

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, September 29, 2022**

The September 29, 2022, meeting of the Capital Planning and Budget Committee, which was held in W.R. Davies Student Center on the UW-Eau Claire campus and via WebEx Videoconferencing, was called to order at 8:45 a.m. by Committee Chair Regent Ashok Rai.

A. Calling of the Roll

Present: Regents Ashok Rai, Dana Wachs, Angela Adams, Scott Beightol, Rodney Pasch, Cris Peterson and Jill Underly

Present via WebEx: Regent Brianna Tucker

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 August 18, 2022, Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the August 18, 2022, meeting of the Capital Planning and Budget Committee were approved as presented.

D. UW-Eau Claire: Video Land Recognition Statement and Student Welcome

E. Proposed Consent Agenda

1. UW-Platteville: Authority to Sell an Improved Parcel of Land
2. UW-La Crosse: Authority to Exchange Two Parcels of Vacant Land
3. UW-Madison: Authority to Increase Scope and Budget for the UW Managed Rowe WHAM Plasma Physics Lab Electrical and Cooling Upgrade
4. UW-Madison: Authority to Construct the UW Managed Microbial Sciences Building Second Floor Research Lab Renovation
5. UW-Madison: Authority to Construct the UW Managed Engineering Hall Experimental Mechanics Lab 1313 Renovation
6. UW System: Authority to Construct All Agency Maintenance and Repair Projects
7. UW System: Authority to Construct Minor Facilities Renewal Projects

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

#### G. UW-Madison: West Innovation Park Master Plan Presentation

Regent Rai requested the presentation on UW-Madison's West Innovation Park Master Plan be presented prior to taking up agenda item F.

Paul Seitz, Director of Strategic Initiatives, presented on the status of their Real Estate Initiative project, specifically their West Innovation Park Master Plan.

The Real Estate Strategy work has advanced through the issuance of a Request for Qualifications and Proposals process for a West Campus District Plan by selecting a multi-disciplinary team led by Perkins and Will through a collaboration with URP. The university has engaged a broad district advisory group, including campus, district (UW Health, Veterans Administration hospital), and community partners.

Perkins and Will commenced their work in August and September, by holding workshops and listening sessions with the advisory committee, campus leadership, shared governance, and other stakeholders. Work includes evaluating benchmark targets and identifying three site visits to Purdue, Georgia Tech, and NC State later in the year.

Regent Beightol inquired about the amount we rely on generating operating revenue versus state support and will that amount change in the future given the stagnant assistance from the state. Director Seitz stated that state support is important but does not provide the growth needed. It is reasonable to believe that the amount of operating revenue will be higher than state support in the future.

Regent Rai iterated that this strategy is not only for UW-Madison but can be replicated system wide. It is a great opportunity to utilize our assets and knows this strategy has been successful nationwide. SAVP Roe informed the board that campuses such as Superior and Parkside are moving forward with similar strategies.

#### F. UW-Madison: Authority to Enter Into a Lease for Multiple Schools and Colleges at University Research Park

SAVP Alex Roe explained the lease will be for approximately 51,000 SF in a building currently under construction at the University Research Park. It will be a 15-year lease with (2) 5-year renewal options. The university has managed to get the rental rate down by at least \$2-4 per SF from the average rental rate at the park. Tenant Improvements (TI) include the development of a 5<sup>th</sup> floor Biosafety Lab-3 space and Bio Safety Level 2 labs on the 2<sup>nd</sup> floor. The first floor will be non-chemical and biological research space.

The TIs are comprised of \$28,687,500 of construction; \$9,562,500 of equipment; and \$12,650,000 contingency. Unfortunately, high inflationary still impacts the construction sector.

Per the existing contract between the contractor and URP, the university will be able to see their bids and all costs associated with the tenant fit out process.

The university intends to use “federal indirect funds” to pay for base rent and the TI costs. Federal Indirect funds are those that cover the cost of salaries, materials, supplies and equipment and can include build-out of space to accommodate the needs of the research grantee.

This lease opportunity will allow the university to utilize new high quality laboratory space within the next 16 months. This will be the fastest way for them to get space either on campus or through the regular capital project process.

SAVP Alex Roe invited Cindy Torstveit, Associate Vice Chancellor of Facilities Planning and Management to answer questions and present additional information. AVC Torstveit added that UW-Madison’s recruitment of world class faculty is impeded by their inability to provide high quality research lab space in a timely manner for new faculty.

Additional lab facilities will enable new faculty to begin research on arrival at UW-Madison and then transition to on-campus space as options are identified and upgrade projects are completed. The space may also be used for established research and/or research centers to free-up space on campus for new faculty research, allowing new faculty to be on-site at their respective departments, supporting their integration into the university research community.

Regent Pasch inquired about utilizing space at the branch campuses as an alternative to new leases. SAVP Roe stated that is an ongoing conversation with the chancellors on how those spaces are used. However, this specific space is for biosafety labs rated by the CDC as levels 2 and 3 based on the pathogen(s) being researched. The more contagious and challenging the pathogen, the higher level of containment and HVAC controls needed. In addition, since many research projects include both graduate and undergraduate students along with the research faculty, the university wants these labs to stay as close to the campus to facilitate interactions with all participants.

Since the total amount for this project is extremely high, Regent Rai reinstated the source of the funding. State funds cannot be used for research facilities and expenses. Research is funded through grants and that money is held in a separate account.

Regent Pasch expressed concern about not knowing the specifics of who will be moving into the space. AVC Torstveit explained that they have identified 4-5 groups who would be a good fit in the space. However, she is not at liberty to disclose right now because they are still negotiating with the Deans on who will occupy it.

Regent Beightol offered additional clarification stating that research dollars are already secured and now we need to house the researchers as quickly as possible in a lab space that is first in class. In addition, there is urgency to capture additional federal dollars related to infrastructure.

Regent Pasch requested the board be informed, annually, of what research is being done along with its allocated costs. Regent Rai stated that is a concern he can raise with System President Rothman.

Regent Peterson asked if the cost of rent is the average for this type of building. SAVP Roe stated that normal rent in these situations is \$36/SF. UW-Madison will be paying \$32/SF.

Regent Wachs highlighted that with a 15-year lease, UW-Madison can make changes based on research needs that may look very different 15 years from now. UW- Madison could end the lease or reconfigure the space for the next cutting-edge research.

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

#### H. UW-Eau Claire: Host Campus Presentation: "Innovative Solutions to Capital Needs"

Chancellor Jim Schmitt highlighted the challenges of meeting the needs of evolving academic programs within their existing aging infrastructure. Strategic planning efforts led them to the conclusion that expanding the university footprint requires innovative partnerships within their region. The university has had long standing partnerships with the city and other community groups to accommodate athletic, recreational, and housing needs.

Successful projects are the Priory, Haymarket Landing and Aspenson-Mogensen Hall which provide housing for students and the Pablo Center which provides music and theatre facilities to meet their academic needs. In development, the Sonnentag Center will provide athletics, recreation and academic space for the university in partnership with the Mayo Clinic.

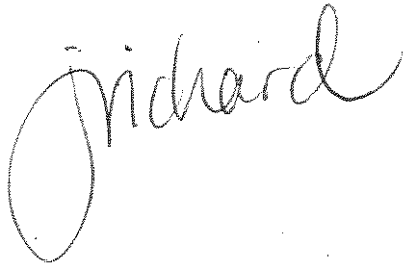
The university recognizes that dollars for renovation and upgrade are limited and is committed to leveraging partnerships to advance their strategic initiatives such as the Mayo Clinic investment in the new Science and Health Sciences building.

#### I. Report of the Senior Associate Vice President

Due to time constraints, SAVP Roe postponed her report.

The Capital Planning and Budget Committee meeting adjourned at 10:20 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 typed name.

Janis Richard  
Committee Clerk