

Board of Regents of the University of Wisconsin System
Capital Planning and Budget Committee Minutes
Thursday, June 7, 2018

The meeting of the Capital Planning and Budget Committee was called to order at 10:47 a.m. by Committee Chair Regent Steil in the Union Ballroom West on the UW-Milwaukee campus. Regent Steil, Regent Delgado, Regent Evers, Regent Jones, Regent Plante, and Regent Ring were in attendance.

Regent Steil asked the committee members if any items on the agenda represented a conflict of interest to them, and hearing that there were none, he proceeded with the agenda.

I.3.a. Approval of the Minutes of the April 5, 2018 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the April 5, 2018, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW- Green Bay: Authority to Enter Into a Ground Lease with Brown County

This item requested authority to enter into a ground lease with Brown County to allow for the construction of a three-story, multi-tenant, office and laboratory building on the campus. A portion of the facility which will be known as the Brown County STEM Innovation Center, will accommodate the new UW-Green Bay mechanical engineering program.

Ms. Roe described the lease as a one-dollar-a-year lease for twenty years with two twenty-year renewals and added that it would not be executed until the operating lease is presented for Regent approval in August.

Regent Steil commented that the project is an exciting one for university, the business community, and the state and that its approval has become a two-step process because of the building commission's meeting schedule.

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-Green Bay Chancellor and the President of the University of Wisconsin System, authority be granted to execute a ground lease and allow Brown County to construct a 63,000 square foot building on 7.9 acres of land on the UW-Green Bay campus. The President shall not execute said ground lease until the Board of Regents has approved the lease terms on behalf of UW-Green Bay.

I.3.c. UW-Milwaukee: Authority to Construct the Northwest Quadrant Renovation Project

This item requested authority to construct the Northwest Quadrant Renovation project for an estimated total cost of \$52.2 million that will address critical life safety and building code upgrades in the former Columbia/St. Mary's hospital complex of buildings that were

constructed between 1919 and 1993. The project scope includes the addition and upgrade of automatic fire sprinklers and fire protection systems; fire separation; egress lighting; elevator modifications; associated architectural, mechanical, electrical, and plumbing systems (MEP); asbestos abatement; and accessibility improvements.

Ms. Roe began by explaining that the intent of this project is to provide comprehensive infrastructure upgrades to this complex of buildings that will allow the university to occupy the facilities. She reminded the committee that the original BOR-approved request of \$63 million for this renovation project was later reduced to \$52 million by the Department of Administration (DOA) and added that the project's architect is working with DOA to determine the suitability of renovating buildings A and B, which are in the worst condition. She explained that rather than divide the project into separate phases for approval, DOA preferred that it be approved as a whole, and added that construction of the project could occur in phases. In response to a question from Regent Delgado, Ms. Roe explained that the first renovation work will include exterior envelope repairs, infrastructure upgrades, and fire code compliant improvements to buildings C and D.

Regent Steil and Regent Delgado requested that feedback be given to the committee when the study of buildings A and B is completed, and that the committee receive continuous updates in the future on the progress of this project.

Upon the motion of Regent Jones, and the second of Regent Ring, 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, authority be granted to construct the Northwest Quadrant Renovation project for an estimated total cost of \$52,180,000 (\$46,800,000 General Fund Supported Borrowing, \$3,200,000 Existing Program Revenue Supported Borrowing, and \$2,180,000 Gifts/Grants).

I.3.d. UW-River Falls: Authority to Construct the May Hall Addition and Renovation Project

This item requested authority to increase the budget of the May Hall Addition and Renovation project by \$2.5 million Existing Program Revenue Supported Borrowing and construct the project for a total cost of \$7.4 million. This project renovates and updates May Hall and constructs a small addition to address accessibility deficits.

Ms. Roe began by saying that this budget increase is necessary to provide more lobby space on each floor to accommodate a larger accessible elevator and additional lounge space, which is lacking in this residence hall. She noted that the resulting increase in the cost of the project will not affect student housing fees.

Regent Steil added that he supports the effort that the university has made to find other operational efficiencies to support this budget increase so that student housing fees will not be raised.

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

That, upon the recommendation of the UW-River Falls Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the May Hall Addition and Renovation project by \$2,475,600 Existing Program Revenue Supported Borrowing and construct the project for a revised estimated total cost of \$7,430,600 Existing Program Revenue Supported Borrowing.

I.3.e. UW System: Authority to Execute the Remaining Design Contract and Construct the UW-Eau Claire Visitor Center and Admissions Building Project

This item requested authority to execute the remaining design contract and construct the \$5.5 million gift-funded Visitor Center and Admissions Building project along Roosevelt Avenue at the campus mall entrance to house the Office of Admissions, the UW-Eau Claire Alumni Association, and UW-Eau Claire Foundation operations.

Ms. Roe explained that this is the first stand-alone building constructed in the gift and grant program and is wholly gift-funded through the UW-Eau Claire Foundation. The first floor will provide staff offices and gathering space for greeting prospective students, parents, and others for campus visits, and the second floor will provide conference rooms, offices and workstations for alumni and foundation operations.

Regent Steil expressed his appreciation to Chancellor Schmidt for bringing forth a gift of this magnitude that will have such a significant impact on the campus.

Upon the motion of Regent Jones, and the second of Regent Ring, 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 execute the remaining design contract and construct the UW-Eau Claire Visitor Center and Admissions Building project for a total cost of \$5,500,000 Gift Funds.

I.3.i. UW System: Authority to Complete the Design and Construction of the UW-Madison Bascom Hill Room 165 Remodel Project

This item requests authority to complete the design and construction of the Bascom Hall Room 165 Remodel project for a total project cost of \$1,900,000 Gift Funds. This project will repurpose Lecture Hall 165 into an office suite in keeping with the recent campus master plan recommendations to convert under-utilized classroom space to badly needed program space, reorganize the location of executive and administrative staff, and create a more efficient working configuration.

Ms. Roe introduced Vice Chancellor Laurent Heller who explained that the project converts a classroom, which is underutilized because of poor conditions of ergonomics, access, and technology, into administrative office space.

Ms. Roe added that the project is already fully designed and ready to be bid.

Regent Delgado asked what is the purpose of the project, and Mr. Heller answered that it will allow the university to combine staff functions that are spread throughout Bascom Hall and other buildings into one location for increased efficiency.

Regent Delgado asked if it could be converted back into a classroom in the future and Associate Vice Chancellor for Facilities Planning and Management David Darling answered that one component of the renovation of this historic building is that the space could be fully reversed back to its previous configuration. Regent Steil added that an individual interested in historic preservation provided gift funds to support that aspect of this project.

Regent Steil requested updates to the committee on the progress of this project as it is constructed and Mr. Heller confirmed that the university was confident that it could deliver the project within the estimated budget.

Upon the motion of Regent Ring, and the second of Regent Jones, the Committee approved Resolution I.3.l., 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 Bascom Hall Room 165 Remodel project for a total project cost of \$1,900,000 Gift Funds.

I.3.f. UW-Eau Claire: Authority to Rename the University of Wisconsin-Barron County

This item requested authority to rename UW-Barron County “University of Wisconsin-Eau Claire – Barron County,” subject to the Higher Learning Commission approval of the UW Colleges and UW-Extension restructuring proposal. This change will reflect the integration of the institution with its new strategic partner and allow UW-Eau Claire to launch the new name in a timely manner for 2018-19 recruitment efforts.

Chancellor Schmidt spoke briefly about the series of conversations that the university had with the community about the renaming and mentioned that the community has planned a series of celebrations to better inform the public about the integration of UW-Barron County with UW Eau Claire. Regent Steil applauded the efforts the university made to accomplish the renaming early as part of its outreach and recruitment plan preparations. Regent Jones also praised the inclusive process the university developed and suggested it be used as a model for renamings at other campuses.

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

That, upon the recommendation of the UW-Eau Claire Chancellor and the President of the University of Wisconsin System, authority be granted to rename UW-Barron County “University of Wisconsin-Eau Claire – Barron County,” subject to the Higher Learning Commission approval of the UW Colleges and UW-Extension Restructuring proposal.

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

This item requested authority to construct an All Agency Maintenance and Repair project at UW-Whitewater.

Ms. Roe briefly described the project by explaining that the deteriorated concrete pedestrian bridge on the north side of the Williams Center will be replaced and all associated pedestrian walkways, site improvements, and landscaping will be reconstructed to meet ADA requirements for entry into the building.

Upon the motion of Regent Jones, and the second of Regent Delgado, the Committee approved 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 a maintenance and repair project at an estimated total cost of \$696,700 (\$397,100 General Fund Supported Borrowing and \$299,600 Program Revenue Supported Borrowing).

I.3.h. UW System: Semi-Annual Status Report on Leasing

Real Estate Specialist Ellen Rosner updated the committee on the status of leasing activity since December 2017 by reporting that five leases were executed in the last six months for a variety of uses that did not require Board of Regent approval and five leases were terminated.

New leases include those at

- UW–Madison, Tandem Press,
- UW–Madison, Park Street, WISCARES, 4,200 SF
- UW–Milwaukee, Helen Bader School of Social Welfare – 2,597 SF
- UW–Milwaukee, Athletic Department, 2,500 seat stadium in Franklin
- UW–River Falls, School of Business, 9,551 SF

Terminated leases include those at

- UW–Marshfield/Wood County, Marshfield, Gymnastics gym
- UW–Madison, School of Education, Madison
- UW–Madison, School of Ophthalmology, Beaver Dam
- UW–Madison, School of Medicine and Public Health, Eau Claire
- UW–Oshkosh, Mercy Medical Center, Oshkosh

I.3.i. UW System: Semi-Annual Status Report on UW Solely Managed Capital Projects

Program Administrator Pat Rebholz informed the committee about qualifying gift funded projects that are underway at UW System institutions. He began by explaining the six to ten week time savings that has been achieved by having on-call contracts with architects and engineers and how those agreements provide shorter project turn-around times for the end users. Mr. Rebholz presented highlights of recently constructed gift funded projects at UW-Extension Upham Woods, and UW-Madison facilities: Grainger Hall, the Health Sciences Learning Center, and the Wisconsin Institutes for Medical Research (WIMR).

Ms. Roe mentioned that the program has grown to \$94 million since UW System received the authority for the program in 2015 and she explained that UW System is working hard to keep the project schedules tight and establish good relationships with professionals in the building community.

Mr. Rebholz added that there are 38 active projects at this time and that UW System staff are working on upgrading the content of the contracts to better meet the needs of the universities.

Regent Steil asked if the on-call agreements resulted in more efficient operations than those previously and Mr. Reholz answered that they did, and that they generated a good deal of interest from the professional community.

Regent Plante asked if there would be more opportunities for on-call agreements and Mr. Reholz responded by saying that as the program grows with more projects there will be more opportunities for on-call agreements. Ms. Roe added that UW System also contracts with architects and engineers through informal and formal selections for building projects and not only through the on-call process; and that UW System does business with architecture and engineering firms throughout the state.

I.3.j. UW-Milwaukee Presentation: *UWM Capital at a Crossroads*

Vice Chancellor for Finance and Administrative Affairs Robin Van Harpen presented information about the university's capital program including the decompression and building repair needs as documented in the 2010 master plan; the redevelopment plan for the Northwest Quadrant facilities; and the university's requests for 2019-21 major project funding.

Regent Delgado congratulated the campus for finding a path to renew the Student Union without having an impact on student fees. Regent Evers thanked the university for its continuing efforts at keeping its need of a new facility to replace the obsolete chemistry building at the forefront of its capital project needs.

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

1. State Building Commission Actions

Associate Vice President Roe began by explaining that there was a BOR Executive Committee teleconference meeting on May 22nd that approved increases in the budgets of the UW-La Crosse Wittich Hall Renovation project; the UW-Madison Chemistry Addition and Renovation project; and the UW-Madison South Campus Utility Improvements project. Ms. Roe then reported that the State Building Commission voted its support of two of those projects and other requests at its June meeting:

UW-Madison: Chemistry Addition and Renovation - Authority to construct and a budget Increase of \$39,300,000 for a total project cost of \$133,100,000 (\$91,200,000 GFSB, \$16,072,000 PR-Cash and \$25,828,000 Gifts)

UW-La Crosse: Wittich Hall Renovation Budget Increase of \$2,128,000 for a total project cost of \$26,746,000 PR-Cash to accept bids

UW-Platteville: Sesquicentennial Hall BTF Release of \$1,700,000 BTF to start design

UW-River Falls: McMillian Hall Restroom Renovation – Authority to construct at \$2,352,000 PRSB

2. 2019-21 Capital Budget Update

Ms. Roe explained that the 2019-21 Capital Budget and the 2019-25 Six-Year Plan will be presented at the next Board of Regents meeting in August and presented a few highlights of the projects that the institutions requested. She stated that there were 41 requests submitted for 2019-21, 20 projects for 2021-23, and 15 requests for 2023-25 and added that two of the 2019-21 projects were withdrawn and were resubmitted as gift projects. Ms. Roe continued her update by summarizing the cost, funding sources, the type of space, and operating budget impact of those project submitted by the universities.

The Capital Planning and Budget Committee meeting was adjourned at 11:59 a.m.