

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, December 10, 2020**

The December 10, 2020, meeting of the Capital Planning and Budget Committee was held via WebEx Videoconferencing and was called to order at 10:45 a.m. by Committee Chair Regent Jones.

A. Calling of the Roll

Present: Regents Scott Beightol, Mike Jones, Edmund Manydeeds, Corey Saffold, and Carolyn Stanford Taylor, and Michael Grebe.

Unable to attend: Regent Tracey Klein

B. Declaration of Conflicts

Before considering any items on the agenda, Committee Chairman Jones asked if any Board members wished to declare any conflicts of interest as per Regent Policy Document 2-4, "Ethics and Conflict of Interest Policy for the UW System Board of Regents." No conflicts of interests were declared.

C. Approval of the Minutes of the October 8, 2020 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the October 8, 2020, meeting of the Capital Planning and Budget Committee were approved as presented.

D. Authority to Construct the Bascom Hill/Lathrop Drive Utility Replacement, Phase II Project  
Ms. Roe described the project by saying this phase was enumerated by the legislature in the 2019-21 budget and is ready to be released for bidding in the next few weeks. Bids are expected to be opened in February with construction beginning in May and substantial completion by June 2022. She added that this project concludes a comprehensive north campus utility improvements project of old systems that required replacement or relocation due to age, condition, and location and includes domestic water, sanitary sewer and storm water systems, primary electrical power, telecommunications, and chilled water along with high- and low-pressure steam and condensate return. The project is expected to decrease operational costs as it increases utility reliability.

E. UW-Madison: Authority to Construct the Veterinary Medicine Addition and Renovation Project

AVP Roe briefly described the history of the school and its research mission and explained that the project constructs a new three-story building just north of the existing facility. The project expands collaboration spaces and constructs specialized surgery suites for the hospital as well as access to the small and large animal isolation suites that are necessary to

meet accreditation requirements. The project constructs new research animal biosafety labs for the decompression and co-location of research activities, renovates portions of the animal hospital, and razes three buildings at the school's Charmany site.

She explained that the project is expected to be bid January with construction beginning in June and completion occurring in late 2024. The project remains within budgetary parameters, and additional fundraising will permit the university to acquire equipment to meet the school's needs for clinical and research activities.

F. UW-Milwaukee: Authority to Construct the Chemistry Building/Central Utilities Extension Project

AVP Roe briefly described the history of the 1972 building and why a recent assessment determined that it is not suitable for renovation. She explained that chemistry instruction and research has changed significantly since the building opened and showed slides of the existing laboratory settings that inhibit modern instructional and advanced research activities as well as renderings of the new proposed facility.

AVP Roe continued by explaining that the project constructs a new academic and research chemistry and bio-chemistry facility south of the existing building to provide instructional and research laboratories and their associated support spaces, offices, and shared collaboration/informal learning space. The project is nearly finished with design and is expected to be released for bidding in spring 2021 with construction starting in early fall and substantial completion expected in fall 2023.

G. UW-Milwaukee: Authority to Construct the Student Union Renovation Project

AVP Roe briefly described the history of the 1972 building and that multiple studies were undertaken to quantify the cost of repair, replacement, or a combination of the two and find ways to meet the programmatic needs of the student body. She explained that the project renovates a portion of the existing Student Union and repairs the deteriorated exterior envelope as well as the mechanical, electrical, and plumbing systems to resolve the highest priority infrastructure needs but does not comprehensively renovate the entire building. She added that the building's electrical systems are well beyond their useful lives, there are multiple water challenges, and the concrete is spalling along the exterior walls. The architects propose to upgrade the main entry concourse and provide as many interior upgrades as can be managed within the project's budget. The project is on target to finish the construction documents and release it for bidding in late winter/early spring with construction starting in summer 2021 and completion expected in spring 2023.

Regent Beightol commented that the UW-Madison Veterinary School is ranked number 9 by *US News and World Report* in its ranking of the country's top veterinary schools. He added that when the project is completed, the rehabilitation programs, which were previously held on a parking lot, will take place in the new indoor arena facility. He also mentioned that the

Veterinary school had done a remarkable job with private fundraising in support of this new facility. He also commented on the UW-Milwaukee Chemistry Building project by saying that the building is very cramped and antiquated, and the academic need is great for the growing number of STEM students. Lastly, Regent Beightol spoke of his support for the renovation of the UW-Milwaukee Student Union saying it is a remarkable building and the fact that it's being renovated speaks well of their stewardship with our dollars.

Resolutions D., E., F., and G. were moved by Regent Stanford Taylor, seconded by Regent Beightol, and adopted unanimously on a voice vote.

H. UW-Platteville: Authority to Increase the Budget for the Boebel Hall Addition and Renovation-Phase II Project

AVP Roe summarized the project by saying that the renovation of Boebel Hall has been split into two phases. Phase I was completed a few years ago, and we are now in the final, second phase that renovates instructional labs, undergraduate research and general assignment classrooms for the biology, chemistry, and geography and geology coursework departments. She continued by saying that when bids were opened in November 2019, the construction costs were higher than estimated and the equipment funding was used to cover the cost of construction rather than rebidding the project. The project is expected to be completed mid-year 2021 with occupancy sometime in the late fall.

AVP Roe explained the new Engineering Building, Sesquicentennial Hall was bid earlier this year and the successful bid was nearly \$11M lower than projected costs. As a result, it was determined that some residual funding from that project could be repurposed to replenish the equipment funds for Boebel. She added that these funds will allow us to furnish instructional laboratories with new technology, furnishings, and equipment designed for active learning and a modern pedagogy.

Regent Sanford Taylor asked if the initial overrun had used equipment money and AVP Roe responded that when the bids came in over the budget a long conversation was had internally about whether to bring the project back, eliminate scope and rebid it. She explained some escalation had been seen in that timeline and scope had already been reduced by removing several chemistry lab renovations. It was decided that continuing to reduce the scope was problematic and so the equipment money was taken with the agreement that after the construction project had proceeded for some time we would try to afford the equipment out of the contingency or ask for additional dollars. It was determined that we need to buy the equipment before we open the building and DOA is not comfortable to use contingency money for that purpose at this stage of the project, so because of the good news with the budget of the engineering project, we are able to make that transfer of funds.

Resolution H. was moved by Regent Beightol, seconded by Regent Stanford Taylor, and adopted unanimously on a voice vote.

I. UW System: Authority to Construct 2019-21 Classroom Renovation/Instructional Technology Improvement Program Projects

AVP Roe described the two projects for consideration. The first project upgrades and reconfigures the Arts Sculpture labs at UW-Whitewater which will provide up-to-date heating and cooling systems that meet safety and health requirements for sculpture and metal fabrication. She explained separating the foundry into a new addition away from the lab enables the university to meet accreditation, OSHA, and EPA requirements, and that construction is expected to start in summer 2021 and be finished by early winter 2022.

The second project converts three classrooms into one active learning classroom in Holton Hall at UW-Milwaukee. The project includes removal of interior walls and finishes and the installation of new computer equipment, lighting, and free-standing furniture. The goal is to start construction in summer 2021 and have it finished in time for Spring Semester 2022.

J. UW-Madison: Authority to Complete the Design and Construct the UW-Managed Memorial Union Addition and Repairs Project

This item requested approval to construct a three-phase project in Memorial Union that builds a small addition on the fifth floor, repairs leaking exterior roof decks of the Tripp and Union theaters, and replaces a nonfunctional lift with a larger heavy-duty service elevator.

AVP Roe explained that this UW-Managed project will complete work that was removed from an earlier DOA managed construction project in 2012 due to budgetary constraints. The addition to the fifth floor will provide collaborative spaces for student organizations. The second component repairs the exterior roof decks at the 1950's Tripp and 1930's Union Theatres, and the final piece will install a new elevator in place of the existing loading dock lift. The project's goal is to complete the design and construction documents and release the project for bidding in April with construction completion by the end of the year.

K. UW System: Authority to Construct All Agency Maintenance and Repair Projects

AVP Roe described the four projects by saying the first one proposes to remove and replace the 1972's era wooden bleacher system that is worn, warped, and cracked at UW-Parkside. The project will also build new elevated and courtside seating.

Next, she described the UW-Madison Charter Street Chilled Water Valves replacement project that will install new isolation valves to replace failed valves that no longer permit shutoff of the chilled water system. By doing so, the university can safely segregate the eastern half of the campus from the western half. The work will be done in two phases during the time when cooling demand loads are at their lowest.

The next project at UW-Whitewater will replace underground utilities and reconstruct Parking Lot 17. Restoration of this lot was delayed due to construction of the new residence hall and heating plant expansion projects. The last project will replace the football field's synthetic turf at the UW-Whitewater Perkins Stadium. A synthetic turf's average life span is about 7 to 10 years and by the time the field is replaced, it will be nearly 12 years old.

L. UW System: Authority to Construct Minor Facilities Renewal Projects

AVP Roe described the item by saying there are two projects in this request – the first at UW-Milwaukee to reconfigure the 9<sup>th</sup> and 10<sup>th</sup> floors of the Engineering and Mathematical Sciences building that was constructed in 1968 and still retains most of its original building infrastructure. This project creates flexible open lab type spaces with new casework, utilities, electrical power, and telecommunications to promote collaboration and provide a modern setting for scientifically advanced applications. The goal is to complete this work by summer 2022.

The second project at UW-Stout will improve the reliability of and expand the capacity of the 30- to 68-year old central steam utility distribution system. It replaces existing underground sections, abandons steam lines under Broadway Avenue with new direct buried sections on campus property, and creates a loop system on the north campus. Construction is estimated to start in summer 2021 and be completed by summer 2022.

Resolutions I., J., K., and L. were moved by Regent Stanford Taylor, seconded by Regent Beightol, and adopted unanimously on a voice vote.

M. UW System: Authority to Modify the 2021-23 Capital Budget to Add the UW-Stevens Point Albertson Hall Replacement Project Request in lieu of the UW-Stevens Point Albertson Hall Entry Addition and Renovation Project

AVP Roe described the project by saying that as the architectural team worked with library, academic, and student support staff at UW-Stevens Point, it became clear that the exterior envelope of the building was more compromised than previously thought. The brick and precast panel systems of the exterior wall are failing putting pressure on the first-floor windows, which have begun to bow and break. The building suffers from significant water penetration all along the exterior facades and at the lower level, which jeopardizes the existing data center that serves the university, the local police, and the adjacent hospital.

The design team's recommendation for a complete replacement of the existing envelope would have added an additional cost of \$6-8 million to the project and that challenged the prudence of renovating a building that has such significant infrastructure system failures and an undersized structural slab. AVP Roe continued by explaining that after extensive

meetings were held it was decided to proceed with a change in the project from renovation to replacement.

As a result of that decision, planning work proceeded and developed a new smaller building on the same site with a flexible, structurally solid floor plan that allows for maximum flexibility and improved accessibility. The cost to renovate the old building was \$80,970,000 and the estimate for the replacement building is \$92,160,000 for about 87% of the cost of renovation versus new, including costs to demolish the existing building.

Incoming Chancellor Gibson spoke of the significant structural, safety, mechanical, electrical, plumbing, and ADA compliance deficiencies that indicate Albertson Hall is nearing the end of its useful life and stated that he fully supports the request to replace Albertson hall. He added that a new building will allow for a smaller physical footprint, greater library functionality, the alignment of academic and student support services in a co-located space, while serving as an example of our commitment to academic excellence

Regent Jones asked AVP Roe to describe the \$12 million difference in the projects and she explained that it is estimated that the exterior envelope repair work for the renovation project would cost about \$6 to \$8 million dollars, and there is also the need to relocate the data center into another building. In the replacement project, the estimate to demolish the existing building is about \$3.5 million dollars, the data center would need to be permanently relocated, and a backup generator would be provided for the new facility.

In response to a request from Regent Beightol, Ms. Roe explained that the exterior envelopes of many of the facilities built in the 1960s and 1970s were not well constructed. She used the Albertson building as an example by saying it has no vapor barrier, the ductwork system is made of fiberboard that is failing throughout the building, and the structural system was not designed to handle the weight of book stacking everywhere. She continued by explaining that the building could have been renovated for \$90 million, but by spending \$92 million we are able to build a smaller building with a more flexible footprint that is suitable for use as library and meets today's ADA requirements. She added that we salvage buildings when it is appropriate, but in a case like this, it would not be suitable to reuse this building as a library facility.

Regent Beightol added that what we need in our building projects is flexibility and sustainability for today's generation and the next.

Resolution M. was moved by Regent Beightol, seconded by Regent Manydeeds, and adopted unanimously on a voice vote.

N. UW System: Semi-Annual Status Report on Leasing

A six-month status update report on leasing since June 2020 was provided.

O. UW System: Semi-Annual Status Report on UW Solely Managed Capital Projects

A six-month update on UW-Managed capital projects was provided and Ms. Roe mentioned that the report contains information regarding change orders that indicates when change order rates for the larger projects were analyzed, it was determined that they are well within industry standards.

Regent Manydeeds asked if we have oversight of projects supported by a foundation, and AVP Roe responded by saying that when a foundation proposes to acquire a building on behalf of a university they engage closely with the university and our System office. If the building is owned and operated by the foundation, we do not have a role in that. If the university is not going to actively use the property, then it is also outside our purview. However, if there were a lease involved or if the building were to be gifted back to the Board, we would be deeply engaged. She continued by explain that if a foundation was going to acquire a building and wanted us to operate it, we would need to execute and an agreement with them. If we were to acquire a property, there are statutory limits in terms of what the Board can and cannot do without support of the state legislature.

P. Report of the Senior Associate Vice President

a. Status Update on the 2021-23 Capital Budget

AVP Roe began her report by saying that the State Building Commission met on October 8<sup>th</sup> and approved all the universities' requests.

She continued by reporting that System staff are working collaboratively with DOA to resolve outstanding questions that they have identified regarding our 2021-23 capital budget request. She informed the committee that the UW-Madison Engineering Drive utilities project design team recently identified a budgetary gap between the budget that was approved by the Board in August and their cost estimator. After review with DOA, UW-Madison, and our team, it was determined that additional funds are required to undertake the project's original scope. Therefore, after discussions with senior leadership and the President, we notified DOA that we respectfully request an increase in the project budget from \$60,303,000 to \$73,141,000. AVP Roe reminded the committee that the Board's capital budget resolution allows for the UW System President or his designee to adjust individual project budgets as necessary in the development of the final 2021-23 capital budget recommendation with the Department of Administration.

b. Update on Recent Capital Project Initiatives

AVP Roe informed the committee about an exciting new project that UW-Madison would like to undertake as part of the UW-Managed program. The project aims to develop a new building for the recently formed School for Computer, Data and Information Sciences. This new school is located within the College of Letters and Sciences and will combine the Computer Sciences, Statistics, and the iSchool departments and will also include the American Family Insurance Data Science Institute. It will be located adjacent to the Wisconsin Institute for Discovery and Brogden Psychology Building along University Drive. A Milwaukee based firm was recently selected to develop a planning and programming study for the proposed building and fundraising activities are underway. The study is expected to be completed in early spring and if project funding is secured, the university will be asking the Board to approve the project later in 2021.

UW-Madison Interim Associate Vice Chancellor Rob Cramer expressed his appreciation to AVP Roe for bringing this exciting project to the committee and said the goal is to drive multidisciplinary connections across the campus, foster industry collaboration, and support extending the reach beyond the campus to the K-12 districts across the state.

The Capital Planning and Budget Committee meeting adjourned at 11:35 a.m.

Respectfully submitted,

