

**Minutes**  
**Capital Planning and Budget Committee**  
**Thursday, March 8, 2012**

Capital Planning and Budget Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 8:28 a.m. in Room 1418 of Van Hise Hall on the UW-Madison campus. Committee members present were Regents Bartell, Manydeeds, Drew, Pointer, Roberts, and Walsh.

**I.3.a. Approval of the Minutes of the February 9, 2012 Meeting of the Capital Planning and Budget Committee**

Upon the motion of Regent Manydeeds and the second of Regent Pointer, the minutes of the February 9, 2012, meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW-Eau Claire: Authority to Lease Space for the Children's Center and Various Purposes**

This item requested authority for the Department of Administration to execute a lease for 80,938 GSF of space in the Priory, formerly the St. Bede's Monastery, for the Children's Center and various uses by the University of Wisconsin-Eau Claire. The Children's Center would occupy 24,986 of the 80,938 GSF area by June 1, 2012, to prevent a delay in the construction of the new Education Building on campus. The portion of the space designated for use by the Children's Center will need capital improvements to bring the building up to code and provide for a functional and efficient learning environment.

Strategic planning is underway to determine the long-term highest and best uses for the remaining building space and surrounding acreage at the Priory

The university will temporarily use the remaining space, as is, for purposes including: outreach programs; special evening and weekend courses; retreats for students, faculty, and administration; and continuing education

The existing UW-Eau Claire Children's Center located in the Campus School on Park Avenue within the footprint of the new Education Building. Since the construction of the new Education Building project is scheduled to begin in June 2012, the school building must be razed.

The previous plan for accommodating relocation of the Children's Center called for a new building to be constructed on Water Street. The bids received for that construction project to build a new children's center were substantially above the project's budget, so the campus searched for an alternative. The Priory property, which was previously known as St. Bede's Monastery, was scheduled to be sold at auction. Blugold Real Estate, LLC (a subsidiary of the UW-Eau Claire Foundation), offered \$1 million to avoid the auction and secure it for possible use by the Children's Center. This offer, which was well below the market price, was accepted.

The buildings were solidly constructed in 1964, and have been maintained in excellent condition. The university plans to provide a shuttle system to ensure access to the facility by users and employees.

The base lease amount is low because it is calculated using only the foundation's acquisition costs, debt service, and maintenance. The base lease has a de-escalation term which, after the end of the first ten years, reduces the university's payments to annual operating expenses and the major repairs reserve fund. Annual operating expenses are based upon projected maintenance, utilities, taxes/insurance and other CAM expenses. The lease will include a "true up" provision so that actual audited expenses will be reviewed at the end of each fiscal year and adjustments up or down made accordingly.

University Program revenue is the source of the total gross cost and the source of funding for the annual operating expenses and major repairs reserve fund. These revenues will come from Children's Center user fees, special course fees, summer camp fees, retreat rental fees and other program fees. The tenant improvements for the Children's Center portion of the building are projected at a cost not to exceed \$2,109,000 (\$84.41 per square foot).

Reserve account funds and accumulated program revenue funds from the university will enable the university to pay for the renovation costs upon completion, instead of amortizing the costs in the lease rate. A publicly advertised RFP process was completed, during which which firms were invited to submit proposals for construction management/general contractor services. Market & Johnson of Eau Claire was the firm selected through this process to be the Foundation's construction manager/general contractor.

To fund the originally planned new Children's Center building, the UW-Eau Claire Student Senate approved a \$17 per student annual fee increase in the Organized Activity Fee that began in the fall of 2010 and will be in place for 20 years. The original use of student fees was for debt retirement on the funding of the new construction. When the alternate location was proposed, the Student Senate voted to redefine the construction/debt service fee to a "Children's Center Facilities Support Fee." Since the lease term is 15 years, the center intends to use the remaining student fee collection during the period it is in place for other facility needs or expansion to meet the anticipated additional programming as a result of the increase in space.

Regent Bartell inquired about the programs at the children's center. Chancellor Levin-Stankovich stated that in addition to providing child care for the campus and the community, there are opportunities for students to use the center for research.

Regent Roberts asked about budgeting issues, to which Levin-Stankovich replied the business model that was proposed for this space indicated more revenue would be generated by this space than other spaces proposed.

Regent Pointer asked for clarification of the use of the segregated fees after the first ten years. Levin-Stankovich provided clarification that the students retained discretion to discontinue the fee or use it for some other purpose.

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

Resolution I.3.b.

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to request that the Department of Administration execute a lease for 80,938 GSF of space in the Priory for the Children's Center and various uses by the University of Wisconsin-Eau Claire.

**I.3.c. UW-Madison: Approval of the Design Report and Authority to Construct the West Campus Cogeneration Facility Chiller Addition and Chiller Installations Project**

This item requested approval the Design Report of the West Campus Cogeneration Facility (WCCF) Addition and Chiller Installations project and authority to construct the project for a total project cost of \$64,621,000 (\$58,805,110 General Fund Supported Borrowing and \$5,815,890 Program Revenue Supported Borrowing).

This project includes the construction of an approximately 42,500 GSF building addition to the existing WCCF chilled water plant that will house new and future equipment for expansion of the University's chilled water system capacity. The addition will extend north from the existing WCCF facility to cover the open site area that was intended for this purpose and will be sized to handle a total chilled water capacity expansion of 30,000 tons. The project also includes extension of chilled water distribution piping from the new expanded facility to the campus chilled water distribution system.

The chilled water system will include two 5,000-ton electric centrifugal chillers, chilled water and cooling tower water pumping systems, cooling towers, and associated auxiliaries. New field-erected cooling towers will be located on the roof to provide chiller heat rejection to ambient air. The new chilled water distribution piping will extend underground from the north face of the new addition, east down Linden Drive, and north between the existing campus greenhouses and the Biotron Laboratory to existing connections just south of Observatory Drive. The piping will be sized to handle the full 30,000-ton build-out capacity of the plant addition.

The electrical system for the addition will be served by a dedicated pair of 13.8kV feeders originating from switchgear located in the existing cogeneration plant. These feeders will supply a double-ended 5kV substation. This substation will feed the chillers, pumps, and a 480V double-ended substation. Fire alarm, access control, and paging systems will be extended to the addition from the existing plant.

The total production from chillers in the Charter Street Plant, Walnut Street Plant, and the West Campus Cogeneration Facility is approximately 66,200 tons. The firm capacity of the campus chilled water system is approximately 57,700 tons and the campus load is projected to reach the 66,200 ton level by the summer of 2013. The 10,000 tons of additional capacity supplied by this project will provide adequate capacity to meet the projected campus chilled water load for the next eight years.

Upon the motion of Regent Drew and the second of Regent Manydeeds, the Committee approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, the Design Report of the West Campus Cogeneration Facility Addition and Chiller Installations project be approved and authority be granted to construct the project for a total project cost of \$64,621,000 (\$58,805,110 General Fund Supported Borrowing and \$5,815,890 Program Revenue Supported Borrowing).

**I.3.d. UW-Madison: Approval of the Design Report and Authority to Construct the Student Athlete Performance Center - Phase II Project**

This item requested approval of the Design Report and authority to construct the Student Athlete Performance Center - Phase II project at a cost of \$34,980,000 (\$31,330,000, Program Revenue Supported Borrowing and \$3,650,000 Gift Funds) of the total estimated project cost of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).

The project is composed of three phases that will ultimately remodel existing space within the McClain Center and Camp Randall Stadium and construct an addition on the north end of Camp Randall to house programs for the Division of Intercollegiate Athletics. Work in this second phase upgrades the entire McClain Center, including replacing the roof and the field turf, and constructing the foundations for the stadium's north addition. The sitework component that will be completed in Phase II includes Badger Way and the new retaining wall for the north practice field area. Phase II will also add new state-of-the-art LED fascia boards to the southwest and southeast corners of the stadium.

This phase of the project will completely renovate the lower level of the center to house new Badger Football locker suites, including 125 lockers; a multi-media instructional space; recovery, steam, and shower rooms; a locker suite for the football coaches; and an equipment/issue area. It will also replace the existing roof on the McClain Center and rebuild the north wall to provide protection for pedestrians from ice, snow, and water falling from the roof. Improvements to the scoreboard will generate revenue by increasing advertising inventory, and will significantly enhance the fan experience.

Regent Walsh asked about the level of gift funding since this Phase is different from the overall project level. Phase I was funded fully by PRSB; Phase II has both PRSB and gift funds; Phase III will have only gift funds and an increase will likely be sought in April to accommodate inclusion of limited additional scope and enhancements.

Upon the motion of Regent Walsh 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 be approved and authority be granted to construct the Student Athlete Performance Center - Phase II project at a cost of \$34,980,000 (\$31,330,000, Program Revenue Supported Borrowing and \$3,650,000 Gift Funds) of the total estimated project cost of \$76,800,000 (\$49,200,000 Program Revenue Supported Borrowing and \$27,600,000 Gift Funds).

**I.3.e. 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 \$14,541,300 (\$3,651,300 General Fund Supported Borrowing; \$10,597,700 Program Revenue Supported Borrowing; \$292,300 Program Revenue Cash).

**Energy Conservation**

MIL - Multi-Building Energy Conservation Ph. IV (\$9,869,300): This project implements energy conservation opportunities based on a recently completed comprehensive investment grade energy audit of nine buildings. Project work includes performance of a wide range of energy conservation measures in the following buildings: Architecture and Urban Planning, Engelmann Hall, Great Lakes Research Facility, Kenilworth Square, Klotsche Center, Klotsche Pavilion, Lubar Hall, Mitchell Hall, and the Zelazo Center. The project improves exterior envelope weather seals, retro-commissions all direct digital control (DDC) systems and installs new controls, retrofits all constant volume systems to new variable air volume systems, installs new variable frequency drives, and optimizes heating systems with new controls and heat exchangers. The lighting will be upgraded, new occupancy sensors will be installed for lighting and temperature control, and domestic water flows will be minimized where practical.

**Health, Safety, and Environmental Protection**

MIL - Northwest Quadrant Fire Alarm System/Telecommunications System Renovation (\$2,544,000): This project replaces the obsolete fire alarm systems in the Northwest Quadrant (NWQ) Buildings A, B, C, D, and E and installs a security system in critical locations. The project also constructs one telecommunication riser in both Building C and Building D to allow central reporting of fire alarm systems and security systems in the NWQ complex. Systems upgrades are needed to ensure the safety of building occupants and protect the building contents.

Fire Alarm System work includes removing and replacing the fire alarm systems with new multiplex intelligent systems with one-way voice evacuation capability. New panels will be installed in each building to provide coverage to the perimeter of firewalls or fire separations. Smoke and heat detection devices will be installed. Fire alarm panels will monitor and alarm if flow is detected in the fire sprinkler systems. New panels will have adequate capacity to support all initiation and signal devices to be installed under current and/or future remodeling/renovation projects. All panels will report centrally to the campus security office through the campus building automation system through the campus fiber optic backbone.

Telecommunication work includes extending the telecommunication infrastructure from the NWQ complex MDF/Data Center location in the basement of Building B to one new riser in

Building C and one new riser in Building D. New risers will be constructed in each building including raceway, fiber optic cable, copper cable, and stacked closets. Preliminary pathway and closet locations have been determined by the University Information Technical Services (UITS) office. The proposed design concept will provide one closet on every third floor. Each closet will serve telecommunication outlets on the same floor, one floor above, and one floor below. There will be limited horizontal connections between telecommunication components, life-safety systems, and other critical infrastructure components. Horizontal cabling required for occupant stations will be done at time of occupancy under a separate project. The project also includes the removal of obsolete legacy components.

Security and access control system work includes replacing security and access control items removed by the previous facility owner and establishing a reliable security and access control system that is fully integrated with the campus building automation system.

### **Utilities Repair and Renovation Requests**

MIL - Multi-Building Steam and Condensate Lateral Replacement (\$1,227,000 increase for a total project cost of \$3,316,000): This request increases the project scope and budget to address additional segments of steam and condensate and chilled water supply and return laterals not previously included in the approved project. During the design phase, the design consultant's field investigation and verification discovered lateral segments that were in the same or worse condition as the sections already approved. It was also determined the adjacent chilled water supply and return lines should be replaced due to condition and to facilitate the steam and condensate laterals replacement. A segment from a steam pit to the Fine Arts Lecture Hall was discovered with imminent pipe failure and a segment from a steam pit to Garland Hall and Pearse Hall has a failed pipe and requires immediate repair. A segment from the East Hartford Avenue steam tunnel to Sandburg Hall was discovered with significant storm water infiltration and damage. This project will abandon this damaged segment and construct a replacement segment from the new steam tunnel being constructed along North Maryland Avenue to serve the Northwest Quadrant complex.

RVF - 11E1C - Parking Lot Q Expansion (\$188,00 increase for a total project cost of \$700,000): This request increases the project budget to match current design consultant estimates. The recent cost estimates significantly exceed the authorized budget and this project budget increase is required to bid the project and to complete the originally approved project scope and intent. New storm water management regulations, additional pedestrian pavement replacement, and additional lighting and parking control equipment installations contributed to the higher budget estimate.

STP - DeBot Dining Center Storm Water System Renovation (\$713,000): This project renovates the storm water system serving the DeBot Dining Center district to resolve flooding problems in the basements of the dining hall and four adjacent student residence halls. Storm water run off will be directed away from the municipal storm sewer system, which is undersized for large storm events.

Upon the motion of Regent Walsh and the second of Regent Drew 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 \$14,541,300 (\$3,651,300 General Fund Supported Borrowing; \$10,597,700 Program Revenue Supported Borrowing; \$292,300 Program Revenue Cash).

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

Director of Facilities Planning Kate Sullivan, who attended the meeting on behalf of Associate Vice President David Miller, reported that the Building Commission approved about \$56M for projects at its February meeting. The funding for those projects is comprised of approximately \$13M General Fund Supported Borrowing and \$43M Program Revenue.

Upon the motion of Regent Roberts and the second of Regent Manydeeds, the Capital Planning and Budget Committee meeting was adjourned at 9:06 a.m