

Minutes
Capital Planning and Budget Committee
Thursday, February 2, 2017

The meeting of the Capital Planning and Budget Committee was called to order at 10:09 a.m. by Committee Chair Regent Manydeeds in Union South, Varsity Hall I, on the UW-Madison campus. Regent Delgado, Regent Farrow, and Regent Langnes were in attendance. Regent Bradley and Regent Evers were unable to attend.

I.3.a. Approval of the Minutes of the December 8, 2016 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the December 8, 2016, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW System: Approval of the UW-Madison Health Science Library Center Academic Affairs Curriculum Enhancement Project

This project, which is solely funded by approximately \$16M Gift Funds, renovates space on four floors of the twelve-year-old Health Sciences Learning Center to enhance the teaching, administrative, and public space for Academic Affairs; improves the mechanical system; and provides security enhancements; all to support a new medical education curriculum and prepare for an accreditation evaluation.

Associate Vice President Alex Roe began her comments by saying that the committee would not be receiving a separate design report for gift-funded projects that are managed by the UW because it would only duplicate information that is already contained in the project's request document.

She then focused on the learning center project and emphasized how important it is that this project be completed in a timely manner to meet an imminent, critical, accreditation evaluation deadline. She explained that the project is necessary to realign facility areas that are unsuitable to meet the requirements of the new medical curriculum.

In response to a question from Regent Farrow, Mark Wells, Assistant Dean for Facilities for the School of Medicine and Public Health, explained that when the legislature granted gift-funded project autonomy to UW System, it provided a way to accomplish a project more quickly than would have been possible if the university were still required to follow the previous, more time-consuming DFD process. He assuaged the committee members' concerns about the evaluation deadline by assuring them that the project would be completed in time.

Regent Farrow asked if the funding had been securely reserved for the project and Laurent Heller, Vice Chancellor for Finance and Administration, addressed her question by saying that the university has all the funds for this project in-hand and earmarked for the project.

Regent Delgado asked whether this project, which is based on changes in the curriculum, is also good for the students and Ms. Roe responded that the School of Medicine has redesigned its curriculum to align with national trends of changes in health/medical education. Mr. Wells added that this enhancement center is critical to the needs of the students.

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

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to complete the design and construction of the UW-Madison Health Science Learning Center Academic Affairs Curriculum Enhancement project for a total estimated cost of \$16,025,264 Gift Funds.

I.3.c. UW System: Approval of the UW-Madison School of Business Learning Commons Project

This item requests authority to complete the design and construction of the School of Business Learning Commons project, which is solely funded by approximately \$10M Gift Funds. The project will renovate space across three floors of library, classroom, and computer lab space within Grainger Hall; improve the mechanical system; and provide audio visual equipment to support flexible active learning classrooms.

Ms. Roe explained that this project will provide five new active learning classrooms and much of the renovation will allow for greater collaboration opportunities for students.

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

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to complete the design and construction of the UW-Madison School of Business Learning Commons project for a total estimated cost of \$10,082,266 Gift Funds.

I.3.d. UW System: Approval of the Criteria for Ranking Building Projects

The criteria used to evaluate building projects have been updated to reflect the current systemwide initiatives, priorities, and goals of the Board of Regents. Their intended use is to create a priority list of building projects that addresses the greatest institutional needs, the highest academic priorities, and the most cost-effective solutions to established facility deficiencies.

Associate Vice President Roe explained the modifications to the previously approved criteria of December 2015 by saying that in regard to net new square footage, the revenue-based initiative portion of the criteria has been expanded to include a component for engagement space, such as areas for student lounges or student-based activities. She continued by explaining that under the Capital Project Prerequisites criteria, the previous stand-alone Operational Support section has been merged into the Institutional Readiness section because it is more appropriate in that category. She also added that a six year institutional capital plan requirement has been added to the Institutional Readiness requirement. Ms. Roe mentioned that there were other changes include minor clarifications to the six-year plan and word edits to refine the previous version of the document.

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

That, upon the recommendation of the President of the University of Wisconsin System, the Criteria for Evaluating Major Capital Projects be adopted as the basis for prioritizing major capital projects for inclusion in UW System capital budget requests.

I.3.e. UW-Madison Campus Master Plan Update: Extending our History – Embracing our Future

Mr. Laurent Heller and Ms. Margaret Tennesen, Acting Associate Vice Chancellor for Facilities Planning and Management, made brief opening remarks and introduced Mr. Gary Brown, Director of Campus Planning and Landscape Architecture, who began an informative update of the 2005 Campus Master Plan by explaining its history and goals. He spoke about the major recommendations resulting from the plan and showed images depicting the progress of various infrastructure, landscape, and transportation initiatives that the university has undertaken as it implemented the plan. Mr. Brown concluded his presentation by listing the next actions the university will begin as it continues to execute the goals of the plan, which include: updating the existing building inventory, utilities, and landscape; expanding stormwater management practices, promoting alternative transportation methods; and finding ways to reduce facility operating costs.

Regent Langnes asked about the relationship between the university and the city of Madison in regard to building projects and Mr. Brown answered that both parties have a very good relationship even though there are many city commissions and it takes the university a long time to move through the city's approval process.

Regent Delgado asked for information about the university's utilities and Mr. Brown explained that the sanitary and domestic water pipes are owned by the city of Madison and the university owns the distribution pipes; the city owns the sewer system and the campus connects to it; MG&E owns the gas and electric utilities; and the State of Wisconsin manages the heating plants.

Ms. Roe asked if the plan included a need for a campus boundary change and Mr. Brown replied by saying that there is one minor change concerning a parking lot area that is located in the southeast corner of the campus near the Kohl Center that the university would need to bring forward for approval in the future.

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

Associate Vice President Roe presented the committee with updates on State Building Commission actions.

1. State Building Commission Actions

Associate Vice President Roe reported that the State Building Commission approved the following projects at its December meeting:

- **UW-River Falls** – Authority to Exchange Lands (no cost)

- **UW-Madison** – Approve the Design Report and Authority to Construct for the Chemistry Addition and Renovation \$93,800,000 (\$86,200,000 GFSB, \$5,772,000 Cash and \$1,828,000 Gifts)
 - **UW-Madison** – Authority to Increase the budget for the Witte Hall Renovation Project \$52,797,000 (\$25,800,000 PRSB and \$26,997,000 PR-Cash)
 - **UW-Madison** – Approve the Design Report and Authority to Construct the Engineering Hall Structures Lab \$3,200,000 Gifts
 - **UW-La Crosse** – Approve the Design Report and Authority to Construct the Rec Eagle Center Addition Project \$8,616,000 PRSB
- and various all agency projects
2. Other updates: Ms. Roe informed the committee that the New Southeast Recreational Facility project is working its way through the design process and that it is about \$6-9M over-budget for various reasons, one of which is caused by an unanticipated increase in the market price of long-span steel. She added that the project will be constructed on a very tight site that abuts other buildings and various utility infrastructure. Ms. Roe stated that the recreation and athletic departments have worked diligently to control the project’s budget and added that there is some residual borrowing available to add to this project, if that additional funding becomes necessary.

Ms. Roe continued her report by saying that the UW System 2017-21 Capital Plan has been published and is available online at the Office of Capital Planning and Budget website.

Regent Farrow asked for an update regarding the status of the UW-Milwaukee projects that are included in the 2017-19 Capital Budget request that was approved by the Regents. Ms. Roe answered that the Governor is expected to deliver his budget address on February 8th and that is unknown if he will discuss the capital projects at that time. She added that the Building Commission hearing about the capital budget will be held early March.

The meeting was adjourned at 10:02 a.m.