

Minutes
Capital Planning and Budget Committee
Thursday, April 9, 2015

The meeting of the Capital Planning and Budget Committee was called to order at 11:00 a.m. by Committee Chair Regent Edmund Manydeeds in Room C101 of the Commons Building on the UW-Waukesha campus. Regents José Delgado, Tony Evers, Anicka Purath, José Vasquez, and Gerald Whitburn were in attendance. Regents Janice Mueller and David Walsh were unable to attend.

I.3.a. Approval of the Minutes of the February 5, 2014, meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the February 5, 2015, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW Colleges Presentation: Facilities Partnerships with Counties and Cities

The committee heard a UW Colleges presentation concerning Facilities Partnerships with Counties and Cities. Vice Chancellor for Administration and Finance Steve Wildeck stated that seventeen governmental partnerships, comprised of fourteen counties and three cities, provided about \$12M to UW Colleges in 2014. Mr. Wildeck emphasized that the construction of facilities is supported by the counties and cities in which the college resides. Equipment costs and the majority of operating costs are supported by the state.

I.3.c. UW-Milwaukee: Authority to Sell Excess Property of a Condominium Unit located at 161 West Wisconsin Avenue, Milwaukee, Wisconsin

This item requested authority to sell excess property of a commercial office space condominium unit located in the Plankinton building on West Wisconsin Avenue, in Milwaukee. The space is no longer needed and proceeds of its sale will be utilized to pay off the debt for the original condominium purchase.

Regent Manydeeds directed discussion to Regent Whitburn, who expressed concern that UW-Milwaukee had carried this space for twenty years but never utilized it and he asked how that situation had happened. UW-Milwaukee Vice Chancellor Robin Van Harpen and Associate Vice Chancellor Geoff Hurtado explained that the excess condominium area was never developed, was quite small and located on a different floor from the condominium space utilized since the original purchase. Also, the small unused space on the fifth floor was not highly marketable on its own without potential buyer interest in the entire floor. Lastly, the condominium space was purchased when Grand Avenue Mall was originally created and the economic viability of the mall has changed dramatically since that time.

Upon the motion of Regent Delgado, and the second of Regent Purath, the Committee 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 sell excess property identified as the fifth floor condominium unit of the Plankinton Building, which is located at 161 West Wisconsin Avenue, Milwaukee, Wisconsin.

I.3.d UW-Stevens Point: Approval of the Design Report for the Chemistry-Biology Science Facility Project and Authority to Increase the Budget and Construct the Project

This item requested approval of the Design Report for the Chemistry-Biology Science Facility Project and authority to increase the budget and construct the project. This project will construct a 176,500 GSF chemistry-biology science facility to provide functional contemporary space for classrooms, teaching and research labs, offices, and associated support space. Following completion of this project, the existing science building will be used for less intensive space requirements that address campus deficits in its academic programs.

Ms. Roe introduced the project and showed slides of its proposed design.

Upon the motion of Regent Whitburn, and the second of Regent Delgado, the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, the Design Report for the Chemistry-Biology Science Facility project be approved and authority be granted to increase the project budget by \$332,000 (\$82,000 Program Revenue-Cash and \$250,000 Campus Funds) and construct the project for a revised estimated total cost of \$75,332,000 (\$75,000,000 General Fund Supported Borrowing, \$82,000 Program Revenue-Cash and \$250,000 Campus Funds).

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

This agenda item was revised to include the UW-Oshkosh request for the UW-Oshkosh Multi-Building Energy Conservation Phase IV project. This item requested approval of four All Agency projects, three at UW-Madison and one at UW-Oshkosh with an estimated total cost of \$4.3M.

Ms. Roe briefly introduced the projects and noted that the request had been revised to include the UW-Oshkosh Multi-Building Energy Conservation Phase IV project as a late addition to the request.

Upon the motion of Regent Whitburn, and the second of Regent Evers, the Committee approved Resolution I.3.e.

Revised 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 \$4,314,800 (\$2,866,900 Program Revenue Supported Borrowing and \$1,447,900 Agency Cash).

I.3.f Regent Policy Document Review and Proposed Removal of Policies

The committee reviewed several Regent Policy Documents and approved the removal of the following policies that are outdated: 19-2, Parking and Transportation Planning; 19-3, Auxiliary Enterprise Reserves; 19-6, Distribution of Biennial Minor Project Allocations; and 19-11, Auxiliaries Infrastructure.

Ms. Roe explained that some of these policy changes were a result of completed task force reports, newer policies approved through other Regent committees, and the consolidation of content into other policies.

Regent Manydeeds proposed consolidating the approval of the four proposed policy changes into one motion.

Upon the motion of Regent Evers, and the second of Regent Whitburn, the Committee approved Resolutions I.3.f.1., I.3.f.2., I.3.f.3., and I.3.f.4.

Resolution I.3.f.1.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents directs the removal of Regent Policy Document 19-2, “Parking and Transportation Planning,” from the Regent Policy Documents because it is obsolete.

Resolution I.3.f.2.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents rescinds Regent Policy Document 19-3, “Auxiliary Enterprise Reserves,” from the Regent Policy Documents because it is superseded by Regent Policy Document 21-6, “Program Revenue Calculation Methodology and Fund Balances Policy.”

Resolution I.3.f.3.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents directs the removal of Regent Policy Document 19-6, “Distribution of Biennial Minor Project Allocations,” from the Regent Policy Documents because it is obsolete.

Resolution I.3.f.4.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents directs the removal of Regent Policy Document 19-11, “Auxiliaries Infrastructure,” from the Regent Policy Documents because it is obsolete.

I.3.g UW-Milwaukee: Authority to Enter into Lease of Space Agreements for the Purpose of Academics and Housing

Items I.3.g.1. through I.3.g.3 requested approval to enter into lease of space agreements with the UWM Real Estate Foundation for the purpose of providing housing at the Cambridge Commons and Riverview residence halls, and to provide 456,000 GSF of housing and academic space at the Kenilworth Square facility. In regard to the Kenilworth facility, the university requests that approval be granted for the Board of Regents to enter into a new ground lease and the Department of Administration to enter into a new operating lease on behalf of UW-Milwaukee. The execution of a new lease for the Kenilworth site will allow the university to significantly lower its leasing costs without the need to acquire the property.

Regent Delgado proposed consolidating the approval of the three lease agreements into one motion.

Upon the motion of Regent Delgado, and the second of Regent Purath, the Committee approved Resolutions I.3.g.1., I.3.g.2., and I.3.g.3.

Resolution I.3.g.1.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, approval be granted to enter into a new lease of approximately 241,535 gross square feet of space at the Cambridge Commons Residence Hall on behalf of UW-Milwaukee.

Resolution I.3.g.2.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, approval be granted for the Department of Administration to enter into a new lease of approximately 146,789 gross square feet at the Riverview Residence Hall on behalf of UW-Milwaukee, as detailed below.

Resolution I.3.g.3.

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, approval be granted for the Board of Regents to enter into a new ground lease and the Department of Administration to enter into a new operating lease for approximately 456,000 gross square feet at the Kenilworth Square facility on behalf of UW-Milwaukee, and assign the right to purchase in the existing operating lease to the UWM Real Estate Foundation.

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

Item number three of the Associate Vice President's Report was considered first.

3. Delegated Gift Funded Projects - Ms. Roe reported that a delegated gift-funded project was undertaken at UW-Superior which renovated a portion of the Lake Superior National Estuarine Research Reserve Administration and Laboratory Building using \$432,000 of grant funds.

Senior Architect Maura Donnelly presented pictures detailing of the project. Following the presentation, Ms. Roe explained that this was item was brought before the committee to report completion of the first project undertaken as part of the recent flexibility of authority

for gift funded projects up to \$500,000 and that it is required to report these projects to the Board of Regents.

1. State Building Commission Actions - Associate Vice President Alexandria Roe reported that the building commission considered and approved the UW-Platteville Residence Hall Renovations (Dobson and Melcher) project, which was previously approved by the Board. In addition, the commission approved seven all agency maintenance and repair projects totaling approximately \$7.4M – four at UW-Madison, and one each at UW-Eau Claire, UW-Milwaukee, and UW-Parkside.
2. 2015-17 Capital Budget Update – Ms. Roe presented a short slideshow showing data that reflected historical GFSB funding and that demonstrated the impact of the Governor’s proposed capital budget recommendation on the UW System six-year capital plan.

Regent Vasquez expressed concern regarding the lack of capital funding compared to the request that the Board approved and forwarded to the state. He asked about the status of the proposed MSN Chemistry Building Addition and Renovation project and to be reminded of our top GFSB priorities as they were approved by Board of Regents. Committee members recalled touring the MSN Chemistry Building and seeing the deficiencies in the facility for themselves.

Ms. Roe answered that the top three GFSB priorities are first to complete the UW-Platteville Boebel Hall Renovation Phase II project, which was underfunded in the previous biennium. Second on the priority list is the UW-Madison Chemistry Building Addition and Renovation and third is the UW-Milwaukee Innovation Campus Integrated Research Center. She noted that campus representatives were present at the meeting that could also respond to the consequence of these projects not being funded.

UW-Madison Vice Chancellor Darrell Bazzell responded that a delay in funding for the Chemistry Building Addition and Renovation project presents a serious hardship and only exacerbates existing deficiencies. He further noted that it will be difficult to accommodate the many students who need chemistry courses as prerequisites for other majors on campus, such as medicine, engineering, pharmacy, etc.

UW-Milwaukee Chancellor Mark Mone responded that a delay in funding for the Innovation Campus Integrated Research Center will hamper the on-going partnership opportunities and needed progress on the Innovation Campus.

Regent Vasquez asked about the status of capital project-related flexibilities that might come with the proposed public authority. Ms. Roe responded that she did not expect future flexibility related to major projects that include any GFSB funds and that the Division of Facilities Development is expected to still conduct all project bidding using the existing single prime delivery model, regardless of funding source.

4. Other Updates – There were no other updates.

The meeting adjourned at 11:47 a.m.