

**Board of Regents of the University of Wisconsin System**  
**Capital Planning and Budget Committee Minutes**  
**Thursday, June 6, 2019**

The meeting of the Capital Planning and Budget Committee was called to order at 10:47 a.m. by Committee Chair Regent Klein in the Union Ballroom-West on the UW-Milwaukee campus. Regent Plante, Regent Jones, Regent Stanford-Taylor and Regent Woodmansee were present. Regent Beightol joined the meeting at 10:50 a.m.

**I.3.a. Approval of the Minutes of the April 4, 2019 Meeting of the Capital Planning and Budget Committee**

After receipt of a motion and second, the minutes of the April 4, 2019, meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW-Madison: Authority to Amend the Lease of Space for the Antarctic Astronomy and Astrophysics Research Institute**

This item requested approval to amend the lease of 19,574 GSF of office space for the Wisconsin IceCube Particle Astrophysics Center, which operates the IceCube Neutrino Observatory at the South Pole. The scientific center has occupied space at 222 West Washington Avenue in Madison since 2005.

Associate Vice President Roe explained that the center needs a high-speed, high-capacity network for the amount of data that it collects each year and its current location provides that connectivity. She added that if the center were to move, it would cost approximately \$384,000 to purchase a comparable network setup for the new location along with relocation costs, therefore, in this situation, the cost avoidance of remaining in its current location supports this request to amend the current lease. The lease amendment includes a new five-year term and a decrease in the base rental rate for a \$6,000 annual savings.

In response to a question from Regent Klein, Ms. Roe stated that Board of Regents policy requires that the Board approve a lease that is longer than five years or is more than one million dollars in its initial term, and this lease has a cost of approximately \$2,825,000 over the course of the first five years.

Regent Beightol asked if there were a way to consolidate the center's data requirements with other UW-Madison data centers and Ms. Roe answered that idea was investigated, but no other data facilities could accommodate the amount of data storage and the space required for the center's staff.

Resolution I.3.b. was moved by Regent Jones, seconded by Regent Beightol, and adopted unanimously on a voice vote.

**I.3.c. UW-Parkside: Authority to Construct the Wyllie Hall Renovation, Phase I Project**

This item requests approval to finish the contract documents and construct the Wyllie Hall Renovation, Phase I (Levels D2/D1/L1) project for \$35.3 million.

Associate Vice President Roe explained that the project was enumerated as part of the 2017-19 Capital Budget and remodels the 1972-era building by upgrading or replacing obsolete life safety, mechanical, plumbing, and fire protection systems and creating a new Learning Commons to address retention, graduation rates, and facilitate student success. She continued by saying that some changes made to the project since it was enumerated include being able to accelerate the process, which is resulting in a shorter schedule than what was originally estimated, and revisions to the original layout that include moving the coffee shop to another level of the building. She added that both of these changes are anticipated to produce substantial cost savings.

Regent Klein asked if special services to assist the students were provided in this building, and Ms. Roe explained that the offices supporting students are now disparate, and that this project will reconfigure space to consolidate those offices into one general area and make them more easily accessible and inviting for students.

Resolution I.3.c. was moved by Regent Stanford-Taylor, seconded by Regent Jones, and adopted unanimously on a voice vote.

**I.3.d. UW System: Authority to Construct 2017-19 Classroom Renovation/Instructional Technology Improvement Program Projects**

This item requested authority to construct various 2017-2019 Classroom Instructional Technology Improvement Program projects at an estimated cost of \$4,234,000 (\$4,116,700 General Fund Supported Borrowing and \$117,300 Cash).

Ms. Roe summarized this item by saying that \$10 million was enumerated for the 2017-19 instructional space projects that renovate classrooms and laboratories and that this request would provide funding for projects at three institutions UW-Madison, UW-River Falls, and UW-Superior to create areas such as: active learning spaces; classroom facilities for physics, chemistry, and other biological sciences; and multi-media media labs.

Regent Jones asked when the next request for the remaining projects will come to the Board for approval, and Ms. Roe answered that those would most likely come forward in July with one project possibly delayed until October.

Resolution I.3.d. was moved by Regent Jones, seconded by Regent Stanford-Taylor, and adopted unanimously on a voice vote.

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

This item requested authority to construct All Agency Maintenance and Repair projects at an estimated cost of \$8.3 million. Ms. Roe described details of the four projects that include central heating plant fuel reliability upgrades at UW-Eau Claire and UW-River Falls, a chiller

replacement at UW-Milwaukee, and the rehabilitation of a storm water detention pond at UW-Madison.

Regent Beightol asked if there were local partners who are contributing to the funding of the storm water pond rehabilitation project, and Ms. Roe answered that the university's portion is \$517,400 General Fund Supported Borrowing and \$1,591,000 Cash, portions of which are from UW-Madison, the City of Madison, and the Town of Madison. Associate Vice Chancellor David Darling provided a breakdown of the cash funding for the project which is: City of Madison \$980,600, Town of Madison \$378,600, and University \$202,400.

Resolution I.3.e. was moved by Regent Jones, seconded by Regent Beightol, and adopted unanimously on a voice vote.

**I.3.f. UW-Madison: Authority to Execute the Remainder of the Design Contract and Construct the UW-Managed Medical Science Center Kinesiology Relocation Project**

This item requested authority to execute the remainder of the design contract and construct the UW-managed Medical Science Center Kinesiology Relocation project for \$12 million Gift/Grant Funds.

Ms. Roe explained that this project renovates approximately 56,170 GSF of space in the basement and on the second, third, and sixth floors of the Medical Science Center for the relocation of the Kinesiology Department from the Gym/Nat facility. The renovations will provide a new entrance and areas for academic instruction, laboratory activities, associated support needs, and faculty research labs. Work will also include the addition of fire protection systems and accessible upgrades.

Regent Klein asked about the project's funding and Vice Chancellor for Finance and Administration Laurent Heller answered that the university is still working out final details of the gift/grant funding. Ms. Roe added that the UW-managed gift/grant projects must have half of the funds in an account before the project can go to bid.

Resolution I.3.f. was moved by Regent Jones, seconded by Regent Stanford-Taylor, and adopted unanimously on a voice vote.

**I.3.g. UW-Madison: Authority to Execute the Remainder of the Design Contract and Construct the UW-Managed Engineering Centers and Material Sciences Lab Renovations Project**

This item requested authority to execute the remainder of the design contract and construct the UW-managed Engineering Centers and Materials Science Lab Renovations project for \$2.9 million Gift/Grant Funds. Ms. Roe stated that the project creates a new 3,816 square foot teaching lab in the Engineering Centers Building with new mechanical, electrical, plumbing, health, and life safety upgrades and a new research lab in the Materials Science Building with new flooring, laboratory casework, and fume hoods for instructional and research needs.

Resolution I.3.g. was moved by Regent Jones, seconded by Regent Stanford-Taylor, and adopted unanimously on a voice vote.

**I.3.h. UW-Madison: Authority to Increase the Budget of the UW-Managed Biochemistry Electron Microscopes Project**

This item requested authority to increase the budget of the UW-managed Biochemistry Electron Microscopes project by \$450,000 Gift Funds. This project remodels areas of the DeLuca Biochemistry Building to provide specialized space for accommodating the requirements of two new electron microscopes. The project bid over its estimated budget and this increase will allow bids to be accepted and re-establish an appropriate post bid contingency to accommodate any unforeseen conditions that may occur during construction.

Ms. Roe explained that this project was approved by the Board in February and bid over its estimated budget. This increase will allow bids to be accepted and re-establish an appropriate post bid contingency to accommodate any unforeseen conditions that may occur during construction.

Resolution I.3.h. was moved by Regent Jones, seconded by Regent Beightol, and adopted unanimously on a voice vote.

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

UW System staff updated the committee on the status of leasing activity from December 1, 2018, through May 31, 2019. Ms. Roe reported that eleven leases were executed in the last six months for a variety of uses. Four leases required Board of Regents approval: two leases for the UW-Green Bay STEM building, a lease for Kenosha County to construct a recreational trail system at UW-Parkside, and a lease with Portage County to construct a trailhead and restrooms in the Schmeekle Reserve on behalf of UW-Stevens Point. Five leases were renewed and one lease was terminated.

UW-Whitewater Vice Chancellor for Administrative Affairs Grace Crickette provided an update on the Sentry building lease at UW-Whitewater. She began by saying that the remodeling of the building, which will house community programs, is substantially complete and expected to be finished in July. The remodeled facility will provide space for two laboratories, several clinics, programs that support small businesses, and public areas for gathering and collaboration.

In response to Regent Klein's request that she provide some information about the consultation review of the UW-Whitewater Sentry project, Ms. Crickette explained that the interim chancellor had asked UW System to review the process that took place regarding the Sentry lease. She added that the review concluded, except for some anomalies, that the documentation that had been established was in order.

Regent Jones asked if it is likely that the institutions would be leasing more space going forward, and Ms. Roe answered that they are very careful about leasing activities because it is an operating expense. She stated that leasing might occur if there is a gift/grant funded project that needs space, or if the leasing is to provide for a university's high priority need when it is unlikely that a capital project could be soon enough to fill that need. Regent Klein commented on the need for transparency in these activities.

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

The committee received a status report on UW-managed capital projects that are underway at System institutions. Ms. Roe reported that the value of all the projects has increased by about \$4.5 million since the last report in December. She added that there are now 26 active projects and that some of those under \$1 million are studies to understand the cost and schedule of projects that the university might be considering.

Regent Klein stated she would like to review some metrics compiled about the UW-managed gift/grant funded program to see its effect on donations for building projects.

Regent Beightol ask if someone had donated funds to undertake the study of the Kinesiology relocation project as shown in the report and Mr. Heller explained that the gift/grant funding for that study came from a donation of unrestricted funds. Ms. Roe added that studies are important because they do produce a better estimate of what a project will actually cost.

**I.3.k. UW-Milwaukee Presentation: “UWM’s Capital Planning – the Long Game”**

Vice Chancellor Robin Van Harpen presented an overview of the challenges the university faces as it addresses its aging physical infrastructure. She stated that 60% of UW-Milwaukee’s 7.3 million GSF have not been renovated in more than 45 years and described the poor condition of the Student Union and the Chemistry building, both of which are addressed with project proposals in the 2019-21 UW System Capital Budget request: a renovation of the existing Student Union and construction of a new Chemistry building to replace the existing obsolete facility. She continued by describing themes of the university’s Southwest Quad Redevelopment Plan and the need for comprehensive renewal of those facilities that include the Physics, old Chemistry, Engineering and Mathematical Sciences, and Cunningham buildings. Next, she explained the various repair and maintenance needs that would be addressed using All Agency funding. Ms. Van Harpen concluded her presentation by describing how the university’s facility planning efforts focus on careful management of its net square footage and how it is preparing for its future needs by providing flexible interdisciplinary spaces, areas suitable for partnerships and collaboration, and new spaces suitable for student engagement.

Regent Beightol asked Ms. Van Harpen to comment on the university’s physical plant around the community and she replied that a study done during the master plan in 2010 indicated space shortages, but very few opportunities to expand on campus. She explained that the university has constructed facilities beyond the campus such as the School of Freshwater Sciences, the Global Water Center, and Innovation Campus and that the university is very supportive of community outreach even though it is challenging operationally to pay for spaces that are located beyond the main campus site.

Regent Klein commented that one of the greatest areas of UW System’s economic impact on our state, in addition to research, is the building and maintaining of our physical facilities. She added that great facilities that meet the need of students also make a great recruitment tool and provide multi benefits for the community. She suggested a proactive planning approach be considered to determine what kind of facilities we need that will support expansion, student

retention, and result in a positive economic impact and suggested that more time be devoted to this topic at the committee meetings. Ms. Roe added that all of our institutions have done master plans that focus on those topics and that UW-Milwaukee has recently completed several district studies. Regent Klein asked if the economic impact of a project is considered when it is reviewed for funding and Ms. Roe responded that it has not been a major focus of our planning studies but could be an additional consideration.

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

Ms. Roe made some brief comments regarding the disposal of an asset and explained that the Department of Administration has specific requirements that must be met before an asset can be divested. She reported that there was a special Board of Regents Executive Committee Meeting that occurred on Tuesday, April 30<sup>th</sup> for consideration of an increase in the budget of the UW-River Falls Falcon Center for Health, Education, and Wellness project to address the bids received and to consider granting authority for construction of the UW-Madison Linden Drive Parking Garage project, which is an enabling project for construction of the School of Veterinary Medicine project that is part of the 2019-21 capital budget request. She stated that both items were approved at that meeting.

1. State Building Commission Actions

Ms. Roe stated that all the items UW System put forward for the May Building Commission Meeting were approved and those included: UW-Madison: Parking Lot 62; UW-River Falls: Rodli Hall Renovation Budget Increase; UW-River Falls: Falcon Center for Health Education and Wellness Phase III Budget Increase, and eleven All Agency projects at various campuses. She also reported that money was moved from the All Agency Program to the Smalls Program (a subset of the All Agency Program).

2. 2019-21 Capital Budget Update

There was no update to the status of the 2019-21 Capital Budget

The Capital Planning and Budget Committee meeting adjourned at 12:08 p.m.