Utah State Building Board

MEETING

October 21, 2004

MINUTES

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

Vía telephone:
Cyndi Gilbert
Katherina Holzhauser

DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Camille Anthony	Department of Administrative Services
Steve Allred	Legislative Fiscal Analyst's Office
Randa Bezzant	Governor's Office of Planning and Budget
Greg Fitch	Utah College of Applied Technology
Richard Maughan	Bridgerland Applied Technology Center/UCAT
Rob Brems	Mountainland Applied Technology Center/UCAT
Paul Hacking	Uintah Basin Applied Technology Center/UCAT
Kevin Walthers	State Board of Regents
Glenn Beagle	Department of Natural Resources – Forestry
Ron Nielsen	Department of Natural Resources – Wildlife Resources
Mike Perez	University of Utah
Kevin P. Hansen	Weber State University
Col. Craig Morgan	Utah National Guard
Raymond Duda	Utah National Guard
Belle Brough	Department of Corrections
Greg Jacquart	Department of Corrections
Chris Mitchell	Department of Corrections

Greg Peay	Department of Corrections
Bryan Wilmot	Department of Corrections/UCI
Rick Stock	Architectural Nexus
RoLynne Christensen	VCBO Architecture
Jackie McGill	Spectrum Engineers
Gordon Bissegger	Courts
Dan Becker	Courts
Rosemarie Carter	Department of Workforce Services
John Misel	Department of Workforce Services
Jean Steidl	Department of Workforce Services
Wendy Mabey	Owen & Associates
E. Bart Hopkin	Human Services/OAS
Stacy Meyer	HFS Architects
Jim Michaelis	Utah Valley State College
Mike Wollenzien	USOR
Rick Wheeler	Snow College
Jolynn Reid	University of Utah
Nancy Lyon	University of Utah
Greg Stauffer	Southern Utah University
Darrell Hart	Utah State University
Brent Windley	Utah State University
Stan Plewe	Dixie State College
Carol Kusterle	FFKR Architects
Gordon Storrs	Salt Lake Community College
Bob Askerlund	Salt Lake Community College

On Thursday, October 21, 2004, the Utah State Building Board held a regularly scheduled meeting in the House of Representatives Building, Room W125. Chair Larry Jardine called the meeting to order at 9:04am. He welcomed Katherina Holzhauser and Cyndi Gilbert who participated telephonically.

❑ APPROVAL OF MINUTES OF SEPTEMBER 10, 2004.....

Chair Jardine sought a motion on the Utah State Building Board meeting minutes of September 10, 2004.

MOTION: Manuel Torres moved to approve the Building Board minutes of September 10, 2004. The motion was seconded by Kerry Casaday and passed unanimously.

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

Keith Stepan explained the Board previously held hearings for the capital development requests from the institutions and agencies. The Board members had since submitted their scores based on the new scoring system for objectives.

Kenneth Nye reviewed the new fall 2004 semester enrollments for Higher Education which identified the anticipated growth was not experienced and instead leveled off. The enrollments indicated the total FTE basis has grown by 0.82% as a whole, with the largest percentage increase at Southern Utah University growing by approximately 300 FTE. The largest number enrollment growth was at the University of Utah, which grew by about 540 FTE. Weber State University and the College of Eastern Utah both decreased in FTE. Headcount was also identified and Mr. Nye noted more weight should be placed on the FTE basis of counting students as it accounts for hours enrolled. Enrollment also has a tendency to fluctuate from year to year and a single year does not provide a good indication for long-term growth.

Kevin Walthers provided the Board of Regents' perspective on FTE and headcount and noted headcount had increased at Utah Valley State College and Salt Lake Community College. There are over 100,000 FTE within the system. From Mr. Walther's perspective, higher headcount has a larger impact on facilities than on budget.

Mr. Nye reviewed a document pertaining to the budgets for the state funded requests. One significant change was due to Southern Utah University presenting a different approach for the administrative offices housed in the Old Main building thereby reducing the size of the new building required. DFCM analysis indicated the change reduced the square footage required for the new building from 66,000sf to 48,000sf. The cost was also reduced from slightly over $13 million to $10 million.

Another sheet identified operations and maintenance costs and the results of the operations and maintenance increase from the other funds projects and the state funds projects. Higher Education projects were based on the formula approved by the Board a few years ago and an additional sheet recognized the Higher Education O&M calculations.

Kenneth Nye referred back to the budgets for the state funded projects noting a significant change where DFCM mistakenly allocated the cost of the Richfield Regional Center to Workforce Services. DWS would pay for their share of the building; however, DFCM charged them the full cost of some of the shared spaces. An adjustment was made slightly reducing their share of the funding and increasing the amount needed from state funds. The funding DWS would provide was well within the range of the score that the Board's criteria would provide. The scoring was not effected, and the state funding amount was increased by approximately $300,000.

Chair Jardine sought comments on the scoring summary from the Board.

Manuel Torres took issue with the Board rating Bridgerland ATC higher than UCAT's number one priority of the Uintah Basin ATC. He wondered if UCAT had ranked Uintah Basin higher to increase the pressure to fund both. Keith Stepan stated UCAT presented the Uintah Basin ATC project as their number one priority. Visits were made to both ATCs during the last two years and the Board scored the projects accordingly. Some consideration may have been given to the opportunity to purchase the Bourns building decreasing if the project is not funded this year.

Kenneth Nye proposed postponing the state funded project discussions until Steve Bankhead was available for discussion. The Board preceded with the other funds presentations.

Kerry Casaday referred to the first objective pertaining to existing deficiencies and noted the University of Utah Marriott Library had a weighted score of 12 for existing deficiencies, but were only receiving 15% of a new building. Other agencies and institutions get 100% of a new building and a score of zero for existing deficiencies. He questioned the degree to which buildings with existing deficiencies benefited.

Kenneth Nye stated the Building Board's process was set up to address existing state owned buildings in the first objective. Requests to build new space do not address existing buildings and therefore receive no points in this objective based on the criteria. Requests that replace or renovate current buildings address problems in the current inventory of state buildings and receive points based on this objective.

All requests dealing with existing buildings also involved new space beyond just renovating an existing building or replacing it with the same square footage. In order to prevent a project that addressed both an existing building and added new space from getting an extra benefit, the criteria were developed to compare the cost of repairing problems in the existing building against the total project cost. The larger the increase in space, the lower the score received.

Manuel Torres asked if the bed shortage for Corrections was going to be a recurring budget issue that would need to be addressed. Chair Jardine stated Corrections indicated the inmate population was increasing by approximately 259 people each year, which essentially will require one building a year. Their current request is for an additional pod at Gunnison and they indicated they would be requesting another 192 bed pod next year at the Gunnison complex.

Kerry Casaday asked if an agency wouldn't benefit more by identifying a small, run down building that is deficient and requesting a new, larger facility to replace the dilapidated building. Kenneth Nye stated the criteria were structured to avoid the possibility. If a request came in at 99% new space and only 1% to replace the shed, the agency would get

almost no benefit out of replacing the small building because the first objective compared the cost of repair against the total request amount and would only receive one point. The Board allocated the points between objective one and two. If an agency or institution received a score of one on objective one, it is then multiplied by a weight of three to give a total score of three, only 1% of the project was dealing with existing space would reduce the score to .03. Justification for growth would need to be provided under object two which would receive the primary focus. The Board was allocating the points between objective one and objective two based on the proportion of the request dealing with the existing space versus increase in space.

Kerry Casaday asked if the Southern Utah Teacher Education Center should be rescored due to their revised request to add to the existing structure rather than building 100% new. Kenneth Nye stated the Old Main building is being addressed through capital improvement funding and is not being addressed as part of the capital development request. Therefore, it would not make a significant difference in the scoring.

Kenneth Nye stated objective four addressed projects with poor conditions in their existing space by addressing improvements in program effectiveness. The current poor conditions may not allow the agency to be effective in delivering their programs and a new facility would make them more effective. The issue of whether to directly consider the existing conditions apart from consideration of program effectiveness may need to be addressed by the Board in the future as they modify or expand the process.

Chair Jardine suggested tabling this particular issue pending Steve Bankhead's arrival and proceed with the other funds presentations. The Board would then have the opportunity to modify their scores before making their final recommendations.

Gordon Bissegger, Courts, presented the request for the West Valley Courthouse Purchase. This project opportunity is similar to the Provo Courts land purchase where the County is prepared to sell the property for less than appraised value. This 26,000sf West Valley Courts facility was bonded by West Valley City in 1986 and the contract with the Courts provides a lease with an option to purchase. The contract allows them to use the built up equity towards that purchase. The bonds will be paid off in June 2005 and the $3.6 million in accumulated equity is sufficient to acquire the building. No additional funds would be needed to exercise the option to acquire the building. Appraisals were completed in August 2004 by DFCM and by West Valley City and both confirmed they will have sufficient equity to acquire the building without additional funding from the State. Previously when the West Jordan Courthouse was funded, it was with the understanding for the district court facilities in Sandy and West Valley to be consolidated into the West Jordan building and the West Valley courthouse would become a juvenile court facility. The current leases for juvenile court probation offices would be closed and the juvenile court probation offices would be relocated to the West Valley building. Those leases would then be reallocated to

the new Tooele County courthouse funding to assist with the payoff of bonds on the Tooele Courthouse. The request is for the Courts to use the equity in the building to exercise the option to purchase. They would need intent language during the 2005 legislature to authorize them to proceed with acquiring the facility.

Chair Jardine sought a motion on the West Valley Courthouse purchase.

MOTION: Manuel Torres moved to approve the West Valley Courthouse purchase. The motion was seconded by Cyndi Gilbert and passed unanimously.

Belle Brough, Director of Institutional Operations for the Department of Corrections, and Greg Peay, Director of Facilities, presented the request for the CUCF Education Area expansion. The Department of Corrections currently has an opportunity to partner with Snow College and the educational system to expand the educational area at the Gunnison area. By partnering with various religious organizations and Snow College, CUCF will be able to add an additional 11 classrooms to assist in accommodating the seven Snow College classrooms and add additional classes.

Greg Peay stated a program completed by DMJM outlined specific needs regarding the facility and the total expansion of 14,741sf. Since the building is being built on an existing site and adjoining existing space, the cost for the space is relatively low at approximately $109/sf. With the addition of site constraints, the total is $116/sf. A majority of the furnishings will be donated from the various educational programs, although there is an allocation for the furnishings. Currently Corrections seeks authorization to proceed with the fundraising and with the project once the fundraising has been accomplished.

MOTION: Manuel Torres moved to approve the CUCF Education Area Expansion. The motion was seconded by Steve Bankhead and passed unanimously.

Ron Nielsen, Wildlife Resources, discussed the Logan Fisheries Experiment Station Technical Services building which currently houses two programs in the facility including the offices for the production facility, as well as the june sucker facility and the fish experiment station. There is concern with contaminated fish in the production facility and the need for separation. The office space is also constrictive and needs to be expanded.

Mr. Nielsen explained the planning and programming of this facility and noted the actual construction would be in a few years. The funding source for planning and construction would come from the Hatchery maintenance account and those funds have been allocated for other production facilities over the next few years. DWR wished to begin planning and production now with DFCM's involvement.

Chair Jardine sought a motion on the request.

MOTION: Steve Bankhead moved to approve the Logan Fisheries Experiment Station Technical Services Building. The motion was seconded by Manuel Torres and passed unanimously.

Rosemarie Carter and John Misel presented the request for the Department of Workforce Services Richfield Employment Center. In Richfield, the Department is housed in both the regional center and an employment center due to five agencies combining in 1997. Neither of these two buildings serves the Department and all of its programs and services well and there is a critical need to offer services in Richfield at one location and reduce duplication and customer confusion. The current regional center was constructed in 1949 as a hospital and is not able to accommodate the Department's and public's needs. The employment center was originally constructed in 1985 to house eight Job Service employees and currently houses 23 individuals. In the event the Richfield Regional Center is not funded this year, DWS requested approval to proceed with a stand alone building at no cost to the State. When the Department of Workforce Services was created in 1997, it was mandated to only have one office in Richfield.

Chair Jardine stated their proposal indicated a dollar amount plus building lot and questioned if the building lot would also be allocated out of non-state funded dollars. Kenneth Nye confirmed the budget revisions included the building, the building lot, and an acre of land and totaled $2,659,000 in non-state funds.

The total cost of the Regional Center would be $5,043,000 of which DWS's portion would be $2,484,000. The advantages of co-location would be lost by proceeding solitarily and would result in a somewhat higher cost. The Richfield Regional Center was unlikely to be funded this year, but the Richfield Employment Center was likely to be approved. However, this would substantially diminish the regional center concept the following year.

Keith Stepan re-iterated that the Richfield Regional Center is the first option and the Employment Center is a back-up option. The Employment Center would be located on federally owned building and land and the Regional Center would be federal/state equity. Manuel Torres questioned if there was an indication as to the funding that would be available for next year. Keith Stepan stated they hoped to achieve the $82 million allocated last year, which covered approximately four projects.

Chair Jardine sought a motion to include that the project would be approved if the regional center was not approved under the capital development projects.

Steve Bankhead asked if DWS could postpone their request until next year and hope they would be funded. Rosemarie Carter responded if they were guaranteed funding next year,

they would retract their request and wait. However, they were concerned with having to continue waiting as priorities and administration change.

Steve Bankhead proposed postponing the vote on the project until the state funded projects were decided. Chair Jardine felt it was appropriate.

Mike Perez presented the requests for the University of Utah. Their first request was for the University of Utah Hospital Expansion West Wing and Parking Lot with a total project cost of $87.5 million. Of that amount, $77.5 million is the building cost and approximately $10 million is for parking. The building is anticipated to be about 210,000sf and the sources of funds for this project will be $32 million from foundations and donors; $42 million from bonds; and $13.5 million from hospital operations. The existing facility, Building 521, is the School of Medicine building and is expected to be demolished per the master plan. A year and a half ago the Eccles Critical Care Pavilion opened which removed some operations from Building 521 and the additional wing will further vacate Building 521 for its eventual demolition.

The University anticipates this building will be five levels above grade and two levels below grade and will offer several programs and services from the School of Medicine including ambulatory outpatient clinics, inpatient services, support services, ancillary and diagnostic treatments, as well as administrative services. It is consistent with their master plan and correlated with the future growth of the health sciences and the hospital. No O&M funding was requested.

The second request was for a 50,000sf building for the College of Humanities Building Phase I, with a project cost of $11.1 million funded through private donations and university funds. The College of Humanities, the History Department and three interdisciplinary programs reside in Carlson Hall, which is a 1937 Women's Dormitory used as office space for several years. The Humanities College occupants residing in Carlson Hall are separated from the humanities core and the critical programs developed for interdisciplinary types of operations make their adjacencies of greater importance. The humanities program faculty has had an increase of 52% and a 73% increase in teaching assistants since 1989.

This project will be constructed as phase one in the Humanities Core and is consistent is with the campus master plan. O&M funding was requested in the amount of $235,000 annually due to the phase being a teaching facility.

The third request was for a 15,000sf addition for the College of Social Work. The addition would be attached to a two story existing facility, Building 26, which houses the College of Social Work including all Social Work departments and administration. In 2001, a master plan was pursued by the College to assess their facilities regarding their programs and

anticipated growth. At that time, recommendations were made to make the building space more efficient. In 2003, the College updated its master plan, yet continued to realize a need for more space resulting in the need for the project request. The College of Social Work is expanding and has a collaborative effort with the College of Law and the College of Behavioral Sciences to provide outreach programs for the community. They are providing humanitarian and training services as proposed by a goodwill initiative and this provides for services to aid the elderly and their caregivers, as well as children and adolescents. It will create unique spaces for classroom facilities with flexibility to provide services to a number in the community for training, self support, and similar items.

The project cost was approximately $3.2 million which will be paid for by private donors as well as University funds. Because of the increase in academic space of 15,000sf, O&M funds were requested in the amount of $79,800 once the project is constructed and in use. Mr. Perez sought questions from the Board.

Senator Beverly Evans asked for the funds to be identified for the College of Humanities Building Phase I instead of making an assertion that they are identified. She felt the Legislature desired to know how much funding was provided through private donations and the amount of selected funds. She also recommended the Fiscal Analysts Office conduct a review of the University of Utah's $87,500,000 prior to the Legislative session to be prudent in being fiscally responsible for the debt service.

Senator Evans requested further clarification on the Natural Resources Logan Fisheries Experiment Station Technical Services Building regarding the planning money and funding. She noted the projects would be more closely scrutinized this year and would be reviewed more effectively.

Mike Perez agreed to provide detail on behalf of the University of Utah and noted the College of Humanities; $7 million from donors was currently on hard of the $11.1 million. Approximately $1.6 million was pledged from donors for the College of Social Work. Mr. Perez will forward the detail for the hospital to Senator Evans and Richard Ellis at the Governor's Office of Planning and Budget.

MOTION: Manuel Torres moved to accept the University of Utah's requests for the Hospital Expansion West Wing and Parking, the College of Humanities Building Phase I, and the College of Social Work Building Addition. The motion was seconded by Steve Bankhead and passed unanimously.

Dave Miles and Rich Clark requested a Vernal Maintenance Complex on behalf of the Department of Transportation. They stated their most critical, current problem with their maintenance program pertains to the stations which house their crews and equipment. Out of 80 stations statewide, 40 stations were built in the 1950's and early 1960's and are in

very poor shape and have difficulty in accommodating the trucks and materials, are not efficiently located to the work and are located in incompatible neighborhoods. Eleven years ago, UDOT developed a plan to replace the 40 dilapidated buildings by replacing two buildings a year for 20 years. Within the first five years, 20 buildings were replaced, however over the next six years only two buildings were replaced.

Last year, UDOT present a building in Vernal to the Building Board, the Capital Facilities Committee and the Transportation Committee. After receiving approval from the Building Board and the Capital Facilities Committee, the Transportation Committee found there were not sufficient funds to proceed resulting in the need to request approval again.

The current Vernal Station is situated on 2.5 acres and seven to eight acres are needed to accommodate their programs. The current building does not accommodate their trucks and requires their storage to be outside which complicates their efforts. Approximately 20 acres has been obtained north of town for approximately $6,000. UDOT anticipates utilizing using seven or eight acres of land for the station selling the remainder of land at a future date. The current cost of the facility is $1.5 million for an eight bay building and includes extending utilities to the site. UDOT will also coordinate with DFCM to design a more conservative building to use as a prototype for future buildings.

MOTION: Manuel Torres moved to approve the UDOT Vernal Maintenance Complex. The motion was seconded by Kerry Casaday and passed unanimously.

Chair Jardine asked the Board for further discussion on the state funded projects before proceeding with the final ranking.

Steve Bankhead appreciated the Board's right to adjust their scores based on their own judgment. His number one priority, the Department of Human Services Developmental Center Housing, did not score well based on growth, deficiencies and alternative funding. He also questioned the Board's scoring based on the weights and if there were unintended consequences by having some objectives weighted differently and creating a greater point discrepancy than he felt was justified between some of the categories. He suggested reviewing the scoring objectives one through five with the same weighting, with the exception of funding, to see how those scores result as a valid comparison. They could then make adjustments if they desired.

Kenneth Nye had structured the spreadsheet to easily adjust the weights after the Board members had finalized their scoring to show the impact of changing the weights. Katherina Holzhauser volunteered it did not make a significant difference. She felt the Building Board had been given the directive to address existing facilities in need of repair and was very comfortable with the weights. The final points should not assign value to the project, but

should provide a prioritization.

Steve Bankhead referred to the scores pertaining to existing deficiencies on the Richfield Regional Center. Kenneth Nye explained the criteria set up under objective one were slightly more quantitative than others. The project is replacing two state owned buildings and some leased space. The substantial problems in one of the two owned buildings were diluted by the leased space and the other building not being in poor physical condition. After listening to the discussions, Mr. Bankhead felt his score for objective two for the Richfield Regional Center was low and chose to change it to a four.

Manuel Torres suggested placing the Richfield Regional Center between the current priorities four and five in hopes of being able to fund the $2 million project out of the $82 million. Kenneth Nye stated the $82 million allocated last year also provided $50 million for the Capitol, which is not included on the Board's list. Keith Stepan stated the Board's responsibility was to establish the list in a prioritized manner and the funding issues would be addressed by the Legislature.

Steve Bankhead asked for the Board's perspective on the University of Utah Marriott Library based on growth and cost effectiveness. He stated the University of Utah currently has in excess of 500,000sf of library space which translates to 20sf per student and over 200,000sf of space was built within the last eight years. The projections over the next 10-15 years indicate the University of Utah will not grow as quickly as some other higher education institutions. Spending $70 million on the library will grant the University 14,000sf of state of the art storage. He felt the current library was serving all of its essential functions and questioned others' higher scores.

Kerry Casaday stated the Marriott Library had completed their program and design phases and the architect and contractor had been chosen. Kenneth Nye stated the Legislature authorized the project to proceed with design using the donated funds, but required the University to return to seek construction funds. Keith Stepan stated the University of Utah made a very compelling argument that they serve citizens and institutions throughout the state. Since the project dealt with the existing building, a substantial change was required in the growth score in order for a significant change in the total score because only 15% was new space. Issues will need to be reviewed within the process in the future, including the definition of analyzing growth criteria. It focuses on whether the request is appropriate based on demographics, not the need for request based on growth occurring.

Kerry Casaday stated he based his scores on his own merits and did not think each project should be compared to one another. Cyndi Gilbert and Steve Bankhead disagreed. Steve Bankhead felt this was a priority ranking process and they needed to evaluate and rank each category compared to the other project rankings.

Kenneth Nye suggested returning to the non-state funded projects while the state funded project scores were tabulated and disseminated.

Kevin Hansen, Weber State University, presented the request for the Shepard Union Building Renovation. The Union building serves as a cultural and activity center on the campus and accommodates approximately 7000 users every day. The building also houses all food service facilities, the bookstore and other essential recreation facilities.

The Union building is essentially two merged buildings with the east portion being built in 1960 and the west portion being built in 1969 along with the bridge. Renovation occurred to the bookstore in 1996 in order to provide an outside entrance. Originally the building was built for 4000 students and the current student load is approximately 18,000. The systems are failing and the space allocation is inappropriate for the student demand. A recent ISES survey identified $8 million in maintenance and repair in order to keep the facility serviceable. They felt this would also be a considerable energy conservation benefit and reduced operating costs.

Under their proposal, the breezeway would be made usable space as part of the 12,000sf addition. The total project would be 186,816sf with 12,000sf new space and approximately 175,000sf renovated space at a total cost of $20 million and approximately $107/sf. Because of the location of a facility, WSU has integrated the renovation of this facility into the master plan. Every area of the building will be renovated and reconfigured to maximize the utilization of space available. There will be no increase in O&M or new programs and no state funding. The project will be funded by a student fee increase approved in a March 27, 2004 referendum. It is a graduated step increase over three years when it would then sustain itself. WSU proposed a $20 million bond based on the student fee increase.

MOTION: Manuel Torres moved to accept the Weber State University Shepard Union Building Renovation. The motion was seconded by Steve Bankhead and passed unanimously.

Robert Brems and Greg Fitch presented the request for the Mountainland ATC/UCAT Lease Purchase in Spanish Fork and the Lease Purchase of land in Northern Utah County. Mr. Brems stated the MATC was charged with serving Utah, Wasatch and Summit Counties. Their current method of operating programs in Springville is to lease from the Nebo School District at the former Westside Elementary School. The facility is on some valuable property in Springville and the school district is now determined to sell the property. MATC will need to relocate within one year if they wish to keep their programs in Springville. Through the current lease funding, plus some additional lease funding from their budget, they wish to enter into a partnership with the Nebo School District to construct a new facility south of Spanish Fork for MATC's use. MATC would lease from the school district and include an option to purchase in the lease. The Nebo School District would use

their construction processes on the 15 acres piece of land with the intent of MATC using a majority of space. This would provide 25,000sf in partnership with the school district with an option to purchase the building in 2022. The preliminary cost estimate is $3 million for 25,000sf.

Northern Utah County is also experiencing growth and MATC accommodates these students by operating programs in American Fork. MATC is currently leasing this facility from Alpine School District, however, they have negotiated an option to purchase the facility in 2017 and the payments for rent would then come to an end. The Legislative Fiscal Analyst's Office intent for MATC would be for the monies currently funding the lease to fund more O&M costs, which is currently partially absorbed from their budget. This facility will reach capacity within the next two to three years and they are trying to do some advance planning to accommodate their expected growth.

Three different sites have been identified. Two are in the area of the Developmental Center and Lone Peak High School. Site A would be located in Highland and site B would be on a southern adjacent piece of land in American Fork. Lone Peak is one of the largest high schools that sends students to the MATC for technical training and is also in the middle of a very rapidly growing area. Site C is located close to the Pleasant Grove interchange off of I-15 and is publicly owned by the Timpanogas Special Services District.

The contract with the Alpine School District would allow MATC to receive equity in the building due to the option to purchase agreement. They could also market the building and split the equity between MATC and the school district. The concept is to use some of their current monies to purchase approximately 20 acres on one of the three potential sites, but preferably the sites by Lone Peak High School and the Developmental Center. The preliminary cost estimate would be $1.5 million.

Richard Ellis was uncomfortable with the process these two projects were pursuing. The lease money in their current budget was placed there two days before the last session ended. While it may have been discussed during the Appropriation Subcommittee meeting, it was not on the priority list. Now MATC was requesting a lease purchase with money in their budget. From the state's perspective, it sets a poor precedence for other agencies from a budget standpoint. Mr. Ellis was also troubled they have not had a legislative forum to have this heard as a lease purchase.

Robert Brems felt it was imperative for the Board to understand that the request for lease funding went through the full process from the MATC Board of Directors, the UCAT Board of Trustees, and the Legislative hearings. President Greg Fitch, UCAT, stated UCAT supports these particular projects and had Legislation creating the UCAT statutorily requiring ATCs to lease property rather than build buildings. It is a good business sense and an opportunity for the Board to look at partnering to develop ways to serve the

students. The growth factor clearly delineates the idea that they are growing. This project aligns with the UCAT mission and role responsibility to do economic development and create a workforce. This allows the MATC to meet statutory requirements by leasing, allows them to partner with the community and school districts, and allows them to accommodate growth potential while creating equity components.

Steve Allred asked to what extent the Legislature understood MATC would be returning to request a lease purchase when they appropriated the ongoing money last session. Mr. Brems felt the Legislature was supportive of the project and wanted a determination on the American Fork facility.

Senator Beverly Evans stated she did not realize the complexities of the proposal when it was approved last year. Although she is a strong advocate for ATCs, she did not feel comfortable with this type of approach to obtain buildings. Although the idea was creative, she was not sure it was in the best policy for decision making of the state.

Richard Ellis stated if the Legislature intended a lease purchase; it would have been included in the language in the Legislation Appropriation Act.

In reviewing the prioritizations for this year, Steve Bankhead stated the ATC's have been pushed out of contention for funding. Given the nature of the prioritization process, he wondered if the Board rejected the presented approach, if there was a realistic method for recognizing the ATC's needs. This year it appears highly unlikely that any buildings will be approved in the ATC system. He wondered if the ATC's were disadvantaged in the Board's rating system.

Kenneth Nye stated the UCAT projects are being presented with the other Higher Ed and state agencies projects and are being scored under the same criteria. The UCAT needs are driven by growth and opportunity. Under the Board's scoring process, an opportunity like Bridgerland received extra points. Lower scores would be based on the Board's perceptions and DFCM's analysis of their need relative to others' needs.

MOTION: Steve Bankhead moved to not approve these projects at this time and give the matter further consideration to determine the ramifications. The motion was seconded by Manuel Torres and passed unanimously.

The request for the Utah National Guard for four federally funded requests was presented by Colonel Craig Morgan and Ray Duda. The 85th Civil Support Team Readiness Center is expected to cost approximately $2 million, although they hoped to complete it at about $1.5 million. They hoped to place the Civil Support Team unit in the new Northern Salt Lake facility.

The Joint Forces Headquarters Addition was the next project. The National Guard discovered in the new force modernization of the military there has been an enhanced awareness of force protection issues. There is also a new joint requirement to combine the Army and Air Force into a joint staff.

The 19th Special Forces Armory Addition is needed because of growth.

The 117th and 120th Units need a combined readiness center. They are currently housed in an unheated cold storage supply building that has been converted to accommodate a unit.

All of the projects would cost approximately $1.5 million as that is the federal threshold that can be included in the federal defense budget.

MOTION: Kerry Casaday moved to approve the requests of the Utah National Guard. The motion was seconded by Manuel Torres and passed unanimously.

Ken Wynn and Greg Rogers presented the requests on behalf of the Alcoholic Beverage Control. Ken Wynn stated the ABC sales were up 12.5% for the first three months compared to the first three months last year and case sales are up 11%. Their first request was for a new Downtown Salt Lake Wine Store as they have outgrown their current space and parking. The floor space does not allow for good customer service.

The second request was for an additional store in St. George. The population has grown and sales are up 44% in bottles, case sales are up 37%, and product selection is up 22% from 1998 to 2004.

The ABC is also requesting a new South Valley Store due to a 270% population increase in Herriman from 2000 to 2003 and a 234% population increase in Eagle Mountain.

The total on all of the projects is approximately $8 million.

Keith Stepan stated last year the Board approved five projects and because of the difficulty of location of sites only one was proceeding.

MOTION: Kerry Casaday moved to approve the projects requested by the ABC.

Cyndi Gilbert asked how sites would be determined. Keith Stepan confirmed a site search with the communities and the ABC would be completed to acquire a site that fits into the zoning and has community support.

The motion was seconded by Manuel Torres and passed unanimously.

The Board and audience were distributed the Board's scoring summary. Chair Jardine opened the discussion for final prioritization.

Steve Bankhead stated if $80 million was received for projects, approximately four priorities would be covered, including the State Capitol Renovation. Mr. Bankhead suggested moving the Developmental Center to priority one as he felt the conditions were deplorable and the center did not have a constituency or public support. This move would also clearly establish to the Legislature and to the public that the Board is willing and able to override a strict scoring system when warranted. By placing the project at number one, he did not see it compromising the likelihood of another project being done because of the size but it could easily be excluded.

MOTION: Steve Bankhead moved the Developmental Center as priority one.

Kerry Casaday agreed in theory, but based on past experience changing the ranking would not guarantee funding. He did not feel that this project was the most important project in the state.

Katherina Holzhauser agreed with Mr. Bankhead's comments from an emotional standpoint. However, the Board has a process that will be represented to other bodies. She felt this should be represented based on the objectives and include few other components. She also had several projects that she wished to see prioritized higher as statements of direction to the Legislature including the CEU Theatre and the Deaf and Blind School. From a process standpoint, she did not feel the Board should change the rankings to provide question to the overall process.

Steve Bankhead felt it was a mistake to just look at the rankings and thought funding level should be given consideration. He thought it was a mistake to not consider the realities of the budget and felt compelled to change some rankings.

MOTION: Manuel Torres moved to place the DHS Developmental Center Housing to priority three and the CUCF 288 Bed Facility to priority four. The motion was seconded by Kerry Casaday. The motion passed with four affirmative votes and one negative.

Kerry Casaday asked if it would be appropriate to ask Senator Evans to address how the Legislature determines project funding. He thought there was still a dichotomy between the Building Board's ranking and funds approved.

Senator Evans responded there were several factors for consideration this year including a new Governor, new Legislators and other unknown factors including Initiative One and the Capitol Building. She felt the Legislature had stayed relatively true to the Building Board's recommendations of prioritizations.

Keith Stepan complimented Senator Evans for all of her work in keeping the Board connected and noted the Board has tried to increase the credibility of their list based on prioritization and objectives. Regardless of the funding amount, they significantly increased their research, study, site visits and listening to the presentations.

Chair Jardine sought for a motion on priorities number one and two.

MOTION: Manuel Torres moved to place the Dixie Health Sciences Building as priority one and the University of Utah Marriott Library as priority two. The motion was seconded by Kerry Casaday and passed unanimously.

Chair Jardine noted that on the preliminary scoring, the next three all had the same ranking on the total score.

MOTION: Kerry Casaday moved to approve the remaining scores of the preliminary scoring as the final rankings with those ties scores being ranked in the order listed and including the first two motions.

Katherina Holzhauser expressed concern with this process as she wished to respect the Board of Regents ranking and the fact that Snow College and Utah State University were not in line with the Regent's rankings. She felt if the Building Board was going to override the Regent's rankings, further discussion was required.

Kerry Casaday withdrew his motion.

MOTION: Steve Bankhead moved to place the UVSC Digital Learning Center as priority five. The motion was seconded by Kerry Casaday with five affirmative votes and one negative vote.

Chair Jardine sought priority six.

MOTION: Steve Bankhead moved to place the Southern Utah University Teacher Education Center and the Department of Natural Resources Fire Management Service Facility as priorities six and seven respectively.

Katherina Holzhauser stated she wished for the Fire Management Service Facility to be ranked as priority six because of the small amount requested and the high need. Kerry

Casaday did not feel like the dollar amount was relative to their ranking. Ms. Holzhauser stated the dollar amount had decreased since their initial presentation and they had refined their proposal. Mr. Casaday stated that Southern Utah University had done a fairly decent job of lowering their amount from $13 million to $10 million and therefore wished to keep them as priority number six. Steven Bankhead did not think that there was any realistic possibility of getting the projects and thought they needed to revisit the projects next year when there is a possibility that one or both of them could get funded.

The motion was seconded by Cyndi Gilbert and passed unanimously.

Chair Jardine sought a motion on priority eight.

MOTION: **Steve Bankhead moved for the Board to place the Courts Land Purchase for the Provo Facility as priority eight, the Richfield Regional Center as priority nine and the Snow College Library/Classroom Building as priority ten.**

Katherina Holzhauser asked for the motion to be amended to not include the Snow College Library/Classroom Building as priority ten.

AMENDED MOTION: **Steve Bankhead moved that the Board place the Courts Land Purchase for the Provo Facility as priority eight, and the Richfield Regional Center as priority nine. The motion was seconded by Cyndi Gilbert. The motion passed with five affirmative votes and one negative vote.**

Kerry Casaday explained he did not vote to pass the motion as he felt the Richfield Regional Center and the Snow Library/Classroom Building were tied and it would be inappropriate to move one forward without having discussion on the other.

Katherina Holzhauser sought to understand why the Snow College project ranked higher than Utah State University's project on the Building Board's list and the rankings were not comparative to the Board of Regents. She asked for clarification on the differences between the rankings within the two processes. Steve Bankhead felt both scoring systems had flaws and did not feel there was a rational explanation or answer to the varied rankings other than they ought not to put blind faith in either of the scoring systems.

Kevin Walthers stated the Regents have placed a lot of emphasis in the scores on the Q&P and have adopted a list that matches the Q&P as priorities. The Regents top three priorities include the University of Utah Marriott Library, UVSC Digital Learning Center and Dixie State College Health Sciences Building. The crucial difference between the processes is that the Regents process starts primarily with the current amount of space.

Snow College rises on the Building Board's priorities and rankings as space needs are given different considerations. The Regent's driving factors include how much space institutions have, their current students and projected students in five years. Steve Bankhead asked how the University of Utah ranked so high based on those factors. Mr. Walthers responded that the amount of space and students the University currently has requires them to bring forward remodel projects to not entitle them too much space. The Regent's process does not favor growth over existing space across the system. University of Utah, Utah State University and Weber State University have been instructed to renovate their current space and bring it up to specification. With the exception of last year, UVSC has received a project every year for the last eight or nine years because their growing school required more classroom space. They have always moved to the top of the Regent's list regardless of the project requested because of their current space utilization. He thought the Board's process left out a space analysis and student analysis which was imperative to their process.

Kenneth Nye respectfully disagreed with Mr. Walthers and stated the Building Board's process did not ignore space or student FTE and both were addressed in growth rankings. Salt Lake Community College did not score as well because they did not have a firm proposal to bring forward to the Board. He did not think the Building Board had an analytical look at growth and current space versus students to the degree that the Board of Regents had, however it had not been ignored.

Kevin Walthers stated the Regent's process begins with type of space and then includes a formula to calculate the amount of space needed for each student. The institutions also recommend projects addressing their needs. The Regent's alternative funding formula is driven by a percentage and the points are based on the percentage. The Building Board scores their alternative funding weights differently. The Regents hope the Building Board would respect their set of priorities ranked one through nine and follow those priorities as the Board of Regents is charged with oversight for those areas. Mr. Walthers realized the need for the Building Board to intersperse the agency projects within their list and noted the Regents have expressed some interest in reviewing the Building Board's process as well in order to incorporate a more qualitative look in their process. Keith Stepan agreed the Boards could develop a more collective process.

Katherina Holzhauser expressed concern with Utah State University being so far down based on the need to demolish the Agricultural Science Classroom. Steve Bankhead recalled it did not score well due to the tremendous square footage increase. The scores in cost effectiveness, capacity, and critical programs did not score high either. Keith Stepan indicated their may be some subjectivity in allowing USU to demolish the existing library to create more space and need for the building.

Chair Jardine stated the University of Utah Marriott Library represented the state in libraries. He realized the importance in the need for an agriculture building on an agriculture campus.

Chair Jardine sought priority ten from the Board.

Steve Bankhead stated the UCAT UBATC/USU Vernal Campus had dropped significantly from last year.

MOTION: Manuel Torres moved to place the Snow College Library/Classroom Building as priority ten. The motion was seconded by Steve Bankhead. The motion passed with five affirmative votes and one negative.

Chair Jardine sough a motion for priority eleven.

MOTION: Steve Bankhead moved to approve the rest of the list as it stood. The motion was seconded by Kerry Casaday and passed unanimously.

Chair Jardine sought a motion on the Richfield Regional Center non-state funded proposal. Manuel Torres requested to see if the state funded request would be approved. Rosemarie Carter stated she required the intent language prior to proceeding and Keith Stepan added the project needed to be on the legislative agenda and required approval to proceed.

MOTION: Steve Bankhead moved to approve the DWS Richfield Employment Center request in the event the Richfield Regional Center is not approved this year. The motion was seconded by Kerry Casaday.

Manuel Torres asked if the DWS Richfield Employment Center could be designed a later addition of the Regional Center. Rosemarie Carter said they could explore the potential to design an expandable building.

The motion passed unanimously.

Chair Jardine stated the Capitol Preservation Board request would not be heard, but required support of their request. David Hart had indicated the Preservation Board would request $50 million.

MOTION: Kerry Casaday moved for the Building Board to express its support for the continuation of the renovation of the State Capitol Building and suggests that the funding be addressed separately as a result of the