

Minutes
Capital Planning and Budget Committee
Thursday, April 6, 2017

The meeting of the Capital Planning and Budget Committee was called to order at 10:47 a.m. by Committee Chair Regent Manydeeds in the Nohr Art Gallery in Ullsvik Hall, on the UW-Platteville campus. Regent Bradley, Regent Delgado, Regent Farrow, and Regent Langnes were in attendance. Regent Evers was unable to attend.

I.3.a. Approval of the Minutes of the February 2, 2017 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the February 2, 2017, 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 Increase the Budget and Construct the Southeast Recreational Facility Project

This item requested authority to increase the budget of the Southeast Recreational Facility project by \$9M and construct the \$96.5M project. This project demolishes the existing SERF building and constructs a new four-story recreational facility that includes features such as: expanded spaces for strength, cardio, and fitness; eight basketball courts; an indoor walking and jogging track; racquetball courts; and a 50-meter competition pool and a separate diving well in a new natatorium that will become the site of the UW-Madison Swimming and Diving program.

The budget increase is due to a market-driven price increase for the long-span trusses required for the aquatic portion of the project and the additional costs of more extensive utility and site work that is required to properly site the new building.

Associate Vice President Roe described the project, which is supported by a student referendum, as a partnership between intercollegiate athletics and recreational sports. She explained the project's budgetary challenge and how the university has worked diligently to reduce the costs as much as possible and added that residual borrowing authority remaining from the Memorial Union Remodeling project could be redirected to the SERF project.

Recreation Sports Director John Horn reminded the committee that this project, which was identified as part of the master plan completed in 2013, was initiated by the students. He continued by describing the 2014 student referendum by saying that 14,000 students voted and that 87 percent of those students voted to increase student fees in support of this project.

Regent Langnes inquired if the students voted on a set dollar amount and Mr. Horn said the students created the ballot language to reflect how much they were willing to fund. Regent Langnes asked if the project will cause an increase in the segregated fees a year from now and Mr. Horn replied that it would not.

Regent Langnes stated that he and his colleagues are concerned about increasing segregated fees and Mr. Horn assured the committee that the segregated fees that support this project will not change.

Regent Farrow noted that since the referendum was held in April 2014, the students who voted for the fee increase will have graduated when the project's fees begin and that those 2014 voters have committed future students to pay the 16 year obligation of increased fees. She added that she is also concerned about the funding priorities when there are already obligations to repair and renovate so many other campus buildings.

In response to a question from Regent Farrow about when construction would begin, Ms. Roe answered it was expected to start in October of this year.

Upon the motion of Regent Delgado, and the second of Regent Farrow, the Committee approved Resolution I.3.b., 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 Southeast Recreational Facility Replacement project be approved and authority be granted to: (a) increase the project budget by \$9,000,000 (\$8,411,600 Existing Program Revenue Supported Borrowing and \$588,400 Cash); and (b) construct the project for an estimated total cost of \$96,541,000 (\$45,461,000 Program Revenue Supported Borrowing, \$8,411,600 Existing Program Revenue Supported Borrowing, \$42,080,000 Gift Funds, and \$588,400 Cash).

I.3.c. UW-Milwaukee: Authority to Modify the Operating Lease for the Kenilworth Square Facility

This item requested authority to modify the operating lease of space for student housing and the Peck School of Arts in the Kenilworth Square Facility to reduce the annual rent escalator and extend the term of the lease from 26 to 30 years. This modification will reduce annual rent payments for the university.

In order to secure favorable terms on a new bond, the Redevelopment Authority of the City of Milwaukee asked the university to exercise the renewal option in the operating agreement and extend the lease an additional four years and in exchange they would reduce the annual rent escalator in the operating lease to 4 percent or less.

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

That, upon the recommendation of the UW-Milwaukee Chancellor and the President of the University of Wisconsin System, approval be granted to modify the existing 26-year Operating Lease for the Kenilworth Square Facility for the benefit of UW-Milwaukee to reduce the annual rent escalator and, in exchange, exercise the four-year renewal option to extend the term of the lease from 26 to 30 years.

I.3.d. UW-Platteville: Approval of the Design Report and Authority to Construct the Williams Fieldhouse Addition, Phase II Project

This item requested authority to construct the \$15.3M Williams Fieldhouse Addition, Phase II project, which also includes creation of an outdoor, multi-sport, artificial turf field and an outdoor storage building. The addition to the fieldhouse will address an overall campus space deficit related to wellness, fitness, and recreation by providing a three-court gymnasium with a suspended walking/jogging track; an exercise studio; a training suite; a locker room; and expanded areas for cardio, free weights, and functional training.

Ms. Roe showed images of the planned project and explained that this project is expected to be released for bidding in June with construction planned for September.

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

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, the Design Report of the Williams Fieldhouse Addition, Phase II project be approved and authority be granted to construct the project for an estimated total cost of \$15,272,000 Program Revenue Supported Borrowing.

I.3.e. UW-River Falls: Approval of the Design Report and Authority to Construct the Rodli Hall Renovation Project

This item requested authority to construct the \$15.1M Rodli Hall Renovation project to repurpose the facility by replacing all infrastructure systems, windows, roof, and utility services and revitalizing interior spaces to transform it from an old, underutilized former food service building to a modern support center for students.

Ms. Roe explained that this renovation is the third project in the Facilities Renovation Program. The master plan recommended that this building could be repurposed as a student services facility. The schedule goal is to release this project for bidding in September and begin construction in the fall.

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

That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, the Design Report for the Rodli Hall Renovation project be approved and authority be granted to construct the project for an estimated total cost of \$15,100,000 (\$11,100,000 General Fund Supported Borrowing, \$2,417,000 Program Revenue Supported Borrowing, and \$1,583,000 Cash).

I.3.f. UW-Stout: Approval of the Design Report and Authority to Construct the Bowman Hall Exterior Envelope Renovation Project

This item requested authority to construct the \$8.9M Bowman Hall Exterior Envelope Renovation project to repair and restore its 1897 vintage masonry envelope and replace failing windows and doorways with historic replicas. The project will also provide structural repairs, a copper roof replacement, and other modifications for the signature clock tower.

Ms. Roe began her description of the project by saying that Bowman Hall is the oldest building on the UW-Stout campus and the exterior of the building and the structure of the tower are in dire need of repair and upgrades. Previous repair attempts to repair the brick exterior were poorly implemented and now the exterior requires extensive removal of mass grouting and a total repointing.

Regent Delgado asked if this improvement is adequate for the use of the building for the next ten to fifteen years, and Ms. Roe replied that it is.

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

That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, the Design Report for the Bowman Hall Exterior Envelope Maintenance and Repair project be approved and authority be granted to construct the project for an estimated total cost of \$8,946,000 General Fund Supported Borrowing.

I.3.g. UW-Stevens Point: Approval to Execute a 25-Year Ground Lease Between the Board of Regents and Portage County

This item requested approval for the execution of a 25-year ground lease between the Board of Regents and Portage County to allow construction of a trailhead improvement project that includes a shelter, restroom facility, and parking lot in the Schmeckle Reserve. Portage County will manage its design, bidding, and construction of the project and maintain ownership of the trailhead improvements for the term of the ground lease.

Ms. Roe explained that a donor has provided a portion of the funds to facilitate the development of the project and the remaining funds will be sought by Portage County from Department of Natural Resources stewardship funds. She added that the county has agreed to be responsible for owning the shelter and restroom buildings for a period of 25 years, per the grant's requirements. She also stated that the lease will only be executed if the grant funds are awarded to fund construction of this project.

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

That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, approval be granted to execute a 25-year ground lease between the Board of Regents and Portage County to allow the construction of a trailhead

shelter, restrooms, and parking lot addition in the Schmeeckle Reserve in Stevens Point, Wisconsin. Portage County will maintain ownership of the project for the term of the ground lease.

I.3.h. UW-Whitewater: Approval of the Design Report and Authority to Increase the Budget and Construct the New Residence Hall Project

This item requested authority to increase the budget of the New Residence Hall project by \$6M and construct the \$34M project to build a six-story 410-bed residence hall that provides suite-style living units with double occupancy bedrooms and shared bathrooms. The university has experienced a housing shortage during the last ten years and this project will help alleviate that deficit and provide supportive services and programs for students with accessibility challenges. A chiller will be added to the Central Utility Plant as part of this project to support this new facility.

Ms. Roe explained that factors contributing to the project's budget increase are: the addition of a central plant chiller unit, the rerouting of a direct buried steam line, installation of a new chilled water line, bidding climate uncertainties, and the need for additional site regrading.

Regent Langnes commented that the university definitely needs this project because of the ongoing housing shortage at that campus. He also asked about plans for campus parking and Campus Planner Tami McCullough stated that the master plan provides for a future parking structure.

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

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report for the New Residence Hall project be approved and authority be granted to: (a) increase the project budget by \$6,000,000 Cash; and (b) construct the project for an estimated total cost of \$34,000,000 (\$28,000,000 Program Revenue Supported Borrowing and \$6,000,000 Cash).

I.3.i. UW System: Authority to Construct Various Maintenance and Repair Projects

This item requested authority to authority to construct four all agency maintenance and repair projects at UW-Madison for an estimated total cost of \$5.8 M. Two of these projects address facility maintenance and repairs and the two others focus on programmatic remodeling and renovation.

Regent Farrow asked for more detail about the University Houses apartments and university staff explained that there are 144 apartments in the 40 University Houses buildings, which were constructed in the 1940s. Assistant Director for University Housing Mike Kinderman added that it is still the most efficient way to provide housing and that the facilities pay for themselves and is competitive with the Madison housing market.

Upon the motion of Regent Bradley, and the second of Regent Farrow, the Committee approved Resolution I.3.i., 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 \$5,813,000 (\$2,700,000 Gifts and Grants and \$3,113,000 Agency Cash).

I.3.j. UW-Platteville Presentation: *Building for the Future: Strategic Planning and Anticipating the Changing Needs of Students and Industry*

Assistant Dean of Faculty, Staff, and Facilities Jeffrey Hoerning led a presentation about the university's need of a new engineering facility and provided details of the proposed Sesquicentennial Hall project that would construct a new facility across the street from Engineering Hall. This project was submitted as part of the UW System 2017-19 Capital Budget request. This proposed academic facility would replace several of the classroom and lab spaces currently located in Ottensman Hall, built in 1966, and would also house the university's data center.

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

1. State Building Commission Actions

Associate Vice President Roe reported that the State Building Commission voted its support of the Governor's capital budget recommendation of \$128,285,000 (consisting of \$0 Existing-GFSB; \$73,498,000 GFSB; \$49,107,000 Existing-PRSB; \$0 PRSB; \$2,180,000 Gifts/Grants; and \$3,500,000 PR-Cash) for the following UW System projects.

- System-wide Classroom Renovation/Instructional Technology Improvements - \$10,000,000 GFSB
- UW-Milwaukee Northwest Quadrant Renovation - \$52,180,000 (\$46,800,000 GFSB, \$3,200,000 EX-PRSB, \$2,180,000 Gifts)
- UW-Whitewater Utility Corridor Improvements/Chiller Plant Upgrade \$26,800,000 (\$16,698,000 GFSB and \$11,902,000 EX-PRSB)
- UW-Extension Lowell Hall Floors 2 – 4 Renovation \$4,005,000 (\$3,005,000 EX-PRSB and \$1,000,000 Cash)
- UW-Milwaukee Sandburg Hall Renovation – Phase I \$33,500,000 (\$31,000,000 EX-PRSB and \$2,500,000 Cash)

She explained that the amount recommended represents about 16% of our original capital budget request of \$794,531,400 all funds.

Ms. Roe added that the commission voted to de-enumerate the following projects: UW-Whitewater Indoor Tennis Building (\$3,500,000 PRSB) and the UW-Platteville Residence Hall Purchase (\$29,287,000 PRSB) for a total of \$32,787,000 PRSB. The commission approved an All Agency Program at \$361,290,600 all funds (\$181,668,000 GFSB; \$22,000,000 PRSB; and \$57,000,000 Existing-PRSB, and other funds to make up the difference). The Governor's recommendation included providing funding for our All Agency request as well as the new UW-Extension digital transmitter.

2. Other Updates - There were no other updates:

The meeting was adjourned at 11:58 a.m.