

Minutes
Capital Planning and Budget Committee
Thursday, December 8, 2016

The meeting of the Capital Planning and Budget Committee was called to order at 10:09 a.m. by Committee Vice Chair Regent José Delgado in the Gordon Dining and Event Center on the UW-Madison campus. Regent Mark Bradley, Regent Tony Evers, and Regent James Langnes were in attendance. Regent Edmund Manydeeds and Regent Margaret Farrow were unable to attend.

I.3.a. Approval of the Minutes of the October 6, 2016 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the October 6, 2016, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Madison: Approval of the Design Report and Authority to Construct the Chemistry Building Addition and Renovation Project

This \$93.8 M project constructs a 188,442 GSF undergraduate chemistry teaching tower and replaces critical mechanical systems serving the Daniels and Mathews research and teaching labs. The new equipment will address inadequate infrastructure, reduce energy use, and provide the redundancy needed to meet modern laboratory safety standards.

Associate Vice President Alex Roe explained that in the 2015-17 biennial budget the Regents approved a request for \$108 M for the Chemistry Building project, however the legislature changed the funding model for the project to \$86.2M GFSB and that gift funds would be required for the remaining amount. She continued by saying that it has taken longer than anticipated to raise the necessary gift funds. The university would like to bring this project forward now as a \$93.8 M project funded with GFSB, Cash, and Gift Funds, because the costs of construction are expected to increase in the next few years. The university continues to raise gift funds, and when the rest of that funding becomes available, the university will bring a second phase of this project forward. There may be a \$10 M increase in the overall budget as the campus continues to raise funds extending the project schedule.

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

That, upon the recommendation of the Chancellor of UW-Madison and the President of the University of Wisconsin System, the Design Report of the Chemistry Addition and Renovation project be approved and authority be granted to construct the project for a total cost of \$93,800,000 (\$86,200,000 General Fund Supported Borrowing, \$5,772,000 Cash, and \$1,828,000 Gift Funds).

I.3.c. UW-Madison: Approval of the Design Report and Authority to Increase the Budget and Construct the Engineering Structures Lab Addition Project

This \$3.2M gift-funded project will construct an addition at the southwest corner of Engineering Hall for the Wisconsin Structures and Materials Testing Laboratory to provide a specially

constructed, high-strength floor, and multi-story reaction wall with lifting equipment for testing structural components.

Ms. Roe stated that this project was enumerated as part of the 2015-17 Capital Budget and involves a minor addition to Engineering Hall. She explained that the new hands-on laboratory will allow the university to advance its research and structural testing. A change in the location of the laboratory allowed space for a larger crane and reaction wall within the original scope of the project and required some additional gift funding, which the university has provided for this project.

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

That, upon the recommendation of the Chancellor of UW-Madison and the President of the University of Wisconsin System, the Design Report of the Engineering Hall Structures Lab Addition project be approved and authority be granted to increase the project budget by \$1,585,000 Gift Funds and construct the Engineering Hall Structures Lab Addition project for a total estimated cost of \$3,200,000 Gift Funds.

Next, the committee considered Resolution I.3.k.

I.3.k. UW-Madison: Authority to Increase the Budget of the Witte Residence Hall Renovation Project

This item requests approval to increase the budget of the Witte Residence Hall Renovation project by \$5.4 M to allow the Department of Administration to accept the bid received recently to complete the originally approved scope and intent of the project.

Ms. Roe introduced the project by saying that the construction bids for this project came in higher than anticipated, and that all parties involved don't expect to receive a better bid price. She explained that it is important to proceed with the project at this time, since it keeps the university's residence hall renovation program on schedule. The additional funding will include \$4 M of cash from utility and food savings as well as those collected for future projects and \$1.8 M of residual PRSB.

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

That, upon the recommendation of the Chancellor of UW-Madison and the President of the University of Wisconsin System, authority be granted to increase the budget of the Witte Residence Hall Renovation project by \$5,800,000 (\$1,800,000 Program Revenue Supported Borrowing and \$4,000,000 Program Revenue Cash) to accept bids for a revised estimated total cost of \$52,797,000 (\$25,800,000 Program Revenue Supported Borrowing and \$26,997,000 Program Revenue Cash).

I.3.d. UW-Milwaukee: Authority to Sell a Parcel of Land Located at the Thiemann Arboretum to Facilitate a Wisconsin Department of Transportation Project

This item requested authority to sell a small strip of land at the edge of Thiemann Arboretum to the Wisconsin Department of Transportation for the Highway 164 Improvement project.

Associate Vice President Roe stated that the easement agreement in this request does not violate the original intent of the gift to the university.

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

That, upon the recommendation of the Chancellor of UW-Milwaukee and the President of the University of Wisconsin System, authority be granted to sell a 0.086 acre of land at the edge of Thiemann Arboretum to the Wisconsin Department of Transportation for the Highway 164 Improvement project.

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

This item requested approval to construct seven maintenance and repair projects at five institutions. The projects include fire protection upgrades, remodeling, exterior paving, and energy conservation.

Ms. Roe provided a brief description of each projects. In response to a question about energy auditing, she explained that the Department of Administration hires energy auditors for the various campuses and that although the counties provide for the buildings at UW College campuses, we are responsible for the utilities and maintenance of those buildings.

Upon the motion of Regent Evers, and the second of Regent Bradley, the Committee approved Resolution I.3.e., 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 \$8,155,400 (\$3,410,000 General Fund Supported Borrowing; \$1,886,000 Program Revenue Supported Borrowing; and \$2,859,400 Agency Cash).

I.3.f. UW System: Authority to Seek Enumeration of an Additional 2017-19 Capital Budget Project

This request was revised. This item requested approval to modify the 2017-19 Capital Budget request by (a) deleting the request for enumeration of the UW-Milwaukee Basketball Practice Facility project at an estimated total cost of \$14,510,000 (\$8,635,000 Program Revenue Supported Borrowing and \$5,875,000 Cash) and (b) seeking enumeration of an additional 2017-19 Capital Budget Project, the UW-Milwaukee Sandburg Residence Hall Renovation project, for an estimated total project cost of \$33,500,000 (\$31,000,000 Program Revenue Supported Borrowing and \$2,500,000 Cash).

Ms. Roe reminded the committee that the UW System submitted a capital budget of \$713.3 M All Funds to the Department of Administration, which includes a request of \$195.7 M Program Revenue.

The deletion of the Basketball Practice Facility project and addition of the Sandburg Residence Hall Renovation project will result in a total capital budget request of \$732.4 M, an increase of \$19.0 M.

Ms. Roe explained that the project will renovate the north, south, and west towers of the 1970s era Sandburg residence hall complex to address critical capital maintenance of bathrooms, bedrooms, support services space, and elevators in the three towers and to update HVAC, electrical, and fire alarm systems to address deferred maintenance and comply with current life safety codes. She stated that a major focus of this project is to address leaking pipes and a lack of ADA resident rooms and bathrooms.

Upon the motion of Regent Evers, and the second of Regent Bradley, the Committee approved Revised Resolution I.3.f., as noted below:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to modify the 2017-19 Capital Budget recommendation previously submitted to the Department of Administration in September 2016 by deleting the request for the UW-Milwaukee Basketball Practice Facility project at an estimated total cost of \$14,510,000 (\$8,635,000 Program Revenue Supported Borrowing and \$5,875,000 Cash) and requesting enumeration of the UW-Milwaukee Sandburg Residence Hall Renovation project at an estimated total cost of \$33,500,000 (\$31,000,000 Program Revenue Supported Borrowing and \$2,500,000 Cash).

I.3.g. Semi-Annual Status Report on Leasing

Associate Vice President Alex Roe presented the first *Semi Annual Status Report on Leasing* by updating the committee on the status of leasing activity since UW System gained greater leasing autonomy in July of 2015.

I.3.h. Semi-Annual Status Report on UW Solely Managed Capital Projects

Associate Vice President Alex Roe presented the first *Semi Annual Status Report on UW Solely Managed Capital Projects* by updating the committee regarding the status of the 17 qualifying projects that have been initiated by three institutions within the dates of July 14, 2015, through December 1, 2016. The UW System obtained autonomy to manage capital projects, which are solely funded with gift/grant funds, from the Department of Administration as a result of Wisconsin Act 55, effective July 14, 2015. Ms. Roe also provided a short update about the process that is being developed by the Office of Capital Planning and Budget to manage these projects.

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

1. State Building Commission Actions

Associate Vice President Roe reported that the State Building Commission approved the following project at their October meeting.

UW-Eau Claire: Authority to Construct the Towers Residence Hall Renovation Project - \$32,969,000 PRSB;

UW-Madison: Authority to Construct the Witte Residence Hall Renovation Project - \$46,997,000 (\$24 M PRSB & \$22,997,000 PR-Cash);

UW-River Falls: Demolition of Karges Center and Emogene Nelson Building - \$1.1 M (\$700,000 BTF and \$400,000 Gifts);

UW-Parkside: Sports & Activity Center Gym Roof - \$338,600 GFSB;

UW-River Falls: Davee Library Partial Roof Replacement - \$558,000 GFSB;

UW-River Falls: South Fork Suites Roof Replacement - \$331,000 PRSB;

2. Other updates: There were no other updates.

After receipt of a motion and second, the committee adjourned to closed session at 10:56 a.m. Present were Committee Vice Chair Regent José Delgado, Regent Mark Bradley, Regent Tony Evers, and Regent James Langnes. Regent Edmund Manydeeds and Regent Margaret Farrow were unable to attend.

I.3.i. 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-Madison

The closed session meeting adjourned at 11:07 a.m.