

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, February 4, 2021**

The February 4, 2021, meeting of the Capital Planning and Budget Committee was held via WebEx Videoconferencing and was called to order at 8:49 a.m. by Committee Chair Regent Jones.

A. Calling of the Roll

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

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 December 10, 2020 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the December 10, 2020, meeting of the Capital Planning and Budget Committee were approved as presented.

D. UW-Eau Claire: Authority to Enter Into a Space Rental Agreement for the Flesch Family Welcome Center

Ms. Roe described the project by saying that about 60 years ago the UW-Eau Claire Foundation began occupying space in Schofield Hall, the main administration building. With a \$5.5 million donation to the university to construct the new welcome center, which was recently named the Flesch Family Welcome Center, the Foundation would like to relocate from Schofield Hall into the new building with a 25-year lease with one five year renewal at no cost.

Chancellor Schmidt introduced Grace Crickette, Vice Chancellor of Finance, and thanked Kim Way, the UW-Eau Claire Foundation President who lead fundraising efforts and oversaw the project. He also thanked Tom and Jeannie Flesch for their support of the new Welcome Center and spoke briefly about how this building will create a much more welcoming entrance to the campus.

Regent Manydeeds indicated his support for this project and said it was an excellent improvement for the campus that has been needed for a long time. Regent Beightol added his support of the project and acknowledged the foundation and Kim Way for the gift and the successful public private partnership that supported the project.

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

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

AVP Roe briefly described the first UW-Oshkosh project that renovates space in music practice rooms that do not meet acoustical standards and require reconfiguration in sizing and the installation of new acoustical material.

The second UW-Oshkosh project creates a new forensic anthropology laboratory area in Swart Hall to provide additional classroom space and all the necessary associated mechanical and electrical systems needed for a forensic laboratory. Construction would start in April for both projects and be finished in the fall of 2021.

The UW-Eau Claire project remodels rehearsal and classroom spaces in music rooms to improve sound isolation and acoustics and replaces HVAC systems to reduce noise. It is expected to be bid in 2021 and be completed in one year.

Regent Klein asked if it would be possible to use the same contractor for similar projects at several universities and AVP Roe responded by saying that the classroom/IT projects are individual projects included in the capital budget and that the Department of Administration manages that program. She explained that since they are individual projects at separate institutions, they cannot be bundled together and must be bid individually.

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

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

AVP Roe described the minor facilities renewal program as an expansion of the All Agency Program, which involves large deferred maintenance projects and that there is an ability to bundle multiple activities into one project and address multiple buildings together for a particular activity in that program.

The first project replaces the fire alarm and smoke detection systems in eight buildings at UW-Madison and will be bid as one project with one firm. The goal is to start the project late this summer and that it will probably take several years to complete because it involves multiple buildings and needs to work around the occupants of those facilities. The second project replaces direct buried high-pressure steam and condensate lines in the Park Street, Dayton Street, Lake Street, West Johnson Street corridor and four steam pits and will help facilitate the renovation of Sellery Hall.

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

G. UW System: Authority to Complete the Design and Construct the UW-Managed Engineering Hall Sprinkler Piping and Gas Distribution Piping Phase I Project

AVP Roe explained that this 1949 building had a master plan condition update in 2015 that determined in order to meet codes and expand the amount of laboratory space, a fire suppression sprinkler system and a central gas distribution system would need to be installed. She added that it is a three-phase project. Phase I will create the schematic design for all three phases to develop a sequencing design for the entire project and complete full design and construction of the necessary infrastructure that is required for preparation of phases 2 and 3.

Regent Manydeeds asked about a violation, and AVP Roe explained that the university is aware that over many years numerous chemicals were acquired that have triggered code concerns. Interim Associate Vice Chancellor Rob Cramer added that the university's Environment, Health and Safety group work with the faculty in each building to monitor the amount of chemicals and gas in the facility and take operational steps to comply with what's allowable by code. The goal of this project is to comply with code. AVP Roe added that the upgrades are also needed to be able to create more engineering lab space.

Regent Beightol asked if having this additional laboratory space would mean that the College of Engineering would be able to attract more grant money, and Mr. Cramer answered that UW-Madison was recently ranked 8<sup>th</sup> in the nation in respect to research and that labs and facilities are a potential constraint and it is important for the university to be able to respond quickly to support the researchers.

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

H. UW-Madison Presentation: "Critical Building & Infrastructure Priorities"

Rob Cramer presented information to update the committee on UW-Madison's critical infrastructure and building priorities and spoke about the university's strategic facilities framework, it's challenges and strategic objectives, some highlights of recent projects, and two critical priorities that the Board advanced last August as part of the 2021-23 capital budget.

He explained that the university operates about 424 buildings with 26 million square feet of space that follows the framework of acquisition, operation and maintenance, modification, and modernization, and ultimately the disposal of facilities. He added that some of the operational challenges are aged facilities, rapidly evolving programmatic and research needs, and system failures.

Mr. Cramer spoke about the university's strategic objectives of enabling the success of UW-Madison, ensuring safe operations, partnering with DOA and UWSA to improve capital project planning and delivery so it is on-time and on-budget, and halt the growth of deferred maintenance. He expressed his appreciation for Sr. Associate VP Roe's assistance and leadership as they have work together to improve project delivery, conduct more preplanning, expand communications, and taken designs further before bringing projects forward for approval. He added that the university is exploring options of sustainability and renewable energy for both small- and large-scale projects.

Mr. Cramer summarized recent project highlights by describing the Nicholas Recreation Center, the Meat Science and Animal Biologics Discovery Building, and the Gymnasium/Natatorium Replacement projects, all of which disprove the myth that new buildings are no longer needed, because all three facilities were unsuitable for renovation or modernizing because of changing programmatic needs. He highlighted the Meat Science Building by saying it has received national attention and that it supports the Meat Science and Animal Biologics Discovery program and its research from federal grants, commodity groups, industry, and other partners in a variety of areas that include biosafety, product development, and meat safety. He explained that the old meat muscle building was past its useful life and programmatically obsolete and that it had been constructed in three phases during 1930, 1959, and 1969 and was not able to be modernized or renovated to meet current industry and research requirements.

He spoke about two of the university's critical priorities in the 2021-23 capital budget which are a new Letters and Science Academic Building and a new the Engineering Building. Both existing buildings are past their useful lives and cannot be renovated to meet current program needs.

Mr. Cramer summarized key themes of the university's 2023-2029 Six-Year Plan that include: demolition of obsolete spaces; support for UW-Madison's Strategic Priorities of increased enrollment, academic program growth, and increased research; as well as the demolition of obsolete spaces; addressing deferred maintenance; and the incorporation of the lessons of 2020 and 2021.

Regent Klein expressed her support of strategic investments for important buildings and of continuing to modernize buildings, as appropriate. She asked what the plan would be for the Humanities building block and Mr. Cramer answered that the current plan is to vacate the building with a series of moves, demolish the building, and identify that location as a future development site.

Regent Beightol agreed with Regent Klein's comments and said our research institutions need to be funded adequately. He commented on the unfavorable trendlines of future governmental support and asked how the universities could attract additional government grants, private grants, and research faculty and how an expansion of our research

capabilities could be monetized through WARF and the UW foundations. Mr. Cramer noted Regent Beightol's comments and explained that the Business and Finance Committee was hearing a presentation about new revenue innovations, part of which concerns how the university regards physical assets, ways to determine if they are underperforming, and whether they could be repurposed for a better use.

Regent Manydeeds asked about the building demolition process, and Mr. Cramer answered that a demolition needs to be well planned to determine how much material can be recycled and that there should be a greater focus on demolition work going forward. AVP Roe explained that financing is one of the challenges of demolition and that the State uses Building Trust Funds for demolition, but those funds have become limited. She added that, because of bonding requirements, it is difficult to receive State bonding funds if the university is only demolishing a facility and not constructing a new building on the same site. She added that if a new building is to be constructed on a site where an existing building must first be demolished, it would then be appropriate to use General Fund Supported Borrowing to fund that demolition. She explained that many UW System institutions have obsolete buildings they would like to demolish, but the financing to accomplish that has become much more challenging.

Regent Klein agreed with Regent Beightol's statement about the importance of future research opportunities for the universities and added that it would be helpful to weave the university's strategic plan for increased research into future presentations. She called attention to the importance of pursuing legislative changes concerning bonding authority as a top priority for UW System. Ms. Roe mentioned that there have been conversations with legislative members about achieving bonding authority and that she will continue to work with governmental colleagues on that topic. She explained that UW-Madison and System offices have spent time with the Department of Administration capital finance team in conversations about bonding and borrowing for both operational and capital financing and added that the pursuit of bonding authority is a high priority goal that would benefit all our institutions. Mr. Cramer added that Steve Ackerman was recently hired as the UW-Madison Vice Chancellor for Research and Graduate Education.

I. Report of the Senior Associate Vice President

a. Recent Real Estate Activities

AVP Roe reported that the closing for the sale of the UW-Milwaukee alumni house occurred on January 6th and the property has been transferred.

She also reported that the State Building Commission meeting was held in December after the Board meeting and it approved all the requested projects but two, the Boebel Hall Addition and Renovation-Phase II project and the UW-Parkside PKS Campus Fire Alarm System Renovation project, both of which will be considered at its next meeting.

b. Other Updates

AVP Roe reported that the Board Executive Committee met on January 29<sup>th</sup> and approved the UW-Milwaukee Klotsche Center Annex Addition project that was enumerated in the 2019-21 capital budget and five All Agency projects, two at UW-Lacrosse to repair roofs at the Recreational Eagle Center and the Wing Tech Center and one to replace an elevator at the Roger Harring Stadium. The third constructs a WHA Transmitter Utility/Boardwalk Replacement project at UW-Madison. The remaining two were energy conservation projects that construct a Solar Photovoltaic Array project at UW-Platteville and a Multi-Building LED Lighting/Controls Upgrade project at UW Superior.

AVP Roe also reported that a Financial and Real Estate Advisory RFP was issued last fall and multiple proposals were received. A review of the proposals will be made by a seven-member committee that includes representatives of UW System and four of its institutions along with a subject matter expert panel that will assist in the selections. She explained that the goal is to select a few consultants who will provide services such as financial review and analysis, market studies, and the identification of revenue opportunities for the universities, such as possible community partnerships.

The Capital Planning and Budget Committee meeting adjourned at 9:46 a.m.

Respectfully submitted,

