Capital Planning and Budget Committee Chair Regent Bartell convened the joint meeting of the Capital Planning and Budget Committee and the Business, Finance, and Audit Committee at 1:33 p.m. in Room 203 in the Yellowjacket Union on the UW-Superior campus. Regents Edward Manydeeds, Katherine Pointer, Gary Roberts, David Walsh, Michael Falbo, Mark Bradley, Troy Sherven, and Gerald Whitburn were present. Regents John Drew and Charles Pruitt were absent.

The first presentation brought to the committees concerned the Physical Transformation of the UW-Superior Campus. Since completing a Campus Master Plan in 1999, UW-Superior has successfully completed several major capital projects that transformed both the character and operation of the campus. These projects include the renovation of the library, the replacement of the student union, and the replacement of several obsolete academic buildings with a new state of the art facility.

The second item brought to the committees was a presentation by Associate Vice President David Miller who gave an overview of items taken up by the Legislative Task Force on the UW Restructuring and Operation Flexibilities. Specifically, Mr. Miller summarized the management flexibilities requested in the capital and procurement operations. A full description of both presentations can be found in the minutes of the Business, Finance, and Audit Committee.

Capital Planning and Budget Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 2:22 p.m. in Room 204 of the Yellow Jacket Union on the UW-Superior campus. Committee members present were Regents Bartell, Manydeeds, Pointer, Roberts, and Walsh. Regent Drew was absent.

I.3.c. Approval of the Minutes of the March 8, 2012 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Pointer and the second of Regent Manydeeds, the minutes of the March 8, 2012, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.d. UW-Madison: Approval of the Design Report of the All-Seasons Softball Practice Facility Project and Authority to Construct the Project

This item requested approval of the Design Report of the All-Seasons Softball Practice Facility project and authority to construct the project at an estimated total project cost of $2,325,000 Gift Funds.

This project constructs a new 12,400 ASF/14,930 GSF softball practice facility that will be home for the UW-Madison’s softball team. This facility will be connected to an existing space which houses the locker rooms for the home team, the visiting team, and the coaches. The new facility will contain a large indoor practice field with a height of 24 feet and will provide spaces for a team lounge, a team conference room, an umpire locker room, and storage in an environment where student-athletes could hone their skills year-round without a concern for weather conditions. The Athletic Department recently received gift funds from the Goodman
Foundation expressly for an all-seasons practice facility, which will be located at the Goodman Diamond.

Regent Bartell asked why separate bid packages were proposed for the project. UW-Madison project manager Tim Wise responded that the bid packages were to accommodate the softball seasons. Associate Vice President David Miller commented that it was common to bid footings and foundations prior to the building construction to accommodate the project schedule.

Regent Roberts inquired about the ongoing maintenance cost that would be incurred by the construction. Randy Marnocha, Associate Athletic Director said that the operating cost of the facility would be approximately $25,000 per year and be covered by an increase in softball revenue. Mr. Miller added that future capital maintenance would be an additional cost.

Upon the motion of Regent Pointer and the second of Regent Manydeeds, the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report of the All-Seasons Softball Practice Facility project be approved and authority be granted to construct the project at an estimated total project cost of $2,325,000 Gift Funds.

I.3.e. UW-Madison: Authority to Accept a Gift of Twenty-five Acres of Land for the Future Expansion of University Research Park II

This item requested approval to accept a gift from Ms. Ruth Vetter of approximately twenty-five acres of land, which is located in the Town of Middleton, Dane County, for the future expansion of University Research Park II. The value of this gift is estimated at approximately $1,500,000. This wooded and unimproved parcel adjoins the parcel acquired by the Board of Regents in February 2012.

Title will be conveyed to the Board of Regents and the property will be subject to annexation, rezoning, and plat approval by the city of Madison with all costs and coordination completed by the University Research Park.

The 25 acres addressed by this request will be used for open space to benefit University Research Park and the neighborhood. This was a condition put forth by Ms. Vetter. Additionally, city approval was predicated on the establishment of park land, which is a requirement of all developments in Madison.

Regent Pointer asked if there was precedence for accepting land. Mr. Miller said that gifts and acquisitions were generally smaller parcels contiguous to a campus. He stated further that this parcel was sought by the University Research Park for park expansion.

Upon the motion of Regent Roberts and the second of Regent Pointer, the Committee approved Resolution I.3.e.
Resolution I.3.e.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to accept a gift of approximately twenty-five acres of land, which is located in the Town of Middleton, Dane County, for the future expansion of University Research Park II. The value of this gift is estimated at approximately $1,500,000.

I.3.f. **UW-Madison: Approval of the Design Report and Authority to Increase the Project Scope and Budget and Construct the Student Athlete Performance Center – Phase III Project**

This item requested approval of the Design Report and authority to increase the project scope and budget by $9,365,000 Gift Funds and construct Phase III of the Student Athlete Performance Center project at a cost of $33,315,000 Gift Funds, for a revised total estimated project cost of $86,165,000 ($49,200,000 Program Revenue Supported Borrowing and $36,965,000 Gift Funds).

Work in this third and final phase of the project will construct the Stadium North Addition and the Student Athlete Atrium, and will complete the renovation within Camp Randall Stadium. Together, the north addition and atrium will be 20,200 ASF/ 32,300 GSF. The north addition will house the Fetzer Academic Center which is being relocated from the basement of the McClain Center. The student athlete atrium joins the north addition to the existing McClain Center.

The site work components include upgrades to Badger Way, Engineering Drive, and the North Practice Field area. The multi-purpose green space plaza will be completed in this phase of the project. Exterior site work includes upgrades to the west end of Engineering Drive, enhancements to the plaza space in front of the new addition along Badger Way, and major landscape upgrades in paving and landscaping east of the Lot 17 Parking Ramp. This phase will also provide a new stadium scoreboard and sound system.

The athletic department is also requesting that additional improvements be included with the third phase of this project. Those improvements, which are all within Camp Randall Stadium, include: waterproofing of the seating on the stadium’s west side; Wisconsin Club air conditioning; enhancements to the stadium scoreboard; and additional stadium signage.

The scoreboard upgrades will increase the inventory available for corporate sponsorships, advertising and video displays, and replay options. Each of these will be a revenue producing component for the self-supporting operations within the UW athletic department. Additional advertising panel boards will be added to the main Camp Randall scoreboard. All of these enhancements will be funded by a combination of athletic department gift funds and corporate sponsorships.

Regent Bartell asked why the scoreboard would be significantly more than the original estimate. Mr. Wise described the various enhancements included in the scoreboard package that would accommodate the entire stadium and that actual pricing was simply considerably higher than preliminary estimates.
In response to a question from Regent Roberts concerning future budget projections to cover operational and maintenance expenses, Mr. Marnocha stated that conference revenues are expected to increase each year to defray the estimated $400,000 cost. Deputy Athletic Director Sean Frazier commented that the operation of the system is highly technical and the maintenance will be included in the existing Daktronics management contract. Regent Roberts asked if the contract cost will increase, to which Mr. Frazier said the agreement would continue at the current cost for the next two to three years.

Regent Bartell asked how much the new conference revenue was projected to generate. Mr. Marnocha replied approximately $1,000,000 for at least six years. The committee asked how the additional revenue would be allocated. Messrs. Fraizer and Marnocha said that the increased revenue is allocated within the overall athletics operating budget of approximately $120 million.

Regent Walsh asked if the Big Ten revenue contract allocated funds directly to the chancellor’s office for scholarships. Mr. Marnacha said that was correct and replied the amount was approximately $2.3 million annually.

Upon the motion of Regent Pointer and the second of Regent Roberts, the Committee approved Resolution I.3.f.

Resolution I.3.f

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to increase the project scope and budget by $9,365,000 Gift Funds and construct Phase III of the Student Athlete Performance Center project at a cost of $33,315,000 Gift Funds, for a revised total estimated project cost of $86,165,000 ($49,200,000 Program Revenue Supported Borrowing and $36,965,000 Gift Funds).

I.3.g. **UW-Madison: Authority to Grant a Permanent Easement to the Village of Shorewood Hills for Road Construction and Improvement Purposes**

This item requested the granting of a permanent easement along Oxford Road, Shorewood Hills, Wisconsin, to the Village of Shorewood Hills for the purposes of road reconstruction. The 367.5 feet long and 27 feet wide easement will provide for the construction and use of sanitary sewer, storm sewer, water lines, and public road improvements to Oxford Road. The easement is needed to provide more right-of-way on the north side of the road in order to install a public sidewalk to serve village residents on the south side of the road. Currently, there is no sidewalk in this section of Oxford Road. This easement provides no direct benefit to the campus or the Board of Regents, but will allow the university to continue a good relationship with the neighboring Village of Shorewood Hills.

Upon the motion of Regent Roberts and the second of Regent Pointer, the Committee approved Resolution I.3.g.
Resolution I.3.g.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, a permanent easement 367.5 feet long and 27 feet wide along Oxford Road be granted to the Village of Shorewood Hills.

I.3.h. **UW-Milwaukee: Authority to Lease Space for the School of Freshwater Sciences and the College of Engineering and Applied Sciences**

This item requested a new lease of 15,107 gross square feet at the Water Accelerator Building to facilitate the collaboration between universities and businesses that will create an environment for education, research, and advanced business development in the water industry. Initially, the tenants of the building may include the Milwaukee Water Council, UW-Milwaukee, UW-Whitewater, A.O. Smith, and Badger Meter.

The lease will accomplish the creation of the initial space of 15,107 GSF to support the School of Freshwater Sciences and College of Engineering and Applied Science research development component of the Water Accelerator Building. This will provide approximately 9,000ASF to support wet and dry lab research development spaces, optical bench space, dedicated and collaborative offices, and meeting and support spaces for research development. There will be access to shared core facilities of a lecture hall, exhibition space, a gathering area, and a flow lab in this seven story, 98,000 GSF building in Walker’s Point.

This facility will bring together researchers and scientists from the public and private sectors to collaborate and develop commercially viable water technology solutions. Therefore, the Milwaukee Water Council is creating a Water Accelerator Building that will house water-related research facilities for universities, existing water-related companies, and accelerator space for new, emerging water-related companies.

Mr. Miller recognized Dean David Garman who commented that the new building on the harbor would be dedicated to research and the work in the leased facility would be dedicated to the application of research in the marketplace and collaboration. This space and collaboration will accelerate time to market for freshwater research. Dean Garman said the project partner; the Milwaukee Water Council, was now comprised of 150 companies.

Regent Roberts asked if research revenue did not materialize, how would the space be funded. UWM Associate Vice Chancellor Geoff Hurtado commented that the funds would come from the university’s overall research revenue, of which the current balance is approximately $12 million.

Upon the motion of Regent Walsh and the second of Regent Manydeeds, the Committee approved Resolution I.3.h.
Resolution I.3.h.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, authority be granted for the Department of Administration to enter into a new lease of 15,107 gross square feet at the Water Accelerator Building on behalf of the UW-Milwaukee School of Freshwater Sciences and the College of Engineering and Applied Sciences.

I.3.i. **UW-Milwaukee: Authority to Purchase the Joseph J. Zilber School of Public Health Building**

This item requested authority to request the release of $12,250,000 Program Revenue Supported Borrowing, which was enumerated in the 2011-13 Capital Budget, to purchase the Joseph J. Zilber School of Public Health building at 1240 North 10th Street, Milwaukee, Wisconsin, and to exercise the request to purchase the building in July 2012.

The building is currently under lease and is located in downtown Milwaukee as part of the redevelopment of the historic Pabst Brewery. Under the lease agreement, the developer renovated an existing 32,700 GSF five-story building and constructed a 24,750 GSF five-story addition. The total 57,460 GSF facility will provide approximately 34,000 ASF to support the initial research, core facilities, collaboration, administration, teaching/instruction, and external partners’ needs of the Zilber School of Public Health.

The completed building is a component of the on-going master-planned redevelopment of the historic Pabst Brewery in downtown Milwaukee as initiated in 2006 by the purchase of the vacant property by Joseph J. Zilber. A model for sustainability practices, the overall development has completed the first certification requirements for platinum level in the LEED (Leadership in Energy and Environmental Design) for Neighborhood Development program. Already completed renovations and newly constructed projects in the mixed-use development include a 95-unit apartment building, a 908 stall parking structure, open spaces, and a multi-tenant office building. The project is financially assisted by a $10 million gift from Joseph J. Zilber’s Brewery Project LLC. The gift is structured to reflect the donation of the property ($1.0 million) and then seven annual payments of $1,285,714.

Mr. Miller recognized Dean Magda Peck who discussed the benefits of having cutting edge research in downtown Milwaukee. Dean Peck said she expects the school to become the 51st accredited school of public health in the country within three years.

Upon the motion of Regent Walsh and the second of Regent Roberts, the Committee approved Resolution I.3.i.

Resolution I.3.i.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, the authority be granted to request the release of $12,250,000 Program Revenue Supported Borrowing to purchase the Joseph J. Zilber School of Public Health building at 1240 North 10th Street, Milwaukee, Wisconsin, and to exercise the request to purchase the building in July 2012.
I.3.j. **UW-Platteville:** Authority to Develop a Residence Hall and Dining Facility under the Terms of a Lease Agreement with the University of Wisconsin–Platteville Real Estate Foundation

This item requested authority to permit the development of a residence hall and dining facility under the terms of a lease agreement with options to purchase with the University of Wisconsin-Platteville Real Estate Foundation.

The University of Wisconsin-Platteville Real Estate Foundation (REF) will construct a building of approximately 172,000 GSF at a total estimated cost of $28,700,000 ($167 per gross square foot) to provide student housing and a dining facility. The ground floor will consist of dining facilities; floors one through five will provide housing for 416 students. The REF, working with C.D. Smith Construction Services, will design, construct, and finance the project. The building will be constructed on approximately two acres of land owned by the Board of Regents under the terms of a ground lease. The Board of Regents will enter into a lease agreement, with an option to purchase the facility upon completion at a later date at an agreed upon price representing a fair market value. The housing and dining operations will be managed by UW-Platteville under the lease and after the purchase. The lease agreement will have an initial term commencing August 1, 2013, with a term of 50 years with ten-year renewals, unless terminated. Greater detail of the agreements can be found in the request document.

UW-Platteville intends to submit a request to enumerate $28,700,000 in program revenue supported borrowing to the Board of Regents for inclusion in the 2013-15 capital budget for purchase of the facility upon completion.

This development is expected to lessen the university’s critical housing shortage. The current total student enrollment is 7,900. Enrollment is projected to increase to more than 8,200 by 2013. The current on-campus housing provides a total of ten (nine traditional and one suite-style) residence halls with approximately 2,700 available beds to house a sophomore and freshman projected population of nearly 3,000 for 2013. Increasing student demand will be partially met when the REF opens a 620-bed residence hall in August 2012. The campus goal is that the facility will be financially self-sustaining.

Mr. Miller commented that the project includes a $1.5 million payment to the UW-Platteville Real Estate Foundation as a development fee. He also said that the overall project cost would be approximately $7.5 million less than a traditionally delivered residence hall using a cost of $210 per gross square foot. This produces approximately $6 million in savings, which will be reflected in residence hall rates for students.

Bartell asked if using real estate foundations would be a model of delivering projects in the future. Mr. Miller commented that the constitutional difficulties posed in locating a privately developed building on state land would make it unlikely that this will become a model.

Regent Bartell asked what assurances there were that the $1.5 million payment to the foundation will be used for student needs. Chancellor Dennis Shields commented that the REF was a subsidiary of the UW-Platteville Foundation and exists solely to benefit the university.
Upon the motion of Regent Walsh and the second of Regent Pointer, the Committee approved Resolution I.3.j.

Resolution I.3.j.

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to permit the development of a residence hall and dining facility under the terms of a lease agreement with options to purchase with the University of Wisconsin – Platteville Real Estate Foundation.

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

This item requested approval of the allocation of the Classroom Renovation/Instructional Technology Improvement Program funds and the construction of the related projects at an estimated total cost of $10,585,250 ($5,000,000 General Fund Supported Borrowing, $5,000,000 General Fund Supported Borrowing All Agency Remodeling Funds, and $585,250 Institutional Funds).

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. Due to the costly nature of comprehensive renovations and technology, coupled with the high demand for funding under this program, $5 million of General Fund Supported Borrowing-All Agency Remodeling funds are being added to the $5 million of General Fund Supported Borrowing specifically enumerated for classroom renovations, for a total of $10 million. This is consistent with the $10 million funding level recommended for this program by the Board of Regents as part of the 2011-13 Capital Budget.

This funding will result in the renovation of 36 appropriately sized and equipped instructional spaces totaling approximately 45,914 assignable square feet. The scope of projects will vary 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. Nearly one-third of the proposals will create active learning environments. These technology-enhanced instructional spaces enable students to work both individually and in groups, fully engaging in a variety of learning strategies in one setting.

2011-13 Classroom Renovation/Instructional Technology Improvements proposals would be funded for the following institutions as shown below:

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<th>Institution</th>
<th>Classroom/IT GFSB</th>
<th>Other Funds</th>
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<td>Green Bay</td>
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<td>La Crosse</td>
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<td>1,384,100</td>
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<tr>
<td>Madison</td>
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</table>
Upon the motion of Regent Walsh and the second of Regent Manydeeds, the Committee approved Resolution I.3.k.

Resolution I.3.k.

That, upon the recommendation of the President of the University of Wisconsin System, the allocation of the Classroom Renovation/Instructional Technology Improvement Program funds be approved and authority be granted to construct the related projects at an estimated total cost of $10,585,250 ($5,000,000 General Fund Supported Borrowing, $5,000,000 General Fund Supported Borrowing All Agency Remodeling Funds, and $585,250 Institutional Funds).

I.3.1. 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 $2,683,100 ($1,684,500 General Fund Supported Borrowing; $267,600 Program Revenue Supported Borrowing; and $731,000 Program Revenue Cash).

Facilities Maintenance and Repair Requests

GBY - Multi-Building Hydraulic Elevator Renovation ($1,952,100): This project renovates three 3-stop hydraulic elevators and two 4-stop hydraulic elevators and repairs a stage lift in six academic buildings to reduce repairs, improve reliability, and reduce energy use. Project work includes renovating all elevator cars and replacing all equipment in the machine rooms and all door equipment for the 3-stop hydraulic elevators in Environmental Science, Rose Hall, and Theater Hall and for the 4-stop hydraulic elevators in the Studio Arts Building and Wood Hall.

MIL - University Services and Research Building Code Compliance Renovation ($671,000): This project addresses various life safety, egress, and accessibility code compliance issues throughout the facility and constructs a new stairway upgrade to serve current functional needs. Elevator and electrical upgrades will be performed to meet code requirements, and security hardware issues will be addressed to provide proper separation between disparate building occupants.

Utilities Repair and Renovation Requests

LAX - Whitney Center Retaining Wall Replacement ($60,000 increase for a total project cost of $412,000): This request increases the project scope and budget to replace the reinforced concrete pedestrian bridge that is partially supported by a retaining wall.

Upon the motion of Regent Roberts and the second of Regent Manydeeds, the Committee approved Resolution I.3.1.
Resolution I.3.l.

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 $2,683,100 ($1,684,500 General Fund Supported Borrowing; $267,600 Program Revenue Supported Borrowing; and $731,000 Program Revenue Cash).

I.3.m. **Report of the Associate Vice President**

Associate Vice President David Miller reported that the Building Commission approved about $43.7M for projects at its March meeting. The funding for those projects is comprised of approximately $1.4M General Fund Supported Borrowing, $38.7M Program Revenue, and $3.6M Gift Funds.

Mr. Miller reported that the UW-La Crosse new academic building *Centennial Hall* won the 2011 Best Project of the Year award which recognized the designers and builders of the project.

I.3.n. **Closed session 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-Whitewater**

Upon the motion of Regent Walsh and the second of Regent Pointer, the Capital Planning and Budget Committee adjourned to closed session at 3:24 p.m. Present were Regents Bartell, Manydeeds, Pointer, Roberts, and Walsh. Regent Drew was absent.

The closed session concluded at 3:35 p.m., at which time the meeting was adjourned.