

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
Capital Planning and Budget Committee Minutes
Thursday, July 8, 2021

The July 8, 2021, meeting of the Capital Planning and Budget Committee was held at Gordon Commons and via WebEx Videoconferencing and was called to order at 10:45 a.m. by Committee Chair Regent Rai.

A. Calling of the Roll

Present: Regents Scott Beightol, Michael Grebe, Ashok Rai, Corey Saffold, Edmund Manydeeds, and Karen Walsh

Unable to Attend: Regents Tracey Klein and Jill Underly

B. Declaration of Conflicts

Before considering any items on the agenda, Committee Chairman Rai 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." Regent Rai and Regent Michael Grebe recused themselves from voting on Item D., UW-Eau Claire: Authority to Enter Into a Lease with Eau Claire Community Complex, Incorporated.

C. Approval of the Minutes of the June 3, 2021 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the June 3, 2021, meeting of the Capital Planning and Budget Committee were approved as presented.

D. UW-Eau Claire: Authority to Enter Into a Lease with Eau Claire Community Complex, Incorporated

Regent Rai introduced UW-Eau Claire Chancellor James Schmidt, who presented information about the Sonnentag Event and Recreation Complex facility project, a proposed project that will replace Zorn Arena as identified in the campus master plan, which was built in 1952 when the university had 600 students.

He shared a rendering of the proposed facility and spoke of UW-Eau Claire's history of collaboration and shared-use facilities. Chancellor Schmidt explained that the Sonnentags gave the land to the university along with a cash pledge in 2014, and that the proposed student fees paying for the lease of the event center and fieldhouse are limited.

The university's portion of the facility is the recreation center, academic space and the fieldhouse. The Mayo Clinic will pay for construction of the portion of the facility that it solely uses and will rent additional space in the center for its sport medicine practice. He explained that the City of Eau Claire contributed \$1.5 million to support sustainability aspects of the project and that construction of this facility as a resilient building with a self-

sustaining power source will allow it to serve as alternative housing and a disaster relief center for the community in times of an emergency.

Other key points of his presentation included information about lease terms, operational viability, the project's timeline, and how students and the community residents will benefit from the university's collaborations with the Mayo Clinic's sports medicine program and the city of Eau Claire that will result from construction of this facility.

Chancellor Schmidt thanked Kim Way, President of UW Eau Claire Foundation, Grace Crickette, CBO, Jaden Mikoulskii, May 2021 Student Body President and Anna Ziebell, past Student Body Vice President for their support in accomplishing the project.

Regent Beightol stated that he fully supports the project and appreciates the philanthropy and partnerships that were garnered to support the project.

Regent Walsh asked Chancellor Schmidt to explain liability concerns of the facility and Chancellor Schmidt explained that Mayo Clinic has responsibility for liability in its portion and if they rent space in the university's portion of the facility, those lease terms would cover the liability for use of that space.

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

E. UW-Green Bay: Authority to Exchange Two Parcels of Improved Land

SAVP Roe described the request by saying that University Village Housing, Incorporated (UVHI) was established in 1984 with the primary purpose of developing and operating lower-cost student housing for UW-Green Bay students and has constructed almost 73 percent of the student housing.

The 2019 UW-Green Bay Residence Life Comprehensive Physical Master Plan identified concerns about the UW-Green Bay wood-frame residence halls and the lack of common spaces. In phase one, UVHI will construct a 200-bed residence hall, with plans to eventually add another 200 beds. The university's preference that the new beds be closer to the main campus triggered the land exchange between the Board and UVHI, which was negotiated to be at no cost to either party. The Board will transfer a parcel adjacent to the Mauthe Center and will receive a parcel located along the ring road in exchange.

Resolution E. was moved by Regent Walsh, seconded by Regent Grebe, and adopted unanimously on a voice vote.

F. UW-Madison: Presentation on a Real Estate Memorandum of Understanding with University Research Park, Incorporated

UW-Madison Chancellor Rebecca Blank spoke briefly about efforts that had been made to grow the university's revenue growth, which has lagged that of its peers, and the

importance of developing new revenue streams. She introduced Rob Cramer, Interim Vice Chancellor for Finance and Administration, who provided details concerning a Revenue Innovations Study Group that recommended innovative strategies such as the expansion of corporate and industry partnerships, optimization of assets, and increased real estate development. He defined the mission-driven principles that guided the study group's decisions of ways to generate revenue to support the university long-term, address the immediate needs of the community, and find additional ways to engage with industry.

Aaron Olver, Managing Director at University Research Park (URP), spoke about how it supports UW-Madison primarily through real estate. He explained that the research park developed about one half of the buildings in the park through the use of ground leases where URP retains ownership of the land, but allows a private party to develop and own a building on that land. He added that URP also developed about one half of the buildings in the park either on a speculative basis or for specific companies, and that it owns about 1 million square feet of real estate. He described successful real estate developments that were accomplished by peer universities, identified potential innovation zones for UW-Madison, and explained a vision for mixed-use innovation hubs.

Mr. Cramer summarized the life cycle of development process and how those endeavors would add to the community and eventually begin to build an endowment for the university.

Chancellor Blank concluded the presentation by saying the goals of this effort are to create additional financial resources and enhance the campus community and the community environment.

Regent Beightol expressed his support of this strategy to develop revenue sources and optimize our real estate assets. He added that it will serve as a great model for the other System universities and thanked Chancellor Blank for her leadership in this effort.

Regent Rai added his support of this proposal and said he is reassured by the amount of oversight that is provided by the memorandum of understanding.

In response to a question asked by Regent Walsh, Chancellor Blank stated that the university has had some extended conversations with the University of Wisconsin Foundation and there is agreement about how the endowments would be handled. She added her thanks to all those who had contributed so much to this team effort.

- G. UW-Madison: Authority to Construct the Kohl Center Addition and Renovation Project
SAVP Roe informed the committee that the Kohl Center Addition and Renovation project, which renovates about 27,000 square feet and constructs a 42,000 square foot addition over the loading dock area, is ready to be released for bidding. The project will provide expanded spaces for strength and conditioning, sports medicine, academics, and administrative functions, upgrades to practice/playing surfaces, upgrades to media suites,

and renovation of a donor-funded club suite. These new and renovated spaces will serve men's and women's basketball, golf, hockey, swimming, and tennis programs. She added that it is a \$48 million project funded with program revenue-cash and gift funds and the campus confirms that it has the donations and can afford this project.

Regent Kai expressed his approval of this project and its support of student athletes.

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

H. UW System: Authority to Construct a Minor Facilities Renewal Project

SAVP Roe described the project by saying it replaces the vertical sanitary riser and vents for the south tower of the 1967 Gruenhagen Conference Center at UW-Oshkosh and renovates the restrooms to meet ADA accessibility requirements. Construction of the project will start in early March with substantial completion in fall of 2022.

Resolution H. was moved by Regent Walsh, seconded by Regent Grebe, and adopted unanimously on a voice vote.

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

The first project replaces the more than 20-year-old worn, weathered, and damaged roof sections of the Allen Center and Watson Hall at UW-Stevens Point.

There are two projects at UW-Milwaukee. The first is to replace the antiquated boiler and chiller control systems, which will be their first comprehensive upgrade since the 1960s. The second is an energy conservation project that will retrofit exterior lighting across the campus to increase energy efficiency and reduce operating expenses.

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

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

SAVP Roe summarized the project by saying it will provide upgraded instructional space laboratories in Mitchell Hall at UW-La Crosse for the instructional Athletic Training Lab, a new Exercise and Sport Science Lab and expand and improve the existing new Human Performance Lab. All necessary lighting and air handling will be included. These upgrades will support the needs of the current curriculum and research of the university's nationally accredited athletic training programs.

Resolution J. was moved by Regent Walsh, seconded by Regent Grebe, and adopted unanimously on a voice vote.

K. UW-Madison: Authority to Transfer Land and Improvements and Construct the UW-Managed Department of Information Technology (DoIT) Digital Publishing & Printing Services Relocation and the Facilities Planning & Management Physical Plant Relocation Projects

In April, the Board approved a UW-managed project to move various units across campus and to a site proposed for the new computer science building. To facilitate the process the university agreed to take a piece of surplus property proffered by the Department of Public Instruction with an outstanding debt of \$6,645. However, after reviewing its original analysis of the property's transfer, the State Budget Office determined that it actually has an outstanding debt of approximately \$113,000. UW-Madison still desires to relocate the print shop to that site and continue with the land transfer, therefore, it requires Board approval to amend the April approval to match the amount of the outstanding debt.

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

L. Report of the Senior Associate Vice President

- a. 2021-23 Capital Budget Update
- b. Capital Project Status Update

Due to time constraints, these two reports were deferred until the next Committee meeting.

M. Closed session for the purpose of considering personal histories, as permitted by 19.85(1)(f), Wis. Stats., related to the renaming of a facility at UW-Whitewater

After receipt of a motion from Regent Beightol, seconded by Regent Grebe, the committee adjourned to closed session at 11:47 a.m.

The closed session meeting adjourned at 12:08 p.m.

Respectfully submitted,

Judy Knoll