

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
Capital Planning and Budget Committee Minutes
Thursday, June 9, 2022

The June 9, 2022, meeting of the Capital Planning and Budget Committee, which was held in Zelazo Center on the UW-Milwaukee campus and via WebEx Videoconferencing, was called to order at 8:50 a.m. by Committee Chair Regent Ashok Rai.

A. Calling of the Roll

Present: Regents Ashok Rai, Scott Beightol, Jill Underly and Tracey Klein

B. Declaration of Conflicts

Before considering any items on the agenda, Committee Chair Regent Rai asked if any Board members wished to declare any conflicts of interest as per Regent Policy Document 2-4, "Ethics and Conflict of Interest Policy for the UW System Board of Regents." No conflicts of interest were declared.

C. Approval of the Minutes of the April 7, 2022, Meeting of the Capital Planning and Budget Committee

After Regent Rai submitted two amendments to the minutes: 1) the meeting start time should be recorded as 10:45 am and 2) the meeting adjourned at 11:48 am; receipt of a motion and second, the minutes of the April 7, 2022, meeting of the Capital Planning and Budget Committee were approved.

D. Proposed Consent Agenda:

1. UW-River Falls: Authority to Sell Two Parcels of Land
2. UW Oshkosh: Authority to Lease an Approximately 8.3-Acre Unimproved Parcel of Land
3. UW-Madison: Authority to Sell Units 1-153 of Wisconsin Parking Condominium
4. UW-System: Authority to Construct All Agency Maintenance and Repair Projects

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

E. UW-Madison: Authority to Construct the UW-Managed Elvehjem Building Envelope Renovation Project

Senior Associate Vice President Alex Roe explained that the Chazen Museum of Art is comprised of two buildings, the original 1970 Elvehjem building and a newer 2011 Chazen addition attached via a second story gallery bridge. This project will undertake exterior stone panel repair and replacement by removing the existing panels and replacing the damaged connectors of the original Elvehjem building. In addition, the sloped skylights need to be removed and replaced as they leak and are difficult to repair in their current

state.

The building is a contributing structure in the Bascom Hill Historic District and as such, is listed on the National Register of Historic Places. The Wisconsin Historical Society (WHS) has reviewed the documents and provided comment on the design. WHS staff have visited the site and are in general agreement to the design solutions being presented.

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

F. UW-Madison: Authority to Construct the UW-Managed Wisconsin Alumni Research Foundation Building Floors 4, 5 & 7 Renovation Project

SAVP Roe stated the renovated space supports critical research programs such as the Department of Medicine, the Department of Population Health, Alzheimer's Disease Research Center, Population Health Institute, and the Center for Health Disparities Research whose director, Dr. Amy Kind, is a recipient of a National Institutes for Health grant totaling \$29 million. Dr. Kind's research includes assessing and improving care for disadvantaged older adults with dementia by focusing on the mechanisms that underlie health disparities so these inequities can be targeted and addressed.

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

G. UW Oshkosh: Authority to Construct the Heating Plant Chiller and Cooling Tower Replacement

This 1998 chilled water plant's capacity was expanded in 2004, however, a 2010 campus master plan indicated that to accommodate Fletcher and Sage Halls as well as Horizon Village, additional chilled water capacity would be needed. Through DOA, a study was done which surfaced various other issues that by simply adding a new chiller would not resolve – the lack of space being the more serious one.

Therefore, after investigating multiple options, it was determined that replacing a smaller chiller with a large capacity one and reconnecting the piping so all chillers can utilize all the towers would increase efficiency.

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

H. UW-Green Bay: Authority for Brown County to Construct a New Road

SAVP Roe explained that as part of the 2017-19 Capital Budget, a non-state grant was awarded to fund a new Brown County STEM building. The board approved a ground lease to Brown County to build the new 63,000 sf building on campus. UW-Green Bay is one of

multiple tenants in this building – namely the Engineering program. The non-state grant total was \$15M. Not all the funds were expended to construct the new building. Roughly \$500,000 remains and Brown County has offered to design and construct a new, 600-lineal foot road connecting Wood Hall Drive and Technology Way. Brown County's Public Works division will be responsible for the project which has an estimated cost of \$300,000.

If the Board approves this project, Brown County will need to obtain approval from the Department of Administration to amend the non-state grant and the State Building Commission will need to grant authority to construct the road as it is not part of the original approval for the building project.

Regent Rai asked if the long term maintenance and responsibility of the road, after Brown County pays for building it, falls to the UW System and SAVP Roe confirmed that it does.

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

I. UW-Stevens Point: Authority to Construct the Albertson Hall Replacement Back-Up Data Center and Demolish Albertson Hall

As part of the 2021-23 capital budget, this board and the legislature approved a project to replace Albertson Hall on the Stevens Point campus. The project is in design, and the Capital Planning and Budget Committee is planning to bring it to the Board for consideration in December so it can be released for bidding soon thereafter. However, before UW-Stevens Point can physically start the construction, they first need to build a new back up data center in the Chemistry Biology Building. This will allow them to decommission the existing data center before demolition commences.

In addition, the university is in the process of relocating equipment, books, and staff out of the library in preparation for demolition activities. DOA is preparing to issue an early demolition package to remove the building and prepare the site for construction of the new facility. This approach has been successful at the former Gymnasium/Natatorium project on Madison's campus. Approval of this request allows us to build the data center and demolish the existing building.

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

J. UW-River Falls: Authority to Construct the Science and Technology Innovation Center Project

SAVP Roe explained that the university developed a STEM plan to address the physical needs for their sciences and agricultural programs. The study illuminated challenges with their current facilities, Centennial Science, a 1977 building, and Agricultural Science, a 1966

building. It also identified no real reuse opportunities for the former student center – Hagestad Hall. Therefore, a plan was developed to move the sciences from Centennial Hall into a new facility on the site of Hagestad Hall, renovate Agricultural Sciences for reuse and convert Centennial Hall into a general-purpose academic building. In the 2021-23 capital budget, the proposed Science and Technology Innovation Center was approved by the legislature. The project is ready for approval by the Board and Building Commission. This new building will provide flexible, high-performance spaces to meet the needs of modern science programs such as biology, microbiology, molecular biology, physics, zoology, and all the various chemistry programs. There are renderings of the proposed buildings included in the board packet.

Regent Rai welcomed Chancellor Gallo to the table to discuss the progress of SciTech. Chancellor Gallo first stated that UW-River Falls is becoming a leader in STEM education. They currently have the 3rd highest number of bachelor's degrees in STEM fields within the UW System. Sixty percent of all UW-River Falls students will take at least one course in SciTech. Chancellor informed the Board that they were required to raise \$5M of the total cost of the project and are over 40% of the way there with commitments from alumni and other donors. In February of this year, the building design was updated and determined the cost was above the available funding due to inflation. By working with DOA, System and the design team, UW-River Falls was able to reduce construction costs by \$6.8M.

Regent Rai asked what the significant impact was on programs due to the budget cuts. Chancellor stated that the programs are not affected by the cuts. The building will remain the same square footage. She said the biggest cut was to the greenhouse which was removed from the project. However, it is something that can be added at another time when money becomes available.

Regent Underly asked if the cuts in construction costs affected the sustainability components of the building. Chancellor assured the Regents that sustainability was not compromised in the reduction.

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

- K. UW-Milwaukee: Presentation “Expanding UWM’s Impact: Facilities Matter”
UW-Milwaukee’s Vice Chancellor for Finance & Administrative Affairs, Robin Van Harpen, presented a snapshot of UWM’s Strategic 2030 Action Plan which included space optimization and capital planning goals through the lens of a Diversity, Equity and Inclusion Framework. She elaborated on why facilities matter to students, retention, and promoting diversity. She provided updates on projects currently in construction. Melissa Spadanuda, Associate Vice Chancellor for Facilities Planning & Management, gave an overview of their top 2 capital budget project priorities, linking them back to the Strategic 2030 Action Plan.

Strategic consolidation, reduction or divestment of space allows for a redirection of operating funds to support education, research and student success.

Regent Rai expressed appreciation for the slide on consolidation and the importance of balancing between new growth and reduction of our existing space.

Regent Beightol highlighted that UWM is an R1 institution and is a talent pipeline for Wisconsin, especially for the Milwaukee region where 80% of UWM graduates remain in the area. He expressed amazement that there are 2000 UWM students in the health sciences separate from the Nursing program. As well as the 25% growth rate for these jobs and the 100% job placement rate of graduates in health sciences. He encouraged his fellow Regents to lean into UWM given how critical the Health Sciences Renovation project is to the state.

Regent Klein inquired about the philanthropy role of the medical sciences in the Health Sciences Renovation project. She referenced the lettered signed by area healthcare facilities supporting the project. Despite Covid, health systems have been doing well financially. VC Van Harpen stated that gifts were made for the previous infrastructure project and the Nursing Simulation Center. She reported that they have a growing donor database with growing resources but capital projects have been fiscally conservative in the past. However, VC Van Harpen is hopeful since UWM hired a new VC of Development and Alumni Relations and they will be focusing on the Health Sciences Renovation project as their top priority.

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

Included in the Regents packet is the semi-annual report for leasing. SAVP Roe stated that six leases for new space were executed in the last six months, two for UW-Madison, and one each for Eau Claire, Milwaukee, Platteville, and Stevens Point. None of the new leases required Board of Regents approval. Ten leases were either amended, renewed, or terminated. As indicated in the report, the amount of leased space has decreased from 2021 to 2022. The net change is about 30,125 square feet.

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

Included in the Regents packet is the semi-annual report for the UW Managed Design and Construction Program. SAVP Roe reported that since its inception in July 2015, the program has included a total of 117 projects. The total value of the projects that are or have been part of the program has increased from \$412,851,004 in December 2021 to currently \$471,529,124. Capital Planning and Budget is working with Madison to gear up for their impending laboratory renovation program. Keeping abreast of their laboratory needs for existing and new faculty is a challenge. A short-term solution was determined first as a longer-term program will roll out to address needs brought forth from the schools and colleges.

N. Report of the Senior Associate Vice President

SAVP Roe presented an overview of the 2023-29 Capital Plan Project Request. The Capital Planning and Budget office received 217 project requests valued at more than \$6B over the 3 biennia. Inflationary impacts are not included in this amount yet which is trending at 10.3% this year. Majority of the requests, 77%, are for renovating existing facilities; 22% for new square footage; and the remaining percentage are for replacing existing square footage or demolition. In the first biennium, the project requests will only address 17% of the more than 65 million square feet of the system's facilities. The committee will be presented the entire budget request at the August meeting.

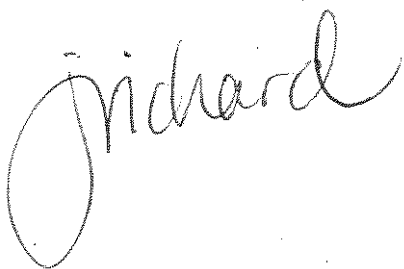
Regent Beigthol inquired if the cost of construction can be broken down into per square footage. SAVP Roe stated that it cannot since different types of buildings delineate different costs. For example, a science building will have a different cost per square foot versus a music building.

Regent Rai asked what the actual dollar amount is being impacted on projects due to inflation since SAVP Roe's presentation covered percentages. She gave a few examples that showed anywhere from \$7M to \$20M in increases to budgets due to inflation.

Regent Rai reminded the committee that the August meeting is one of the more important ones since they will be reviewing the proposed budget. He stated reading the Capital Budget materials ahead of time will be consuming but necessary.

The Capital Planning and Budget Committee meeting adjourned at 9:59 am.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janis Richard". The signature is written in black ink and is positioned above the printed name and title.

Janis Richard
Committee Clerk