

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
Capital Planning and Budget Committee Minutes
Thursday, December 9, 2021

The December 9, 2021, meeting of the Capital Planning and Budget Committee, which was held in the Gordon Dining & Event Center on the UW-Madison campus and via WebEx Videoconferencing, was called to order at 10:46 a.m. by Committee Chair Regent Rai.

A. Calling of the Roll

Present: Regents Scott Beightol, Michael Grebe, Tracey Klein, Ashok Rai, Corey Saffold, 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." No conflicts of interests were declared.

C. Approval of the Minutes of the October 7, 2021, Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the October 7, 2021, meeting of the Capital Planning and Budget Committee were approved as presented.

D. UW-Madison: Authority to Execute the Remainder of the Design Contract and Construct the Computer, Data, and Information Sciences Building Project

Senior Associate Vice President Alex Roe described the request by saying it asks for approval to complete the design documents and construct the Computer, Data, and Information Sciences (CDIS) Building project for an estimated total cost of \$230,000,000 Gift/Grant Funds, a portion of which will be used to address adjacent utility reconfigurations.

UW-Madison Founding Director, School of Computer, Data, and Information Sciences, Tom Erickson explained that bringing the departments of Computer Sciences, Statistics and the Information School together under one roof in the new CDIS building will enable broad collaborations and magnify the power of discoveries across the university in medicine, engineering, agriculture, business, and beyond. The building will serve as a tech hub for the state of Wisconsin as it supports research to drive discovery, cultivates entrepreneurship and attracts business to a highly skilled workforce.

Several CDIS goals are to: create welcoming and inclusive spaces to foster a diverse community; provide flexible research, teaching, and learning spaces that can adapt to future needs and enhance collaboration between disciplines; set an example for

sustainability and resiliency and support CDIS Without Borders, which will serve K-12 education, the existing workforce, and the campus.

He showed renderings of the proposed seven-floor 325,000 GSF building that is divided into floors supporting research, learning, and student “ecosystems”, with possibilities for future facility expansion.

Regent Rai asked if there were any revenue estimates had been done for this project. Mr. Erickson answered that those estimates are difficult to do, however we know there are 6,000 IT jobs open in the state right now. Currently, all the state’s higher education institutions graduate about 1,200 students per year, so filling the technology gap is a huge part of what this will accomplish. He added that programs created for industry, such as those for American Family Insurance [Data Science Institute], will result in a high impact for competitiveness and opportunities for our citizens.

Regent Underly commented that she looks forward to the connections that can be made between UW-Madison and K-12, especially concerning the shortage of computer science teachers.

Regent Klein added that she finds it a very exciting project and asked about its funding. SAVP Roe explained it is completely funded with gifts and grants and can therefore be managed by UW System. In response to a question by Regent Klein, SAVP Roe explained that the contracts used for projects managed by UW System are based on standard AIA contracts that have been reviewed by System’s lawyers to ensure they more appropriately represent UW System as owner’s contracts.

Regent Beightol commented that we are blending computer science information folks with data analytics, and machine learning areas.

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

E. UW-Madison: Authority to Execute the Remainder of the Design Contract and Construct the Engineering Hall Chemical and Biological Engineering Instructional and Research Lab Renovation Project

SAVP Roe described the project by saying it constructs laboratories in Engineering Hall for an estimated total cost of \$12.4 Gift and Grant Funds. She noted that the Chemical and Biological Engineering Department is ranked 6th by US News and World Report and explained that the project will renovate about 24,460 sf to create a modern, flexible bioengineering laboratory on the third floor and convert outdated teaching and instructional laboratory space into an instructional laboratory with a capability for multiple room configurations, adjacent offices, and a “hard hat” lab in a high bay space for simulations of on-the-job conditions in the basement.

SAVP Roe added that laboratory courses include critical hands-on activities that provide high impact learning and skill development. These renovation improvements address the bottleneck that students currently face and are critical to the recruitment and retention of faculty and researchers in the department.

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

F. UW-Madison: Authority to Construct the WIMR Dock and NIH Research Laboratory Renovation

SAVP Roe explained that last year the Board approved a \$5.3 million project to develop a new infectious diseases lab and associated vivarium at the site of the existing loading dock at the Wisconsin Institute for Medical Research, install a new NIH grant-funded non-human primate lab, and relocate the loading dock. She added that this project was released for bidding in November and despite scope deletions, it still bid over the budgeted amount. An increase of \$800,000 in funding is required to begin construction and those additional dollars will be provided through the grant program.

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

G. UW-Stevens Point: Authority to Accept the Gift of a 0.26-Acre Parcel of Land and Improvements

This item requests authority to accept the gift of a 0.26-acre parcel of land with a two-story commercial building that is located at the north edge of the campus. The UW-Stevens Point Foundation purchased the former Catholic student center building, located at the north edge of campus, in 2020 and reconfigured and renovated it to serve as a Welcome Center, which was opened in December 2020. Renovations included new mechanical systems, reconstruction of the catering kitchen, painting, and the installation of new windows and carpeting throughout the facility. The university does not anticipate any need to renovate this building during the next five to ten years and it estimates that the annual operating costs for this facility will range between \$15,000 to \$25,000.

UW-Stevens Point Chancellor Thomas Gibson spoke briefly about the positive impact this building has had on the university's ability to engage with candidates, recruiters, and counselors and stated that having a dedicated space on campus for visitors is a key component of the university's enrollment plan.

Regent Grebe agreed that the facility is an excellent addition and a needed improvement to the campus, and he asked if there were any foundation related liabilities connected to the acquisition and Chancellor Gibson stated there were none.

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

H. UW-Madison: Authority to Assign Air Rights Lease and Acceptance of Surrender of Air Rights Lease and Reversion of Air Rights and Improvements at the Fluno Center for Executive Education

SAVP Roe stated that the Board approved granting an air rights lease in 1997 for the Center for Advanced Studies and Business (CASB), a non-profit entity, which was included in the development of a residential hotel and conference center for the UW-Madison Executive Education program.

CASB constructed the Fluno Center for Executive Education, and the State constructed a parking ramp beneath the building. The lease was executed in 1998 with an initial termination clause of 2030 and extension options. When the center was constructed and for many years after the market for executive education was strong and CASB created significant revenues to the School of Business, as required by its non-profit mission. Unfortunately, external factors including the Covid-19 pandemic and changes to the executive education model occurred and it is unable to continue sustainable operations.

The University of Wisconsin Foundation and Alumni Association, which is the guarantor of CASB's mortgage, has negotiated an agreement under which CASB would assign its remaining interest in the air rights lease to the Foundation in exchange for a cash payment that would allow CASB to retire its debt. The Foundation wishes to make the Fluno Center available to the university for its programming and conference needs, and UW-Madison is prepared to assume its ownership and operation. The facility will be managed by the conference centers and union operations, and this will permit the university to convert Lowell Hall from a conference hotel into a residence Hall to meet demand.

Approval of the request would transfer the air rights lease to the Foundation, and in return CASB would request early termination of the lease, which would automatically convey the Fluno Center to the Board along with associated furnishings and equipment for the benefit of UW-Madison.

UW Madison Interim Vice Chancellor Rob Cramer added that this action provides an opportunity for the conference program to continue forward with some on-campus experiences.

In response to a question from Regent Klein, VC Cramer stated that the Fluno Center will continue to operate as a premier facility on campus. Regent Grebe asked if the Fluno

Center is anticipated to be cash flow positive and VC Cramer responded that it would depend on its occupancy and how consistently it is marketed with the agreements.

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

I. UW-Green Bay: Authorization to Transfer 4.92 Acres of Land

In 1974, the Damkoehler family donated a nearly 5-acre parcel of land to UW-Green Bay to be used as an aquatic marsh laboratory of costal wetlands. The parcel is located adjacent to the Oconto Marsh Unit, which is managed by the Department of Natural Resources. Since it no longer uses this parcel, the university requests transfer of this property to the Department of Natural Resources (DNR) to be part of its coastal wetlands marsh unit and the DNR has agreed to accept it.

Regent Klein asked if this transfer is consistent with the university's role in the Freshwater Initiative and SAVP Roe explained that the university would rather focus on properties related to freshwater development and that this wetland property does not involve that focus.

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

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

This item requests authority to construct the Site Utility Steam Distribution Pit 59/10-Ag Bulletin/Soils/King Replacement project at UW-Madison, to replace a 1910-era underground brick steam tunnel and associated utilities along Linden Drive that serve the Agricultural Building, Soils, and King Building. The brick tunnel system is damaged due to water penetration and requires replacement.

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

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

The first request by UW-Green Bay, the Weidner Center Life Safety Systems Renovations project, installs a new 500 kW, diesel-powered, packaged exterior generator to serve a new electrical emergency distribution for the center.

The second request by UW-Madison, the Educational Sciences & Horticulture Site Utility Replacements project, renovates and replaces underground utilities installed between the 1950s and 1970s serving the Educational Sciences and Horticulture buildings. Project work includes replacing the concrete box conduit and associated steam, condensate, and compressed air piping as well as upgrading utilities within the associated steam pits and building entrances.

The third request, UW-Madison's Electrical Substation Overcurrent Protection project, upgrades the 5kV switchgear in Radio Hall and the Bacteriology building to minimize risks related to poor electrical connections.

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

L. UW-Madison Presentation: Advancing the Real Estate Strategy and New MOU to Drive Economic and Mission Benefits at UW-Madison

Rob Cramer, UW-Madison Vice Chancellor for Finance and Administration (interim) introduced Cindy Torstveit, the new Associate Vice Chancellor for Facilities Planning and Management at UW-Madison.

The committee heard a presentation on advancing the university's real estate strategy and new MOU to drive economic and mission benefits at UW-Madison and were shown examples of the impact of innovation zones that have occurred at other universities and potential innovation focus zones at UW-Madison. He reviewed themes developed from stakeholder conversations and the next steps that will be taken as parcels are brought forward.

M. UW System: Semi-Annual Status Report on Leasing Activity

SAVP Roe updated the committee on the status of leasing activity since June 1, 2021. No leases of new space were executed during the last six months. Six were terminated and four were executed to add or delete space.

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

SAVP Roe provided a status update on UW-Managed capital projects that are underway at system institutions. The total value of the program will have increased from \$172,018,541 in June 2021 to \$412,851,004 in December 2021. The Capital Planning and Budget Meeting Book includes some photos of recent projects that are part of this program.

O. Report of the Senior Associate Vice President

1. Building Commission Actions

SAVP Roe reported that the Building Commission met on October 20, 2021 and approved 18 projects on behalf of UW System.

2. Capital Project Status Update

SAVP Roe provided an update on the Chemistry building at UW-Madison by saying that multiple meetings have been set-up to assure that the building will be open in January 2022. The Mathews and Daniels buildings' exhaust systems have been reviewed, redesigned, tested, and accepted and those buildings are ready for

occupancy. A collaboration of staff from UW Madison and UW System, DOA engineers, and other consultants has produced a solution to solve the underperforming elevator pressurization system. Satisfactory tests of the elevator system have been completed, appropriate signatories have signed off on this portion of the project, and the university was able to move into the space on December 6, as was planned.

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

The meeting adjourned to closed session at 10:46 a.m., and the meeting of the committee ended at 12:00 noon.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judy Knoll".