

# BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

## Capital Planning & Budget Committee

Thursday, October 7, 2021  
8:45 a.m. – 10:00 a.m.

Reeve Memorial Union  
Room 212  
748 Algoma Blvd., Oshkosh  
Via Webex Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the July 8, 2021 Meeting of the Capital Planning and Budget Committee
- D. UW-Madison: Authority to Accept a Gift of 1.50 Acres of Land
- E. ~~UW-Madison: Authority to Increase the Budget of the UW-Managed Facilities Planning & Management, Physical Plant Relocation Project~~
- F. UW-Madison: Authority to Enter into a Real Estate Memorandum of Understanding with University Research Park, Incorporated, on Behalf of UW-Madison
- G. UW Oshkosh: Authority to Pay a City of Oshkosh Special Assessment
- H. UW Oshkosh: Authority to Construct the Clow Hall/Nursing Education Renovation, Phase II Project
- I. UW-Stout: Authority to Construct the South Hall Addition and Renovation Project
- J. UW System: Authority to Construct Minor Facilities Renewal Projects
- K. UW System: Authority to Construct All Agency Maintenance and Repair Projects
- L. Regent Policy Document Review: Regent Policy Documents Related to Capital Funding and Costs
- 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
- N. Report of the Senior Associate Vice President
  - 1. Building Commission Actions

2. 2021-23 Capital Budget Update

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

**AUTHORIZATION TO ACCEPT A GIFT OF 1.50 ACRES OF LAND,  
UW-MADISON**

**REQUESTED ACTION**

Adoption of Resolution D., authorization to accept a gift of land from the University Research Park.

**Resolution D.** That, upon the recommendation of the Chancellor of UW-Madison and the President of the UW System, the UW System Board of Regents authorizes the acceptance of a gift of a 1.50-acre parcel of land located at N406 County Road N, Town of Lyndon, Wisconsin.

**SUMMARY**

In the Spring of 2020, the owner of the property, which is located north of Wisconsin Dells at N406 County Road N, Town of Lyndon, Wisconsin, approached UW-Madison Division of Extension offering to sell a parcel of land adjacent to Upham Woods, a field station dedicated to providing educational opportunities to youth, youth leaders, and adults through programs focused on environmental and leadership education. The parcel contained several structures, all of which were in disrepair. The owner was motivated to sell the property before the end of the year for tax purposes. The key value of this property was recognized as improving the functionality of the Upham Woods property for delivery of programs with its flat topography and safe access to the Wisconsin River. An interested donor came forward with funds to purchase the property and demolish the deteriorated structures. Since the donor was not interested in managing the acquisition and demolition process, funds were donated to University Research Park to purchase the property and manage clearing the site. University Research Park purchased the property in December 2020, has completed the site clearing, and is now ready to donate the property.

**Presenter**

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

## BACKGROUND

Upham Woods is currently celebrating its 80<sup>th</sup> anniversary. In 1941, the Board of Regents of the University of Wisconsin System accepted a gift of 310 acres of land, located on the Wisconsin River just north of Wisconsin Dells, from Elizabeth Upham-Davis and Caroline Upham Hughes with the stipulation that the “These lands are to be used as an outdoor laboratory and camp for youth, such as 4-H clubs and other people cooperating with the University of Wisconsin in the advancement of conservation, agriculture, and rural culture.” This property became known as Upham Woods. In 1949, Wakelin McNeel (aka “Ranger Mac”), the first superintendent of Upham Woods, purchased 8.7 acres of land adjacent to Upham Woods with funds he raised from 4-H and Extension groups; this property was later transferred to the University of Wisconsin.

Situated on the Wisconsin River, Upham Woods is uniquely positioned to provide outdoor year-round education through environmental lesson plans, summer camp programming, leadership workshops, and other conferences and typically serves more than 12,000 Wisconsin residents annually. Upham Woods is also a recognized leader in technology-based environmental education through its DOTS (Digital Observation Technology Skills) learning framework. Adding this 1.5-acre parcel to Upham Woods will significantly expand opportunities for:

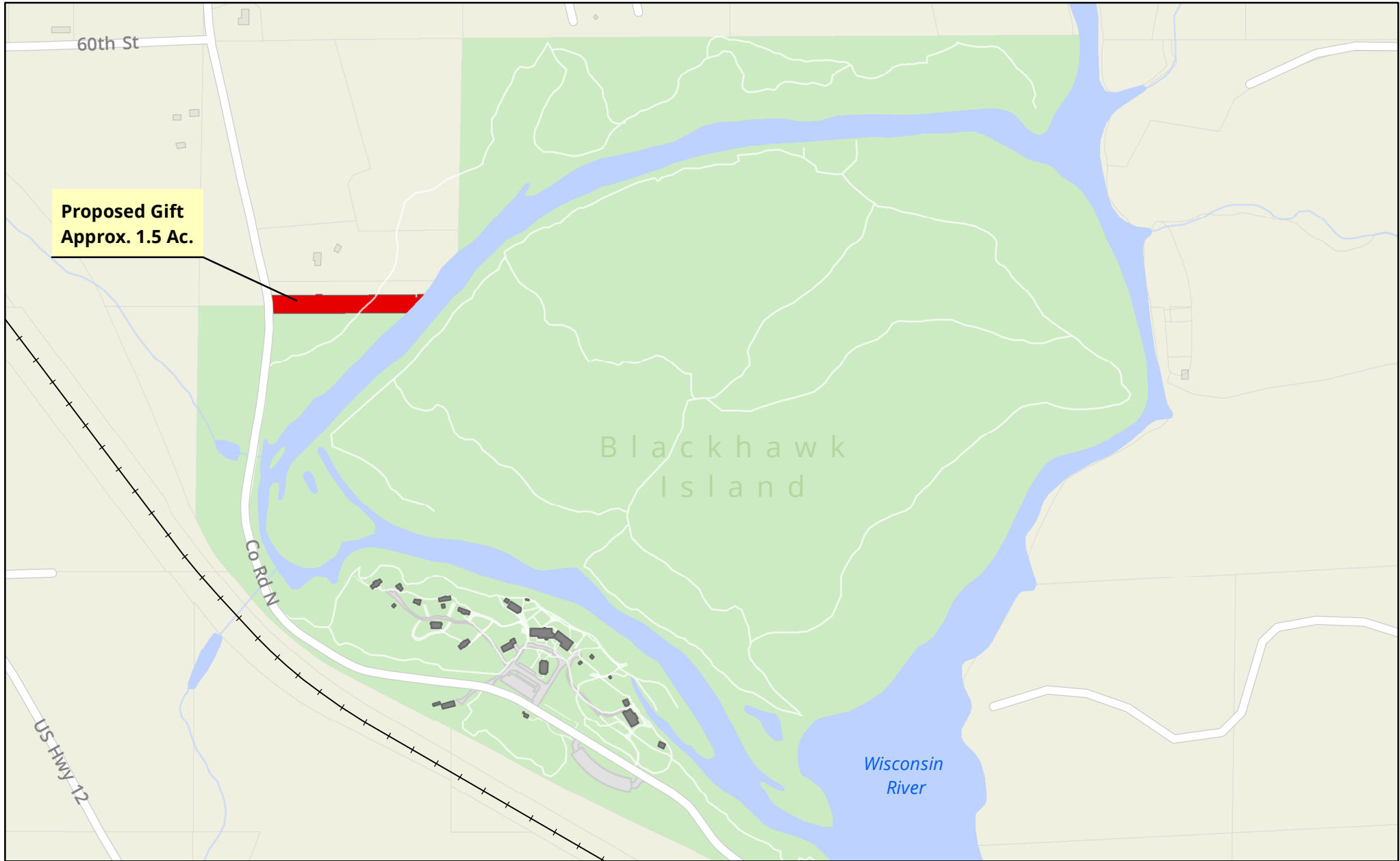
- nature-based youth and adult programming and activities such as river-accessed outpost camping at an adjacent site near the main campus of Upham Woods and fully within the control of UW-Madison;
- the ability to separate multiple groups on the property to accommodate concurrent pursuit of diverse activities;
- a progression of outdoor challenges for more experienced youth and young adults at a proximate but separate location; and
- the pursuit of a range of research opportunities that need a secluded but easily accessed location.

## Related Policies

- Regent Policy Document 13-2, [“Real Property Contracts: Signature Authority and Approval”](#)
- Section 13.48(2)1m. Wis. Stats., [“Long-range public building program”](#)
- Section 36.29(6), Wis. Stats., [“Gifts; golf course”](#)

## ATTACHMENTS

- A) UW-Madison: Upham Woods Gift of Land Map

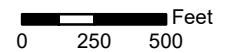


Sources: UW System Administration,  
State of Wisconsin, Wisconsin State  
Cartographers Office,  
US Census Bureau

This map is for reference purposes only.

### UW-Madison: Upham Woods Gift of Land

- Proposed Gift
- Upham Woods Building
- UW Property
- Upham Woods Parking Area



Agenda Item E.

This item was withdrawn.

Thursday, October 7, 2021

**AUTHORITY TO ENTER INTO A REAL ESTATE MEMORANDUM OF UNDERSTANDING WITH UNIVERSITY RESEARCH PARK, INCORPORATED, ON BEHALF OF UW-MADISON**

**REQUESTED ACTION**

Adoption of Resolution F., authorizing execution of a Memorandum of Understanding with University Research Park, Incorporated, to build upon the existing process for the strategic utilization of real estate assets at UW-Madison.

**Resolution F.** That, upon the recommendation of the Chancellor of UW-Madison and the President of the UW System, the UW System Board of Regents authorizes execution of a Memorandum of Understanding with the University Research Park, Inc., (URP) to partner with UW-Madison in the development of property that furthers the mission of UW-Madison. The UW System Board of Regents shall approve each individual property prior to transfer to URP.

**SUMMARY**

To further its Revenue Innovations efforts, a UW-Madison strategic initiative was presented to the Business and Finance and Capital Planning & Budget Committees of the Board of Regents in February, April, and July 2021. Approval and execution of a Memorandum of Understanding (MOU) is the next step in the process. As noted in July, one of the revenue innovation focus areas is identifying opportunities for creating greater economic value through the University's real estate assets. The effort builds on the campus' long history of economic innovation that includes the creation of the Wisconsin Alumni Research Foundation (WARF) as a steward of campus-based research into the marketplace, the partnership with University Research Park to nurture economic and technological developments, and a number of public/private partnerships such as West Campus Cogeneration Facility and University Square.

The MOU outlines the process for collaboration between UW-Madison and URP to identify parcels for development. The agreement covers parcels on and off campus and addresses transfer and reversion rights. It also includes pricing mechanisms for land sales to URP as well as transfer methods (ground lease and sale) that govern URP's control of the parcels. Finally, the agreement provides for the prudent investment of the development proceeds by URP to be used for purposes consistent with URP's non-profit mission in support of UW-Madison.

UW-Madison expects to return to the Board of Regents in the next several months with more details on specific parcels and projects connected to the real estate initiative.

## **Presenter**

- Rob Cramer, Vice Chancellor for Finance & Administration (interim), UW-Madison

## **BACKGROUND**

In November 1983, the Board of Regents approved the development of a Charmany-Rieder Farms Research Park on 103 acres for research park + 103 commercial acres + 50 acres of residential land in Madison. At its June 1984 meeting, the Board approved the sale of this property to University Research Park, Inc., a not-for-profit corporation, established to provide a long-term endowment for research programs at UW-Madison. Income from the park would be paid out and distributed for scientific investigation, research, technological advancement, and educational opportunities at UW-Madison.

University Research Park, Inc. (URP) has faithfully developed the properties acquired from the Board of Regents. Since 1984, the park has grown to encompass over 31 building sites totaling 1,800,000 million square feet with an estimated value of over \$200 million with more than 125 primarily science and technology companies with nearly 4,100 employees.

In 2010, the Board approved the development of a Phase II Research Park on 274 acres adjacent to the West Madison Agricultural Research Station adjacent to Pleasant View/Mineral Point Roads in west Madison.

Because of its long history in developing properties to support the strategic mission of UW-Madison and the UW System, University Research Park is uniquely positioned to partner with UW-Madison in this initiative. Of particular relevance to this initiative, URP was an early user and has been a leader in implementing ground leases in Wisconsin, expertise critical to the nature of this effort. This initiative will also serve as a demonstration project to help the Board of Regents determine whether similar initiatives could be replicated at other campuses in the UW System.



## Previous Actions

November 11, 1983  
Resolution 2953

Approval of the Charmany-Rieder Farms Research Park Development project. That upon the recommendation of the University of Wisconsin-Madison Chancellor and the President of the University of Wisconsin System, the report entitled "General Development Plan for the Charmany and Rieder Farms" (copy on file with the papers of this meeting) be accepted, and that the Chamany-Rieder Farms development be authorized and named the University Research Park, and further

That authority be granted for the University to seek rezoning by the City of Madison of approximately 130 acres for research park purposes, and approximately 103 acres for commercial purposes, and approximately 50 acres for residential purposes, in accord with the map entitled "Proposed Zoning, Charmany-Rieder Development, November 1983", and further

That if the proposed amendment to the City Land Use Map and rezoning being proposed for the Charmany and Rieder farms are granted approval by the City, authorization be granted to proceed with the final platting of the Rieder Farm in its entirety (Phases I-A and I-B, II and -I-II) as shown on the map entitled "Proposed Final Plat Phases, Charmany-Rieder Development, November 1983 , and further

That there be created under the authority of the Board of Regents a Design Review Board in accord with the description and authority identified in the document "General Criteria and Procedures for Architectural and Design Review" to review all future construction in the University Research Park, and further

That the development and disposition of the University Research Park be done in such a manner as to maximize the long-term endowment to the University, including possible installment land sales to a non-profit corporation or foundation existing for the benefit of the University of Wisconsin-Madison, and further

That authorization be granted to permit the use of University facilities and services by park occupants, within statutory and Regent policy limitations.

June 8, 1984  
Resolution 3090

Approved the Financing Plan for UW-Madison Research Park. Granted authority to sell the Charmany and Rieder Farms (except the parcel identified as "Vet. Science Medical Research Center") to the University Research Park, Inc., a not-for-profit corporation, herein referred to as the "corporation"; and that the conveyance of title of specific parcels occur

upon notification by the corporation to the University of its intent to acquire them at a price to be determined initially by fair market appraisals which may be adjusted periodically to reflect the impact of inflation or recession, such pricing schedule subject to final approval by the State Building Commission; and that authorization be granted to seek the release from the SBC of up to \$500,000 for construction of streets and other development costs for Phase I of the Research Park, under the provisions of Section 13.48 (2)(d), Wis. Stat.

July 12, 1985  
Resolution 3345

Amend Resolution Number 2953 (adopted on November 11, 1983) to grant authority to seek rezoning by City of Madison and authority granted to proceed with final platting of acreage on the west side of Charmany Farms.

September 6, 1985  
Resolution 3375

Authority granted to sell approximately 50 acres of land on the west side of Charmany Farms to Credit Union National Association (CUNA) Mutual Investment Corporation; subject to approval of the State Building Commission and the right to repurchase any unused portion of the parcel be assigned to University Research Park, Inc., to be developed as a part of and in harmony with the rest of the research park.

### **Related Policies**

- Regent Policy Document 13-2, "[Real Property Contracts: Signature Authority and Approval](#)"
- Regent Policy Document 19-12, "Oversight of Facilities Constructed for University Purposes"
- Regent Policy Document 21-9, "Institutional Relationships with Foundations"
- Regent Policy Document 21-10, "Institutional Relationships with Associated Affiliated Organizations"

### **ATTACHMENTS**

- A) Memorandum of Understanding
- B) Background to MOU on Revenue Innovation and Real Estate Development
- C) UW-Madison URP/Partnership

**MEMORANDUM OF UNDERSTANDING**

**THIS MEMORANDUM OF UNDERSTANDING (“MOU”)** is made as of \_\_\_\_\_, 2021 (the “Effective Date”), by and between the **UNIVERSITY RESEARCH PARK, INCORPORATED**, a Wisconsin non-stock corporation, and the **BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM (“Regents”)**, an agency of the State of Wisconsin.

**RECITALS**

- A. WHEREAS:** The University of Wisconsin-Madison (“UW-Madison”) is designated as an R1 research university and is the flagship campus of the University of Wisconsin System.
- B. WHEREAS:** The Board of Regents of the University of Wisconsin System (“Board of Regents”) is the governing board of the University of Wisconsin System, an independent agency in the executive branch of the Wisconsin State Government which holds title to the real and personal property under the custody and control of UW-Madison and other campuses in the University of Wisconsin System.
- C. WHEREAS:** The University Research Park, Incorporated (“URP”) is a tax-exempt Type III functionally integrated supporting organization to UW-Madison under IRC §§501(c)3 and 509(a)3. URP is organized to acquire, hold, administer, use, and distribute real or personal property and other things of value for the benefit of UW-Madison and to promote and encourage scientific investigation, research, technological advancement, and educational opportunities and the transfer thereof between industry, business, and government. URP has a successful track record for over thirty years of working with UW-Madison, private developers, and businesses to transform former UW-Madison agricultural lands into a thriving innovation district.
- D. WHEREAS:** The University of Wisconsin–Madison occupies ancestral Ho-Chunk land, a place their nation has called Teejop (day-JOPE) since time immemorial. We seek to create an environment respectful of that legacy, conducive to the mission of the University of Wisconsin-Madison, inclusive of the diverse group of faculty, students, and staff who affiliate with UW-Madison, sustainable and resilient, and harmonious with the goals of surrounding community.
- E. WHEREAS:** In the spirit of the Wisconsin Idea, UW-Madison desires to collaborate with URP on an initiative to strategically utilize real estate assets to advance the UW-Madison strategic framework, support its mission of education, research and outreach, expand its economic impact, create opportunities for the private and non-profit sectors, and enhance the long-term resilience of UW-Madison. This collaboration will seek to enhance campus spaces, attract and retain top faculty and students, promote economic and mission growth, and implement community and campus master plans.

- F. WHEREAS: Creation of such a model that enhances UW-Madison as a place to learn, research, live, work, and visit while generating additional and sustainable financial resources may create replicable or scalable models for other University of Wisconsin System campuses.
- G. WHEREAS: UW-Madison shall continue to maintain authority over campus character and land use planning in accord with its existing structures of shared governance and in coordination with the University of Wisconsin System. UW-Madison and URP agree that property developed under this MOU should be high quality, inclusive, environmentally sustainable, and in general strengthen the community.
- H. WHEREAS: UW-Madison and URP desire to maintain the independence and tax-exempt status of their organizations, segregate their assets and finances, structure this MOU to protect the interests of UW-Madison, and intend for this MOU to apply only to those additional parcels of land described herein.

**NOW, THEREFORE**, it is agreed by and between the parties as follows:

**1. Identification of Development Parcels; Planning for Development.**

- a. General – From time to time, UW-Madison may identify parcels of developable land under its control and secure from the Board of Regents an option for URP to purchase such parcels under the terms of this MOU for the improvement, utilization, and general development to their highest and best use in support of UW-Madison’s mission and strategic framework (“Development Parcels”). As described in b. through f. below, the process of identifying Development Parcels and determining the terms of their conveyance and use will be a collaborative process, with the specific requirements for each Development Parcel dependent on their proximity to and prominence within the UW-Madison campus. Once the Board of Regents has granted URP with the option to purchase specific Development Parcels, URP may exercise that option at any time by providing written notice to the Secretary of the Board of Regents and the General Counsel of the University of Wisconsin System. The Board of Regents may withdraw the option to purchase with respect to particular Development Parcels at any time prior to receipt of notice from URP.
- i. UW-Madison will identify development goals for each parcel of land and specific development requirements when requesting approval from the Board of Regents of options to purchase for URP.
  - ii. Development goals may include type of use, such as innovation centers, commercial development, housing, or mixed-use.
  - iii. Development plans shall outline how the development of the parcel will enhance campus spaces, attract and retain top faculty and students, implement community and campus master plans, encourage research, technology advancement and education opportunities, accelerate technology advancement between industry, business and government, and/or promote economic and mission growth.

- iv. Development Parcels that include properties listed on the National or State Register of Historic Places and are listed in the master plan for redevelopment or demolition will require coordination and review with the Wisconsin Historical Society prior to transfer to URP.
- b. Joint Staff Working Group – UW-Madison and URP agree to provide in-kind staff services to a joint working group (“Joint Staff Working Group”) responsible for developing and implementing a development strategy for Development Parcels that furthers UW-Madison’s strategic framework and campus master planning goals. Development strategies for specific parcels should reflect any conditions, covenants or restrictions established for particular Development Parcels, take into account potential development opportunities that involve acquisition of additional lands or partnering with other land owners, maximize the potential for financial return within the above parameters, and establish the process for awarding development rights to a Development Partner. Prior to URP staff executing Development Partner Selection, the University Research Park Board of Trustees will authorize by resolution URP to accept conveyance of particular Development Parcels from the Board of Regents and to collaborate with UW-Madison in accordance with URP’s tax-exempt purpose to effect development under the terms of this MOU. Nothing about the foregoing precludes UW-Madison from requiring additional internal review processes prior to execution of Development Partner Selection.
- c. Campus Development Parcels – UW-Madison will identify a list of Development Parcels within the Campus Development Plan Boundary which are deemed suitable for enhancement to higher and best uses through public-private development (“Campus Development Parcels”). Identification of Campus Development Parcels will include consideration of principles identified by the Revenue Innovations Study Group in 2019, including how to improve accessibility, livability, sustainability, and quality of the campus and city; respecting the principles of shared governance; and building positive community relations. It is anticipated that innovation focus zones will be a significant component of the identification of Campus Development Parcels. URP, the private sector, or consultants may be engaged to provide advice, research, or due diligence, but UW-Madison will retain sole authority to identify Campus Development Parcels suitable for development pursuant to this MOU. The Campus Development Plan Boundary is defined in the 2015 Campus Master Plan, and for the purposes of this MOU may be expanded to include areas immediately adjacent thereto which are or are planned to be campus-like in character. Future updates to the Campus Master Plan will incorporate identified Development Parcels and indicate future potential Development Parcels.
- d. Non-Contiguous Parcels – In addition to identifying Development Parcels within the Campus Development Plan Boundary, UW-Madison will identify other Development Parcels in areas categorized as Dane County Properties, Minor Properties, and Other University-Managed Non-Contiguous Properties in the 2015 Campus Master Plan (collectively “Non-Contiguous Parcels”), excluding parcels

currently owned or controlled through a right to purchase by URP such as those at the locations known as University Research Park and University Research Park 2.

- e. Disposition of Development Parcels - Development Parcels will be sold to URP under appropriate terms and conditions as determined by UW-Madison and the Board of Regents. To preserve the Board of Regents' ability to recover its interest in campus-area property held for the benefit of UW-Madison, URP may not mortgage, hypothecate, or otherwise secure indebtedness using the fee simple interest in Development Parcels as security, and may only convey leasehold interests 98 years in length or shorter in any Campus Development Parcel. URP may convey Non-Contiguous Parcels to third parties in any manner, including in fee simple, as deemed appropriate to maximize the development potential of the parcel and in consultation with UW-Madison. For clarity, and to allow for the financing of development projects, all ground leases between URP, as ground lessor, and third-party developers, as ground lessee(s), shall preclude URP from mortgaging or subordinating URP's fee interest in the Development Parcels but shall allow URP to subordinate its' interest, as ground lessor under the leasehold estate, of any reversionary interest held by URP in improvements constructed upon the Development Parcels.
- f. Reversion Rights – For each conveyed Development Parcel leased by URP to a private party for development, UW-Madison through the Board of Regents will retain an option to repurchase at the conclusion of the lease at the original purchase price plus any transaction costs and demolition costs, such that both land and improvements may be reincorporated into institutional use upon the expiration of leasehold interests. Should the Board of Regents decline the option to repurchase on a Development Parcel, URP may either re-lease the Development Parcel under the terms of this MOU, or URP may sell the Development Parcel and retain the proceeds for uses described in section 4 of this MOU, less the original purchase price of the property which will be deposited in an appropriate state account for distribution to UW-Madison. For any non-Contiguous Parcels that are sold by URP to a private party under 1.e., above, the original sales price to URP shall be deposited in an appropriate state account for distribution to UW-Madison.
- g. Covenants, Conditions, and Restrictions – Prior to any conveyance, UW-Madison and the Board of Regents shall establish any final rules and regulations or any desired covenants, conditions, or restrictions on the Development Parcel in accord with the UW-Madison Master Plan, the results of campus planning, or other governance processes. To the greatest extent possible, any restrictions that may impede a parcel from being developed to its highest and best use shall be identified prior to conveyance to URP.

## 2. Land Transfer and Development Process.

- a. URP Option to Purchase – UW-Madison shall secure authorization from the Board of Regents to grant URP an exclusive option to purchase Development Parcels.

Upon written request for URP's development assistance from the Chancellor of UW-Madison, which among other things will identify at least one specific Development Parcel and the proposed terms and conditions of any development as established under Section 1 above, URP will have the right to exercise its option and purchase a Development Parcel at any time unless the option is withdrawn by the Board of Regents as described in section 1.a. to this MOU. The Board of Regents will retain title to Development Parcels until URP exercises its option.

- b. Purchase Price — Unless a lesser price is agreed to by the Regents, URP will pay the greater of the formula land price defined as RPSM in the action of the Wisconsin State Building Commission dated July 11, 1984, adjusted for inflation, or for properties with outstanding state debt the balance of such debt.
- c. Development Partner Selection – UW-Madison and URP will mutually determine the appropriate entity or entities best suited to achieve the development goals for specific Development Parcels (“Development Partner” or Development Partners”). The parties intend that Development Partner(s) will be identified through a competitive Request for Proposals process, unless a different process is warranted by circumstances specific to a particular development.
- d. No Dummy Building Corporation – The parties hereto will comply with the prohibition on the use of so-called dummy building corporations in accord with Art. VIII, §7(2)d of the Wisconsin Constitution.
- e. Compliance with State Statutes – The parties hereto will comply with applicable state statutes including those related to the Wisconsin State Building Commission and Board of Regents.

### **3. Disposition of Proceeds from Land Sales; Disposition of Proceeds from Development.**

- a. General – Each parcel (re)developed under this MOU will generate two separate transactions: a sale from the Board of Regents to URP at a price described above in 2.b. and a conveyance by URP to a developer (via sale or ground lease). Except as provided in section 1.f., above, all proceeds earned by URP as a result of the development of Development Parcels pursuant to this MOU, net of any pre-development expenses not funded as part of the land sale to URP described in section 2.b., above, and net of any additional expenses incurred by URP in the course of development, shall be used as described in section 4, below.
- b. Proceeds from Land Sales – As required by state law, all net proceeds received under section 2.b., above, from the sale of non-agricultural lands from the Board of Regents to URP will be deposited into the general appropriation account at UW System as per Wis. Stat. §36.335, or any successor University of Wisconsin System appropriation account designated for the receipt of proceeds from land sales, to be

used to purchase or improve additional lands for, or otherwise further the mission of, UW-Madison. As required by state law, all net proceeds received under section 2.b., above, from the sale of agricultural lands from the Board of Regents to URP will be used for agricultural facilities and lands as per Wis. Stat. §36.33, or as otherwise provided by law.

**4. Investment and Distribution of Development Proceeds.**

Consistent with URP’s non-profit mission and subject at all times to the URP Board of Directors’ fiduciary responsibilities and discretion, Development Proceeds will be used to exclusively support UW-Madison. URP intends to use the Development Proceeds to provide a discretionary spendable fund for UW-Madison’s use in supporting the university’s mission of teaching, research, and public service.

FOR BOARD OF REGENTS

FOR UNIVERSITY RESEARCH PARK

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



University of Wisconsin–Madison  
June 2021

**BACKGROUND to MOU on Revenue Innovation and Real Estate Development**

UW-Madison’s revenue growth is substantially behind that at peer institutions in the Big Ten and other elite public universities, many of which compete with UW-Madison for students and federal research funding. While several strategic initiatives have helped close this gap, UW-Madison must continue to seek new ways to grow its resource base. The impact of the COVID-19 pandemic and the 2021-23 State budget has underscored the need to pursue new revenue solutions beyond increased state government support.

<b>Contributing factors for new revenue:</b>	<b>Implemented strategies:</b>
<ul style="list-style-type: none"> <li>• Campus history as an economic growth engine</li> <li>• Increased competition from other universities</li> <li>• Declining levels of state government support</li> <li>• Growing infrastructure costs</li> <li>• Enhanced goals related to sustainability</li> <li>• Impact of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>• Summer session enrollment growth</li> <li>• Philanthropic support (All Ways Forward)</li> <li>• Research and development</li> <li>• Professional and non-resident tuition</li> <li>• Professional master’s degrees</li> <li>• Undergraduate enrollment growth</li> </ul>

UW-Madison has a long and demonstrated history of economic innovation, including its status as a land grant institution, the creation of WARF as a steward of campus-based research into the marketplace, and the development of University Research Park to nurture economic and technological developments.

The time is now for UW-Madison to pursue new innovative revenue strategies that will drive the next era of growth, development, and discovery.

**REVENUE INNOVATIONS STUDY GROUP**

In August 2019, UW–Madison Chancellor Rebecca Blank and Vice Chancellor for Finance and Administration Laurent Heller appointed a 15-member Revenue Innovation Study Group. They sought ideas and guidance on new ways to leverage campus assets (e.g., facilities, real estate, auxiliary businesses, partnerships) to maximize their long-term value in support of the university’s public mission and sustained academic preeminence. More concretely, after completion and implementation (if approved), revenue innovation efforts would:

- Generate an endowment to support the university over the long-term.
- Develop other assets that can support our academic mission in non-monetary ways (e.g., sustainable faculty, staff, and student housing, learning opportunities, etc.).
- Cultivate immediate and recurring income streams to support our academic mission.

The Study Group met five times from August to December 2019 to identify new revenue innovation options that could be executed institutionally with minimal strain on schools and colleges. It concentrated on revenue ideas that would complement other university agendas related to innovation in research and development, student support, and campus sustainability, as well as City of Madison agendas related to housing, transportation, and economic development.

### **GUIDING PRINCIPLES**

Following a review of revenue-generating initiatives by peer universities, the Study Group developed ten principles that should guide UW–Madison’s planning and future revenue activities:

- Generate substantial new streams of revenue to be used to support the university’s mission.
- Recognize the university’s history, as a public land-grant institution, of placing value on the medium- to long-term versus the short-term.
- Align with the UW–Madison Strategic Framework (2020–2025), while being supportive of the university’s Mission related to teaching, research, and service.
- Support the university’s agenda to enhance diversity, equity, and inclusion, healthy communities, as well as our obligations to sovereign Native Nations in the state now known as Wisconsin.
- Factor in and respect principles of shared governance, which gives representation to academic staff, university staff, faculty, and students, who all take part in making significant decisions concerning the operation of the university.
- Enhance the student learning and growth experiences on and off campus.
- Protect the overall wages and benefits of employees associated with any campus unit or program linked to revenue innovation.
- Trial potentially scalable innovations in new technologies and technology transfer, performance and operations, campus design, transaction structuring and procurement, partnership structures, governance, and regulation.
- Improve the accessibility, livability, sustainability, and quality of the campus environment, and the city-region more generally.

- Support and build positive relations and ties with the community, the nonprofit sector, the business sector, and the public sector in the city-region, the state, the country, and the rest of the world.

## **RECOMMENDATIONS**

With these principles in mind, the Study Group considered more than 30 revenue innovation ideas and organized the concepts into three major themes for the university to explore further:

- Real estate development
- Corporate and industry strategy engagement
- Strategic management of auxiliaries and assets

The Study Group believes that each of these themes has significant potential to help diversify revenue flows for UW–Madison in the medium- to long-term. These streams of revenue will have increased potential if the university formulates detailed strategies and expands internal capacity to ensure effective management and ongoing evaluation. Any proceeds from revenue innovation should be used to support the university's core mission and Strategic Framework (2020–2025).

### **The Opportunity in Real Estate**

UW-Madison and the Wisconsin state government are the two of the foremost employers and economic drivers in Madison and across the State. In particular, the University produces a highly educated workforce that attracts large office tenants and supports major growing sectors in consumer services and high-tech industries, particularly in the health, biotech and advertising. The UW-affiliated University Research Park (URP) plays a significant role in shaping the office market for these industries, providing space for companies spun out of UW-based research and supporting as many as 9,300 jobs.

UW-Madison's main campus has approximately 926 acres and over 400 buildings with ~26 million sq ft. In total, the University holds ~5,500 acres in the greater Madison area. A substantial portion of these holdings support the current operations and mission of the University yet some of the land could be redeveloped to generate additional economic and community impact to further advance the mission.

Following the recommendation of the Study Group, University Research Park (URP) engaged U3 Advisors, a national real estate firm with broad experience in higher education, to help develop a real estate strategy. With U3's support, the University and URP assessed the real estate market in Madison, peer experiences, the opportunity relative to the University's existing real estate portfolio, the structure and partner that might best deliver

incremental economic value, and the transaction method(s) that would appropriately balance the University's time horizon and revenue aspirations.

The real estate assessment considered structures for a real estate entity. UW-Madison has a well-established partner in URP, whose purpose is acquiring and developing real estate property for the benefit of the University while advancing research and industry collaboration. URP's mission further describes distributing funds to the University to advance the core mission of the University. In the last 40 years, URP has developed ~1M sq ft of commercial and research space and another ~1M sq ft of ground leases. At its flagship campus, there are ~125 companies with more than 4,000 employees. URP has the mission alignment and the track record to serve as the right partner for the University in this real estate effort.

### **A Renewed Framework for Partnership**

In order to pursue further development of campus parcels in a manner that meets campus/community needs and generates new resources, UW-Madison is working toward a Board-approved agreement with URP. The proposed memo of understanding (MOU) would serve as a framework for engaging in public-private development of campus parcels through the transfer of land to URP followed by ground leases (for parcels on or adjacent to the campus) and, potentially, sales for outlying parcels. The MOU proactively addresses legal concerns, such as the "dummy building corporation" and the rules around sale / transfer of College of Agriculture and Life Sciences (CAL S) land. Finally, the MOU also includes reviewing concepts for parcels with the Board following recommendations by the joint UW-Madison / URP working group.

The MOU addresses multiple important concepts throughout the life of the parcel from initial concept to future returns to the University. First, the MOU establishes a joint working group staffed by UW-Madison and URP. This group, guided by the campus master plan and the revenue innovation principles, will identify opportunities and recommend related parcels. The combined leadership will present the parcels and planned use / transaction type to the Regents for sale to URP at the formula price (more below). URP's background with ground leases and as a property developer will be critical throughout the process.

After Regent approval for the parcel transfer, URP will develop the project or will work with UW-Madison to select a developer. This development will typically include a prepaid ground-lease payment which will be invested at the UW Foundation in a segregated restricted endowment account for the University's benefit. These proceeds will grow over time and will align the impact of the real estate strategy to the long-term nature of the property development transactions. At the end of the ground lease, the property will either revert to the UW-Madison for use related to the mission or the joint working group will determine alternative uses and evaluate new ground leases.

Finally, the original resolution supporting sale of the Charmany Farms parcels to URP established a formula price with an inflationary escalator. Over the last forty years, the formula price has been used regularly to determine the sales price received by the Regents for transfers to URP and is broadly understood by the parties as well as other stakeholders. The proposed MOU extends the formula price concept to sales in support of the real estate strategy. The initial price paid by URP will flow to the Regents except in the case of agricultural land where revenue flows are governed by statute (and used to support CALS). Following subsequent transactions, URP will transfer additional earnings to the Foundation to a restricted endowment for the benefit of UW-Madison.

TO: Rebecca Blank  
Rob Cramer

FR: Aaron Olver

RE: UW-Madison/URP Partnership

DT: June 2, 2021

## **OVERVIEW**

University Research Park, Inc. was created to:

1. To acquire real property and things of value on behalf of UW-Madison and to hold, administer, use, add value, or distribute the same for the benefit of the University of Wisconsin-Madison
2. To promote science, research, technology, and education at UW-Madison and in the business ecosystem surrounding UW-Madison
3. To make gifts to UW-Madison

University Research Park and UW-Madison have a long history of collaborating to create value for UW-Madison and URP's capabilities have often been employed to advance UW-Madison goals.

## **THE ORIGINAL PARK**

University Research Park is somewhat unique in world of university research parks in the sense that it has been able to become financially self-sustaining rather than a cost center. The park has also developed a more extensive development capability than most parks. Part of the secret to this success was the ability to capture the value of development by improving land through infrastructure, entitlement, strategy, branding, and focus on a university-related community. While the initial price formula for future land sales was based on a market appraisal, it reflected the value of raw, unimproved land. This has allowed URP to bootstrap itself into self-sufficiency and grow its asset base.

## **A BRIEF HISTORY OF THE PARK**

With the city growing around it, UW-Madison determined its Charmany-Rieder research farms were no longer suitable for research purposes in the 1960s & 1970s. Pressure to develop them grew. Local interest from media and a Chamber of Commerce delegation visit to North Carolina highlighted Research Triangle Park as a potential model. In 1981,

Chancellor Irv Shain and his assistant, Wayne McGowan, brought the Urban Land Institute to Madison to conduct a study of the farms and recommend land uses. ULI recommended a mix of uses including research/office park, commercial, hotel, and multi-family residential.

The University began to consider a structure that could “establish a mechanism for property development that, over a period of years and within a complex economic and political environment, can produce a desirable and profitable development.” (URP First 15-year History). Key milestones included:

- A. In 1982, the Board of Regents authorized the preparation of a general development plan.
- B. On November 11, 1983, the Board of Regents accepted the general development plan, authorized the University of Wisconsin – Madison to implement it as University Research Park, created the Design Review Board, and directed UW-Madison to maximize the long-term benefits to UW-Madison including the “possible installment sales to a non-profit corporation or foundation existing for the benefit of the University of Wisconsin – Madison, and authorized park occupants to use university facilities and services within statutory and Regent policy limitations. (see Board of Regents resolution dated 11/11/83).
- C. On June 8, 1984, the Board of Regents authorized the sale of the Charmany-Rieder farm to University Research Park, Inc. at a price to be set by the State Building Commission based on market appraisals and adjusted to reflect inflation.
- D. On July 11, 1984 – the State Building Commission approved the purchase price and released a \$500,000 loan for initial infrastructure costs.
- E. On August 30, 1984, University Research Park, Inc. was incorporated.

## **EXAMPLES OF URP & UW-MADISON COOPERATING TO ADVANCE UW MISSION**

### ORIGINAL PURCHASES OF URP LAND

Though the State Building Commission relied on appraisals to set the initial formula price under which former research farmland was sold to University Research Park, URP was allowed to a) capture the value it added through development and b) capture any appreciation in value in excess of inflation (CPI). For example, URP built an incubator (the MGE Innovation Center) in 2 phases in 1998 and 2000. The MGE Innovation Center supports many university startups and WARF licensees and originates a disproportionate amount of federal SBIR/STTR grants awarded to Wisconsin companies. Stratatech, Mirus, and AbE Discovery are just a few examples of UW-related companies that have called the MGE Innovation Center home. URP paid approximately \$166,000 for the land. Assuming a potential market price of \$6/sf in 1998/2000, URP would have had to pay \$2.6 million for land. We estimate URP would have to charge incubator companies 10% more rent to cover this added expense. Instead, that value has supported companies in the spirit of the

Wisconsin Idea and become one of the few university research parks that are financially self-sufficient rather than university cost centers.

BENEFIT TO UW-MADISON: Support to startup companies commercializing research.

#### WISCONSIN CROP INNOVATION CENTER (2016)

At the request of UW-Madison, URP was able to accept the donation of a facility from Monsanto, lease it to UW-Madison CALS for cost, and collaborate with CALS to manage the facility. Had URP had to purchase the facility (either from Monsanto or the UW) at its appraised value in 2016 (\$7.195 million), URP would have to charge UW-Madison at least \$500,000 in base rent to cover the cost to finance the acquisition. In addition, by working with URP, the site is easily repurposed for an alternative use or disposition should UW-Madison no longer wish to support WCIC's research purpose.

BENEFIT TO UW-MADISON: Save \$500,000 in rent and increase flexibility/options.

#### OLIN HOUSE (2007-2008)

The Board of Regents granted URP a use agreement at no cost in order to facilitate the Olin House renovation. URP managed the renovation (at no cost) on behalf of UW-Madison. In addition, when \$2.5 million in gifts provided by UW Foundation proved insufficient to cover all costs (even after value engineering), URP gifted an additional \$250,000 to complete the project.

BENEFIT TO UW-MADISON: More efficient renovation of sensitive project, access to broader vendor set, and additional funding to address cost issues.

#### TV TOWER (completed 1995)

The Board of Regents granted URP a use agreement at no cost (and the State of Wisconsin provided bonds) to permit URP to construct a community TV tower for UW-Extension and other users. The Board of Regents owns the tower. URP receives some compensation for managing the tower, but to benefit WHA (Public Television) and other original "co-op" users, the rent declines if URP makes a profit. URP recently financed (at 0% interest) and managed an extensive \$1 million+ "repacking" of tower equipment (completed in 2020) to help broadcasters respond to frequency auctions, including helping WHA replace equipment. URP received no fee, compensation, or interest for this project which benefited UW-Extension among other users.

BENEFIT TO UW-MADISON: UW-Madison has saved substantial staff time and capital costs (which may not have been available through the state budget process) by having URP manage the tower, its repack, and ongoing operations.



### CONSTRUCTION OF INFLUENZA RESEARCH INSTITUTE (2008; expansion 2021)

At the request of UW-Madison, URP helped build out and leased back (and recently expanded) a BSL 3Ag facility to facilitate research that was difficult to accomplish in a shared campus building. To facilitate retention of a key UW-Madison researcher, URP oversaw a renovation and expansion of the facility in 2020-2021 for no management fee and loaned UW-Madison the design fees and construction costs at an interest rate below URP's cost of capital.

**BENEFIT TO UW-MADISON:** UW-Madison was able to respond to a faculty retention issue using URP's staff, real estate, and capital to grow the research footprint of one of the world's foremost viral/pandemic researchers.

### DONATION OF PROPERTY TO UW-EXTENSION (2020-2021)

In 2020, UW Extension identified a donor who desired to donate \$135,000 to allow UW-Madison to purchase an adjoining property that was for sale. However, UW-Madison could not execute the transaction by the end of the tax year in accordance with the donor's wishes. URP accepted the donation, paid for due diligence costs, paid \$150,000 to acquire the property (due to competitive offer), has managed the tenant relocation, has funded appraisals required by the Board of Regents to accept a donation, and will demolish the structures on the property at URP expense before donating the property to the UW and contributing all related costs over and above the donor's original gift. URP did not charge any fee or overhead for managing this project.

**BENEFIT TO UW-MADISON:** UW-Madison would not have been able to act quickly enough in a competitive situation to meet the donor's needs and transact the purchase in a competitive environment. URP also provided additional funds to complete the project in accordance with UW-Madison's needs.

## **OTHER EXAMPLES OF UW-MADISON-URP COLLABORATION**

### POTATO FARM (2006)

At the request of UW-Madison, URP purchased a potato farm in Rhinelander (for \$231,748) which the UW-Madison CALS uses for research purposes at cost (primarily property taxes). This saves UW-Madison at least \$16,000 per year.

### CHARTER STREET (2009)

At the request of UW-Madison, URP & WARF collaborated to purchase and donate a property on Charter Street to UW-Madison to control a key parcel. WARF was involved in a

larger transaction that resulted in the development of the Wisconsin Institutes for Discovery.

#### CHINA OFFICE (2012)

URP established a Wholly Owned Foreign Entity in China to facilitate UW-Madison's desire to establish an office in China. URP donated substantial staff time in managing the complexity associated with creating and later unwinding a Chinese entity.

#### CLASS SPACE FOR MS BIOTECH PROGRAM (2012)

URP leases UW-Madison space for their MS Biotechnology office and teaching lab and provides additional classroom space in a setting at the park among companies.

#### 1403 UNIVERSITY (2013)

URP (with assistance from WARF) acquired the property at 1403 University Avenue (the former "Purple Building") to protect a key site located in the heart of campus.

### **OTHER INITIATIVES**

URP has helped the UW-Madison explore various opportunities and was a willing partner for a number of initiatives that either did not go forward or went forward without URP's participation being required. Examples include:

- Construction of residence halls on Park Street (private developer selected)
- Participation in the Lucky Project
- Construction of UW Data Center (did not go forward)
- Relocation of Vet Med facility (did not go forward)

**AUTHORITY TO PAY A CITY OF OSHKOSH SPECIAL ASSESSMENT,  
UW OSHKOSH**

**REQUESTED ACTION**

Adoption of Resolution G., authorizing payment of a City of Oshkosh special assessment for a roadway improvement project.

**Resolution G.** That, upon the recommendation of the Chancellor of UW Oshkosh and the President of the UW System, the UW System Board of Regents authorizes the payment of \$1,359,029 Program Revenue-Cash to the City of Oshkosh for a Special Assessment for a roadway improvement project on Algoma Boulevard, Vine Avenue, and Blackhawk Street.

**SUMMARY**

Pursuant to Wis. Stats. 66.703(6) and 66.0705 (2) regarding Special Assessments by Local Ordinance, if the assessment to a state property is \$50,000 or more, the affected state agency must submit a request to the State Building Commission for review and approval. No project for which the State is assessed \$50,000 or more may be commenced and no contract for the project may be let without the approval of the assessment by the SBC under sub-section VIII, Part H.

This project will reconstruct approximately one mile of roadway, along with the corresponding utilities, on Algoma Boulevard and Vine Avenue in the City of Oshkosh. This project was funded by the City of Oshkosh in their FY22 capital budget. The total project budget is \$11.5 million; the University's share of project is approximately \$1.4 million, 12% of the total project budget.

The project will expand Algoma Boulevard to accommodate two travel lanes, a bike lane, and a parking lane. The project scope also includes repairing deteriorated sidewalks and replacing the sewer, water, and stormwater utilities along the roadway. The project is scheduled to begin in March 2022 and be completed sometime in the fall of 2022.

The project will also reconstruct Vine Avenue from Algoma Boulevard to High Street. This portion of the project will ensure there is adequate stormwater drainage for the Algoma Boulevard reconstruction project. There is currently no stormwater infrastructure along this portion of roadway.

## Presenter

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

## BACKGROUND

The City of Oshkosh has funded these projects to replace street and utility infrastructure that has exceeded its useful life. Per the City of Oshkosh 2022-26 Managed Recommended Capital Improvement Plan<sup>1</sup>, the existing street pavement was replaced in 1982, 2001, and 2011. The existing water infrastructure dates back to pre-1920s, while the stormwater and sewer components to the 1930s and 1960s. Completion of the project was called for in the following City plans: Bicycle & Pedestrian Master Plan (2019), Water Distribution System Hydraulic Model and Planning Study (2013), and Grouped Watershed Modeling (2011).

In addition to the University, other property owners within the project boundaries will also pay a portion of the assessable costs (allocated based on frontage linear feet). The assessment rates are based on the estimated project budget. The final amount assessed will be adjusted to reflect the actual project costs following completion in fall 2022. The University will incur the actual cost for this project after the project has been completed.

## Budget

This project will be delivered by the City of Oshkosh. The University of Wisconsin is being assessed its share of the project costs, per the City of Oshkosh assessment policies. The University's share of the total project budget is 12%. The table below summarizes the project cost by entity.

Entity	Cost Share	Percent
University of Wisconsin	\$1,359,029	12%
Other Assessments	\$302,871	3%
City of Oshkosh	\$9,838,100	85%
<b>TOTAL PROJECT</b>	<b>\$11,500,000</b>	<b>100%</b>

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<sup>1</sup> City of Oshkosh-2022-26 Manager Recommended Capital Improvement Plan (June 2021): [https://www.ci.oshkosh.wi.us/PublicWorks/CapitalImprovements/2022-2026\\_Manager\\_Recommended\\_Capital\\_Improvement\\_Plan.pdf](https://www.ci.oshkosh.wi.us/PublicWorks/CapitalImprovements/2022-2026_Manager_Recommended_Capital_Improvement_Plan.pdf)

## **Related Policies**

- Regent Policy Document 19-8, "[Funding of University Facilities Capital Costs](#)"
- Regent Policy Document 19-15, "[Physical Development Principles](#)"
- Regent Policy Document 19-16, "[Building Program Planning and Approval](#)"

## **ATTACHMENTS**

- A) UW Oshkosh: Algoma Blvd. Improvements Map



Sources: UW System Administration, State of Wisconsin, Wisconsin State Cartographers Office, US Census Bureau

This map is for reference purposes only.

### UW-Oshkosh: Algoma Blvd. Improvements

- Proposed Road Improvements
- Proposed Stormwater Improvements
- Campus Building
- UW Property

0 150 300 Feet



**AUTHORITY TO CONSTRUCT THE CLOW HALL/NURSING EDUCATION RENOVATION, PHASE II PROJECT, UW OSHKOSH**

**REQUESTED ACTION**

Adoption of Resolution H., authorizing the completion of design and construction of the Clow Hall/Nursing Education Renovation, Phase II project.

**Resolution H.** That, upon the recommendation of the Chancellor of UW Oshkosh and the President of the UW System, the UW System Board of Regents authorizes construction of the Clow Hall/Nursing Education Renovation, Phase II project for an estimated total cost of \$26,974,000 General Fund Supported Borrowing.

**SUMMARY**

This phase of the project will complete the remodeling and renovation of the Clow Hall/Nursing Education Building complex for the College of Education and Human Services, the College of Letters and Science, and the College of Nursing at UW Oshkosh.

The project remodels and renovates 87,381 GSF to correct space deficiencies and remodels and reconfigures lecture halls, classrooms, and learning laboratories, as well as faculty and departmental offices in the Nursing/Education Building including electrical, mechanical, and technology upgrades throughout. It will also redevelop 12,365 GSF of space vacated by the Children Care and Learning Center within Swart Hall into a College of Letters and Sciences (COLS) dean's suite, faculty offices, a math tutoring lab, a general access classroom, and a forensics lab.

**Presenter**

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

**BACKGROUND**

The Nursing/Education building (87,381 GSF) was constructed in 1970 with a main structure of two stories and a basement. Connected at the basement level to the second floor is a

six-story faculty building as well as the Clow Social Science Center classroom building. Just as in the Clow building prior to its renovation, the Nursing Education building has numerous functional, maintenance, and ADA issues throughout the facility that can only be remedied with a comprehensive renovation. Instructional labs and classrooms are in poor condition and are no longer able to accommodate current methods of teaching required for the programs.

**Budget**

Construction	\$18,844,000
Design	\$2,109,000
DFDM Mgt	\$859,400
Contingency	\$2,638,600
Equipment	\$2,523,000
Other Fees	\$0
<b>TOTAL</b>	<b>\$26,974,000</b>

**Previous Action**

August 18, 2016  
Resolution 10745

Recommended that the Clow Hall/Nursing Education Renovation, Phase II project at an estimated total cost of \$18,810,000 General Fund Supported Borrowing be submitted to the Department of Administration as part of the UW System 2017-19 Capital Budget Request.

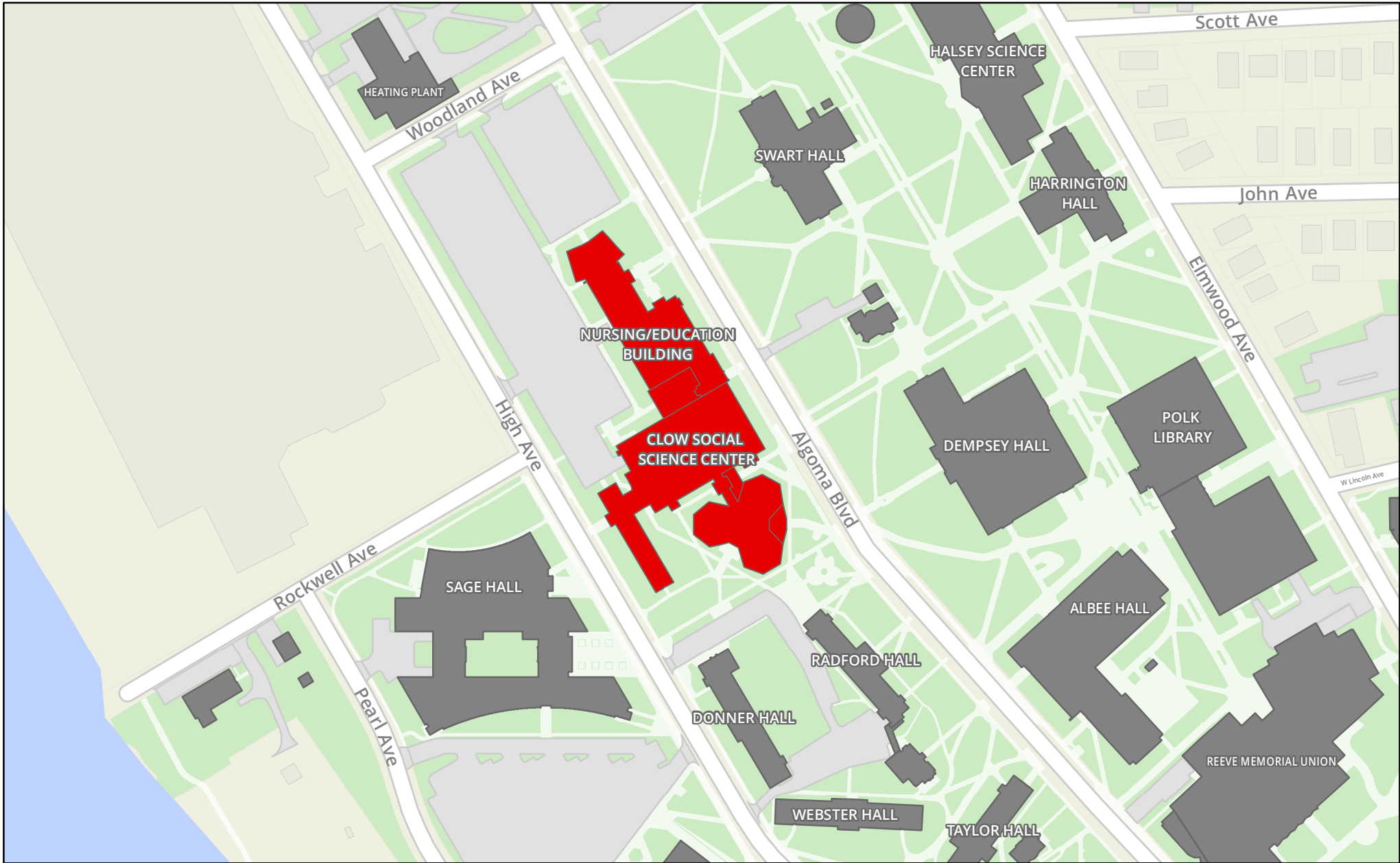
August 20, 2020  
Resolution 11493

Recommended that the Clow Hall/Nursing Education Renovation, Phase II project at an estimated total cost of \$26,974,000 General Fund Supported Borrowing be submitted to the Department of Administration as part of the UW System 2021-23 Capital Budget Request.

**Related Policies**

- Regent Policy Document 19-8, "[Funding of University Facilities Capital Costs](#)"
- Regent Policy Document 19-15, "[Physical Development Principles](#)"
- Regent Policy Document 19-16, "[Building Program Planning and Approval](#)"



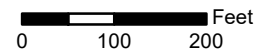


Sources: UW System Administration,  
State of Wisconsin, Wisconsin State  
Cartographers Office,  
US Census Bureau

This map is for reference purposes only.

### UW-Oshkosh: Clow Hall/Nursing Ed Renovation Phase II

- Proposed Renovation
- UW Property
- Campus Building
- Campus Parking Area



**AUTHORITY TO CONSTRUCT THE SOUTH HALL ADDITION AND RENOVATION PROJECT, UW-STOUT**

**REQUESTED ACTION**

Adoption of Resolution I., authorizing the completion of design and construction of the South Hall Addition and Renovation project.

**Resolution I.** That, upon the recommendation of the Chancellor of UW-Stout and the President of the UW System, the UW System Board of Regents authorizes construction of the South Hall Addition and Renovation project for an estimated total cost of \$25,000,000 Program Revenue Supported Borrowing.

**SUMMARY**

This project renovates South Hall, a student residence hall, to provide programmatic and infrastructure upgrades that will improve functionality, efficiency, and building code compliance. It also constructs a new accessible building entrance and a passenger elevator.

The bathrooms on each floor will be expanded and remodeled to be ADA accessible. All room finishes will be replaced or upgraded. All interior doors and door hardware will be replaced. All mechanical, electrical, and plumbing (MEP) systems and associated controls; telecommunications; and security and life safety systems will be replaced. All exterior windows, doors, frames, and door hardware will be replaced. All roofing systems will be replaced, including increasing insulation. Exterior masonry repair, tuck-pointing, and caulking will be performed on the building envelope to restore its integrity and improve energy efficiency. Asbestos abatement will be performed as necessary. New telecommunication rooms will be constructed. The fire alarm and smoke detection system will be replaced and augmented as needed to meet current code requirements and a new automatic sprinkler system will be installed.

**Presenter**

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

## BACKGROUND

South Hall (75,844 GSF) was constructed in 1967 and has not been upgraded since. Most of the original building's heating and ventilation systems perform poorly, require constant maintenance to sustain operations, and are original and have lasted significantly beyond their expected useful lives. Portions of the mechanical and electrical infrastructure do not serve present needs and additional electrical power panel boards are required to provide adequate capacity for resident rooms. All electrical and telecommunications distribution equipment is obsolete and needs replacement. The medium voltage distribution system should be upgraded to a loop configuration. Plumbing fixtures, water piping and valves, water heaters, waste/vent piping, and roof drains need replacement. The water service is not adequate to supply a fire sprinkler system. The fire alarm system panels need replacement to comply with code compliant notification requirements. The building entrance and bathrooms do not meet current accessibility standards and require improvements to facilitate maintenance activities and reduce operational costs. Asbestos-containing materials need to be abated to facilitate the proposed renovation work. Accessibility to each floor will be provided as this building does not currently have an elevator.

## Budget

Construction	\$17,400,000
Design	\$1,220,000
DFD Mgt	\$705,000
Contingency	\$2,625,000
Equipment	\$2,900,000
Other Fees	\$150,000
<b>TOTAL</b>	<b>\$25,000,000</b>

## Previous Action

August 23, 2018  
Resolution 11079

Recommended that the South Hall Addition and Renovation project at an estimated total cost of \$35,015,000 Program Revenue Supported Borrowing be submitted to the Department of Administration as part of the UW System 2019-21 Capital Budget Request.

## Related Policies

- Regent Policy Document 19-8, "[Funding of University Facilities Capital Costs](#)"
- Regent Policy Document 19-15, "[Physical Development Principles](#)"
- Regent Policy Document 19-16, "[Building Program Planning and Approval](#)"

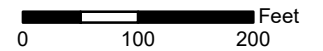


Sources: UW System Administration,  
State of Wisconsin, Wisconsin State  
Cartographers Office,  
US Census Bureau

This map is for reference purposes only.

### UW-Stout: South Hall Addition & Renovation

- Proposed Renovation
- Campus Building
- Proposed Addition
- UW Owned



October 7, 2021

**AUTHORITY TO CONSTRUCT MINOR FACILITIES RENEWAL PROJECTS,  
UW SYSTEM**

**REQUESTED ACTION**

Adoption of Resolution J., authorizing construction of minor facilities renewal projects.

**Resolution J.** That, upon the recommendation of the President of the UW System, the UW System Board of Regents grants authority to construct various minor facilities renewal projects at an estimated total cost of \$15,332,000 (\$13,767,000 General Fund Supported Borrowing and \$1,565,000 Program Revenue Supported Borrowing).

**SUMMARY**

**2019-21 MINOR FACILITIES RENEWAL, GROUP 2**

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	TOTAL
MSN	19G2E	Site Utility Electrical Distribution System Renovation & Replacement	\$3,482,000	\$1,565,000	\$5,047,000
<b>2019-21 MFR, GROUP 2 SUBTOTALS</b>			<b>\$3,482,000</b>	<b>\$1,565,000</b>	<b>\$5,047,000</b>

**2019-21 MINOR FACILITIES RENEWAL, GROUP 3**

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	TOTAL
MSN	19G2P	Multi-Building Elevator Replacement	\$2,888,000	\$0	\$2,888,000
<b>2019-21 MFR, GROUP 3 SUBTOTALS</b>			<b>\$2,888,000</b>	<b>\$0</b>	<b>\$2,888,000</b>

**2021-23 MINOR FACILITIES RENEWAL, GROUP 2**

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	TOTAL
STO	20B2I	Jarvis Technology Wing Laboratory Infrastructure Renovation	\$7,397,000	\$0	\$7,397,000
<b>2021-23 MFR, GROUP 2 SUBTOTALS</b>			<b>\$7,397,000</b>	<b>\$0</b>	<b>\$7,397,000</b>

	GFSB	PRSB	TOTAL
<b>OCTOBER 2021 TOTALS</b>	<b>\$13,767,000</b>	<b>\$1,565,000</b>	<b>\$15,332,000</b>

**Presenter**

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

## **BACKGROUND**

### **UW-Madison – Site Utility Electrical Distribution System Renovation & Replacement:**

This project installs four new sets of conductors between the Athletic Operations 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. The Walnut Street to Observatory Drive ductbank work includes installing approximately 1,450 LF of electrical duct package, consisting of eighteen 5-inch electrical conduits encased in concrete from the northeast corner of the Walnut Street switching station to a utility pit located in Observatory Drive. The Athletic Operations to Dayton Street switching station feeder work includes installing four sets of conductors through underground ducts from the Dayton Street Switching Station to the Athletic Operations switching station, creating two new paralleled heavy tie feeders to connect the switching stations together. Each new circuit will be tied to different busses at each end. Upon completion of the individual project components, all areas disturbed by the project will be fully restored, including roadways and gutters, pedestrian walkways, terraces, landscaping features, and site structures. Project work also includes traffic controls phasing drawings as required.

The continued growth of the west campus has fostered a critical need to provide more individual 15 kV circuits to additional buildings and building expansions. The Walnut Street substation has 33 circuit breakers and only 18 are being utilized. There are no spare conduits leaving the Walnut Street substation, delaying any future circuit expansion. The circuit breakers are installed onto three busses with eleven breakers per bus. The breakers are utilized as main breakers, bus tie breakers, or feeder breakers. This substation provides power to the west campus, approximately one third of the entire campus, including the Clinical Science Center (CSC) and University Hospital. The Athletic Operations (AO) switching station is fed from two overhead lines owned by Madison Gas and Electric (MG&E). Both lines also feed loads within the area of Camp Randall Stadium. The capacity available to this switching station is approximately 3 megawatts, greatly limiting the capacity of the AO switching station. These feeds also have a high incident rate of malfunctions and outages due to the nature of overhead transmission lines. By furnishing new circuits to the AO switching station, both capacity and reliability to the switching station would significantly increase. This installation is most critical when nationally broadcast athletic events are taking place within Camp Randall Stadium and the associated area. These new circuits will become the primary feed to the AO switching station and the existing MG&E circuits will become a backup source.

## **UW-Madison – Multi-Building Elevator Replacement:**

This project replaces elevators in seven campus facilities (Babcock Hall, Bascom Hall, Below Alumni Center, Elvehjem Museum of Art, Ingraham Hall, Lathrop Hall, and Memorial Library). Project work includes replacing the elevator controller, power or pumping unit, car, hoist way doors, operating equipment, car door sills, car operating panels, car rollers/guides, and the hoist system (hydraulic jack and buffers or machine and ropes). All safety equipment, including safeties, governor, governor ropes, buffers, rope grippers will be upgraded and all cab fixtures will be vandal proof. Project work also upgrades the cab interior and lighting. Microprocessor-based control systems will be evaluated to improve energy consumption and improve traffic management. The elevator machine room heating and cooling systems will be replaced or augmented as necessary to satisfy the equipment warranty. The fire alarm system connections and capabilities will be reviewed and augmented as necessary to meet current elevator codes. The elevators will also be connected to the campuswide building automation system for monitoring the availability to operate. The elevator door access and operation will be designed to meet current ADA requirements.

All elevators and controls listed in this project are at the end of their useful life and many are obsolete. Parts for repairs are very difficult to obtain or are non-existent. The controller and power units are functional but inefficient. Many of the elevators do not connect to the campus automated building system. The cab interiors are worn, dated, and their control systems do not meet current safety standards. The Ingraham Hall elevator is 56 years old and the replacement parts are no longer manufactured. Repair work is conducted with scrapped or modified parts. The Elvehjem Museum of Art elevator is 48 years old and the Bascom Hall elevator is 45 years old. Both are single-bottom, hydraulic jack style units and do not meet current building code standards. These types of elevators pose potential safety issues, including leaking and loss of hydraulic oil.

## **UW-Stout - Jarvis Hall Tech Wing Laboratory 157/158/170 Renovation:**

Project work includes removal of the dust collection systems for laboratories 157, 158, and 170 including ductwork, hangers, controls, electrical conduit and wiring, collectors, and service platforms; saw cutting masonry walls for new ductwork openings; installation of new, replacement dust collection systems including ductwork, hangers, control gates, electrical controls and grounding, fire protection sprinklers, service platforms, collector units, and flexible collection tubing to existing equipment. The building's HVAC system will be rebalanced as required for makeup air flow. The domestic water supply line for the Plastics Laboratory 170 will be removed and replaced with a larger capacity line. Project work includes core drilling the concrete floor slab to extend a new line from the meter located in the basement of Micheels Hall to the first floor, then extending the line from the first floor into Jarvis Hall Tech Wing above the suspended acoustical ceiling into the laboratory, and installing individual extensions to existing equipment. The domestic water

line will also be extended to the new dust collection systems to provide fire protection. This project will replace three interior laboratory entry door and frame assemblies from the main circulation corridor with new overhead doors to each laboratory. Project work includes selective demolition of interior concrete masonry unit (CMU) partition walls to create larger openings for the overhead doors, installation of structural lintels in those openings and individual electrical power and controls for each overhead door. All interior finishes and interior or exterior penetrations impacted by the removal and replacement project work will be patched, closed, and refinished to match existing.

The Jarvis Hall Tech Wing was constructed in 1970 and the dust collectors are original to the building. There have been no major renovations to this facility since original construction. The units are failing, the hoppers are rusted out and although they have been repeatedly patched, they are no longer able to contain the dust. Exhaust duct drops for equipment have been added, many parts have been altered, and the system integrity is questionable. The current system is undersized, does not include fire protection to handle the explosive nature of sawdust, and lacks modern safety enhancements and features. The domestic water supply to the Plastics Laboratory is used to cool the equipment and is inadequate to properly serve its intended purpose, which negatively impacts the performance and life of the equipment when it overheats. Furthermore, the restrooms in Jarvis Hall Tech Wing experience low pressure, which results in inadequate flow for proper flushing. The laboratory entry doors have inadequate height and width to accommodate modern engineering equipment. The new overhead doors will allow adequate openings for the modern equipment to be installed, which will increase laboratory utilization and improve pedagogy. The increasing enrollment in engineering and technology majors has put additional pressure on the limited laboratory space and existing equipment. Without the ability to install larger and modern equipment to increase the flexibility and potential uses of the existing space, program development is at a standstill. This project resolves long-term deferred maintenance in these foundational support laboratories, including the wood fabrication, construction methods, plastic injection, and engineering motor specialties. There are no other spaces on campus that can accommodate these specialized uses.

### **Related Policies**

- Regent Policy Document 19-8, "Funding of University Facilities Capital Costs"
- Regent Policy Document 19-15, "Physical Development Principles"
- Regent Policy Document 19-16, "Building Program Planning and Approval"



October 7, 2021

**AUTHORITY TO CONSTRUCT ALL AGENCY MAINTENANCE AND REPAIR PROJECTS, UW SYSTEM**

**REQUESTED ACTION**

Adoption of Resolution K., authorizing construction of various maintenance and repair projects.

**Resolution K.** That, upon the recommendation of the President of the UW System, the UW System Board of Regents grants authority to construct various maintenance and repair projects at an estimated total cost of \$5,120,000 (\$1,463,200 General Fund Supported Borrowing; \$647,000 Program Revenue Supported Borrowing; and \$3,009,800 Cash).

**SUMMARY**

**UTILITY REPAIR AND RENOVATION**

INST	PROJ. NO.	PROJECT TITLE	GFSB	PRSB	CASH	TOTAL
GBY	2011I	Kress Events Center Parking Lot & Roadway Repaving			\$2,940,100	<b>\$2,940,100</b>
MSN	20B3F	WHA Transmitter Utility & Boardwalk Replacement (Increase)	\$155,000		\$69,700	<b>\$224,700</b>
MIL	20B1L	Domestic Water Main Repl (Golda Meir Library-Curtin Hall)	\$634,800	\$179,000		<b>\$813,800</b>
STO	20B2G	Site Data Communications Redundant Backbone Installation	\$673,400	\$468,000		<b>\$1,141,400</b>
<b>URR SUBTOTALS</b>			<b>\$1,463,200</b>	<b>\$647,000</b>	<b>\$3,009,800</b>	<b>\$5,120,000</b>

	GFSB	PRSB	CASH	TOTAL
<b>OCTOBER 2021 TOTALS</b>	<b>\$1,463,200</b>	<b>\$647,000</b>	<b>\$3,009,800</b>	<b>\$5,120,000</b>

**Presenter**

- Alex Roe, Senior Associate Vice President for Capital Planning and Budget, UW System

## **BACKGROUND**

### **UW-Green Bay – Kress Events Center Parking Lot & Roadway Repaving:**

This project repaves the Kress Center and Studio Arts parking lots, two pedestrian walkways near the Kress Center, and several campus roadway sections including Campus Court, Leon Bond Drive, Main Entrance Drive, Wood Hall Drive, and Laboratory Science Drive. Project work includes replacing asphalt pavement, concrete curbs and gutters at various locations, pedestrian walkways, tactile warning surfaces, pavement marking, permanent signing, site restoration, drainage improvements, and lighting upgrades.

The Kress Events Center Parking Lot was constructed in multiple phases. The first portion was designed as 244 stalls in 1977, reconstructed in 1996 and expanded by 26 new stalls. Another addition was constructed in 2001 creating 171 new stalls for a total capacity of 441 stalls. The Studio Arts Parking Lot was constructed in 1970 and was rebuilt in 1996 adding 104 stalls to increase the lot size to 601 stalls. Both lots are now appropriately sized for the targeted user base and have annual asphalt pavement maintenance (crack routing and sealing, base patches, etc.) completed. Despite these annual maintenance operations, the pavements have deteriorated to the point of needing replacement. Recent State of Wisconsin Department of Transportation pavement surface evaluation and rating (PASER) studies were completed and determined both lots have pavement in poor condition. It is likely more of the stormwater inlets will fail soon unless they are rebuilt or repaired. The study also recommended that a partial replacement of the 30-inch curb and gutter and the installation of new storm sewers, catch basins, and inlets be provided to improve the drainage of the Studio Arts lot.

Campus Court is a 20-foot-wide roadway with 30-inch mountable curbing. The recent evaluation concluded that the road needed more crowning and new curbing. The road has extensive alligatored and traversed cracking, which prevents water from properly draining off the road. Leon Bond Drive has similar physical deterioration throughout the targeted section. The two asphalt paths are heavily used by the 2,000 students who live on campus and utilize these two walks to access campus academic buildings, University Union, and the Kress Events Center. The walks have not been improved in more than 20 years. Small patches and annual crack sealing have extended the life of the walks, but alligator cracks have continued to create safety concerns and ponding water that accumulates in some areas prevents students from using the walks.

### **UW-Madison – WHA Transmitter Utility & Boardwalk Replacement Increase:**

This request increases the project budget to match recent bid results. The budget increase is needed to complete the originally approved project scope and intent.

This project replaces the wooden boardwalk leading to the radio tower in the campus

arboretum along with the associated electrical and telecommunications lines integrated into the boardwalk construction. Project work includes removal and disposal of approximately 250 LF of wooden boardwalk and 330 LF of electrical and telecommunications lines installed in PVC conduit attached to the boardwalk structure; and installation of a new raised metal boardwalk system with helical piles and new electrical and telecommunications lines and conduit between the transmitter building and tuning cabinets near the radio tower. The replacement boardwalk and utility lines will be placed to avoid the ground radials that project from the tower below grade. Any damage to these radials will be repaired under this project.

The WHA transmitter tower is an AM/FM tower that broadcasts WPR in this portion of the state. The boardwalk was constructed out of wood components approximately 15-20 years ago. The structure runs through the arboretum wetlands and is subject to flood drainage from the surrounding areas of the city. Maintenance of the boardwalk has become untenable due to the age of the structure and the difficulty of working in the wetlands. Frost heave has caused numerous trip hazards along the walking surface and the hangers for the existing conduit have failed in several locations. This has forced workers to work with electrical lines that may be filled with water or located below the waterline.

#### **UW-Milwaukee – Domestic Water Main Replacement (Golda Meir Library-Curtin Hall):**

This project replaces the 60-year-old water main in the southeast quad. It supplies domestic and fire protection water to several buildings including Curtin Hall, Garland Hall, Golda Meir Library, Pearse Hall, and Vogel Hall. Project work includes utilizing trenchless water main pipe bursting or pipe reaming techniques to minimize the disruption and construction expense that an open excavation would otherwise incur in this congested, utility intensive, high pedestrian traffic part of the campus. This project will excavate two or more deep boring and receiving pits (~12 VF), place boring equipment, intercept existing water main, and ream/burst main as new main is pulled/pushed into the same routing path as the existing service. The intent is to replace pipe lengths with like-size or greater (10-inch and 12-inch) between existing isolation valves. After completion, site restoration work also includes full hardscape and softscape site restoration. The site is mainly covered with 6-inch concrete as it is a primary plaza/pedestrian corridor through the southeast quad near the campus landmark water fountain. The work will need to proceed with precision and caution as the underground areas are congested with active steam/condensate tunnel and box conduit systems, electrical and signal utilities, telephone, and storm/sewer utilities.

The underground 12-inch and 10-inch ductile water mains have failed twice in the past four years due to age, erosion, and corrosion. In both cases, domestic water service to the buildings listed above had to be shutoff for approximately one-week during each instance, disrupting research in Garland-Pearse, rendering drinking fountains and restrooms unavailable, and triggering a fire watch to be activated due to the loss of the sprinkler

systems. These events happened at the beginning of the fall semester and mid-semester causing campus concerns, affecting student/staff events, and impacting academic research activities. During repair work, the campus plumbing shop and repair contractor collaborated to minimize the shutdown window while carefully examining the cause of each failure. The cause was pipe corrosion and wear to the point of failure. Both leaks were 2- to 3-inch holes through the side of the ductile piping main with a clear indication of pipe thinning in the vicinity of the failure. The leaks were repaired with clamps as a temporary measure to restore service as soon as possible.

### **UW-Stout – Site Data Communications Redundant Backbone Installation:**

This project installs a new telecommunications ductbank to serve as a backup internet and wide area network (WAN) connection, installs additional conduit capacity for future use, and provides a more direct pathway for the building automation system connections serving the buildings north of Sorenson Hall. Project work includes installing new underground telecommunications ductbank from Sorenson Hall to a utility pit adjacent to Bowman Hall; constructing a new interior cable path in Sorenson Hall; and installing new single-mode fiber optic cable underground between Sorenson Hall and Hovlid Hall. Site improvements and landscaping restoration will be completed as necessary for those areas disturbed by project work.

The current building automation wiring pathway is not clear nor straight forward, as it runs from building to building. The older buildings do not have the proper space to provide a pathway that is secure and expandable. Regular service work above the ceiling compromises the integrity of the existing telecommunication system as it competes for space. Its reliability is also questionable. This project provides a straight pathway that is secure and able to expand in the future to address increasing demand for bandwidth and services.

### **Previous Action**

January 29, 2021 Resolution 11574	Granted authority to construct the UW-Madison - WHA Transmitter Utility & Boardwalk Replacement at an estimated total cost of \$374,200 (\$258,200 General Fund Supported Borrowing and \$116,000 Cash).
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### **Related Policies**

- Regent Policy Document 19-8, "Funding of University Facilities Capital Costs"
- Regent Policy Document 19-15, "Physical Development Principles"
- Regent Policy Document 19-16, "Building Program Planning and Approval"

**REGENT POLICY DOCUMENT REVIEW:  
REGENT POLICY DOCUMENTS RELATED TO  
CAPITAL FUNDING AND COSTS**

**REQUESTED ACTION**

Adoption of Resolution L, which rescinds Regent Policy Document (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 of the policies in a new policy, "University Facilities, Space, and Physical Development Capital Funding and Costs."

**Resolution L.** That, upon the recommendation of the President of the University of Wisconsin System, the UW System Board of Regents rescinds Regent Policy Documents (RPD) 19-1, "Prorating Costs for Heating/Chilling Plants," and 19-8, "Funding of University Facilities Capital Costs" and creates a new Regent Policy Document titled "University Facilities, Space, and Physical Development Capital Funding and Costs."

**SUMMARY**

This proposal rescinds 19-1, "Prorating Costs for Heating/Chilling Plants," and RPD 19-8, "Funding of University Facilities Capital Costs," and creates a new policy, "University Facilities, Space, and Physical Development Capital Funding and Costs," which combines the provisions of the policies. The policy establishes funding sources and cost sharing responsibilities for the planning and design, construction, demolition and deconstruction, maintenance, modification, repair, renovation, and/or replacement of university facilities based upon the operational budget and funding entities that benefit from the facilities and services provided across UW System.

The Capital Planning and Budget Committee is asked to approve the revision to this policy as part of the Board's ongoing analysis and revision of Regent Policy Documents. In February 2011, the President of the Board formally announced a process to review and update the Board's RPDs. Under the process, each RPD is reviewed to determine whether the policy is still relevant and whether the policy should be revised or removed. Policies that are retained are formatted to meet standards established by the Regents in RPD 2-3.

The Board has revised numerous policies, repealed obsolete policies, and established new policies under this process.

## **Presenter**

- Alex Roe, UW System Senior Associate Vice President for Capital Planning and Budget

## **BACKGROUND**

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.

### **RPD 19-1**

RPD 19-1 describes approaches for allocating construction project costs for central and satellite heating and chilling plants, distribution systems, and extensions within the UW System. The policy also reiterates statutory requirements, which have been repealed since the adoption of the policy, for prorating ongoing operating costs of heating and cooling within the UW System.

Board materials from the time the policy was adopted described how the project and operating costs for chilling plants varied throughout the UW System. Before the merger that created the UW System, the former Chapter 36 universities (UW-Green Bay, Madison, Milwaukee, and Parkside), funded their central chillers from General Purpose Revenue (GPR) sources. The former Chapter 37 universities (Wisconsin State Universities and Colleges) had limited chilled space in GPR-funded facilities and central chillers were generally not needed. Satellite chillers were constructed and used instead of central chillers when chilled water was needed on those campuses. The proposal noted that student centers were the primary PR-funded users of chilled water but represented only a small percent of total space being chilled on each campus. It also noted that using central GPR-funded services to provide service to these university services was cost-effective and did not require any increase in capacity.

In May 1979, the State Building Commission considered a request to modify central heating and air conditioning systems at UW-Green Bay and a university center air conditioning project at UW-Whitewater. A discussion initiated by then-Governor Dreyfus noted that UW System's use of GPR funding for some types of heating/chilling facilities and PR for others resulted in differences in student costs. The Commission deferred action on the two

projects until the UW Board of Regents adopted a formal policy establishing methods for prorating heating and air conditioning costs.<sup>1</sup>

The current policy requires UW System to fund the initial construction, subsequent additions, modifications, repair, and maintenance of central heating/chilling plants, distribution systems, and extensions with GPR. It requires that project costs for satellite heating and chilling plants and distribution service lines and extensions be funded by the same source of funds as those used in the project cost for the construction of the building served.

In addition to allocating project costs related to construction, the policy also had previously incorporated s. 20.285 (1)(c), Wis. Stats., related to the allocation of operating costs for central and satellite heating and chilling plants. The policy required the allocation of operating costs from satellite heating and chilling plants in Program Revenue (PR) -funded facilities for services provided to GPR funded facilities to be reimbursed in the same manner as for auxiliary enterprises. The provisions of s. 20.285 (1)(c), Wis. Stats., appeared to have been modified numerous times over the years, with the section finally repealed completely by 2011 Wisconsin Act 32.

## **RPD 19-8**

RPD 19-8, "Funding of University Facilities Capital Costs" describes the appropriate funding for various capital costs of university facilities.

The provisions of Regent Policy Document 19-8, "Funding of University Facilities Capital Costs," were created by a 12-member committee established by the Board of Regents in February 1990 to review funding sources used by the UW System for various types of capital projects. The review was initiated because questions about the appropriate use of funding, particularly the use of gift funds and student fees, for capital projects had been raised several times. The committee reviewed existing policies and common funding sources used for a variety of facilities and the Board adopted the committee's recommendations as Resolution 5500 at its May 11, 1990, meeting.<sup>2</sup> The provisions of Resolution 5500 became RPD 90-3, "Funding of University Facilities Capital Costs," which was later renumbered as RPD 19-8.

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<sup>1</sup> *Minutes of the regular meeting of the Board of Regents of the University of Wisconsin System.* (1979, 7 September). Retrieved from <http://digicoll.library.wisc.edu/cgi-bin/UWBoR/UWBoR-idx?type=turn&entity=UWBoR.Sept71979.p0171&id=UWBoR.Sept71979&isize=M&q1=chilling>

<sup>2</sup> UW System Board of Regents, Minutes of the May 11, 1990 Board Meeting, <http://digicoll.library.wisc.edu/cgi-bin/UWBoR/UWBoR-idx?type=turn&entity=UWBoR.May111990.p0024&id=UWBoR.May111990&isize=M> page 22.

At its December 6, 1991, meeting, the Board of Regents adopted Resolution 5989, which revised Resolution 5500 to allow the use of Program Revenues (PR) as a funding source for the acquisition of parcels of land needed for parking facilities on UW campuses.

On November 6, 1992, the Board passed Resolution 6257 to reaffirm that GPR is the prescribed source of funding for academic facilities. The Resolution noted that non-GPR funding sources would be incorporated into the UW System Capital Budget requests when feasible during the 1993-95 biennium and prioritized the use of such funds in support of academic space for professional programs.<sup>3</sup>

## **Proposed Policy**

The new policy would modify provisions from RPD 19-1 as follows:

- Proposes that central and satellite heating and chilling plants and central utilities be funded proportionally by the space and programs that benefit from these facilities as opposed to requesting only GFSB funding as per the current policy.
- Recognizes central and satellite heating and chilling plants as wholly GPR supported operations and facilities that also house and manage split funded central utility equipment.

In addition, the new policy would modify several provisions from RPD 19-8, to include the following specifications:

- sponsored and project-based research is a PR function and individual or department-based research is a GPR function
- campus roads, walkways, pedestrian malls, bikeways, and exterior development be split funded as per all site development and Improvements
- child-care is a PR function
- non-UW entities utilizing facilities or space within BOR owned property or facilities are PR functions
- gifts/grants funding is allowable for all university facilities, space, and physical development.

The proposed policy incorporates new language to address funding for 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. The proposed policy also requires the

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<sup>3</sup>UW System Board of Regents, Minutes of the November 6, 1992 Board Meeting, [https://www.wisconsin.edu/regents/download/meeting\\_materials/1992/november/November-6,-1992-BOR-Minutes.pdf](https://www.wisconsin.edu/regents/download/meeting_materials/1992/november/November-6,-1992-BOR-Minutes.pdf), pages 5-6



allocation of sufficient operational funding to support proposed capital projects and physical development, including daily operations.

## **ATTACHMENTS**

- A) New RPD, "Prorating Costs for Heating/Chilling Plants, Distribution Systems, and Extensions" (Proposed)
- B) RPD 19-1, "Prorating Costs for Heating/Chilling Plants" (Current)
- C) RPD 19-8, "Funding of University Facilities Capital Costs" (Current)

## RPD 19-x University Facilities, Space, and Physical Development Capital Funding and Costs

### Scope

This policy applies to all campus, facilities, physical development, and space planning and design; new construction and additions; demolition, deconstruction, and disposal; and maintenance, modification, repair, renovation, and replacement of university facilities (buildings and building additions; infrastructure systems, assemblies, and components; structures; site development and improvements; central and satellite heating/chilling plants; and site utilities, distribution systems, and extensions).

### Purpose

This policy establishes funding source and cost sharing responsibilities for the planning and design, construction, demolition and deconstruction, maintenance, modification, repair, renovation, and/or replacement of university facilities based upon the operational budget and funding entities that benefit from the facilities and services provided across UW System. The types of facilities, physical development, and space for which this policy applies are categorically outlined below by the preferred funding source responsibility.

### General Purpose Revenue Supported Facilities, Space, and Physical Development

1. **Academic** (*Academic Instruction, Community Education, Departmental Research, Preparatory/Remedial Instruction, Special Instruction, Technical/Vocational Instruction*)
2. **Academic Research** (*Institutes/Research Centers, Individual/Departmental Project Research*)
3. **Academic Service and Support** (*Administrative Computing Services, Campus and Departmental Administration, Campus Galleries/Museums, Libraries/Learning Resource Centers, Media Services*)
4. **Intercollegiate Athletics** (*Arenas, Fields, Tracks, Stadiums*)
5. **Operations and Maintenance** (*Central and Satellite Heating/Chilling Plants, Facilities Management/Physical Plant Services, Hazardous Materials Storage, Leasing & Real Estate, Planning & Space Management, Safety & Security*)
6. **Public Service** (*Community Services, Cooperative Extension Services, Public Broadcasting Services*)
7. **Student Services** (*Admissions, Financial Aid, Health Services, Registrar, Student Counseling*)

## Program Revenue Supported Facilities, Space, and Physical Development

1. **Auxiliary Operations** (*Bookstore, Child Care, Dining/Food Service, Foundation, Hospitals/Clinics, Housing, Parking, Recreation/Student Life, Student Centers/Unions*)
2. **Sponsored and Project-based Research**
3. **Non-University of Wisconsin Entities** operating facilities or space on or within Board of Regents owned property or facilities and/or supplied by central campus utility systems

## Policy Statement

University campuses and facilities will be planned and designed; constructed; demolished, deconstructed, and disposed; and maintained, modified, repaired, renovated, and replaced based upon (a) the operational budget and funding entities and operations that benefit from those facilities, (b) Board of Regents capital and operational budget and funding priorities and availability, and (c) State of Wisconsin capital and operational budget and funding priorities and availability.

- **General Purpose Revenue (GPR) and General Fund Supported Borrowing (GFSB)** are the prescribed funding sources for academic, academic research, academic service and support, operations and maintenance, and public service facilities, space, and physical development.

GPR and GFSB shall not be used for: athletic arenas or stadiums at any institution except UW-Madison; auxiliary operations; or UW-Madison Division of Extension dining/food service or housing facilities, space, and physical development unless authorized by the Board of Regents and the State of Wisconsin Building Commission. GPR and GFSB shall only be used at UW branch campuses for capital equipment and energy conservation unless authorized by the Board of Regents and the State of Wisconsin Building Commission.

- **Program Revenue (PR) and Program Revenue Supported Borrowing (PRSB)** are the prescribed funding sources for auxiliary operations, sponsored and project-based research, non-University of Wisconsin entities operating on or within Board of Regents owned property and facilities, and athletic arenas and stadiums at all institutions except UW-Madison. PR and PRSB may not be used at UW branch campus for academic, academic research, academic service and support, operations and maintenance, or public service facilities, space, and physical development unless authorized by the Board of Regents.

- **Student segregated fees** may not be used for academic, academic research, academic service and support, operations and maintenance, or public service facilities, space, and physical development unless authorized by the Board of Regents. All student segregated fees will be used in accordance with Regent Policy 30-5, Policy and Procedures for Segregated University Fees.
- **County and Municipal funding** is the prescribed funding source for UW branch campus academic, academic research, academic service and support, operations and maintenance, or public service facilities, space, and physical development.
- **Gifts and Grants funding** is allowable for all university facilities, space, and physical development.
- **Central and Satellite Heating and Chilling Plants** are wholly GPR-supported operations and the buildings designated to these functions will also be wholly supported by GPR and GFSB. Any and all work for the benefit of the building will be funded from GPR and GFSB sources. Any and all work for the benefit of the central utility(ies) system(s) equipment and distribution system(s) housed or originating from these plants will be funded according to the gross square footage or demand load benefitting from the central utility(ies) system(s).
- **Off Campus/Remote Locations utility work** funding responsibility will be determined on a case by case basis. The funding split for non-contiguous utility(ies) work will follow the same principles as those defined for the central utilities located on the main campus. Any and all work for the benefit of the remote and non-contiguous utility(ies) system(s) equipment and distribution system(s) will be funded according to the gross square footage or demand load benefitting from these off-campus utility(ies) system(s).

**Athletics and Recreational Equipment and Surfaces** will be maintained, repaired, and replaced-in-kind with 85% GPR and GFSB and 15% PR and PRS B. All enhancements, expansions, reconfigurations, and relocations will be funded 100% from non-GPR and GFSB. As per State of Wisconsin Statutes §20.285, UW-Madison Intercollegiate Athletics facilities will be funded with 60% GPR and/or GFSB and 40% PR and/or PRSB.

- **Signage** will be funded based on the operational entities and programs that benefit from the signage. Signage for buildings, attached or detached, will be funded based on the assignable square footage occupancy percentages of the building. Signage for parking lots will be funded from non-GPR sources. Signage including advertising, brand names, and marquees will be funded from non-GPR sources.
- **Energy conservation** projects will be funded by either GFSB and/or PRSB as designated each biennium by the State of Wisconsin. The operating budget debt

service for these state funds will be sourced from the institutional operating budget funds designated and prescribed for energy bills and utility providers, or other institutional operating budget funds, if the energy savings is inadequate to fully satisfy the debt service.

The types of facilities and campus physical development projects for which this policy applies are categorically outlined below.

**Buildings and Building Additions; Space; Infrastructure Systems, Assemblies, and Components; Structures**

1. Academic
2. Academic Service and Support
3. Auxiliary Operations
4. Intercollegiate Athletics
5. Institutional Service and Support
6. Operations and Maintenance
7. Public Service
8. Research
9. Student Services

**Site Development and Improvements**

1. athletics and recreational surfaces
2. fencing
3. kiosks and signage
4. landscaping
5. pedestrian pavements and structures
6. retaining walls
7. site signage
8. vehicular pavements and structures

**Central and Satellite Heating/Chilling Plants**

1. chilled water and refrigeration
2. communications and data distribution
3. compressed air
4. electrical substations
5. energy management systems
6. fuel distribution and storage
7. natural gas substations
8. steam generation and production

### **Site Utilities, Distribution Systems, and Extensions**

1. chilled water
2. communications and data distribution
3. compressed air
4. domestic water
5. electrical power and lighting
6. fire protection
7. fuel distribution and storage
8. irrigation
9. natural gas
10. sanitary sewer and wastewater
11. steam and condensate
12. storm water
13. site utility access and enclosing structures

### **Property, Land Acquisitions, and Municipal Assessments**

1. land or property acquisitions, including associated closing and legal costs
2. municipal assessments

Relocation costs are not included and municipal assessments greater than \$50,000 are approved according to the State of Wisconsin Statutes §66.0705(2).

### **Movable and Special Equipment**

#### **Energy Conservation**

1. renewables
2. exterior envelope; building systems, equipment, and controls repair, renovation, and replacement
3. facilities improvements, enhancements, and augmentations

### **Oversight, Roles, and Responsibilities**

The Board of Regents is responsible for ensuring that university facilities are constructed, maintained, modified, repaired, renovated, and/or replaced and funded by those operational budget and funding entities that benefit from the facilities, or by gifts and grants funding obtained for the purposes of constructing, maintaining, modifying, repairing, renovating, and/or replacing facilities.

UW System Chancellors are responsible for planning, management, and allocation of sufficient operational funds by each entity benefitting from university facilities to accomplish their proposed capital projects and daily operations.

UW System Office of Capital Planning and Budget is responsible to ensure that all requirements of this policy are adhered to and appropriately applied prior to submitting an institutional request to the Board of Regents for construction authority and/or funding consideration and approval.

**RPD 19-1, "Prorating Costs for Heating/Chilling" -- Current**

**A. Campus Heating/Chilling Plants, Distribution Systems, and Extensions:**

1. Project costs for the initial construction, subsequent additions, modifications, repair and maintenance of campus central heating/chilling plants shall be requested to be funded from General Purpose Revenue supported funds.
2. Project costs for the initial construction, subsequent additions, modification, repair and maintenance of campus heating/chilling distribution system service lines, including related tunnels, access pits, and/or conduits, shall be requested to be funded from General Purpose Revenue supported funds.
3. Project costs for the initial construction of heating/chilling distribution system service line extensions, from the campus heating/chilling distribution system service lines to a building, shall be requested to be funded from the same source of funds used in the project cost for the construction of the building served.

**B. Satellite Heating/Chilling Plants:**

1. Project costs for the initial construction, subsequent additions, modification, repair and maintenance of satellite heating/chilling plants shall be requested to be funded from the same source of funds used in the project cost for the construction of the building(s) served.
2. Project costs for the initial construction; subsequent additions; modification; repair and maintenance of campus heating/chilling; distribution system service lines and extensions; including related tunnels, access pits, and/or conduits shall be requested to be funded from the same source of funds used in the project cost for the construction of the building(s) served.

**C. Prorating Heating and Air Conditioning Operating Costs for Program Revenue Funded Facilities Served by Campus Heating/Chilling Plants:**

1. The University of Wisconsin System is required to allocate operating costs of campus central heating/chilling plants in accordance with the provisions of Wis. Stats. §§ 20.285 and 20.285(1), which state:
  - o There is appropriated to the board of regents of the University of Wisconsin System for the following program:  
I Energy Costs. The amounts in the schedule to pay for utilities and for fuel, heat, and air conditioning, and to pay costs incurred under Wis. Stats. §§ 16.858 and 16.895, including all operating costs recommended by the department of administration that result from the installation of pollution abatement equipment in state-owned or operated heating, cooling, or power plants by or on behalf of the board of regents and including the cost of purchasing electricity, steam, and chilled water generated by the



cogeneration facility constructed pursuant to an agreement under 2001 Wisconsin Act 109, section 9156 (2z)(g).

2. Allocation of operating costs from satellite heating/chilling plants in Program Revenue funded facilities for services provided to General Purpose Revenue funded facilities shall be reimbursed in the same manner as auxiliary enterprises, per Wis. Stats. § 20.285(1)(c).

The full document may be obtained from the University of Wisconsin System Office of Physical Planning and Development. The document includes the above policy, the State Building Commission action requesting Regent policy, and a review of and rationale for past and current Regent policies on this subject.

*History: Res. 1985 adopted 9/7/79.*

**19-8 FUNDING OF UNIVERSITY FACILITIES CAPITAL COSTS (Formerly 90-3)**

1. The Board of Regents reaffirms its position that students should not be requested nor allowed to commit money via segregated fees for use in academic capital budget expenditures. This philosophy extends beyond strictly instructional space to include other capital expenditures that are necessary in support of the primary mission of the University System. It is expected that secondary, non-curricular student use of facilities will occur, in an effort to maximize the use of facilities and meet the needs of students.
  
2. Capital costs related to the various auxiliary enterprises and/or revenue-generating activities should generally be funded by user fees. It is likely that some projects will involve use of segregated fees, such as student unions, recreation facilities, etc., in addition to or instead of user fees.
  
- 1) Extramural funds such as gifts and grants can be used to replace or supplement any other source(s) of funds that would typically be prescribed for capital expenditures. The Board of Regents reaffirms its position related to the use of outside funds for capital projects:
  - (a) Such projects should not be initiated without an opportunity being provided for the Regents to determine the appropriateness of the proposed funds and/or project(s) to System needs.
  
  - (b) The need of a project that also requires a General Purpose Revenue contribution, or a project that would otherwise utilize General Purpose Revenue as a prescribed funding source, should be evidenced by its inclusion in long-range campus plans that reflect overall needs.
  
4. The funding for capital costs need not be necessarily the same as the funding of operating costs for the facility/program. Appropriate funding sources for facility/program operation are documented elsewhere.
  
5. The following list, based on the above funding source parameters, represents the criteria that will be used by the Board of Regents to evaluate the appropriateness of funding proposed for the capital costs of facilities within the University of Wisconsin System:

FUNDING SOURCES FOR UNIVERSITY FACILITIES				
TYPE OF PROGRAM/FACILITY		APPROPRIATE CONSTRUCTION		
		Prescribed	Allowable	Not Allowed
<i>Academic</i>				
Instructional		GPR	Gifts/Grants	Seg. Fees
	Classrooms Labs			
Library		GPR	Gifts/Grants	Seg. Fees

**ATTACHMENT C**

Research	GPR	Gifts/Grants	Seg. Fees
<b>Support</b>			
Executive Admin. Space	GPR	Gifts/Grants	Seg. Fees
Faculty Offices	"	"	"
Central Maintenance/Storage	"	"	"
<b>Support</b>			
Hazardous Waste Storage	"	"	"
Campus Roads, Walkways	"	"	"
Pedestrian Malls & Bikeways	"	"	"
Police & Security	"	"	"
Student Health Services	"	"	"
Student Services	"	"	"
(Admissions, Financial			
Aid, Textbook Rental,			
Counseling, Advising)			
<b>Multi-Purpose Space</b>			
Athletics (except UW-Madison)	GPR	Gifts/User Fees	
Stadium/Arena	User Fees	Seg. Fees/Gifts	
All Athletics (UW-Madison)	GPR/PR	Gifts/Grants	
Auditorium			
Academic Purpose	GPR	Gifts/Grants	Seg. Fees
Community Benefit	Gifts/Grants	User Fees	
Child Care			
For Students/Staff	GPR	Gifts/Grants	
For Community	User Fees	"	
Exterior Development	GPR	Gifts/PR	
Physical Education	GPR	"	Seg. Fees
Recreation (unless	User Fees	" GPR/Seg.	
Accommodated in		Fees	
instructional space)			
Student Unions	User/Seg. Fees	Gifts/Grants	
<b>Auxiliary Operations &amp; Support</b>		Gifts/Grants	
Food Service	User Fees		GPR
Parking Lots & Structures	User Fees	Seg. Fees	GPR
Retail Sales	User Fees		GPR
Student Housing	User Fees		GPR
<b>Alumni</b>	GPR	Gifts/Grants	Seg. Fees
<b>Foundation</b>	Gifts/Grants		GPR/Seg. Fees
<b>UW-Colleges</b>			
All Facilities	Municipal	Gifts/Grants	GPR/PR
Additional Energy Conversation	GPR	"/Municipal	PR
Equipment	GPR	"/Municipal	
<b>UW-Extension</b>			
Instruction/Support	GPR	Gifts Grants	Seg. Fees

**ATTACHMENT C**

Food Service/Housing	User Fees	“	Seg. Fees/GPR
<b>Central Campus Utilities</b>	GPR/PR		New Seg. Fees
<b>Clinical Science Center</b>	*This section was changed by 1995 Wisconsin Act 27	which restructured the University of Wisconsin Hospital and Clinics and	created the Hospital Authority and Hospital Board.
<b>Land Acquisition (except Parking)</b> Parking*	GPR GPR	Gifts/Grants Gifts/Grants/PR	Seg. Fees Seg. Fees

\*This change reflects Program Revenues as an allowable funding source for parcels needed for subsequent development of parking facilities is made on the assumption that, should a site acquired by Program Revenues subsequently be needed for a GPR purpose, the Building Commission will make GPR funds available to reimburse the entire acquisition cost plus a depreciated value of any Program Revenue-funded improvements.

History: Res. 5500 adopted 5/11/90; amended by Res. 5989, 12/91; reaffirmed by Res. 6257, 11/92 and Res. 6304, 12/92.

**LIBRARY AS “LEARNING COMMONS” FOR THE FUTURE:  
RESHAPING UW OSHKOSH’S POLK LIBRARY  
TO ENHANCE ITS ROLE AS A CAMPUS RESEARCH AND STUDY CENTER**

**REQUESTED ACTION**

Host campus presentation; for information only.

**SUMMARY**

UW Oshkosh will describe their efforts to modernize and reshape their traditional library into a research and study center.

**Presenter(s)**

- John Koker, Provost and Vice Chancellor for Academic Affairs, UW Oshkosh
- Sarah Neises, Director, Polk Library, UW Oshkosh

**BACKGROUND**

The role of a modern library as the heart and soul of campus extends far beyond traditional book collections. Since 1871, the Oshkosh Normal School/University of Wisconsin Oshkosh library has been a center for students to use for collaboration and individual study.

Over time, online full text collections have lessened the footprint of books in the modern-day Polk Library. UW Oshkosh has increasingly turned that space over to students for groups, quiet study, and technology space. Polk Library serves as an open and secure place for students from the early mornings to the late nights and weekends. Its staff members provide an environment that allows students to take their online classes, get research assistance, meet with faculty and more to continue their academic work.

Important collections such as the University Archives provide a distinctive physical collection that among other things, preserves and promotes UW Oshkosh’s history.

The Polk Library building's age has taken its toll. The building has wild temperature variations, catastrophic leaks, outdated lighting, rotting pipes and cracking walls and windows. Much of the furniture dates from the 1960s. That is why UW Oshkosh is pursuing another round of renovations to this central campus learning commons. The UW System Board of Regents supported funds to further the design work necessary to continue moving the Polk renovation project toward enumeration and consideration by the Governor, State Building Commission, and State Legislature. However, that funding was not approved in Governor Evers' 2021-23 Biennial Budget and did not receive support in the final approved budget.

UW Oshkosh is continuing its planning and advocacy work to support the Polk Library renovations. A modernized library, like peer facilities around the state and country, will provide an aesthetically pleasing environment with reconfigurable spaces that inspire concentration and collaboration. Including related student services in a library provides a multi-functional environment for student success. The University continues to view Polk as an integral part of the facilities and services key to best supporting students.