

Minutes
Capital Planning and Budget Committee
Thursday, April 7, 2016

The meeting of the Capital Planning and Budget Committee was called to order at 9:02 a.m. by Committee Chair Regent Edmund Manydeeds in the University Union, Phoenix Room on the UW-Green Bay campus. Regent President Regina Millner and Regent James Langnes were in attendance. Regents José Delgado, Tony Evers, and José Vásquez were unable to attend.

I.3.a. UW-Green Bay Presentation: UW-Green Bay Capital Planning and Projects 2015–2017

The committee heard a presentation given by Director of Facilities Management and Planning Paul Pinkston linking the institution's seven priorities to its capital projects. He explained that some of the university's highest priorities are to increase enrollment and strengthen student access and success; improve programmatic alignment; expand community partnerships, and increase professional and scholarly development opportunities for faculty and staff. He stated that the university's capital projects are designed to further those goals and described ongoing remodeling projects that will improve the campus experience and the university's plans for high-priority major projects that will request future capital budget funding.

Regent Millner asked whether fundraising had begun for the athletic fields project, and Mr. Pinkston answered that it had. She then asked him to describe the university's distribution of majors and he answered that engineering technology is a new collaborative program and that other prominent undergraduate programs include business administration, biology, human development, and education, and that the university offers a master's program in environmental science and policy. Regent Millner asked if they were able to rely on other campuses for program space as part of their engineering collaboration with other institutions and Mr. Pinkston answered that right now they have an arrangement for space with Northeastern Technical College, which is several miles away.

I.3.b. Approval of the Minutes of the April 7, 2016 meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the April 7, 2016, 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 Garfield Avenue Corridor Improvement Project and Authority to Adjust the Campus Boundary and Construct the Project

This item requested authority to construct the Garfield Avenue Corridor Improvement project and adjust the campus boundary accordingly. During the next two years, this project will reconstruct a portion of Garfield Avenue and replace the roadway surface, curb and gutter, sidewalk, lighting, and subsurface utilities. It will also renovate the nearby Roosevelt Avenue cul-de-sac, construct a campus gateway entrance, and provide replacement accessible parking.

The campus boundary will be adjusted to include the portions of the two avenues that are vacated by the city of Eau Claire as a result of this improvement project.

Associate Vice President Alex Roe began by explaining that this project was enumerated in the 2013-15 biennium and is a critical utility project for the university. She stated that the city has agreed to vacate portions of the two roads to the university and that the project will realign the roads, create gathering spaces, and construct a walkway along the river. An easement will be granted back to the city for its needs.

Assistant Chancellor Mike Rindo commented that the project complies with the campus master plan, which calls for the elimination of general vehicular traffic through the middle of the campus along Garfield Avenue. It replaces the roadway and provides a pedestrian and bicycle thoroughfare that allows passage for service and emergency vehicles. He added that the project will provide better integration of the river to the campus environment.

Regent Manydeeds commented that the city was enthusiastic about the project and supported the street vacations and asked if the legal transfer had occurred. Mr. Rindo responded by stating that the city council approved the street vacations and that one more easement is required as well as a requirement from the city that there be a memorandum of understanding to provide ongoing access through the campus to Putnam Park Drive, since that is a city street. Regent Manydeeds added that this project is another example of the ongoing collaborations between the city and the university on various projects, which have been a benefit to both parties.

Regent President Millner voiced her approval of the project and commented that new linkages will offer improved access for the movement of students.

Upon the motion of Regent Millner, and the second of Regent Langnes, the Committee approved Resolution I.3.c. as noted below:

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, the Design Report for the Garfield Avenue Utilities project be approved and authority be granted to adjust the campus boundary and construct the project for an estimated total cost of \$12,424,000 (\$6,127,000 General Fund Supported Borrowing, \$6,159,000 Program Revenue Supported Borrowing, \$106,000 Gift Funds and \$32,000 Cash).

I.3.d. UW-Madison: Approval of the Design Report of the Music Performance Building (Hamel Music Center) Project and Authority to Increase the Budget and Construct the Project

This item requested authority to adjust the project budget and construct the Music Performance Building project. The new two story 74,840 GSF facility will be known as the Hamel Music Center and will contain a 650-seat concert hall, a 320-seat recital hall, a large rehearsal room, a lobby, and support spaces, for the School of Music.

This project is funded by \$55.8 M of Gift Funds, \$5M of which will be provided by the William Vilas Trust. The budget increase is necessary to provide additional acoustical work in the recital and concert halls and to cover inflationary increases that have occurred since the time of the project's original enumeration in 2007.

Associate Vice President Roe explained that this portion of the project constructs performance spaces, which include a rehearsal room, and recital and concert halls, and that the second portion of the project will construct program space and faculty offices.

She stated that in December 2015, the Board of Regents granted approval to request \$5M from the Villas Trust to assist in the fund raising for this project. The trust agreed to accumulate those funds during the next several years and the university will cover those dollars and be reimbursed when the trust is able to provide those funds.

Regent Millner commented that the project's site is located at a highly visible corner of the campus and that it is important that the style of the new facility blend with that of the Chazen Museum.

Upon the motion of Regent Millner, and the second of Regent Langnes, the Committee approved Resolution I.3.d. as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, the Design Report of the Music Performance Building (Hamel Music Center) project be approved and authority be granted to increase the project budget by \$11,935,000 Gift Funds and construct the project at a total estimated project cost of \$55,800,000 Gift Funds.

I.3.e. UW-Madison: Authority to Execute a Temporary Land Use Agreement to Allow the Sustainable Resources Institute, Inc. to Construct a Facility at the Kemp Natural Resources Station and Accept the Completed Facility as a Gift-in-Kind

This item requested authority to enter into a temporary land use agreement to allow the Sustainable Resources Institute, Inc. to construct a 4,500 GSF Education and Outreach Center at the Kemp Natural Resources Station, and to accept the completed facility as a gift-in-kind.

This center will not only provide classrooms and related space to support the station's research and instructional programs but also accommodate a wide-range of other users such as UW departments, state and federal agencies, other universities, the forest industry, and the general public.

Associate Vice President Roe stated that the institute plans to build a small structure that will require a temporary land use agreement for them to construct the project. She added that the Division of Facilities Development is required to review and approve the drawings and that the university will request Building Commission approval of the gift prior to the projects' construction.

Upon the motion of Regent Langnes, and the second of Regent Millner, the Committee approved Resolution I.3.e. as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to execute a temporary land use agreement between the Board of Regents and Sustainable Resources Institute, Inc. (SRI) to allow the construction of an Education and Outreach Center at the Kemp Natural Resources

Station in Woodruff, Wisconsin, at an estimated cost of \$900,000 Gift Funds and to accept the completed facility as a gift-in-kind.

I.3.f. UW-Madison: Authority to Enter Into a New Lease of Space Agreement for the College of Letters and Science, Center for Healthy Minds

This item requested authority to enter into a new lease to provide office space for the College of Letters and Science, Center for Healthy Minds, which is a global leader in conducting novel research to revolutionize understanding of the mind, emotions, and well-being. The center is expected to undergo significant growth during the next five years and this new space will provide its faculty and staff with adequate collaborative office space that is not available at its current location or elsewhere on campus.

Associate Vice President Roe explained that this group received a grant to enter into a multi-year research project, but the university is not able to accommodate the collaboration space required for all the needs of the faculty. A request for proposals was issued and suitable space was located at 625 West Washington Avenue in Madison that will require a five-year lease with two five-year renewals. Grant funds will be used to help defray the cost of the lease.

Upon the motion of Regent Millner, and the second of Regent Langnes, the Committee approved Resolution I.3.f. as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to enter into a new lease agreement to provide 22,496 GSF of office space for the UW-Madison College of Letters and Science, Center for Healthy Minds.

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

This item was revised to remove the UW-Madison Wendt Commons Renovation project request.

This item requested approval of five All Agency Maintenance and Repair projects totaling approximately \$2M at three campuses: UW-La Crosse, UW-Madison, and UW-Manitowoc. These projects address utility repair and renovation, programmatic remodeling and renovation, and energy conservation.

Upon the motion of Regent Langnes, and the second of Regent Millner, the Committee approved Revised Resolution I.3.g. as noted below:

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 \$2,094,900 (\$485,100 Program Revenue Supported Borrowing, \$672,000 Gifts and Grants, and \$937,800 Agency Cash).

I.3.h. UW-Oshkosh: Authority to Increase the Budget of the Reeve Union Entrance and Expansion Project

This item requested authority to increase the budget of the Reeve Union Entrance and Expansion project, which addresses the accessibility of the building, its visual appearance, and space needs for student organizations. The increase is necessary to complete the originally approved scope of the project and to match recent bid results.

Associate Vice President Roe explained that the bids for this project were \$1M greater than anticipated and that the university has identified the cash to support the budget increase and prefers to complete the project as originally described rather than alter the scope of the project.

Upon the motion of Regent Millner, and the second of Regent Langnes, the Committee approved Resolution I.3.h. as noted below:

That, upon the recommendation of the UW-Oshkosh Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Reeve Union Entrance and Expansion project by \$1,084,800 Program Revenue Cash for a revised total project estimated budget of \$8,713,800 (7,629,000 Program Revenue Supported Borrowing and \$1,084,800 Program Revenue Cash).

I.3.i. UW Colleges: Report on City and County Financial Support

The committee heard an annual UW Colleges Report on City and County Financial Support. Vice Chancellor for Administration and Financial Services Steve Wildeck stated that cities and counties provided about \$8.5M of support to UW Colleges in 2015.

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

1. Associate Vice President Roe reported that recent State Building Commission actions in February included approval of the projects below:

UW-Madison: Authority to Construct Meat Science and Muscle Biology (\$45,777,000);
UW-Madison: Authority to Construct West Play Fields (\$6,740,000);
UW-Madison: School of Social Work Exterior Masonry Repair (\$393,700);
UW-Madison: Kohl Center Partial Roof Replacement \$2,518,000);
UW-Whitewater: Conner University Air Handling Unit Replacement - Increase of \$250,000;
UW-Green Bay: Campus Exterior Safety Railings: (\$1,454,000);
UW-Madison: Charter Street Substation Addition: (\$619,000);
UW-Madison: Eagle Heights Storage Building (\$450,300);
UW Colleges - UW-Richland: Multi-Building Energy Conservation (\$591,000)

2. Gift and Grant Funded Projects Update -

Associate Vice President Roe informed the committee about updates that will be made to Regent Policy Document 13-2 *Real Property and Construction Contract Signature Authority and Approval* and the development of two new policy documents: one specific to real estate acquisitions, exchanges, sales, and leases of real property; and a second that

will address capital projects that are solely gift- and grant-funded. She explained that the capital project policy is being written broadly to provide support for additional authority that may be granted in the future. She continued by saying that the new autonomy, granted by 2015 Wisconsin Act 55, eliminated the previous design-build authority granted to UW System for projects costing up to \$.5M that were solely funded with gifts and grants.

Associate Vice President Roe shared information about new policy and procedure development. The new policies will define approval levels, architect and engineer selection, and construction contracting. She added that UW System staff members have consulted with various construction industry groups to gain an understanding of their thoughts on existing construction processes to help guide the new policy and contract document development. New financial administration policies are also being established to support the new regent policy documents.

Associate Vice President Roe then informed the committee about progress of the first gift-funded project undertaken with the newly granted authority - the \$18.1 Wisconsin Institute for Medical Research West Wedge Addition. She stated that a request for qualifications for design services was issued on behalf of UW-Madison, and that seven design proposals were received. A combined team of UW-Madison and UW System staff will evaluate the submissions and a request for contract approval will be presented for board approval in the near future.

She then updated the committee on the progress of the UW-Madison \$.5 gift-funded design-build Brittingham House Renovation project that was approved by the board in 2013. She explained that a request for proposals was issued, four submissions were received, and the campus entered into an agreement with a team for the project, which took about a year to complete.

3. 2017-2019 Capital Budget Update

Associate Vice President Roe continued by saying that progress continues to be made on the development of the 2017-2019 capital budget and that the original 24-month schedule has been shortened to about 18 months as processes have become more refined. She reminded the committee that the kick-off meeting began in September of 2015, major project requests were due to the UW System office in mid-December, and review of the projects occurred last January. Ms. Roe explained that System staff members are now meeting with the campuses to clarify details about their projects, and that on May 10th the findings and recommendations of what projects could move forward will be presented to the president.

She stated that 34 major projects that requested \$776M of funding were submitted by the campuses for the 2017-2019 biennium. She added that a major priority of UW System's capital budget request will be to seek significant all agency funding and that projects supported by Program Revenue Supported Borrowing that qualify by meeting the evaluation criteria will be included in the request. She concluded by saying that the UW System 2017-2019 capital budget will be submitted for Board of Regents approval at the August meeting.

The meeting adjourned at 10:08 a.m.