

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, October 7, 2021**

The October 7, 2021, meeting of the Capital Planning and Budget Committee was held in Room 212 of Reeve Memorial Union on the UW Oshkosh campus and via WebEx Videoconferencing and was called to order at 8:45 a.m. by Committee Chair Regent Rai.

A. Calling of the Roll

Present: Regents Scott Beightol, Michael Grebe, Ashok Rai, and Jill Underly

Unable to Attend: Regents Tracey Klein and Corey Saffold

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." No conflicts of interests were declared.

C. Approval of the Minutes of the July 8, 2021 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the July 8, 2021, meeting of the Capital Planning and Budget Committee were approved as presented.

D. UW-Madison: Authority to Accept a Gift of 1.50 Acres of Land

Senior Associate Vice President Alex Roe described Upham Woods, a residential outdoor learning center resting on 318 acres of Wisconsin River property two miles north of Wisconsin Dells that serves more than 12,000 people annually and can provide lodging for 200 people, serve meals on site, and provide outdoor education year-round for youth and youth leaders.

She explained that there is a piece of land north of Blackhawk Island that is inaccessible to the other parcels and that there are four properties situated between our current landholding and the northernmost parcel. Recently, a 1.50-acre parcel of land was sold to the research foundation; they have demolished the existing structures and are donating the parcel to the university for use as part of the Upham Woods Learning Center.

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

E. UW-Madison: Authority to Increase the Budget of the UW-Managed Facilities Planning & Management, Physical Plant Relocation Project

This item was withdrawn.

F. UW-Madison: Authority to Enter into a Real Estate Memorandum of Understanding with University Research Park, Incorporated, on Behalf of UW-Madison

Rob Cramer, UW-Madison Interim Vice Chancellor for Finance and Administration, provided details concerning the accomplishments of a Revenue Innovations Study Group that recommended innovative strategies, such as increased real estate development, as a way to generate additional revenue to support the university long-term. Mr. Cramer reminded the committee of the partnership that exists between the university, the community, and industry as projects are moved forward, and he explained that University Research Park is an ideal partner for real estate development because its mission aligns directly with that of the university. He showed examples of real estate projects that were developed by peer institutions and potential parcels on campus that are suitable for development. He reviewed components of the Memorandum of Understanding that were discussed at previous meetings and explained that the next steps in this process will be to build stakeholder engagement and return to the Board in December to discuss projects and request approval of initial transfers.

SAVP Roe added that UW System had retained the services of real estate advisors to look at this sort of investment opportunity across the System and that work has begun with UW-Madison and UW-Superior and relevant conversations have begun at UW-Green Bay and UW Parkside. She added that the UW-Madison effort could become a model for how these projects at other universities' go forward.

Regent Rai commented that many of these projects will go through the approval process of both the Capital Planning and Budget committee and the Business and Finance Committee.

Regent Beightol explained that the Business and Finance Committee has been looking at the MOU with University Research Park, Incorporated, and that this type of framework, by which we can get P3 partnerships between UW-Madison and the private sector to better leverage the assets of this remarkable research institution, allows Chancellor Blank and her team to have more financial levers to ensure a more sustainable and independent financial life for the good of UW-Madison. He asked Chancellor Blank to speak about all the planning that went into this effort. She explained that it started with a committee of community members, faculty, and staff that spent a year looking at a variety of outside of the box ideas of how to expand partnerships and leverage assets and that one focus of the committee was real estate possibilities. Several committee members and Vice Chancellor Heller visited campuses that had successfully done this to get a sense of what made it work and what would they have done differently. The committee's work produced documents that ended up as the MOU and it became clear that University Research Park already does this sort of development of land in ways that are a value to the university.

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

G. UW Oshkosh: Authority to Pay a City of Oshkosh Special Assessment

SAVP Roe described the request by saying that the City of Oshkosh has proposed a \$11.5 million roadway improvement project along Algoma Boulevard and Vine Avenue. The project expands the boulevard to accommodate travel, bike, and parking lanes as well as replaces the sewer, water, and stormwater utilities along the roadway.

Abutting landowners are assessed portions of these costs and the university's share of the project will be approximately \$1.4 million. Final costs are determined after the city bids the project and it is completed. The university has expected this project for some time and has set aside funds for its share of the cost.

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

H. UW Oshkosh: Authority to Construct the Clow Hall/Nursing Education Renovation, Phase II Project

SAVP Roe stated that this is the first 2021-23 project to come to the Board for approval. She said UW Oshkosh has focused on Teacher Education since it first opened in 1871 and that Clow Hall has been the home of the School of Nursing and the College of Education and Human Services. It was constructed in 1970 and has received its first major upgrade as part of a facilities renewal program enumerated in 2011-13, which provided comprehensive renovation to the School of Nursing portion of the complex.

The building suffers from usual challenges of aging systems, a lack of accessibility, and out-of-date teaching and learning laboratories. This Phase II project will complete the overall renovation of Clow Hall by remodeling and reconfiguring lecture halls, classrooms, learning laboratories and offices to support modern teaching modalities. Other work includes electrical, mechanical, and technology upgrades throughout.

Regent Rai added that considering the nursing shortage, he was happy to see this project move forward.

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

I. UW-Stout: Authority to Construct the South Hall Addition and Renovation Project

SAVP Roe began her presentation of this request by saying South Hall, which was constructed in 1967 and has not been upgraded since, is not ADA accessible and its systems are original to the building. The project will provide programmatic upgrades to improve functionality and efficiency, construct a new accessible building entrance, and a passenger elevator. The renovation includes expanded bathrooms and the replacement of mechanical systems and plumbing. She noted that the original enumeration exceeds the budget being requested at this time to meet UW-Stout's financial desires.

Regent Beightol said this is a good example of the university being a good steward of its resources and asked where we achieved those savings. SAVP Roe explained that the university looked at what they had done in the North Hall Renovation project and decided what was most important to do at South Hall. It included restroom upgrades and ADA accessibility improvements and reconfigured spaces to meet some of its programmatic needs.

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

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

SAVP Roe summarized this request by saying the continued growth of the UW-Madison west campus has resulted in a critical need to provide more individual 15 kV circuits to additional buildings and building expansions. The first project installs four new sets of conductors between the Athletic Operations building and Dayton Street switching stations and a new electrical ductbank from the Walnut Street substation to a utility pit within the campus utility corridor on Observatory Drive at UW-Madison.

The second project replaces elevators in seven UW-Madison facilities (Babcock Hall, Bascom Hall, Below Alumni Center, Elvehjem Museum of Art, Ingraham Hall, Lathrop Hall, and Memorial Library). All elevators and controls in this project are at the end of their useful life and many do not connect to the campus automated building system.

The third project on behalf of UW-Stout includes removal of the 1970 era dust collection systems for three laboratories in the Jarvis Hall Tech Wing. The units are failing and are no longer able to contain the dust. The current system is undersized, does not include fire protection and lacks modern safety enhancements and features.

Regent Rai asked SAVP Roe to explain Minor Facility Renewal projects and she replied that they are large All Agency deferred maintenance projects and that All Agency Program projects are capped at \$3 million for buildings and general repairs and \$5 million for utilities. Two biennia ago UW System got approval of a Minor Facility Renewal Program that was enumerated by the legislature that allows us to do these sorts of projects that are similar to All Agency projects, but with a cost up to \$7.4 million. That means we only need to select one consultant, and there is only one bid, which helps facilitate the process required to construct the project. The money, which is mostly GFSB, is enumerated directly to UW System, which gives us greater flexibility than we had previously.

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

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

SAVP Roe briefly spoke about each project. The first project at UW-Green Bay repaves the deteriorated Kress Center and Studio Arts parking lots, pedestrian walkways, and several campus sections of roadway.

The second project at UW-Madison increases the budget of the WHA Transmitter Utility and Boardwalk Replacement project to accept recent bids that were higher than the original project budget.

The third project at UW-Milwaukee replaces the southeast quad 60-year-old water main that supplies domestic and fire protection water to several buildings including Curtin Hall, Garland Hall, Golda Meir Library, Pearse Hall, and Vogel Hall.

The fourth project installs a new telecommunications ductbank at UW-Stout to serve as a backup internet and wide area network connection, installs additional capacity for future use, and provides a more direct pathway for the building automation system connections for buildings north of Sorenson Hall.

Regent Grebe asked how these projects are prioritized. SAVP Roe explained that there are about \$305 million of projects on the 2021-23 list for All Agency funds. The first considerations are those projects that address critical needs, such as life safety, fire protection, solutions to water problems, and other projects that need to be done to keep our buildings safe and secure. Therefore, projects that would only address road improvements or programmatic needs are less likely to be funded.

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

L. Regent Policy Document Review: Regent Policy Documents Related to Capital Funding and Costs

This proposal rescinds RPD 19-1, "Prorating Costs for Heating/Chilling Plants," and RPD 19-8, "Funding of University Facilities Capital Costs," and updates and consolidates the provisions to create a new policy, "University Facilities, Space, and Physical Development Capital Funding and Costs." The revision of these policies is part of the Board's ongoing analysis and revision of Regent Policy Documents. This request rescinds RPD 19-1 and RPD 19-8. After reviewing both policies, it was decided to merge them into one policy since they both deal with capital projects and the use of State borrowed funding.

The proposed policy, "University Facilities, Space, and Physical Development Capital Funding and Costs, was designed to address the following activities: planning and design; demolition, deconstruction and disposal; site development and improvement; off campus and remote locations; athletics and recreational equipment and surfaces; signage; and energy conservation. It also requires the allocation of sufficient operational funding to

support proposed capital projects and physical development, including daily operations and delineates the use of General Fund and Program Revenue Supported Borrowing. SAVP Roe said her office gets lots of questions from the institutions about the use of these funds and explained that any project can use cash funding and occasionally other alternatives have been used to fund projects when there has not been enough General Fund and Program Revenue Supported Borrowing available for a project.

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

M. UW Oshkosh Presentation: Library as “Learning Commons” for the Future: Reshaping UW Oshkosh’s Polk Library to Enhance its Role as a Campus Research and Study Center

Regent Rai introduced John Koker, UW Oshkosh Provost and Sarah Neises, UW Oshkosh Libraries Director, both of whom presented information about the Polk Library.

Provost Koker said the Polk Library has been the heart and soul of the campus for the last 59 years and that the building is showing its age with frequent floods and leaks due to malfunctioning systems, roof leaks, and rotting pipes, all of which have caused damage to building collections, furniture, carpeting and flooring. He explained that the walls are cracking and settling causing windows to stress crack and the electrical system in the building needs to be upgraded to meet today’s needs. He stated it is essential that the building be renovated to become a safe comfortable accessible library that will promote the academic mission of UW Oshkosh as it becomes the learning hub of the campus and supports student success.

Director Sara Neises showed historical images of the library from the 1900s to today and spoke of the importance of its service to students. She stated that modern libraries require both collaborative tech enabled and quiet spaces. Director Meises explained that a renovated library would require improved lighting, furniture, flooring, and reconfigurable spaces to inspire collaboration and improved high-density climate-controlled space for distinctive collections. Provost Koker added that the Polk Library Renovation project will become UW Oshkosh’s number one priority for the 2023-2025 biennial request.

Regent Beightol asked how the library serves non-traditional learners and Director Meises said that the library is open early in the morning and late at night and that nontraditional learners can use physical spaces or online services that have staff available 24/7. Dr. Koker added that when the campus closed in March of 2020, the library was able to continue providing for the students to keep learning available.

N. Report of the Senior Associate Vice President

a. Building Commission Actions

SAVP Roe provided a summary of recent August 11th Building Commission actions by saying that all items submitted by UW System were approved and that the next meeting will be held October 20th.

She explained that on September 16th the Department of Administration (DOA) issued its 2021-23 All Agency allocation memo for the University of Wisconsin System. In our capital budget request, we had asked for \$100 million new General Fund Supported Borrowing (GFSB), \$50 million new Program Revenue Supported Borrowing (PRSB), and a Campus Master Plan Land Acquisition Fund of \$11.6 million, which the Governor included as part of the All Agency Program since there is a categorical enumeration there for land acquisition. Concurrently, we had in process (an architect is selected, and work is occurring) about \$65 million of projects funded by the 2019-21 allocation. Those projects had not yet received Building Commission approval and in the past the department has usually returned funds for those projects to us.

AVP Roe explained that DOA's current memo provided us with \$100 million new GFSB, \$50 million PRSB, \$50 million Existing PRSB (residual funds for which we had not yet identified a need), \$34.5 million in Cash (includes land acquisition and some All Agency projects funded in Cash) and about \$5 million of GIFT Funds. They did not provide us with the \$65 million carry forward, therefore it was a net increase to us of \$35 million rather than the \$100 million we requested. We currently have \$305 million of GFSB on our current list that does include the \$65 million.

SAVP Roe added that we are currently unable to proceed with any new projects and that we generally spend about \$25 million to \$30 million of the All Agency allocation on small projects, which are projects under \$300 hundred thousand dollars. Those projects are critical to our institutions, they include emergency projects, replacement of generators and compressors, and projects that can be accomplished for that smaller amount of money. With only \$35 million net new funding, we propose to set aside \$20 million of the All Agency funds for small projects and keep 15 million aside.

She continued by adding that there are three priority categories for the use of All Agency funds. The first includes: building code compliance, building envelope or structural integrity, health safety and environmental protection, mechanical, electrical, and plumbing system operations, fire protection, and utility capacity. The second includes: programming and services academic through dining,

housing, and library and functionality of operations. The third includes: programming and services athletics, daycare, parking, recreation, student organization and functionality. Essentially, priority one is: if unresolved, the issues contained in the proposed solution threaten the ability to continue operation or provide a safe environment. Priority two is: if unresolved, the issues contained in the proposed solution impedes delivery of essential programs and services and/or compromises essential functionality or operations. Priority three is: if unresolved, the issues contained in the proposed solution impedes deliver of non-essential programs services and/or compromises non-essential functionality or operations.

SAVP Roe ended her report by saying this is not great news for our System and that each institution has many facilities that may require emergency projects, if we do not move forward and address them.

Regent Rai agreed that this is disappointing news and added that he expects the committee will be discussing this topic during the next two years and that he looks forward to hearing an explanation of why after the next Building Commission meeting.

Regent Grebe stated that we need to maintain safe appropriate facilities for students, staff, and the public and commented that the challenging method of funding our capital projects is not intuitive. As part of the Board's governance role, he also asked about how we are prioritizing the projects and making our decisions regarding which projects should be approved by the Board and whether they are the right decisions.

Regent Beightol, asked how the Board can be a better voice as advocates to solve this problem and SAVP Roe responded that we are not keeping up with our deferred maintenance. She added that we have been working with the institutions to bring forth better data to support our projects and that we do have clear Regent policies about priorities, so perhaps we should begin conversations about governance and advocacy. Regent Rai added that this is a priority area of advocacy for us, both on the legislative and executive side.

b. 2021-23 Capital Budget Update

Due to time constraints, SAVP Roe deferred this item until next Board meeting.



- O. 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-Madison  
After receipt of a motion from Regent Underly, seconded by Regent Beightol, the committee adjourned to closed session at 10:01 a.m.

Respectfully submitted,

*Judy Knoll*