



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #182

UW System: Major Union and Student Center Projects (Building Program)

Base Agency

[LFB 2007-09 Budget Summary: Page 625, #1, Page 629, #2]

CURRENT LAW

Building program projects with costs exceeding \$500,000 are required to be enumerated in the authorized state building program. To enumerate a project, the Legislature lists the project title and budget in a non-statutory provision enacted as part of the biennial budget bill. In addition, the Legislature must authorize any new bonding needed to fund the project.

BUILDING COMMISSION

Enumerate two large projects relating to the construction or remodeling of student unions or centers at UW System campuses, including: (a) UW-Eau Claire Davies Center addition and remodeling or replacement--\$48,802,000; and (b) UW-Madison Union South Replacement and Memorial Union renovation--\$139,700,000. These projects would have a total budget of \$157,606,600 of program revenue supported general obligation bonding, \$8,510,400 of existing program revenue supported bonding, \$8,885,000 of program revenue, and \$13,500,000 of gifts funding. Information related to each of these projects is presented in the following sections of this paper.

DISCUSSION POINTS

A. UW-Eau Claire Davies Center Addition and Remodeling or Replacement

1. This project would provide modern facilities for the Davies University Center, either

through construction of a new 172,900 gross square foot (GSF) facility and demolition of the current center, or a combination of new construction, demolition, and remodeling of the existing building. Under either approach, the goal is to support 112,400 assignable square feet (ASF) of space, with major functions including: (a) dining areas--13,800 ASF; (b) food service--21,000 ASF; (c) retail operations--16,000 ASF; (d) lounge areas--8,500 ASF; (e) meeting and program areas--40,300 ASF; (f) student organization office space--5,400 ASF; and (g) administration--7,400 ASF.

2. The Davies Center was constructed in 1959, with additions made in 1964, 1976, and 1991, for a total of 129,800 GSF. No comprehensive renovations have occurred during the life of the building. This project would address the several of the shortcomings of the existing Davies Center as identified by student survey. The new or renovated space would feature improved dining services as well as space for an expanded convenience store, a financial institution branch, and a travel agency. Currently, dining areas are scattered throughout the building resulting in overcrowding and long lines in some areas and low use in other areas. In addition, there is little available retail space.

3. The new or renovated facility would also have additional lounge areas for both quiet and group study, a greater number of meeting rooms, and increased office space for student organizations. Currently, there are not enough meeting rooms in the Davies Center to meet demand and many groups requesting reservations must be turned away. In addition, while there are over 200 recognized student groups on campus, there are only 42 cubicles in the Davies Center that are available to serve as office space for these organizations.

4. Much of the existing building infrastructure is outdated or in need of replacement, resulting in higher maintenance costs. If the current facility would be retained, the remodeling project would replace the existing plumbing, mechanical, electrical, and telecommunications systems. In addition, work would be done to improve accessibility and to make safety upgrades. The exterior of the building would also be renovated, including masonry, roofing, windows, and doors.

5. In 2000, a committee comprised of students, faculty, and staff proposed a plan to renovate and expand the Davies Center at a cost of approximately \$8.5 million. This plan would be supported by an increase in student segregated fees of \$38 per semester, to be phased in over a period of three years. This plan was approved by the Student Senate and by the student body as a whole through a campus-wide referendum. This project was enumerated as part of the 2001-03 building program with \$8,510,400 of program revenue supported bonding.

6. After this plan was approved by the students and enumerated, it was determined that it did not adequately address the infrastructure and facility needs of the Davies Center. Rather, a comprehensive renovation and remodeling would be required. A design consultant hired by the campus estimated that such a project would have a cost of \$32.5 million. As an alternative to the renovation and remodeling of the existing Davies Center, a committee made up of students and staff proposed the construction of a replacement facility at an estimated cost of \$36 million. A 2003 student referendum to increase segregated fees to support the construction of a replacement facility failed.

7. During the 2004-05 and 2005-06 academic years, a committee made up entirely of students began work on the current proposal. Although not a campus-wide referendum, through an online survey, the committee found that 64% of students would be willing to pay an additional \$125 per semester in segregated fees to support the current proposal. In addition, this proposal has received the support of the three student governance bodies including the Student Senate, the United Hall Council, and the University Centers Advisory Committee.

8. This project would be enumerated with a total budget of \$48,802,000. Of this amount, \$31,406,600 would be program revenue supported bonding, \$8,510,400 would be existing program revenue supported bonding, and \$8,885,000 would be program revenue cash. To support the proposal, student segregated fees would be increased by a total of \$125 per semester over the course of four years. The existing \$8,510,400 in program revenue bonding would be the amount that was enumerated in the 2001-03 building program for the aborted plan to renovate and expand the Davies Center. The \$8,885,000 in program revenue cash is equal to the amount of funds that has been collected as the result of the \$38 prior increase in segregated fees, currently being held in a capital reserve account, plus the amount of increased fees that would be collected during the planning phase of the project. The proposed fee increase would pay the debt service on the bonds over their 20-year life.

B. UW-Madison South Campus Union and Memorial Union Theater Wing Renovation

9. This project would improve and update the Wisconsin Union facilities located on the UW-Madison campus by constructing a replacement facility for the South Campus Union (Union South) and renovating the theater wing of the Memorial Union. In essence, this project consists of two projects that would be implemented independently. However, UW-Madison indicates that these projects should be enumerated together to allow them to be sequenced in such a way that would minimize the relocation and disruption of necessary services.

10. This project would be enumerated with a total budget of \$139,700,000, of which \$87,700,000 would fund the construction of a new Union South and \$52,000,000 would fund the Memorial Union renovation. Of the total amount, \$126,200,000 would be program revenue supported bonding and \$13,500,000 would be gift funded. Increased segregated fees charged to students would pay the debt service on the bonds.

11. In October, 2006, the UW-Madison student body voted to approve the Wisconsin Union referendum. Of those students who voted, roughly 65% were in favor of the increasing segregated fees to support the construction of a new Union South and the renovation of the Memorial Union. According to the Associated Students of Madison, the student government organization at UW-Madison, less than 7% of all students who were eligible to vote participated in the October, 2006, election. If this project would be enumerated, student segregated fees would increase by \$48 per semester for two years and then by \$96 per semester for 28 years. Parking fees for the new parking structure, which would be constructed as part of the new Union South, would be comparable to the fees charged at other recently completed parking structures.

Construction of a New Union South

12. This project would include the construction of a 274,200 GSF replacement facility for the current Union South, which would result in 170,000 ASF to support programming needs. This space would be allocated for: (a) student union--70,000 ASF; (b) food service--10,000 ASF; (c) theater and large event space--20,000 ASF; (d) academic and multi-use space--20,000 ASF; and (e) guest rooms--50,000 ASF. The current Union South has 113,000 GSF and 66,800 ASF of space, less than half that of the proposed replacement facility.

13. Approximately 7,500 students, faculty, staff, and visitors use the current Union South facility daily, which was built in 1972. Union South features a variety of available recreational activities, including bowling; lounge areas; and flexible group meeting spaces that can accommodate anywhere between two and 400 participants. Union South houses three restaurants, which serve a combined 2,300 customers each day, and fourteen guest rooms available to campus visitors. Union South also contains office space for student organizations, a student computer lab, and is a home tutorial program. In addition, Union South serves as the base of operations for the new student orientation, advising, and registration program (SOAR) which occurs each summer. SOAR uses most of the space available at Union South for the duration of its schedule.

14. The existing Union South is viewed as having limitations as a facility. The building design has resulted in an inflexible and confusing floor plan. The building does not have sufficient space to support demand from student organizations and cannot host larger conferences. In addition, the facility has an inadequate lighting system, poor acoustic separation, limited access to daylight, and lacks wireless connectivity. The building does not meet current fire and life safety standards and is not compliant with the Americans with Disabilities Act (ADA). The building's major systems, which are over 30-years old, are inefficient and require either renovation or replacement.

15. Under this proposal, the existing Union South would be demolished along with two other buildings on the proposed site. The proposed replacement project would be built on the space vacated by this demolition as well as a vacated portion of W. Johnson St. The project would also include a 270-stall parking ramp under the building. The new Union South would include a 300 seat auditorium, lounge space, expanded food service, expanded retail space, and 120 guest rooms. In order to accommodate this new construction, several major utilities include campus steam, chilled water, and power, as well as city water would have to be relocated.

16. Several aspects of the proposed project relate to the planned Wisconsin Institute for Discovery (WID) which would be connected to new Union South via a pedestrian overpass. For example, the 270 stalls of parking included in this proposal would replace the parking lost to WID construction and would provide visitor parking for the WID facility. In addition, WID is expected to create demand for the 120 guest rooms planned as part of the new Union South. WID will be an interdisciplinary research facility and was enumerated in the 2005-07 building program with \$50 million in existing general revenue supported bonding and \$100 million in gift funding. Construction related to WID is expected to begin in 2008.

17. UW-Madison estimates that the new Union South would have operational costs of \$1,176,000 above those of the existing facility. Much of this increase in operational costs would be due to the increase in space as the new facility would be more than twice the size of the existing Union South. Some of these additional costs may be offset by income from the planned food services, retail operations, and guest rooms.

18. The total project budget of the Union South project would be \$87,700,000, including \$77,600,000 of program revenue supported bonding, \$2,000,000 of gifts funding, and \$8,100,000 of program revenue supported bonding for the parking facility. Under the proposal, demolition related to this project would begin in 2009 and the project would be completed in 2011.

Renovation of Memorial Union Theater Wing

19. This project would restore, renovate, and construct new space related to the theater wing of the UW-Madison Memorial Union. The Memorial Union, which has 216,000 GSF and 120,800 ASF, was completed in 1928. The theater wing, which represents roughly one-third of the total building size, was completed a decade later in 1939. The theater wing contains two theaters: the 1,300 seat Union Theater, and the smaller Play Circle theater, which is currently used as a film and theater venue. The theater wing also houses various student organizations, Student Print, and the Wisconsin Hoofers and provides space for meetings and art storage.

20. Since its completion in 1939, few major modifications have been made to the theater wing. Most of the theater wing's major infrastructure systems and equipment are original and in need of replacement. This project would address major infrastructure issues by repairing, upgrading, or replacing the plumbing, mechanical and electrical systems; allowing for the abatement of hazardous materials; and upgrading the existing life safety and security systems. The project would also bring the facility into compliance with the Americans with Disabilities Act (ADA) by making the box office area wheelchair accessible and adding a publicly accessible elevator. In addition, a new accessible entrance would be constructed on Langdon St. to alleviate the congestion that frequently occurs near the box office entrance.

21. This project would also repair, renovate, and restore the Union Theater and the Play Circle. These funds would be used to replace the seating, sound, and lighting systems as well as the stage surface. In addition, the box office, craft shop, and studio spaces would be reconfigured to meet current needs. The film production equipment in both theaters, which is original, would also be replaced.

22. The addition included in this project would be constructed between the theater wing and the central wing of the Memorial Union. This new space would include public restrooms, elevators, and stairs and allow for more direct access between the box office and the Union Theater. The space currently occupied by the Wisconsin Hoofers would also be expanded to provide additional storage space for their materials and equipment, better ventilated repair facilities, and meeting space. Along with the expansion of the Hoofers' area, a lakefront lounge and additional outdoor terrace space would be created.

23. UW-Madison estimates that operations costs related to the Memorial Union would decrease as a result of this project. Most of these savings would be generated by greater system efficiency and lower maintenance costs resulting from the new plumbing, mechanical, and electrical systems.

24. The total project budget of the Memorial Union renovation would be \$52,000,000, of which \$40,500,000 would be program revenue supported bonding and \$11,500,000 would be gift funded. All work would be done in accordance with historic guidelines and requirements as the Memorial Union is part of the Bascom Hill Historic District.

ALTERNATIVES TO BASE

A. UW-Eau Claire Davies Center Addition and Remodeling or Replacement

A1. Enumerate the UW-Eau Claire Davies Center addition and remodeling or replacement project with a total project budget of \$48,802,000, including \$31,406,600 of PR supported bonding.

ALT A1	Change to Bill Funding	Change to Base Funding
BR	\$31,406,600	\$31,406,600

A2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

B. UW-Madison South Campus Union

B1. Enumerate the UW-Madison south campus union with a total project budget of \$87,700,000, including \$85,700,000 of PR supported bonding.

ALT B1	Change to Bill Funding	Change to Base Funding
BR	\$85,700,000	\$85,700,000

B2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

C. Memorial Union Theater Wing Renovation

C1. Enumerate the Memorial Union theater wing renovation with a total project budget of \$52,000,000, including \$40,500,000 of PR supported bonding.

ALT C1	Change to Bill Funding	Change to Base Funding
BR	\$40,500,000	\$40,500,000

C2. Maintain current law, which would result in this project not being enumerated as part of the 2007-09 building program.

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