The meeting of the Capital Planning and Budget Committee was called to order at 9:03 a.m. by Committee Vice-Chair Regent José Delgado in the UW-Milwaukee Union, Ballroom West. Regents Tony Evers, Janice Mueller, Anicka Purath, José Vásquez, and Gerald Whitburn were in attendance. Regent Edmund Manydeeds was unable to attend.

I.3.a. Approval of the Minutes of the April 9, 2015, meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the April 9, 2015, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Milwaukee Presentation: “UWM Capital Facilities: Recent Investments; Growing Challenges”

The committee heard a UW-Milwaukee presentation concerning capital facilities given by Vice Chancellor Robin Van Harpen, who began by describing two recently completed capital projects – the School of Freshwater Sciences, which was completed last fall, and the Kenwood Integrated Research Center which will provide space for physics, public health, and chemistry. She then spoke of the university’s four areas of growing challenges which include: the Northwest Quadrant, the Southwest Quadrant, the Student Union, and research/collaboration space of the Innovation Campus, a public-private research park. Ms. Van Harpen described specifics of the redevelopment plans for buildings in both quadrants to meet the university’s urgent space needs and potential funding scenarios. The committee watched two short videos which stated that the most immediate needs for upgrades are in the chemistry building and that improved STEM facilities would result in increased enrollments.

The committee discussed the university’s unique five-year partnership with Johnson Controls, Inc. and how that company has contributed substantially to laboratory space improvements by both building labs and providing equipment as a participant in a facilities use agreement.

Regent Vasquez expressed concerns about misconceptions that could occur in regard to such industry partnerships with the university. He also asked for clarification about payments of debt service and Associate Vice President Alex Roe explained that there are two types of bonding: program revenue supported bonds and general fund supported bonds. She continued by saying that the university is responsible for the program revenue supported debt service that supports projects such as residence halls, student unions, parking, food service, and recreation projects. Ms. Roe stated that the state provides debt service for the university’s general fund supported borrowing and that the allotment is determined by the amount of debt service available at that particular time. She continued by explaining that, generally, the state has been paying for academic buildings and when research space is part of the project, partnerships with companies often results in gift funding that helps ameliorate the high cost of those activities.

Regent Whitburn stated his concern about the debt service obligations that the university system needs to pay each biennium and added that those dollars have to be paid first. Ms. Roe added that is
why it is so important to determine the universities’ most pressing needs when the fiscal challenges are so enormous, especially so now when there are fewer resources than before.

Regent Mueller asked if there is a two year moratorium on academic buildings and Ms. Roe responded that we were able to fund two projects (UW-Madison South Campus Utility Improvements project and UW-Stout Bowman Exterior Envelope Repair project) with about $21M of residual GFSB funding and that the UW-Madison Chemistry Building could potentially also be funded, but other than that there are no new academic projects going forward.

I.3.c UW-Eau Claire: Approval to Amend the Priory Lease to Allow for Construction of Three Improvements Projects

This item requested approval to amend the lease for The Priory to allow for construction of three improvements projects which will develop areas in Building B for various assembly uses; renovate space to create a commercial-style kitchen, and expand the existing parking lot.

Ms. Roe explained that this project would expand access in facilities Building B space for use as an assembly area for additional kitchen work. She reminded the committee members that The Priory is sited on land that is owned by the UW Eau Claire Foundation and leased to the university.

Upon the motion of Regent Whitburn, and the second of Regent Vásquez, the Committee approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, approval be granted to amend the previously approved lease for space at the Priory to allow for the implementation of three projects: (a) renovation of 12,127 GSF space in the Building B Assembly area at an estimated cost of $499,000 Program Revenue-Cash; (b) expansion and renovation of the existing kitchen in the Children’s Nature Academy at an estimated cost of $160,000 Program Revenue-Cash; and (c) reconfiguration and expansion of the existing parking lot at an estimated cost of $365,000 Program Revenue-Cash, for a combined total estimated cost of $1,024,000 Program Revenue-Cash.

I.3.d UW-Extension: Approval of the Design Report and Authority to Construct the Lowell Hall South Wing HVAC System Renovation Project

This item requested authority to construct the Lowell Hall South Wing HVAC System Renovation project to provide new HVAC units, digital controlled thermostats, and minor architectural upgrades for most guestrooms and office areas located in the south wing as well as remodeled elevator lobbies.

Ms. Roe introduced the project by saying that the building was built in the 1960s as a dormitory and in past years various wings of the building were renovated, upgrades were made to the HVAC systems, and a variety of modifications were made for compliance with ADA standards.

Upon the motion of Regent Vásquez, and the second of Regent Mueller, the Committee approved Resolution I.3.d.
Resolution I.3.d.

That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, the Design Report for the Lowell Hall South Wing HVAC Renovation project be approved and authority be granted to construct the project for an estimated cost of $4,900,000 Existing Program Revenue Supported Borrowing.

I.3.e. **UW-La Crosse: Approval of the Design Report and Authority to Construct the Gymnastics Practice and Storage Facility Project**

This item requested authority to construct a Storage Facility project to provide a single story addition onto the existing Maintenance and Stores building located on the north campus that will provide a secure area for general storage, along with space for campus mail and materials delivery operations.

Ms. Roe explained that this was originally a two part project developed to construct a gymnastics building and expand the storage and maintenance facility, however, during the pre-design phase it was determined that the site’s poor soil conditions would increase the project’s cost beyond the approved budget. Therefore, the gymnastics building was removed from the project’s scope and other arrangements will be made to accommodate that program until it is moved to its future home in the Mitchell Hall Fieldhouse. What remains is the expansion of the maintenance facility and the remaining funds will go towards the future development of gymnastics areas.

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

Resolution I.3.e.

That, upon the recommendation of the UW-Extension Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Gymnastics Practice and Storage Facility project for an estimated total cost of $3,366,300 Program Revenue-Cash.

I.3.f. **UW-Oshkosh: Approval of the Design Report and Authority to Construct the Reeve Union Entrance and Remodeling Project**

This item requested authority to construct the Reeve Union Entrance and Remodeling Project, which will construct a 7,952 GSF three floor expansion and renovate 22,718 GSF on the basement, first, and second floors of the west end of the Union to address the accessibility of the building, its visual appearance, and the space needs of student organizations.

Ms. Roe described components of the project which include addressing ADA issues by constructing a new modest addition for a handicapped accessible entrance off Algoma Boulevard, substantial renovation of areas inside the building to accommodate student activities, and minor upgrades to the HVAC system. The last remodeling project in this facility was completed in 2003.

Upon the motion of Regent Mueller, and the second of Regent Vásquez, the Committee approved Resolution I.3.f.
Resolution I.3.f.

That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Reeve Union Entrance and Remodeling project for an estimated cost of $7,629,000 Program Revenue Supported Borrowing.

I.3.g. UW-Oshkosh: Approval of the Design Report and Authority to Construct the Fletcher Hall Renovation and Addition Project

This item requested authority to construct the Fletcher Hall Renovation and Addition project, which will remodel and renovate 98,700 GSF of existing space by replacing the plumbing, HVAC, electrical, and telecommunications infrastructure. Work will include new security and life safety systems as well as a new emergency generator.

Ms. Roe began her comments by stating that this project was recently recommended for additional enumeration in the 2015-17 Capital Budget. She continued by saying that this project will construct a new four-story addition to provide an accessible building entrance and more double-occupancy resident rooms, which will allow the university to offset part of the project’s cost with the added revenue from the additional room rentals.

Regent Whitburn asked if a cost benefit analysis is done for this sort of project. UW-Oshkosh Vice Chancellor Tom Sonneleitner responded by saying that such an analysis was done to compare the options and this residence hall has a solid structure that is worthy of renovation.

Upon the motion of Regent Whitburn, and the second of Regent Purath, the Committee approved Resolution I.3.g.

Resolution I.3.g.

That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to construct the Fletcher Hall Renovation and Addition project for total cost of $23,500,000 Program Revenue Supported Borrowing.

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

This item requested approval of five All Agency Maintenance and Repair projects totaling $4.7M, two at UW-La Crosse and one each at UW-Madison, UW-Parkside, and UW-Whitewater. These projects focus on utility upgrades, academic space remodeling, and parking improvements.

Ms. Roe briefly commented on details of each project’s scope. Regent Mueller asked whether the agency cash supporting these projects is from a reserve fund. Ms. Roe answered by saying that the funding for the two UW-Lacrosse All Agency projects (Parking Lots Reconstruction and the Whitney Center Loading Dock and Parking Lots Reconstruction) is provided by parking and transportation service revenues that have accumulated over time to pay for improvements such as these.
Upon the motion of Regent Purath, and the second of Regent Mueller, the Committee 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 $4,709,400 ($372,300 General Fund Supported Borrowing, $1,108,100 Program Revenue Supported Borrowing, and $3,229,000 Agency Cash).

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

1. State Building Commission Actions - Associate Vice President Alexandria Roe reported that the building commission projects that were considered and approved at the April SBC meetings included three all agency requests totaling approximately $4M and the full request for the new UW-Stevens Point Chemistry/Biology Building was approved.

Ms. Roe continued by saying that the following two major projects were approved at the June State Building Commission meeting: UW-La Crosse Storage Facility Addition, UW-Oshkosh Reeve Union Entrance and Expansion. In addition, the commission approved eight all agency maintenance and repair projects that totaled approximately $7.5M.

In June, the State Building Commission and the Board of Regents met in reverse order when the State Building Commission was held before the Board of Regents meeting. Regent Whitburn stated, and the other committee member agreed, that the Board of Regents needs to first approve the projects before they are submitted for State Building Commission approval, even if that means that the Committee has to meet telephonically. Ms. Roe responded that would be the sequence of approvals in the future.

2. 2015-17 Capital Budget Update – There was no capital budget update.

3. Other Updates – There were no other updates.

The meeting ended at 9:54 a.m. and the Committee adjourned into closed session.

I.3.j. 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-Milwaukee

Regent Delgado called the closed session to order at 9:57 a.m. Present were Regents Evers, Mueller, Purath, Vásquez, and Whitburn. Regent Edmund Manydeeds was unable to attend. The closed session concluded at 10:12 a.m.