

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, June 8, 2023**

The June 8, 2023 meeting of the Capital Planning and Budget Committee, which was held in Helen Bader Concert Hall Room 220 at the Zelazo Center on the UW-Milwaukee campus and via Zoom Videoconferencing, was called to order at 8:45 a.m. by Committee Chair Regent Dana Wachs.

A. Calling of the Roll

Present: Regents Dana Wachs, Evan Brenkus, Jim Kreuser, Cris Peterson, Joan Prince, Ashok Rai, and Mark Tyler

Absent: Regent Edmund Manydeeds

B. Declaration of Conflicts

Before considering any items on the agenda, Committee Chair Regent Wachs 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 March 30, 2023, Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the March 30, 2023, meeting of the Capital Planning and Budget Committee were approved as presented.

D. Proposed Consent Agenda

1. UW-Madison: Authority to Accept Ownership of USDA Greenhouses located at the Arlington Research Station

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

E. UW-Madison: Authority to Enter into a Lease for the College of Engineering

SAVP Roe stated that UW-Madison's College of Engineering is requesting to lease a building of approximately 7,679 square feet located in Fitchburg, Wisconsin.

The College of Engineering's Connected Automated Vehicle Highway System has a goal to utilize both the automated vehicle and intelligent roadside infrastructure instead of relying solely on the vehicles' capabilities.

This research has an annual expenditure in excess of \$3M. However, space needs for this project are unique as they require specialized testing areas for vehicles as well as clean, temperature controlled space for electronic equipment. There is no space available on

campus with these features. The lease is for 5 years, with one 5-year extension and does include the necessary build out for their specific needs.

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

F. UW-System: Authority to Amend RPD 13-2 "Real Property Contracts: Signature Authority and Approval"

SAVP Roe reported this proposal recommends amending and renaming Regent Policy Document 13-2, "Real Property Contracts: Signature Authority and Approval" to align with 36.11(1)(b), Wis. Stats. that specifies all purchases of real property shall be subject to the approval of the building commission. The current policy includes signatory authority and thresholds for the Exchange of Real Property. However, State Building Commission guidelines do not include a mechanism for an exchange of real property. Two separate transactions must take place: a sale and an acquisition. Of these two transactions, only the acquisition must be approved by State Building Commission. Section 3. of RPD 13-2, Exchange of Real Property will be deleted from the policy. Sections 1 and 2 will continue to guide the sale and acquisition of real property.

The proposed policy also permits chancellors to further delegate contract signature authority to an institution's chief business officer to sign leases of real property to be occupied by the Board or to sign documents accepting gifts, grants, and bequests of real property within approved campus boundaries, subject to the conditions set forth in RPD 13-2.

Regent Wachs expressed his surprise that the SBC is unable to deal with real property exchanges since the concept of like-kind exchange has been in law for hundreds of years. SAVP Roe stated that they have tried on several occasions to do an exchange of real property but have been denied. They must complete a sale and an acquisition.

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

G. UW-System: Authority to Amend RPD 19-15 "Physical Development Principles"

SAVP Roe introduced two new Capital Budget and Planning staff, Liz Davey and Hayden Henderson. Both are Sustainability Coordinators and are working with the 13 universities, their sustainability staff, and the DOA on various initiatives around sustainability and energy management.

Hayden reviewed 2023-2028 Strategic Plan and its relationship to sustainability for the built environment at UWSA. She summarized that each campus has a sustainability coordinator or designated staff and they are part of working groups that foster collaboration.

Liz discussed the changes proposed to RPD 19-15 to reflect current issues and best practices. Specifically, addressing the importance of staff and maintenance needs of sustainable systems in the stewardship of facilities.

To align with the evolving Sustainable design practices and concerns, the proposed changes would:

1. Update the Sustainable design principles identified in the policy to ensure that physical planning and development reflects exemplary and forward-thinking practices in sustainable design.
2. Expand appropriate stewardship of physical assets to include providing the staffing and maintenance needs of sustainable systems, particularly campus and building energy systems.

Regent Peterson inquired about the process that was taken to update these principles. Liz answered that she began working on them immediately upon starting in January. She reviewed the previous work that the New Construction and Design working group had created. She produced a draft from their work and they provided feedback. The draft then went through the board policy review process.

Regent Tyler noticed the absence of third party validators such as LEED certification. He asked if that was intentional. SAVP Roe confirmed that it was intentional because the DOA does not recognize the LEED certification process. DOA follows the AIA COTE Top 10 process. She added that they try to adhere to the recommendations of LEED since that is what the campuses would prefer but without receiving the certification.

Regent Wachs shared the development of the UW-Eau Claire's Sonnentag Field House where over one hundred wells are being dug to use underground water to heat the large facility. He asked Liz if these are the types of projects she is intending to implement. Liz answered that this project is an excellent example of moving towards new sources of energy and being more independent while reducing carbon emissions.

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

#### H. 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 three new leases were executed and 19 leases were either amended, renewed, or terminated over the last six months.

#### I. 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 Solely Managed Capital Projects. Pat Rebholz, Director of UW Managed Projects, was introduced and provided a summary of projects from the past six months. Pat reported that the total value of the projects

that are or have been part of the program has increased from half a billion in December 2022 to over \$600 million on June 1<sup>st</sup>. He stated that not only is the program growing but it is accelerating. This year the program is on track to hire 28 contractors. Over the past three years they have hired a total of 29 so they are preparing to complete 3 years' worth of work in one year. Pat shared several slides of projects in their various stages. He closed his presentation with a 30 second video showing the time lapse of the demolition and prepping of the Computer, Data, and Information Sciences building site.

Regent Peterson asked about the continuation of classes and learning during construction of lab spaces. Pat stated that classes are still offered and research continues but they are relocated to other spaces.

Regent Prince inquired if there have been any substantial issues such as scheduling that the program has encountered. Pat indicated that many times they do not know what they will encounter when they open the walls for renovations. He said they try to anticipate these issues from a scheduling and budgeting perspective. But all in all, there has not been any showstoppers. He described speedbumps but those are to be expected in construction.

Regent Wachs wondered how the program anticipates the future needs of the campus when building new facilities. Pat stated that it is important to be flexible but also to learn what future technologies may be coming. For example, with CDIS, they will build the floor to ceiling height larger for the potential of robotics. SAVP Roe added that they acknowledge that renovations will be probable years from now due to the rapid advancement of technology and accommodate accordingly. The pace of construction increasing is testament that campuses are trying to keep up with researcher needs.

Regent Rai asked if the inflationary rate that was built into the CDIS budget is holding to what they anticipated. SAVP Roe stated that it is holding at 8% but they are watching closely. She provided examples of projects that came in under budget but also others that came over. Also, the professional estimators for inflation are predicting 2024 will be lower, but manufacturing availability and the federal government's passing of the Build America, Buy America Act will all be considered when creating future construction budgets.

J. UW-Milwaukee: Host Campus Presentation "Capital Planning and Progress: Supporting Student Success and Research Excellence"

Robin Van Harpen, Senior Vice Chancellor for Finance and Administrative Affairs, and Melissa Spadanuda, Associate Vice Chancellor for Facilities, Planning and Management, presented on UWM's capital planning strategy and priorities.

The presentation outlined how the unique mission of the university provides the basis for its capital planning strategy. Critical space deficiencies and outdated facilities needs exist in STEM, Health Sciences, and Student Life that are coupled with critical maintenance needs across the institution. They provided an overview of current construction projects such as the new

Chemistry Building, demolition of NWQ's Building A, the Student Union, and EMS upgrades as well as unaddressed facility needs that impact modern learning environments and their talent pipeline.

Regent Peterson inquired how UW-Milwaukee fundraises for large projects like the \$18 million Freshwater Sciences Vessel project with solely gift monies. VC Van Harpen explained that the School of Freshwater Sciences has been working closely with the Division of Advancement but admits capital projects take several years to raise funds. They received a substantial donation in 2019 and have been working on the remaining amount needed. The foundation has been collecting the gifts and will fund the procurement of materials to build the vessel. Once the vessel is complete, the foundation will donate it to Freshwater Sciences. Regent Peterson stated that in her discussions with Legislators about the UW budget, they did not realize the magnitude of fundraising campuses do to fund large projects. VC Van Harpen added that donors are more interested in funding scholarships, educational programs, and research and less likely to donate towards bricks and mortar. She stated that donors believe that bricks and mortar costs should be the responsibility of the state.

Regent Wachs asked about the Chiller and Heating Plant replacement request which did not receive funding in this biennial budget and what happens if it fails. AVC Spadanuda explained that the campus has multiple chillers so if one fails another is there to provide back-up. The replacement request is for a chiller that is already down. Meanwhile the backup chillers are aging and replacement parts are becoming scarcer. If parts are not available, they will have to decide what buildings can forgo being heated or cooled. SAVP Roe added that UWM along with five other campuses did not receive funding for their utility projects in this budget. Each campus is working on alternative plans to address these needs. Since UWM is a research I university, it is especially critical for them. The Governor has limited emergency powers and can only sign up to \$500K in emergency funds without the Legislature approval.

K. Report of the Senior Associate Vice President

SAVP Roe provided an update on UW-Superior's public-private partnership or P3 progress. She explained that the university will have a long term land lease with a developer who would build on it. They interviewed and reviewed best offers of several developers and recently chose one.

Regent Rai inquired if a partner to the P3 program, such as the YMCA, would lease directly from the developer or from the university. SAVP Roe answered that they are looking at all paths and will consider the partner's capacity to invest, share or lease.

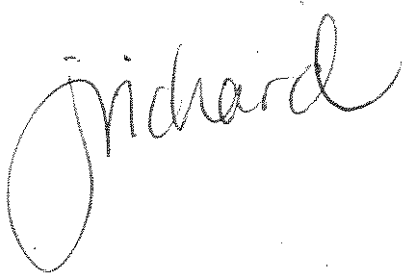
Regent Kreuser asked if it would be lease to own or renewed leases. SAVP Roe stated that it would not be lease to own since the board will retain ownership of the land. The developers will likely utilize long term leases to help pay off construction loans. In addition, since the property will still be owned by the board, SBC will need to approve of any construction.

Regent Peterson expressed her astonishment at the work the Capital Planning and Budget manage. SAVP Roe added that it is a joint effort with all the campuses and they all work hard to address their needs.

Regent Wachs welcomed all the new Regents to the committee.

The Capital Planning and Budget Committee meeting adjourned at 10 am.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Janis Richard". The signature is written in dark ink and is positioned above the printed name.

Janis Richard  
Committee Clerk