student Union project and authority to: (1) seek a waiver of Wis. Stats. § 16.855 under the provisions of Wis. Stats. § 13.48 to allow single prime bidding and (2) construct the New Student Union project at an estimated cost of \$48,802,000 (\$39,917,000 Program Revenue Supported Borrowing and \$8,885,000 Program Revenue-Cash).

This project will construct an approximately 101,600 ASF/169,100 GSF three-story student union building, which will replace the existing W.R. Davies University Center, on a site to the southwest of the Davies building. The 129,900 GSF Davies building will be demolished and the site will be graded and landscaped to provide a new campus green space. The new building will include space for student organizations, the Student Senate, retailers, dining and food service, meeting rooms, lounges, ballrooms, the University Bookstore, and administrative offices. Modifications to the existing parking lot, drive, and utility services will be included as

part of this project as well as the restoration of areas of the Little Niagara Creek that project construction is expected to disturb.

The project will incorporate sustainable design elements with a goal of designing a U. S. Green Building Council LEED™ Silver equivalent building. Elements that may be included in the project include geothermal heating and cooling a portion of the building, installing solar panels to generate hot water, and providing photovoltaic panels to generate electricity.

The building will be relocated farther east than originally planned to avoid the removal of the Council Oak, a tree that commemorates a historical meeting place of Native American tribes.

This project will have a critical time schedule and a complicated construction phasing because of its location on a very tight site and a need to provide temporary access to the existing Davies Center, parking areas, and the Nursing Building. The project will also require careful coordination with a separate steam line project in the same area. A Single prime delivery method will provide the best opportunity to coordinate and sequence the project work.

Based on a projected bond rate of 5.5% for a 20-year bond, debt service for this project will be approximately \$3,220,000 per year. The three major student governance groups previously expressed support for a phased plan that would increase segregated fees to provide both a cash contribution to the project costs and meet future debt service obligations. This plan for increasing segregated fees was supported in a survey of the entire student body.

Segregated fees were increased on a phased basis in August of 2000 to a total of \$76 per academic year for the originally approved project scope. A project of expanded project scope was approved in December of 2006 with an additional phased fee increase of \$250 per academic year over a four year period from 2008 to 2011. The segregated fee increases that have accumulated to date in a capital reserve account and future fee increases will be collected through the planning/design stages of the project and are expected to generate approximately \$8,885,000. These funds are supporting planning costs through the design report stage as well as a portion of the construction cost. The \$250 fee increase approved in December of 2006 is being phased in over a four year period.

Regent Loftus asked what the distinction of a LEED Silver certified building is in relation to a green-built building. Senior Architect for UW System Jeff Kosloske answered the certification documentation is to ensure compliance with certain established green building standards that go beyond the physical structure to include life cycle operations. Regent Bartell asked what the student involvement had been in the design and approval process. UW-Eau Claire Vice Chancellor Beth Hellwig responded that there were several steering committees with students involved with the design and that the student governance bodies were deeply involved in the approval of the budget and fee structure supporting this building.

Upon the motion of Regent Opgenorth and the second of Regent Loftus the Committee approved Resolution I.3.c. Regent Davis abstained from voting due to a professional conflict.

Resolution I.3.c.

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, the Design Report of the New Student Union project be approved and authority be granted to: (1) seek a waiver of Wis. Stats. § 16.855 under the provisions of Wis. Stats. § 13.48 to allow single prime bidding and (2) construct the New Student Union project at an estimated cost of \$48,802,000 (\$39,917,000 Program Revenue Supported Borrowing and \$8,885,000 Program Revenue-Cash).

I.3.d. UW-Green Bay: Approval of the Design Report and Authority to Construct the Rose Hall/Wood Hall Remodeling Project

This item requested approval of the Design Report and authority to construct the Rose Hall/Wood Hall Remodeling project at a total cost of \$6,734,000 General Fund Supported Borrowing.

This project remodels 59,366/GSF of office and classroom space in John M. Rose Hall and L.G. Wood Hall. Work in the remodeled areas of both buildings will involve extensive demolition of the existing interior walls, ceilings, lighting, mechanical, electrical, and plumbing systems. The renovation of the second floor of Wood Hall will involve seven classrooms that now have poor sight lines and walls that allow the transmission of sound between rooms. Rose Hall will receive 13,026/GSF and Wood Hall will receive 46,340/GSF of remodeled space. Of this space, approximately 16,586/ASF will be utilized for administrative and academic offices while 20,000/ASF of space will be used for general access classrooms.

This project will address the poor design and capacity of classrooms, student lounge and study space, faculty offices, and department adjacencies. Both buildings were constructed in 1974 and neither has undergone any significant remodeling. The project will also relocate three major academic departments from other buildings to form a cohesive College of Professional and Graduate Studies. The new offices, conference rooms, work rooms, and reception spaces will consolidate students, faculty, visitors, and staff at one physical location.

Upon the motion of Regent Opgenorth and the second of Regent Loftus the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-Green Bay Chancellor and the President of the University of Wisconsin System, the Design Report of the Rose Hall/Wood Hall Remodeling project be approved and authority be granted to construct the project at a total cost of \$6,734,000 General Fund Supported Borrowing.

I.3.e. UW-Platteville: Authority to Purchase a Parcel of Land with Improvements Located at 555 Irene Street in the City of Platteville for Parking Purposes

This item requested authority to purchase a 0.19 acre parcel of land with improvements located at 555 Irene Street, in the city of Platteville for \$143,250 plus closing costs using Program Revenue-Cash.

This 8,160 square foot property, which is located at 555 Irene Street, is contiguous with other campus-owned land near the southeast corner of campus. The property contains a 1,776 square foot wood frame house that was constructed in 1960 and has no historical significance. The purchase price of \$143,250 is the average of two independent appraisals of \$141,500 and \$145,000 that were completed in 2009. It is anticipated that the house will be demolished and the lot will be improved for use as an expanded parking area with improved visual access for users.

Regent Opgenorth asked if the university owned the adjacent property and if it was originally designated for the UW-Platteville PACE center. Interim Chancellor Dr. Carol Sue Butts answered that it was the original intent, however the house on that property would be demolished because renovation costs would have been more than the value of the structure. The lots will be combined to create a parking lot.

Upon the motion of Regent Davis and the second of Regent Loftus the Committee approved Resolution I.3.e.

Resolution I.3.e.

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to purchase a 0.19 acre parcel of land with improvements located at 555 Irene Street, in the city of Platteville for \$143,250 plus closing costs using Program Revenue-Cash.

I.3.f. UW-Stout: Authority to Adjust the Scope and Budget of the Hovlid Hall Renovation and Addition Project

This item requested authority to increase the scope and budget of the Hovlid Hall Renovation and Addition project by \$600,000 Program Revenue-Cash for a revised estimated total project cost of \$13,600,000 (\$8,570,000 Program Revenue Supported Borrowing, \$1,880,000 Residual Program Revenue Supported Borrowing, and \$3,150,000 Program Revenue-Cash).

In general, this project includes the complete renovation of approximately 26,400 ASF/39,900 GSF of space in Hovlid Hall, and the construction of a 19,050 ASF/27,500 GSF addition that connects Hovlid Hall and Fleming Hall and provides modern food service facilities, recreation space, and activity space for the North Campus.

Scope and budget increases result from the discoveries of unanticipated subsurface conditions of the site (including unsuitable soil) and a higher than anticipated water table. Also, the extent of exterior brick tuckpointing was increased from the amount in the original project scope because it became apparent that it would be more cost effective and would give the building a uniform appearance to do more extensive tuckpointing during this project rather than waiting until a future time.

Finally, the original scope of work included a lower level in the food service addition to house mechanical rooms, storage rooms, and unfinished shell space that could be developed into a future fitness facility. The campus decided that the construction of this project would provide the most advantageous time to complete a fitness facility since it would fulfill the need of a

facility of that type on the north campus and allow the campus to benefit from current advantageous construction costs.

UW-Stout Assistant Vice Chancellor Tim Lyons explained that the high water table caused additional dewatering cost and that additional tuck pointing increased cost.

Regent Bartell asked if the fitness facility would be adequate to serve the student demand on the north campus. Mr. Lyons said that it would and also relieve pressure on the south campus fitness center. Associate Vice President David Miller added that the budget increase could be avoided if final construction bids came in low as has been the trend for more than a year. Regent Bartell asked what would happen to savings if the bids were low. Mr. Lyons explained that the cash funds are being borrowed from housing operations would be returned to housing.

Upon the motion of Regent Davis and the second of Regent Loftus the Committee 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, authority be granted to increase the scope and budget of the Hovlid Hall Renovation and Addition project by \$600,000 Program Revenue-Cash for a revised estimated total project cost of \$13,600,000 (\$8,570,000 Program Revenue Supported Borrowing, \$1,880,000 Residual Program Revenue Supported Borrowing, and \$3,150,000 Program Revenue Cash).

I.3.g. 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 \$13,226,900 (\$489,800 General Fund Supported Borrowing; \$11,479,000 Program Revenue Supported Borrowing; \$947,500 Program Revenue-Cash; and \$242,600 Building Trust Funds).

Energy Conservation

MSN - Multi-Building and Utility Tunnel Energy Conservation (\$11,479,000): This project will implement energy conservation opportunities in Atmospheric Oceanic and Space Sciences, Biochemistry Addition, Engineering Centers Building, Genetics-Biotechnology, and Rennebohm Hall based on a recently completed comprehensive energy study. The debt service will be paid from the annual energy cost savings from the fuel and utilities appropriation (Fund 109).

Building work will include performance of a wide range of energy conservation measures throughout the campus. The project will include selective de-lamping, re-lamping, upgrading lighting ballasts, and applying new tinted window film to southern facing exterior windows. Selective HVAC system controls will be replaced with new direct digital controls, the outside air intake and supply airflow will be reduced, the HVAC system will be re-balanced, and selective fumehoods will be replaced with new high performance low flow fumehoods.

Health, Safety, and Environmental Protection

MIL - Campus Arc Flash Hazard Analysis (\$306,600): This project will conduct arc flash hazard surveys and analyses and provide arc flash hazard labeling of the building electrical

equipment connected to the campus primary electrical distribution system. This project will survey 39 buildings with a total area of 4,913,220 GSF. A report will be issued for each building and the electrical equipment will be labeled for arc flash hazards. Only buildings connected to the campus primary electrical system will be studied.

Programmatic Remodeling and Renovation

MSN - Kohl Center Kitchen Exhaust Renovation (\$291,300): This project will install two new canopy exhaust hoods and the associated fire suppression system for new kitchen equipment in room B1311, which presently has one canopy hood with a separate exhaust system over the cooking equipment. Two new VAV boxes with hot water reheat coils will provide the additional make-up air for the new hoods. The project will provide the kitchen with a sprinkler system and sufficient visible fire alarm notification appliances.

Utilities Repair and Renovation

MSN - Cole Beach Tennis Courts (\$530,000): This project will construct six tennis courts and two sand volleyball courts to replace the twelve tennis courts that are located on the site for the new Lakeshore Residence Hall and Food Service facility. The courts will be constructed on the open lot north of Observatory Drive and east of Elm Drive.

MSN - Walnut Street Heating Plant Chiller No. 1 Replacement (\$620,000 increase for a total project cost of \$9,449,900): This request will increase the original project scope and budget to include the replacement of the 2,580 evaporator tubes of Chiller 3 and facilitate the chiller's conversion to non-ozone depleting refrigerant.

Regent Loftus wanted an explanation about how the debt service is paid by energy cost savings. Mr. Miller explained that each project reduces energy consumption by enough to reduce cost in an amount equal to or better than the debt service payments.

Upon the motion of Regent Opgenorth and the second of Regent Loftus the Committee approved Resolution I.3.g.

Resolution I.3.g.

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 \$13,158,900 (\$489,800 General Fund Supported Borrowing; \$11,479,000 Program Revenue Supported Borrowing; \$947,500 Program Revenue-Cash; and \$242,600 Building Trust Funds).

I.3.h. UW System: Authority to Construct Various Classroom Renovation/Instructional Technology Improvement Projects

This item requested approval of the allocation of the Classroom Renovation/Instructional Technology Improvement project funds and the construction of the related projects at an estimated total cost of \$5,292,800 (\$5,000,000 General Fund Supported Borrowing and \$292,800 Institutional Funds).

This request will provide funding to continue the UW System Classroom Renovation/Instructional Technology Improvement Program. As in the past, funding will be

utilized to update existing general assignment classroom environments and acquire associated furnishings and equipment to improve instructional technology.

Based on campus proposals, it is anticipated that the requested level of funding will result in 31 appropriately sized and equipped classrooms totaling approximately 43,600 assignable square feet. The scope of projects varies from campus to campus. Instructional technology will include equipment such as video/data projectors, document cameras, multi-media computers, video player/ recorders, audio visual controls, and assisted listening systems. Various maintenance needs and improvements in the learning environment will be undertaken such as lighting, flooring, HVAC, acoustics, and seating. In some cases, work may include reconfiguration to improve sight lines, support a variety of teaching models, improve ADA accessibility, and/or modify the space to meet class size needs.

Over the past seven biennia, nearly \$52 million was authorized to implement projects under the Classroom Renovation/Instructional Technology Improvements Program, including telecommunications cabling. That figure includes over \$3.0 million of gift, grant, and institutional funds that were provided by the institutions to augment this essential program. This funding has provided a wide spectrum of improvements in more than 530 instructional environments. The overall magnitude of general assignment classroom deficiencies, however, still exceeds \$35 million.

The purpose of the program is to provide appropriate environments to utilize contemporary learning and teaching methodologies. Based on guidelines, the institutions submitted high-priority projects proposed for implementation under this program during the 2009-11 biennium. To a significant degree, priority was given to those proposals that: focus on remodeling, resizing, and upgrading technology in instructional spaces that are heavily scheduled for undergraduate instruction; involve space that was not updated in the past 15 to 20 years; and support classroom demand analyses results.

Campus proposals will be funded as indicated in the following table.

2009-11

Institution	Classroom/IT GFSB	Other Funds	Total
Eau Claire	\$ 31,801		\$ 31,801
Extension	54,060		54,060
Green Bay	239,100		239,100
La Crosse	342,100		342,100
Madison	1,027,000		1,027,000
Milwaukee	697,000	\$235,000	932,000
Oshkosh	174,200		174,200
Parkside	179,700	20,600	200,300
Platteville	48,000		48,000
River Falls	1,048,939	20,700	1,069,639
Stevens Point	296,200		296,200
Stout	87,000		87,000
Superior	89,400		89,400
Whitewater	685,500	16,500	702,000
Total	\$5,000,000	\$292,800	\$5,292,800

Upon the motion of Regent Opgenorth and the second of Regent Davis the Committee approved Resolution I.3.h.

Resolution I.3.h.

That, upon the recommendation of the President of the University of Wisconsin System, the allocation of the Classroom Renovation/Instructional Technology Improvement project funds be approved and authority be granted to construct the related projects at an estimated total cost of \$5,292,800 (\$5,000,000 General Fund Supported Borrowing and \$292,800 Institutional Funds).

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

Associate Vice President David Miller reported that the Building Commission approved approximately \$60M for projects at its February meeting. The funding breakdown for those projects is \$13M General Fund Supported Borrowing, \$45M Program Revenue Funds, and \$2M Gift/Grant Funds.

Associate Vice President David Miller updated the committee on the status of the following items of legislation:

- The project delivery legislation supported by the Board of Regents was voted out of the Senate on Government Operations Committee; the Assembly companion has not yet been voted on in committee.
- The legislation to enumerate the Carlson Hall building renovation by using savings from other 2009 projects was passed by the full Assembly and the Senate Committee on Government Operation and is ready for a final vote by the full Senate.
- The legislation enumerating the four projects recommended by the Regents for UW-Milwaukee was approved by the Senate Committee on Government Operations and will be voted on by the full Senate next week and sent to the Assembly. The goal for all three bills is final passage before the regular legislative session ends on April 22.

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

No additional items were presented to the Committee.

The meeting was adjourned at 3:16 p.m.