Utah State Building Board

MEETING

October 20, 2005

MINUTES

Utah State Building Board Members in attendance:
Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Katherina Holzhauser
Manuel Torres
Richard Ellis, Ex-Officio

DFCM and Guests in attendance:

Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
D'Arcy Dixon Pignanelli	Department of Administrative Services
Representative D. Gregg Buxton	Legislature
Randa Bezzant	Governor's Office of Planning and Budget
Rich Amon	Governor's Office of Planning and Budget
Terrah Anderson	Governor's Office of Planning and Budget
Leonard Blackham	Department of Agriculture and Food
Kyle Stephens	Department of Agriculture and Food
David Clark	Department of Agriculture and Food
Greg Rogers	Department of Alcoholic Beverage Control
John Freeman	Department of Alcoholic Beverage Control
Dennis Kellen	Department of Alcoholic Beverage Control
Greg Peay	Department of Corrections
Dan Becker	Courts
Linda Rutledge	Utah Services for the Deaf and Blind
Todd Harbo	Utah Services for the Deaf and Blind
Patrick Luedtke	Utah Department of Health
Kim Wixon	Utah Department of Health
Dick Melton	Utah Department of Health
Deb Turner	Utah Department of Health
Teresa Garrett	Utah Department of Health
Frank Romano	Department of Human Services
Michael Wollenzien	Office of Rehabilitation

Gary Adams	Department of Workforce Services
Kevin Walthers	Utah System of Higher Education
Ned E. Carnahan	Dixie State College
Rick Bouillon	Salt Lake Community College
Bob Askerlund	Salt Lake Community College
Kent Ferrel	Salt Lake Community College
Gordon Storrs	Salt Lake Community College
Randall Funk	University of Utah
Mike Perez	University of Utah
Whitney Pugh	Utah State University
Robert Behunin	Utah State University
Darrell Hart	Utah State University
Glenn Ford	Utah State University
Noelle Cockett	Utah State University
Jim Michaelis	Utah Valley State College
Kevin Hansen	Weber State University
Jim Harris	Weber State University
Norm Tarbox	Weber State University
Rob Brems	Mountainland Applied Technology Center
Collette Mercier	Ogden Weber ATC
Paul Hacking	Uintah Basin ATC
Rick Stock	Architectural Nexus
Jeff Davis	Architectural Nexus
Emily Stauffer	GSBS Architects
Barbara Bruno	Herman Miller
Julee Attig	Jacobson Construction
Chris Coutts	MHTN Architects
John Harrington	Siemens
Jackie McGill	Spectrum + Bennion
RoLynne Hendricks	VCBO Architecture

On Thursday, October 20, 2005, the Utah State Building Board held a regularly scheduled meeting in W110 of the Utah State Capitol Complex, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 8:00am and recognized Keith Stepan who participated via telephone.

❑ APPROVAL OF MINUTES OF SEPTEMBER 16, 2005.....

Chair Jardine sought a motion on the minutes of September 16, 2005.

MOTION: **Manuel Torres moved to approve the Building Board meeting minutes of September 16, 2005. The motion was seconded by Steve Bankhead and passed unanimously.**

❑ RANKING OF STATE-FUNDED CAPITAL DEVELOPMENT REQUESTS .....

At the October 5 hearings, the Board discussed alternative funding for objective six. DFCM previously noticed the scoring for objective number six pertaining to alternative funds did not provide an appropriate level of consideration to the amount of donations relative to the project. The objective allowed minimal donations to achieve the same degree of benefit as a $5 million donation on a large project. It did not provide an adequate benefit to those who were raising donations to replace the need for state funds. DFCM proposed adjusting the objective to allow projects with more than 50% funding from alternative funds to receive a full five points. Projects without alternative funds would receive a zero on objective six. Those projects in between would receive points based on the percentage of the project funding provided by alternative funds multiplied by 10 in order to allow for more variation in the impact of alternative funds. This adjustment was unlikely to significantly affect actual scoring results.

Steve Bankhead asked if there was a qualitative difference in alternative funding. He questioned if the Board should consider how funds are received as part of the alternative funding. Katherina Holzhauser explained the Board's proposal was more aligned with the contribution percentages toward the overall goal to allow it to be more mathematically accurate.

Chair Jardine sought a motion on the alternative funding and when to implement the changes.

MOTION: Katherina Holzhauser proposed to proceed with the alternative point formula for objective six with this year's scoring. The motion was seconded by Cyndi Gilbert and passed unanimously.

Chair Jardine recalled the Board also requested clarification of the Unified Lab project at the October 5 hearings. Dr. Patrick Luedtke represented the four state departments for the Unified State Lab proposal. The project is essentially an unprecedented collaboration between the Department of Environmental Quality, the Department of Health, the Department of Agriculture and the Department of Public Safety to create a world class laboratory of consolidation all in one building.

Dr. Luedtke noted significant changes were made per their revision. The size of the building was decreased by 21.5%, and the square footage was decreased from 181,000 to 144,000. This was accomplished by eliminating two large facilities: Office of the Medical Examiner and the Air Monitoring Center. They also looked at the requested individual office space, which was also a significant need distinct from laboratory space. Cost was also addressed and shrinking the size allowed the cost to decrease by 25.4% for a final figure of $41,259,000. It was doubtful the eliminated agencies would be returning in the near future with a proposal of their own.

Kenneth Nye continued with an explanation of the scoring model. He noted the calculation for objectives one and two considered state owned space only, not leased space. Entities in leased buildings requesting state owned space would be calculated as a 100% new request. The request would not receive consideration for the deficiencies in their existing leased space. He knew the Board was concerned with no consideration being given for existing conditions in leased space. DFCM originally anticipated addressing the issue under the objective dealing with program effectiveness. He suggested the Board only consider deficiencies in existing state owned buildings that are being corrected through the project as provided in the Board's current guideline.

Mr. Nye reviewed with the Board the areas where there were more significant differences in their preliminary scores.

Steve Bankhead addressed the ranking of the Ogden Weber ATC Health and Technology building where his score varied from other Board members. After touring the facility he was left with the impression the program was crowded and multiple programs interfered with each other. He sought other Board member's opinions on their voting. Mel Sowerby felt there were greater health and safety issues in other buildings and should override the space needs and the Governor's economic development roles. Katherina Holzhauser felt OWATC had the least amount of overcrowding compared to the other ATCs, as noted by the UCAT Board and DFCM.

Katherina Holzhauser commented on the obvious differences of opinion on the criteria for Weber State opposed to the UVSC Digital Learning Center and felt further discussion was necessary. WSU was weighted low for existing deficiencies due to the amount of space being replaced compared to the amount requested. However, she tried to take into account it was the Board of Regents' top priority.

Steve Bankhead looked at crowding and space needs. Although Buildings One and Two were not up to current standards, they could be utilized. UCAT facilities had difficulty processing students. He did not rate it high based on space needs and cost effectiveness.

Kenneth Nye clarified the Weber State project request was for more than replacement of the two classroom buildings. The chiller plant was also a critical need. Based on DFCM's judgment, the two buildings would not have achieved the scoring suggested in the analysis without the need to address the chiller plant very soon.

President Rob Brems, Mountainland ATC, addressed alternative funding of the project request for the property purchase near Thanksgiving Point. They are currently occupying space in American Fork in an old hardware store and have entered into a lease purchase agreement with the Alpine School District. For the past year all appreciation equity belongs to the MATC and the State resulting in approximately $3 million in equity. They wish to ensure the appreciated value of the property remains with the state and is available to them when required. This was not included in the scoring due to the building not being

liquidated or being used for the current request of the property purchase. MATC has discussed funding to offset the need for state tax dollars for this request, but it would not be any benefit for the current request. Kenneth Nye suggested this would apply more directly to a future building request when the land may be liquidated to provide a benefit to the project cost.

Katherina Holzhauser stated differentiating the criteria was difficult. The Board scored the two libraries differently for critical program, and also higher than classroom space. She questioned how the critical program evaluations on the libraries could differ. Kenneth Nye stated the critical program criteria discussed the criticality of the program and the ability to allow the program to function. Based on the Regent's prioritization process the analysis indicated that, on a quantitative basis, UVSC's request was far greater than Snow College's in order to meet existing need. UVSC is at risk of maintaining their accreditation.

Chair Jardine asked if any Board members had changes to their scores. The Board took a brief recess to allow Board members to change their scores and tabulate the revised scores.

Upon return from the recess, discussion was held on how to proceed with funding just programming of the Lab. Steve Bankhead suggested writing a letter from the Board to the Legislature suggesting they include programming or design work funding and rank the project very high next year. Representative Buxton stated the Capital Facilities Appropriation Subcommittee has adopted a policy to not phase fund projects.

Chair Jardine continued with the "other fund" requests while the score changes were tabulated.

❑ RECOMMENDATIONS FOR "OTHER FUNDS" CAPITAL DEVELOPMENT PROJECTS .....

Michael Perez presented four "other fund" projects for the University of Utah.

University of Utah College of Pharmacy Building Expansion of Scope
The College of Pharmacy is currently located on the eastern edge of campus. The proposed location for the new facility will be in the parking lot immediately south of the current Skaggs Pharmacy building and is estimated to cost $7.8 million. This project was previously approved in 2000 for approximately $35.5 million of other funds. However, the College and University have been unable to raise the money and therefore the project languished. With the recent major successes of the College of Pharmacy and enhanced fund raising, this project has been repackaged for FY07. The revised project includes an additional 48,750sf to the project for an additional $32.3 million. Due to inflation the total project cost will be $67.8 million, which is roughly $350/sf. The revision also included an underground parking facility which would be one to two stories below grade and include

approximately 200 parking stalls for $20 – 25,000 per car. Approval for the $32.3 million is required this session to allow them to proceed.

The facility currently resides in Skaggs Hall which was built in 1966 and has not received any major remodels. The confining spaces have resulted in the need for expansion. Remodeling Skaggs Hall would cause a severe disruption to the research and teaching activities of the college.

O&M was included as part of the request per the funding model in place with DFCM.

Red Butte Amphitheatre and Rose Garden
The site of the project is on the east bench of campus and calls for the installation of a new stage amphitheatre, as well as a restroom/concession facility on the northern edge of the property. A greenroom would also be constructed to allow performers to congregate. The estimated cost for this project is slightly under $2.4 million for an additional 6950sf. No additional O&M would be requested.

The concerts have presented some challenges for the 2500 patrons due to site lines and inadequate restroom and concession facilities. Performer facilities are also lacking which impacts the quality of performers they attract to the venue. The seating situation does not allow them to differentiate premium seats versus general admission seats either.

This project will include a concession facility with restrooms, a catering kitchen and some storage, as well as tiered seating on the northern edge of the site. The stage will be approximately 2800sf and will include a cover, better lighting and a better sound system. They will move the stage further west to improve site lines and will increase the capacity to 3500.

The greenroom would be able to accommodate the performers, as well as brides for weddings. A rose garden would also be located 25 yards away from the facility.

Funding will be from private donations and fund raising. The facility is primarily self sustaining and is dependent on its revenues.

David Eccles School of Business Remodel and Addition
This project will cost approximately $30,705,000 and is a 100,000sf remodel of existing space and a small addition. Additional O&M would be requested in the amount of $352,000 per the O&M model.

The buildings comprising the David Eccles School of Business would include the Business Classroom Building, the Kendall Garff Building, the Francis Madsen Building and the Christensen Building. A link would be constructed between the Garff Building and the Madsen Building and would comprise 25,000 additional square feet in a two or three story structure with the grade level open to maintain a free flowing courtyard. The connection

would house office space currently in the Business Classroom Building and the Garff Building.

The current buildings were built in the 1960s and have not had any major remodeling. The project will address the seismic life safety issues, accessibility issues and mechanical systems. The Business Classroom Building will be primarily used for classrooms, labs, specialized centers for entrepreneurial efforts, study areas and student offices. The Garff Building will accommodate administrative functions, faculty offices and departmental offices. The Madsen Building would retain most of its' current uses within the classrooms. Mechanical systems would be upgraded and existing infrastructure challenges will also be addressed.

University of Utah Student Recreation Center
This project was presented last year with the need for the old residence halls being eradicated. The student driven request would be located in the general area of the old Van Cott Dormitory and would cost $35 million plus associated bonding costs. The project will be approximately 150,000sf and there will be no state request for O&M.

This site is in close proximity to the residence halls to provide a sense of community on campus for the 4500 residential students. Currently the recreation center is located in three separate locations.

A new facility would allow for consolidation of programs and is conveniently located adjacent to a TRAX station.

Chair Jardine sought a motion on the other funds projects for the University of Utah.

MOTION: Cyndi Gilbert moved approval of the four University of Utah other funds requests as presented. The motion was seconded by Kerry Casaday and passed unanimously.

Kent Beers explained President Benson, Snow College, was unavoidably detained; therefore he presented the other funds request on his behalf.

Snow College Traditional Building Skills Institution Building
Snow College requested approval of $3.5 million for a 20,000sf building to be located on their current property on 1st East and College Avenue. This project will be called the Traditional Building Skills Institute.

When the fire occurred in 1993 at the Governor's Mansion, approximately $8.5 million in historical restoration work was required. DFCM searched for contractors skilled in historic restoration and found a lack of those skills in the state of Utah. Snow College has since developed a small program on their western campus to teach historic preservation skills.

Based on the justification statement many contractors are currently looking for employees with skills in historic preservation and restoration.

Snow College requested $100,000 in O&M for the project, which is approximately $5/sf. The $3.5 million currently being raised would include an estimated construction cost of approximately $160/sf.

MOTION: Kerry Casaday moved to approve the Snow College Traditional Building Skills Institute. The motion was seconded by Steve Bankhead and passed unanimously.

Dennis Kellen, Director of Operations for DABC, stated the Building Board and Legislature have been very good to fund their projects in the past. The DABC has been paying those revenue bonds back with increased liquor profits generated over the years. DABC contributes $40 million to the General Fund every year in net profit after paying off their bonding obligations. Last year the net profit was increased by $1,368,000 over the previous year's contribution to the General Fund.

Alcoholic Beverage Control Holladay Store Replacement
The present location does not meet the current needs in the area and new city has asked DABC to relocate the store as part of the redevelopment project. The requested funds for the 12000sf facility would allow them to participate in the effort.

Alcoholic Beverage Control Kimball Junction Store Replacement
The State presently owns existing land adjacent to the present store. An additional 3000sf would be added to the present location and would include some major remodeling for the expansion calculated at $1,292,000.

Alcoholic Beverage Control Redwood Road Store Expansion
DABC would add 6000sf on an existing building currently owned by the state.

MOTION: Steve Bankhead moved to approve the three projects for the Alcoholic Beverage Control. The motion was seconded by Manuel Torres and passed unanimously.

Department of Transportation Clearfield Maintenance Station Addition
Rich Clarke, Engineer for Maintenance at UDOT, stated the Clearfield Station is a 45 year old building with seven bays with 10 trucks assigned to the station. UDOT's new trucks will not fit in the Clearfield building, and the older trucks must be parked at an angle. This provides little room for truck maintenance. The site location is good, but an adequate building is needed to house their equipment. The prototype building would cost approximately $1.2 million to demolish and rebuild.

MOTION: **Manuel Torres moved to approve the UDOT Clearfield Maintenance Station Addition. The motion was seconded by Mel Sowerby and passed unanimously.**

The Board determined to proceed with the ranking of the state-funded capital development requests until a representative of the National Guard was present.

- **RANKING OF STATE-FUNDED CAPITAL DEVELOPMENT REQUESTS CONTINUED.....**

Kenneth Nye displayed the Board's scores and identified two ties. When the Board adopted the criteria for evaluating projects, one initial concept was for the scoring to provide a starting point for prioritization, but the Board would not be bound to a final ranking reflected in the initial scores. This spring the Board also considered changes in the evaluation due to concerns raised regarding the relative order of higher education projects within the Building Board's priorities versus the order determined by the Board of Regents. The Board committed to evaluate the relative order of their higher education rankings prior to finalizing the priority order.

Kenneth Nye highlighted UCAT's and the Regent's priority order. Although the USU Agriculture relocation was not included in the Regents overall prioritization, it was submitted as a separate priority on its own list. Steve Bankhead suggested the Board move the USU Agriculture Relocation up due to the fact the project has begun and the need to provide continuity.

Katherina Holzhauser suggested looking at the non-education prioritizations in relation to each other and stated she was comfortable with their rankings. Steve Bankhead suggested they also determine what absolutely must be addressed this year.

Manuel Torres proposed changing the Unified State lab to priority five and the Corrections CUCF North Site Expansion to priority four.

MOTION: **Steve Bankhead moved to make the Corrections CUCF North Site Expansion priority four and the Unified State Lab priority five. The motion was seconded by Manuel Torres. The vote passed with six affirmative votes and one negative.**

MOTION: **Steve Bankhead moved to interchange the Board of Education and the USU Agriculture Relocation. The USU Agriculture Relocation was proposed as priority ten and the Board of Education Deaf and Blind Connor Street Replacement as priority eleven. The motion was seconded by Kerry Casaday and passed unanimously.**

MOTION: Kerry Casaday moved to approve the state agency requests as is on the list, excluding Higher Education and UCAT. The motion was seconded by Steve Bankhead and passed unanimously.

Katherina Holzhauser asked a representative of the Board of Regents to explain the overwhelming criteria within the Q&P process that made Weber State University their number one priority. Kevin Walthers, USHE, explained the Q&P stands for qualification and prioritization. The "Q" side is based on the number of students predicted in five years measured against the amount of space you have for educational type space. The "Q" side is very much weighted toward student growth. The Building Board and Regents prioritizations were very similar on the "Q" side. The "P" side addresses account funds raised and life safety issues. USHE has placed a lot of emphasis on life safety issues as a result of the Building Board and the Capital Facilities Committee.

The Q&P process is entirely formula based and there is no judgment in any of the scores. The "Q" formula is not a relational formula; therefore the score are rank ordered. The dispersion is more of a function of growth patterns than a relative need.

Katherina Holzhauser felt the difference in rankings was due to how objectives one and two were allocated criteria wise based on the projects. She suggested refining objectives one and two for next year. She also noticed the Board's scores seemed to prefer new space over growth need over existing deficiencies.

Kevin Walthers felt the Building Board's process was too subjective and one vote being significantly different could change the rankings completely. Manuel Torres suggested the Regents also look at the big picture where the Building Board was charged with other facilities in the state, not just higher education. Ken Nye added there would also have to be a huge discrepancy in votes in order to substantially shift a project.

Kerry Casaday asked how Weber State would rank in the Q&P process if the chiller plant was not included. Kevin Walthers responded eliminating the chiller plant would provide a better score on the Q&P because the square footage is not Q&P space. The additional square footage is a detriment to their project because it is non-assignable. Kenneth Nye added the discussions with the USHE involving life safety evaluations included the chiller plan as a substantial part of the scoring.

Steve Bankhead expressed concern with the Utah State Agriculture project. Although he was convinced it needed replacing, he knew USU had lost students since 2001. He felt the lab could be replaced for $20-30 million without including twice as much square footage and a monument building in the quad. He felt those issues cost them a higher score.

Chair Jardine sought further comments on the Higher Education facilities. Katherina Holzhauser stated she was comfortable where the list stood in relation to the Regents priorities.

Mel Sowerby understood it was a Board member's responsibility to address life safety issues; therefore he scored very heavily toward those issues. He felt the Regents were correct in placing the WSU program ahead just from that standpoint. He also scored based on the overall budget of what may be available for each project.

Kenneth Nye stated in looking at the comparison between the Regents and the Higher Education relative order of the projects. The Snow College project stood out as being substantially different from the Board of Regents. DFCM's analysis raised similar concerns with the Utah State and Snow College projects. He sought input from the Board regarding the projects being prioritized appropriately.

MOTION: Manuel Torres moved to leave the numbers in their current order with the noted previous amendments.

Katherina Holzhauser felt further discussion was needed on the UCAT priorities since they also differed from the Building Board. Steve Bankhead felt a large difference in the UBATC/USU Vernal Campus was due to the private funding available and the oil boom in the area.

The motion was seconded by Kerry Casaday and passed unanimously.

Kenneth Nye stated the Board previously adopted a statement for inclusion in the five year book expressing support to finish the funding on the Capitol building. At the November 30 meeting, DFCM will present the five year plan and the Board could approve the statement relating to the Capitol Preservation Board at that time.

❑ RECOMMENDATIONS FOR "OTHER FUNDS" CAPITAL DEVELOPMENT PROJECTS .....

Kent Beers offered to provide background on the National Guard "other fund" request as there was no representative present.

The National Guard requested authorization for federal funding of a $750,000 project: Building Four of the Joint Logistics Training Center. Two buildings have been constructed so far and Building Three is undergoing construction. This fourth and final classroom training building for the JLTC program will be 100% federally funded with no state funded O&M requested.

MOTION: Cyndi Gilbert moved approval of the National Guard "other fund" project. The motion was seconded by Steve Bankhead and passed unanimously.

❑ ADMINISTRATIVE REPORTS OF THE UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY.....

Randall Funk, University of Utah, provided the administrative report for August 26 to October 7, 2005. There were seven new design agreements, one programming agreement and two study agreements awarded for the period. There were three remodeling contracts awarded and one site improvement contract. There was no action in the Contingency Reserve Fund or Project Reserve Fund.

MOTION: Manuel Torres move to approve the administrative report of the University of Utah. The motion was seconded by Mel Sowerby and passed unanimously.

Darrell Hart, Utah State University, provided the administrative report for the period of August 24 to October 5, 2005. There was one professional contract and five construction contracts awarded for the period. There are currently 56 projects under delegation and 19 of those are complete or substantially complete, 11 are in the design phase, 12 are in the construction phase, eight are pending and five are in the other category.

MOTION: Kerry Casaday moved to accept the administrative report of Utah State University. The motion was seconded by Cyndi Gilbert and passed unanimously.

❑ ADMINISTRATIVE REPORTS FOR DFCM .....

Kenneth Nye highlighted the administrative report for DFCM. Several construction contracts awarded had some procurement requirements waived by the Director in order to meet scheduling demands. A number of projects required additional funding due to cost escalations. The Project Reserve also noted a number of projects requiring additional funding, although it did not all come from the Project Reserve.

The Contingency Reserve included the budget and contingency amounts for this year's Capital Improvement projects. DFCM has identified an excess balance in this fund of $1.5 million, which is based on savings from completed projects.

The Project Reserve report identified a $672,000 draw for the U of U Warnock Engineering Building. DFCM is also struggling with a number of other projects to get them to their current budgets done prior to the cost escalations occurring. DFCM did not believe the fund had any excess funds to offer, but will continue to monitor the funds throughout the legislative session.

Mr. Nye noted demolition of three residence halls at the University of Utah that are no longer being used. They are currently at the site of the future recreation center.

❑ ADJOURNMENT .....

MOTION: **Cyndi Gilbert moved to adjourn at 11:30 a.m. The motion was seconded by Steve Bankhead and passed unanimously.**