

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, March 30, 2023**

The March 30, 2023 meeting of the Capital Planning and Budget Committee, which was held in Memorial Student Center on the UW-Stout campus and via Zoom Videoconferencing, was called to order at 10:45 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, Brianna Tucker and Jill Underly

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 February 9, 2023, Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the February 9, 2023, meeting of the Capital Planning and Budget Committee were approved as presented.

D. Proposed Consent Agenda

1. UW-Madison: Authority to Sell 3,230 Square Feet of Property at the West Madison Agricultural Research Station to the City of Madison
2. UW-Green Bay: Authority to Sell Approximately 80 Acres of Vacant Land Located in Door County
3. UW System: Authority to Construct All Agency Maintenance and Repair Projects
4. UW System: Authority to Construct Minor Facilities Renewal Projects

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

E. UW-Madison: Authority to Complete Design and Construct the UW Managed Libraries Collections Preservation Facility

SAVP Roe stated that UW-Madison has the 11<sup>th</sup> largest research collection in America. They serve over 4 million visitors with a collection of over 7.3 million printed volumes, 20,000 electronic journals, 160 linear feet of manuscripts and over 7 million items in other formats like government documents, maps, musical scores, archives, etc. In 2018, UW-Madison completed a master plan to respond to strategic objectives, improve service delivery and consolidate the collection. One recommendation was to expand the Verona Storage Facility. This project constructs a new addition to the Verona Storage Facility as the off-site collections preservation facility. The physical conditions in which it will be built will preserve irreplaceable

archives, art, and scholarly collections owned by the university, while also allowing for collection growth. SAVP Roe indicated the building will not be very large at about 10,000 SF and will house some of the most valuable and important items from Special Collections and archives, valued at more than \$2.36 billion.

This high-capacity structure requires preservation-grade mechanical, electrical, plumbing, and fire protection systems designed to maintain relative humidity and temperatures with minimal fluctuation to ensure the long-term preservation of the archives.

Regent Wachs inquired if the purpose of moving the collection is due to the lack of a controlled environment. SAVP Roe stated the current location is fine but the space is not large enough. In addition, the overall goal for UW-Madison is to address space needs on the main campus. They want to consolidate their collections into the new facility and repurpose that space on campus.

Regent Rai highlighted that this would open areas where they are short on space such as the Engineering Library. Moving collections from that library will allow more space for educational research.

Regent Pasch inquired about how contingency is used and who authorizes it. SAVP Roe stated that all projects have a contingency to cover volatile bidding climates which includes supply shortages. The amount is calculated through collaboration with the architectural team. Since this project is a gift and grant funded project, UW-Madison is very careful in using only the money raised for it.

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

F. UW-Madison: Authority to Complete Design and Construct the UW Managed Near East Play Fields Reconstruction

SAVP Roe reported that in 2013, UW-Madison completed a recreational sports master plan which recommended the development of two replacement recreation facilities and two new outdoor field projects. The construction of the new Bakke and Nicholas Recreation Centers and the Near West Play field project has addressed this recommendation. The remaining piece is to upgrade the existing outdoor fields adjacent to the nearly complete Bakke Center scheduled to open next month.

The project will replace the existing grass playing fields with synthetic turf to accommodate four soccer fields and one overlaid championship soccer field. It will also include a 2,200 SF building with restrooms, check-in space for events, a utility room, an athletic training room, and storage for maintenance and athletic equipment. The facility is being designed to be solar ready for adding solar panels in the future.

Regent Beightol inquired if nearby businesses and community will be allowed to use the fields and building. SAVP Roe answered that the fields will be managed by UW-Madison's Recreation

and Wellbeing office and they do have community involvement.

Regent Pausch asked about the underlayment of synthetic turf. SAVP Roe stated that there are different options based on the type of synthetic turf, but it will foremost have a drainage system.

Regent Adams wanted to know the timeframe of the project. SAVP Roe responded that construction should begin this fall and it will take roughly a year depending on weather.

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

G. UW-Madison: Authority to Complete Design and Construct the UW Managed Chemistry 2<sup>nd</sup> and 4<sup>th</sup> Floor Lab Renovation

When the Chemistry project went to bid through DOA, UW-Madison had to shell out space in the new north tower due to budgetary constraints. This project will complete the fit out of 17,000 SF of the tower's 4th floor into research labs, faculty offices, research assistant offices, lab support spaces, and conference rooms. Included in the project will be the renovation of 2,000 SF of the existing Daniels Building into an educational suite.

Regent Rai inquired about the design and bid set. SAVP Roe stated it will be a single prime bid. She assured the Regents that UW-Madison is working diligently with the design team to ensure there are coordinated drawings and it is a good bid set when it goes out.

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

H. UW-Madison Authority to Increase the Budget of the South Campus Utility Improvements Project

SAVP Roe stated this project replaces and constructs new steam and primary electric/signal communication utilities along Dayton Street. Since it is a multiple phased project, it's been in construction for a few years. The request increases the project budget to match recent bid results for the last phase. The additional funding of \$1,552,000 is available due to residual funding from the Bascom/Lathrop utilities project. However, approval to increase the budget is required from the board before proceeding to the building commission. In the end, there will be a transfer of borrowing authority from the Bascom project to the South Campus project with no new borrowing required to finish either project.

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

I. UW-Stout: Host Campus Presentation "Intentional and Strategic Planning for the Future"  
Glendalí Rodríguez, Provost and Vice Chancellor for Academic Affairs and Justin Utpadel, Director of Facilities Management discussed UW-Stout's long-range planning processes

currently underway to prioritize facilities that are flexible, efficient, and resilient. UW-Stout's planning and design work promotes curricular and co-curricular quality experiences to ensure overall student well-being. Their presentation described the participatory planning processes for the Recreation Complex Renovation and Addition and the Heritage Hall Renovation and Addition. Examples of how the university promotes student-focused, cross-institutional collaboration, and innovative planning were shared.

Regent Rai informed the Regents that the entire state of Wisconsin depends on UW-Stout for graduates who are trained and educated as Mental Health Care providers. The state has an enormous need for Mental Health Care workers. He encouraged the Regents to visit Heritage Hall because they may be shocked to see where the future Mental Health Care workers are being trained. The building received an F for physical condition on its grade card and therefore why they ranked the request number 7 out of 21 major projects on the Capital Budget Request.

Regent Pasch asked about the SF and price per SF for the Heritage Hall project. The total SF will be 174,000 after demolition and new construction for \$138.9M. SAVP Roe added that it is a critical project for UW-Stout and will move their academic needle. It is also the first project that will allow a chain of other projects to move forward.

Regent Adams inquired about when project budgets are created and how inflation affects that original budget. Her example was the Recreation Complex whose budget was established in 2019. SAVP Roe stated that in the case of the Recreation Complex, UW-Stout will have an opportunity to revisit and update those numbers for the next budgeting year.

J. UW-Madison: Presentation "Advancing UW-Madison's Mission and Revenues Through Real Estate: West Campus District Plan"

In October 2021, the Board of Regents approved a new memo of understanding (MOU) between UW-Madison and University Research Park (URP). This advanced UW-Madison's ongoing efforts to implement innovative opportunities to advance and fund its public mission. The West Campus District Plan is the first major initiative under this new relationship as UW-Madison continues to work with URP to operationalize the MOU in ways consistent with the operating principles developed by the Revenue Innovation Study Group, with particular attention to campus commitments to the Native Nations.

Paul Seitz, Director Strategic Initiatives, Finance & Administration UW-Madison, provided insight and updated the Regents on the West Campus District Plan process, including stakeholder engagement, benchmark visits, and preliminary concepts. He also discussed the context that frames the real estate work, including the University's broad opportunity to advance its mission and catalyze economic growth while capturing the compelling opportunity for industry partnerships in ways that accelerate the University's research output. The presentation included revenue innovations and real estate work previously shared with the Board of Regents over multiple meetings in 2020, 2021, and 2022.

Regent Rai recognized and thanked Regents Beightol and Jones for the work they accomplished on the West Campus District plan. He also reminded the Regents that the Capital Planning and Budget Committee along with the Budget and Finance Committee oversee these developments to fulfill their fiduciary responsibility.

Regent Beightol spoke of the ongoing growth in Madison and the campus being in a dense, land starved area. He asked Director Seitz to share 1-2 takeaways he has learned in this process and preparing for the design build phase. Director Seitz answered that he has learned that parking is very complicated, the importance of managing stakeholder engagement and how to support the expansion volume of UW Health.

UW-Madison's Associate Vice Chancellor of Facilities Planning & Management, Cindy Torstveit, added that the infrastructure requirements and utility connections to campus will be important. Regent Beightol encouraged UW-Madison to investigate subcontracting models such as North Dakota where the campus is not taking on those responsibilities themselves and collaborate with industry partners to deliver efficient utilities.

K. Report of the Senior Associate Vice President

As for an update on 2023-25 Capital Budget Request, SAVP Roe shared that Governor Evers published the 2023-25 Capital Budget Recommendation in late February. She highlighted the following from the Recommendation:

- This Board of Regents requested \$2,435,515,000 total funds for 2023-25, which was adjusted from the August 2022 approval to include updated cost estimates and inflationary impacts.
- Governor Evers recommends \$1,760,848,000 total funds exclusive of the All-Agency program. A shortfall of \$674,667,000.
- Our All Agency request has been folded into the statewide All Agency request. That program totals another \$300,000,000. This recommendation approach mirrors previous biennial approaches.
- There is no GFSB included in this budget. The governor proposes to use surplus cash for any GFSB request included in the Recommendation. This total is \$975,141,000.
- Five major projects and ten planning projects were not included in the Recommendation.
- No Building Trust Funds (BTF) were included for either demolition or planning.
- The Recommendation includes design funding for three major project requests totaling \$2,000,000. This amount will only provide some support since the typical cost for design is \$7-10M.
- One project had its BTF demolition funding request converted to PRSB. All remaining BTF demolition funding was converted to cash for projects included in the Recommendation.

On March 21st, the Higher Education Subcommittee of the State Building Commission (SBC) took up the Governor's Recommendation. President Rothman provided opening remarks, followed by SAVP Roe. She went through each project, regardless of the Governor's recommendation.

All projects received a split 2-2 vote. Representative Billings, chair of the subcommittee, forwarded the Governor's request with no recommendation to the full commission. On March 23rd, the full SBC met to consider Governor Ever's Capital Budget request without recommendation from either subcommittee. All projects received a split 4 -4 vote. Therefore, the SBC has no recommendation to forward to Joint Finance.

If the SBC had a recommendation to forward to Joint Finance, it would be due on the first Thursday of April. SAVP Roe reports that conversations continue with the Joint Finance committee and other members of the legislature.

As for an update on Program Revenue Borrowing, a team comprised of various departments within System such as finance, policy, capital and governmental relations has been working on developing different models for program revenue borrowing. This is a collaborative effort with UW-Madison, as well as UW-La Crosse and UW-Stevens Point. A plan is being developed to include:

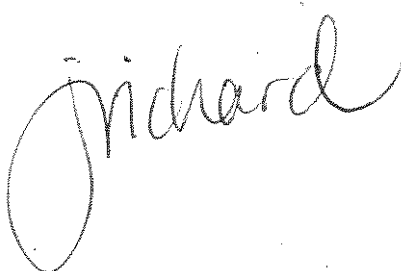
- Increased flexibility
- Is supplemental to the existing General Fund Supported Borrowing rather than a replacement for existing resources
- Increases speed to the market for projects, schedules and borrowing to reduce inflationary impact
- Benchmarking against other states/systems/universities in particular their borrowing policies and practices and includes any involvement with state leaders or legislators

SAVP Roe stated that as soon as this work is completed, she will provide a report to the Regents.

Regent Rai acknowledged Regents Beightol and Tucker for their work on the committee. According to their terms of appointment, this meeting was their last one.

The Capital Planning and Budget Committee meeting adjourned at 11:58 am.

Respectfully submitted,

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

Janis Richard  
Committee Clerk