

Minutes
Capital Planning and Budget Committee
Thursday, October 5, 2017

The meeting of the Capital Planning and Budget Committee was called to order at 8:30 a.m. by Committee Chair Regent Steil in the Cedarwood/Maplewood Room of the Memorial Student Center on the UW-Stout campus. Regent Delgado, Regent Evers, Regent Jones, and Regent Ring were in attendance. Regent Farrow was unable to attend.

I.3.a. Approval of the Minutes of the July 6, 2017 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the July 6, 2017, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Madison: Approval of Amendments to the Declaration of Covenants, Conditions, and Restrictions for University Research Park

This item requested approval of amendments to the *Declaration of Covenants, Conditions, and Restrictions for University Research Park* that establish land and building development guidelines. This request proposes amending the design standards and implementing the strategic plan that was adopted by the park's Board of Trustees.

Associate Vice President Alex Roe acknowledged Regent Millner in the audience and mentioned that she was the Board of Regent's representative to the research park's Board of Trustees and as such was involved in the process of developing the amendments. She then introduced Aaron Olver, the Managing Director of the University Research Park, who explained the history of the park and the need to update the covenants to allow for the inclusion of retail and service opportunities. Mr. Olver introduced Regent Miller who spoke about the strategic plan recently developed for the park and stated that the concept of business parks has changed since the park was originally established and that it needs to be densified to establish better use of the land.

Ms. Roe added that the covenant amendments have the support of the mayor as well as surrounding neighborhoods and that these updates, which allow the inclusion of broader retail space, will allow the park to be more competitive in its attraction of new business clients.

Regent Steil asked Mr. Olver if there was any negative feedback about this proposal, and how much additional revenue might result from this proposal. Mr. Olver said there had been no negative feedback and that the park expects to develop two projects within the next two years, which he expects to increase the park's revenue by approximately one third.

Regent Jones applauded the park for changing its business model to adapt to current times, and Regent Delgado mentioned that these changes are necessary to allow for greater park growth.

Upon the motion of Regent Delgado, and the second of Regent Jones, 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 amendments to the Declaration of Covenants, Conditions, and Restrictions for University Research Park be approved.

I.3.c. UW-Madison: Authority to Sell a 1.06-Acre Parcel of Land with Improvements in the Town of Dunn, Wisconsin

This item requested authority to sell a 1.06-acre parcel of land with improvements, which is located in the Town of Dunn, Wisconsin. The parcel contains an 11,000 square foot building that was used as lodging for visiting scientists to the Kegonsa Research Center until 2014 when the nearby Synchrotron Radiation Center closed.

Ms. Roe explained that the university has no other use for this property, which is no longer viable as a housing option.

Regent Steil applauded the university for shrinking its footprint by eliminating obsolete property.

Upon the motion of Regent Evers, and the second of Regent Ring, the Committee approved Resolution I.3.c., 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 sell a 1.06 acre parcel of land with improvements located at 2014 Green Road, Town of Dunn, Wisconsin.

I.3.d. UW-Stevens Point: Authority to Execute a Temporary Land Use Agreement for Construction of an Amphitheater in the Schmeckle Reserve and to Accept the Completed Facility as a Gift-In-Kind

This item requested authority to execute a temporary land use agreement for construction of a 16,000 square foot open-air amphitheater in the Schmeckle Reserve and to accept the completed facility as a gift-in-kind.

Ms. Roe began her comments by saying that the reserve has expanded over the years with donations from the community and the county and now totals about 280 acres. This agreement will allow for the construction of an amphitheater space where the region's natural and cultural history can be shared in a unique outdoor venue that is suitable for public programs and artistic performances. The building will be constructed on this site by The Friends of Schmeckle Reserve, Inc. and, upon its completion, the amphitheater will be gifted to the Board of Regents.

Regent Delgado asked several questions that Ms. Roe addressed by explaining that the building was not complex, would require only minimal maintenance, and that there had been no opposition to its construction.

Regent Steil asked if this construction would be dependent upon the Department of Natural Resources (DNR) grant that was involved in a project that the Board recently approved for the Schmeckle Reserve, and Ms. Roe stated that it would not.

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

That, upon the recommendation of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted to: (a) execute a temporary land use agreement between the Board of Regents and the Friends of Schmeckle Reserve, Inc. to allow the construction of an amphitheater in the Schmeckle Reserve in Stevens Point, Wisconsin, and (b) accept the completed facility as a gift-in-kind.

I.3.e. UW-Whitewater: Approval to Enter Into a Lease of Space for Student Housing

This item requested approval to lease Cambridge Apartments for a five-year term to accommodate the demand for student housing. This facility will provide housing for 285 students and the university will supply the necessary staffing for student services such as resident assistants, security, social programming, and counseling.

Ms. Roe began her description of this request by saying that the university continues to have a housing shortfall and that this lease will solve that problem for a prescribed period of time. If the university determines that it does not need this housing, it can exit the remaining portion of the lease by use of its early termination clause.

Regent Delgado asked about the Board's policy concerning a student housing requirement and Chancellor Kopper stated that all UW-Whitewater freshman and sophomores are required to live in student housing. Ms. Roe added that leasing a single building such as this apartment facility helps provide better safety and security for the students.

Regent Jones asked if there were any building project planned to relieve the housing shortage and Ms. Roe responded that although construction of a new residence hall project will begin soon, older campus residence halls will need renovation, and that this leased space will fill the need for additional housing during those upgrade projects.

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

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, approval be granted for the Department of Administration to enter into a new lease of approximately 83,496 gross square feet at Cambridge Apartments on behalf of UW-Whitewater, for the purpose of housing.

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

This item requested authority to construct eight maintenance and repair projects at six universities for an estimated total cost of \$11.4 M.

Ms. Roe briefly described the projects that included facility maintenance and repair at UW-Milwaukee and UW-Whitewater; utility repair and renovation at UW-Stevens Point; programmatic remodeling and renovation at UW-Extension, UW-Madison, and UW-Stevens Point; and energy conservation at UW-Stout.

Regent Evers commented about the UW-Stevens Point, Central Wisconsin Environmental Station Sleeping Cabins project by saying that the documentation indicates an association with the Tomorrow River School District Charter School, and that the use of an enrollment increase, when enrollments are decreasing across the state, is not a good rationale for construction of this project. Ms. Roe responded by saying that his concern about that matter would be duly noted.

In response to a question from Regent Steil about the funding for this project, Ms. Roe explained that it is funded with \$213,000 cash revenue from programming and a \$61,000 grant from the Margaret A. Cargill Foundation.

Upon the motion of Regent Jones, and the second of Regent Delgado, the Committee approved Resolution I.3.f., 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 \$11,384,500 (\$9,363,200 Program Revenue Supported Borrowing; \$1,440,100 Agency Cash; and \$581,200 Gifts and Grants).

I.3.g. Discussion Item: Capital Budget 2019-2021 Strategy Focus

The committee discussed the context of the 2019-21 capital budget and 6-year capital plan and also considered potential 2019-21 capital budget scenarios that focus on affordability and accountability.

Ms. Roe began her update by saying the Board of Regents will be asked to approve the proposal for the 2019-21 capital budget and six-year plan in August of 2018. She continued by saying that UW System received \$323 M of funding for 2017-19 capital budget projects and should soon know the portion of the \$181 M All Agency funding that will be distributed among state agencies.

She continued by saying the context for the 2019-21 capital budget will be to focus on affordability, accountability, and an effective use of space. She indicated that the six year plan will continue to concentrate on maintenance by valuing renovation and demolition as higher priorities than new construction and that it will support an increase to the Instructional Classroom/Laboratory Program to accommodate larger scale projects.

Ms. Roe stated that UW System plans to work with the legislature for more flexibility in the All Agency Program to expand its project funding limit from \$3M to \$10 M and continues to prioritize All Agency projects with an emphasis on building structure/envelope, health/life safety, and critical operations.

Regent Delago added that it's important to highlight the building maintenance problems we have and to not allow our buildings to decay due to a lack of maintenance.

I.3.h. UW-Stout Presentation: University of Wisconsin-Stout Campus Master Plan

Vice Chancellor for Administrative and Student Life Services Phil Lyons and Campus Planner Gary Gust presented the committee with information about the recommendations and accomplishments of the UW-Stout Campus Master Plan. Those recommendations include: defining the campus edges; creating a campus entry; maximizing the prominence of Bowman Hall; capitalizing on the view of Lake Menomin; strengthening the pedestrian routes and green spaces; and integrating sustainable principles. They described and showed images of recent renovations of the Memorial Student Center and the renewal of residence halls, athletic facilities, and Bowman Hall. The presentation also included concepts for a new future polytechnic academic building to replace the Vocational Rehabilitation Building, which does not meet the requirements of polytechnic use.

I.3.i. 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 all submitted UW System project requests at its August 2017 meeting.
2. Other Updates – There were no other updates.

The meeting was adjourned at 9:48 a.m.

I.3.j. Closed Session

Upon the motion of Regent Steil, and the second of Regent Jones, the Committee adjourned to closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), *Wis. Stats.*, related to (a) the naming of a facility at UW-Madison and (b) the purchase of an easement on behalf of UW-Extension, as permitted by s. 19.85(1)(e), *Wis. Stats.*