

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
Capital Planning and Budget Committee Minutes
Thursday, February 8, 2024

The February 8, 2024 meeting of the Capital Planning and Budget Committee, which was held in Varsity Hall I in Union South on the UW-Madison 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, Edmund Manydeeds, Cris Peterson, Ashok Rai, and Mark Tyler

By Videoconferencing: Regents Evan Brenkus, Jim Kreuser and Joan Prince

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 December 7, 2023, Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the December 7, 2023, meeting of the Capital Planning and Budget Committee were approved as presented.

D. Proposed Consent Agenda

1. UW-Milwaukee: Authority to Sell an Improved Parcel of Land
2. UW-Madison: Authority to Sell 514 Square Feet of Property for the City of Madison Bus Rapid Transit Project
3. UW System: Authority to Construct All Agency Maintenance and Repair Projects
4. UW System: Authority to Construct Minor Facilities Renewal Project

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

E. UW-Eau Claire: Authority to Enter Into a Lease for Student Housing

Senior Associate Vice President, Alex Roe, asked to approve a lease of 410 beds in the Haymarket Concepts complex for student housing. Previously, UW-Eau Claire rented hotel rooms to accommodate the overflow of students that could not be accommodated within the current housing portfolio. Over the years, those hotel options disappeared, and the university was forced to consider other sites. Haymarket Concepts, LLC, was constructed around the time the Pablo Confluence Center was developed in the downtown area. DOA leased space on behalf

of the university in 2016 for student housing. The lease has expired. DOA issued a new RFP and received a proposal from Haymarket. This will be a 10-year lease with (2) 5-year renewals. Regent Peterson inquired about the distance between the complex and campus since it appears to be a long distance. SAVP Roe explained that since this is a lease renewal, UW-Eau Claire has a bus system already in place to transport students.

Regent Manydeeds added that many students in the complex are involved with the Pablo Center as well as married couples making it a convenient location for them.

Regent Tyler asked if the collaboration between Chippewa Valley Technical College (CVTC) and the university on housing was still active. Chancellor Schmidt joined the table to answer the question. He stated that they continue to offer housing options to CVTC and have improved that collaboration over the years. UW-Eau Claire now guarantees the number of beds upfront to CVTC and when it gets closer to semester starts, they inform CVTC if additional beds are available. Additionally, he clarified that the complex is less than a mile from campus and 1st year students do not live there.

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

F. UW-Madison: Authority to Construct Camp Randall Sports Center Replacement

SAVP Roe explained the Camp Randall Sports Center Replacement project was included in the 2023 Wisconsin Act 19 capital budget. This \$285M project demolishes the 1955 Shell, the McClain Athletic Facility and constructs a new indoor football practice facility along with an infill project between the existing stadium and the replacement building. The project will renovate lower-level spaces in the stadium and construct new athletic performance and treatment space. Overall, the project seeks to maximize space, reduce deferred maintenance, replace obsolete facilities and provide a competitive environment for recruitment.

The State Building Commission gave permission to use an alternate delivery process. The selection committee chose Cullen to be the Design Builder for this project. They have started to design the new facility with hopes of it being fairly far along by summer 2024. However, various enabling activities need to commence in the next few months, such as demolition of the shell, site preparation and internal renovations for the next phase.

SAVP Roe stated that there is also an outstanding issue to resolve. The Board of Regents owns the land on which the Camp Randall Memorial Park is located. However, the legislature has overlaid a park boundary which prohibits UW-Madison from building sidewalks or roads. Before construction can begin on this small portion of land, they will seek the appropriate approvals.

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

G. UW-Stevens Point: Authority to Increase Fees to Support Construction of Champion's Hall Renovation and Addition

In December of 2023, the Board of Regents and the State Building Commission granted UW-Stevens Point the authority to proceed into construction on the addition to the Champion's Hall building. SAVP Roe reminded the Regents this much needed project provides new fitness and recreation space as well as provides space for Student Health Services, Counseling Services and Testing Services. The university has been attempting to get this project enumerated since the 2015 capital budget and finally succeeded in summer 2023.

In its original incarnation, UW-Stevens Point was going to construct a standalone building. However, over time, due to many factors, the project was reshaped as an addition and renovation to the existing Champions Hall. The original borrowing schedule planned on a 30-year bond payback period. However, DOA informed them that as the project is no longer constructed as a standalone building, the bonding period was changed to a 20-year period. That change required the university to recalculate a new payment schedule and request a new fee to cover the shortfall. University leadership and student government leadership endorsed the increase fee last year.

The proposed fee increase is \$24.68 bringing the total fee for the Champions Hall project to \$299.64 per year.

Regent Manydeeds asked to clarify how students provided input on the fee increase. SAVP Roe explained that there was a student vote on the project in 2014 and as the project morphed, the university worked closely with student government to accept those changes.

Resolution G. was moved by Regent Manydeeds, seconded by Regent Rai, and adopted on a voice vote with Regent Peterson in absentia.

H. UW-Madison: Host Campus Presentation "Progress Through Challenges: Transforming the Built Environment

Associate Vice Chancellor for Facilities Planning & Management, Cindy Torstveit, shared that UW-Madison's built environment remains critical to its mission of research, education, and outreach. Partnering with the Universities of Wisconsin and the State of Wisconsin, UW-Madison is following a multi-pronged strategy to address aging facilities, increasing deferred maintenance, and the quickly changing needs of its community.

As UW-Madison continues to focus on transforming its built environment, AVC Torstveit presented updates on advances and challenges, improvements, and insights, and how their innovations and support of research benefit campus, the State of Wisconsin, and beyond. By leveraging data for smart decisions, using common sense strategies, and creative solutions, they are progressing toward a stronger built portfolio and a stronger UW-Madison.

Regent Peterson asked for an update on the Humanities building and its replacement. Since the Regents toured the building a couple years ago, it seem dire then and she expressed concern about its safety. AVC Torstveit stated that at this time, there is nothing being built at that location after demolition. Levy Hall, which is essentially replacing Humanities, is being built at another location and will be breaking ground the Spring of 2024 with anticipated occupation in Fall of 2027. Meanwhile, the remaining departments located in the Humanities need to be relocated and those plans are still being developed. She assured Regent Peterson that it is at the top of their list. They are working diligently to find alternative locations while still providing instruction and research.

I. Report of the Senior Associate Vice President

SAVP Roe informed the Regents that the Joint Finance Committee passed the budget bill yesterday that included projects that were not enumerated but was part of the later agreement. It included Madison's new Engineering building and Kronshage Hall, Whitewater's Winther Hall, (6) Utility projects as well as demolition projects. The bill moves onto the Senate for approval.

She then provided an update on the 2025-27 Capital Budget and 2025-31 Capital Planning process. Her office received 248 project requests for consideration as part of the next 6-year capital plan. This includes Instructional Space, Minor Facilities Renewal and Major Projects.

The Department of Administration provided some early budget instructions and the good news is inflation is down from 16% per annum to 6% per annum in the next budget cycle. However, they increased the various contingencies and changed the insurance program, all of which increases the costs for projects.

SAVP Roe shared some statistics:

1. The total budget request for the 6-year plan is \$10.6 Billion. For the first biennium – the total is \$4.7B. Of that more than \$3.2B is for General Fund Supported Borrowing. The overall total includes \$18M of Building Trust Funds and the remaining \$1.3B is made up of Program Revenue Supported Borrowing, Cash, Gifts and Grants.
2. Most of the project requests are in the Major Project Category, however, right behind it are the Minor Facilities Renewal Projects. Signaling that the need to repair, renovate and rehabilitate or “deferred maintenance” is a close second. In fact, in the first biennium, they received 53 Minor Facility Requests and only 39 major project requests.
3. The majority of the costs associated with the capital budget submission are in the Major Project category followed by Minor Facilities and Instructional Space. This is to be expected as new facilities are generally more expensive than renovation.

4. This request proposes to build 6.1M new Gross Square Feet and proposes demolition of 1.8M GSF for a total of 5M net new GSF and renovation of 26.7M GSF across the 6-year plan.

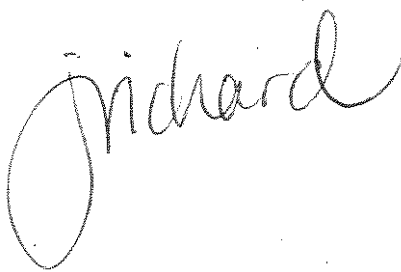
The Capital Planning and Budget team has reviewed all the submissions, more than 1800 pages of documentation, and spent 3 days discussing them. They will begin visiting the campuses next week and finish up those visits mid-April. The team will reconvene to develop a prioritized list of eligible projects for consideration by leadership. SAVP Roe hopes to have the list reviewed, edited, reorganized, and finalized by early June.

Regent Manydeeds inquired about the cataloging of our buildings. SAVP Roe stated that there is a portfolio and it is updated annually. She offered to provide a summary of building types at the next meeting.

The Capital Planning and Budget Committee moved into close session at 9:20 am by a motion from Regent Peterson and seconded by Regent Rai.

During the closed session, Regent Rai moved for the adoption of Agenda Item J. the naming of the new Lakeshore Preserve building at UW-Madison. The motion was seconded by Regent Tyler and adopted unanimously on a voice vote.

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