

# Utah State Building Board



## MEETING

November 5, 2014

---

## **MINUTES**

### **Members in Attendance:**

Ned Carnahan, Chair  
Chip Nelson  
David Tanner  
Fred Hunsaker  
Gordon Snow  
Bob Fitch  
David Fitzsimmons

### **Guests in Attendance:**

Jeff Reddoor	Utah State Building Board
Kim Hood	Department of Administrative Services
Rich Amon	Department of Administrative Services
Bruce Whittington	Division of Facilities Construction & Management
Josh Haines	Division of Facilities Construction & Management
Jim Russell	Division of Facilities Construction & Management
Lee Fairbourn	Division of Facilities Construction & Management
Dorothy Taylor	Division of Facilities Construction & Management
Wayne Christensen	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
Ralph Hardy	USHE
Greg Stauffer	USHE
Ben Berrett	Utah State University
David Cowley	Utah State University
Mark Halverson	Weber State University
Ken Nye	University of Utah
Mike Perez	University of Utah
Ruth Watkins	University of Utah
Rachel Rue	University of Utah
Madison Black	University of Utah
Sherry Ruesch	Dixie State University
Richard Williams	Dixie State University

Paul Morris	Dixie State University
Tiger Funk	Southern Utah University
Deneece Huftalin	Salt Lake Community College
Malin Francis	Salt Lake Community Collete
Carlos Merino	Salt Lake Community College
Alyn Lunceford	Utah Courts
Kevin Griffin	UDOT
Tom Zdunich	DABC
Sal Petilos	DABC
Chris Coutts	Architectural Nexus
Keri Hammond	Market Link
Amber Craighill	BHB Engineers
Jim Carey	Jacobsen Construction
Heather Knighton	MHTN Architects
Darek Sagers	UTNG
Nicholas Morrison	Utah State University
Craig Jessop	Utah State University
Melanie Bowcutt	P2H Engineering
John Branson	GSBS Architects
Julee Attig	Reaveley Engineers
Travis Wilson	Layton Construction
Jackie McGill	Spectrum Engineers

On Wednesday, November 5, 2014 the Utah State Building Board held a regularly scheduled meeting in Room 30 of the House Building on Capitol Hill in Salt Lake City, Utah. Chair Ned Carnahan called the meeting to order at 9:05 am.

#### **❑ FY 2016 NON-STATE FUNDED CAPITAL DEVELOPMENT PROJECTS**

Building Board Manager, Jeff Reddoor explained that the non-state projects presented today are for recommendations to the Legislature rather than prioritized before their submittal. Mr. Reddoor stated the criteria necessary for this recommendation, outlined on Utah Code 63A-5-104 (3) which states: *(3) (a) Except as provided in Subsections (3)(b), (d), and (e), a capital development project may not be constructed on state property without legislative approval. (b) Legislative approval is not required for a capital development project if the State Building Board determines that: (i) the requesting higher education institution has provided adequate assurance that: (A) state funds will not be used for the design or construction of the facility; and (B) the higher education institution has a plan for funding in place that will not require increased state funding to cover the cost of operations and maintenance to, or state funding for, immediate or future capital improvements to the resulting facility; and (ii) the use of the state property is: (A) appropriate and consistent with the master plan for the property; and (B) will not create an adverse impact on the state.*

#### **❑ DIXIE STATE UNIVERSITY – 400 BED STUDENT HOUSING PROJECT**

Dixie State President Richard Williams, VP of Business Services Paul Morris, and Executive Director of Campus Services Sherry Ruesch presented their project to the Board. President

Williams explained that housing at Dixie State is old and inadequate. They have about 351 beds on campus and about 1,800 beds off campus with a total capacity of about 2,138 beds for their 8,500 students. They have experienced 33% increase in growth over the past six years and have seen students decide not to attend Dixie because of the lack of adequate housing. St George City feels this has a negative impact for the community and has pledged to help the University with the passing of various "housing friendly" ordinances. The St. George Planning Commission has also passed an ordinance that will allow an increase density of housing in the area. In addition, St. George has become more parking friendly and has created a pedestrian emphasis to the area around campus at the northeast and south sides of campus. Because of the age of the housing in the area, private developers can't compete with the rents. Dixie State's proposed solution to this problem is the construction of a new 350 Bed Student Housing Development which would be a multistory complex of 80,000 square feet located on campus. Total cost is \$21.5 Million which would include site prep, planning, design and bond reserve requirements. They are looking at a \$20 Million revenue bond and a use of \$1.5 Million in Auxiliary Reserve Funds. To pay off the bond, Dixie State would use revenues from current housing, new housing, campus store net revenue and other non-appropriate net revenues. Their actual request to the Board is for \$20 Million. Board members expressed concern on the affect this would have on local developers, the increased cost of housing in the area and whether the University would be able to pencil without subsidizing considering the low rental rates in the area. The Board wanted assurance that St. George City was behind this project. Paul Morris assured the Board that this building was part of the University's Master Plan

**MOTION: Gordon Snow moved that the Board defer the decision until the December Board meeting with instruction that Dixie State University return with a letter of support for their housing project from the City Council and the Mayor of St. George. The motion was seconded by Bob Fitch and passed unanimously.**

#### **❑ UNIVERSITY OF UTAH – ORSON SPENCER HALL**

Dr. Ruth Watkins, Senior Vice-President for Academic Affairs at the University of Utah along with student government leaders presented information concerning Orson Spencer Hall. Dr. Watkins told the Board that Orson Spencer Hall was their most heavily used educational facility on campus, however the building is lacking in technology and twentieth century learning space with challenges in everything from heating and cooling to insufficient space for student work. The rebuild of this facility would be a \$60 Million project with additional financing costs. More than half of the building would be supported by donors' contributions and institutional funds and slightly less than half by a student fee. She explained that administrators and student leaders had spent a significant amount of time talking with the students about their level of support for a student fee increase. Ninety three percent of elected student representatives indicated their support for up to a \$45 per semester fee to assist in this project with donor funds also playing a significant role. Board members expressed their concern that the entire student body did not vote on this fee increase and as a result this was not an accurate reflection in student support. Their feeling was that the University should not build educational buildings using student fees. Dr. Watkins continued that the student fee would not exceed \$45 a semester and would begin when the students can use the building and would end when the building is paid for which is a ten year plan. The urgency for this facility is high. They have had several maintenance issues

such as a collapsed ceiling and flooding which resulted in a significant investment just to keep the building functional. Chair Carnahan clarified the O&M calculation for this building would be \$1,625,212 and that \$575,756 would carry over from the old building making the O&M request a total of \$1,049,456. Board members expressed interest in establishing this project as a Capital Development project to receive state funding. There was also interest in where this building ranked on the University's prioritization list for replacement. Mike Perez indicated that this building was possible third or fourth on the list. Dr. Watkins said the University does not want to wait for this building to be funded as a Capital Development project through the Legislative process and because of urgent need, have elected to come before the Board. Dr. Watkins felt the students had voiced their support of the fee. In addition, they have a donor who is significantly invested in this project and could risk losing this donor which is critical to the project. Fred Hunsaker indicated the Board needed further information about this project and urged the University to return to the Board. However, Dave Tanner felt that the University would need a lot more time to get additional donors in place to offset the need for student fees.

**MOTION:** David Tanner moved that the Orson Spencer Hall Redevelopment Project be removed from the non-state funded list and requested the University of Utah (if indeed this is a priority as an educational facility), bring the project forward as a Capital Development project in the future. The motion was seconded by Gordon Snow and passed with four in favor and two opposed.

**Voting recorded as:**

**In Favor:** Bob Fitch, Gordon Snow, David Tanner and David Fitzsimmons  
**Opposed:** Chip Nelson and Fred Hunsaker

**□ UNIVERSITY OF UTAH – WILLIAM C. BROWNING BUILDING ADDITION**

Dr. Ruth Watkins reported the William Browning Building houses Geology, Geophysics, Metallurgical Engineering and Mining Engineering programs which are in high demand and important to the state. In addition, the building houses the Center for Mining Safety and Health Excellence. The University proposes to build a much needed addition to this building to meet the significant demands in the industry and the increased in enrollment for these majors.

- Project Cost.....\$8,200,000
  - Square Feet.....24,000
  - State O&M Requested .....\$199,700
  - Funding ..... Donor supported
- ..... (\$4M raised to date)
- Floor 1 would be used as laboratory space for Metallurgical Engineering.
  - Floor 2 would have a 96 person classroom in the southeast corner.
  - Floor 3 would be wholly occupied by Mining Engineering.
  - Floor 4 would house a 40 seat classroom in addition to offices primarily for career-line faculty in Geology & Geophysics.

After discussion, Chair Carnahan asked for a vote.

**MOTION:** Gordon Snow moved to recommend the William C. Browning Building Addition for the University of Utah. The motion was seconded by David Tanner and passed unanimously.

**❑ UTAH STATE UNIVERSITY – FINE ARTS COMPLEX ADDITION/RENOVATION**

David Cowley, Vice President for Business and Finance for Utah State University reported on the renovation and addition needed for the Fine Arts Complex. The University has two foundations that have donated \$5 Million each for this \$10 Million project. The renovation portion of the project will take care of structural, safety and functional issues for primarily the ceiling and various components that make up the infrastructure of the ceiling. This will be accomplished through Capital Improvement Funding. Then the \$10 Million renovation and addition will immediately follow and combine with this project to include an acoustics and finishes upgrade for the Kent Concert Hall as well as reconfigurations and updates to the Tippets Gallery which is immediately adjacent from the Concert Hall. The College of Fine Arts at the University which encompasses music, theater and art has tripled in enrollment since the beginnings of this building. The much needed expansion will add a dressing room, and scenery construction facilities, updates to the entrance and lobby space, art museum, music wing with practice rooms, student study and lounge space as well as administrative and faculty offices. The proposed addition will be 38,000 sf. The University is also asked for \$175,870 in O&M.

**MOTION: Chip Nelson moved to approve Utah State University's Fine Arts Complex Addition/Renovation for programming and design using private funds and recommended that this project move forward to the Legislature. The motion was seconded by David Tanner and passed unanimously.**

Dr. Craig Jessop, Dean for the Caine College of the Arts at Utah State University came forward and thanked the Board for their vote of support.

**❑ UTAH STATE UNIVERSITY – VALLEY VIEW RESIDENCE HALL REPLACEMENT**

David Cowley explained that this next project is a replacement of an existing residence hall. There have been a variety of problems concerning safety and functionality with the idea of renovating the aging Valley View Residence Hall. Students are demanding better, more updated living spaces close to campus so the University would like to tear down this structure and replace it with a more modern, efficient building with suite or apartment style units. This would be a 368 bed facility with an estimated cost of \$23,100,000 for 109,800 sf. No state funds would be used for construction or O&M. The project would be financed through housing bonds and revenues from the rents the University would pay on the debt service on the bonds. This is a part of the University's master plan. Eventually Utah State would like to replace the Mountain View Tower in the future.

**MOTION: Fred Hunsaker moved to recommend the Utah State University Valley View Resident Hall Replacement. The motion was seconded by Chip Nelson and passed unanimously**

**❑ UTAH STATE UNIVERSITY – ROMNEY STADIUM WEST SIDE RENOVATION**

David Cowley explained this project was presented previously and the Board allowed the University to proceed with the design phase for this building. The Romney Stadium is

antiquated and provides minimal services for the University's fans. The University feels this limits their ability to attract new fans and prospective student athletes. They would like to build an expanded facility on the west side of the stadium which would include multiple new levels above the existing stadium seats, new restrooms, concessions, lobby space and premium seating. The project would also include a club level lounge and a new press box. Total project cost is \$31 Million for 60,000 sf which is an increase to what was originally proposed. There will be no state funds requested for O&M or construction. The University expects to fund this project with \$6-\$8 Million in donations and the remainder in construction bonds with debt service coming from revenues from the new premium seating which will be installed.

**MOTION: David Tanner moved to recommend with the adjustments that have been made for \$31 Million in project cost for design and construction for the 60,000 sf addition for the Romney Stadium West Side Renovation for Utah State University. The motion was seconded by David Fitzsimmons and passed unanimously**

**□ UTAH STATE UNIVERSITY – CENTER FOR ENERGY AND MANUFACTURING EXCELLENCE**

David Cowley reported that USU has a donor who would like to support the Center for Energy and Manufacturing Excellence on the USU Eastern Campus in Price, Utah. This new facility will bring together career and technical education instruction, energy and manufacturing research, and economic development to support current and future regional industry so it is a great addition to the campus. The total project cost is \$15 Million for 55,000 sf and the University is requesting \$471,640 in O&M for this project. This building was approved by the University's Trustees and the Board of Regents. Funding for this project was previous secured by a donor who is willing to provide all the funding. However the donor has now asked that the University accept \$3.5 Million which is available now with the remainder coming later than they had previously anticipated. Utah State would like to have approval for programming and design with the anticipation that they will return one year from now with full funding to receive a recommendation to the Legislature to move forward with construction. Gordon Snow questioned whether there was an actual need for this building considering that USU Eastern has such a small number of students per square foot. The Board also expressed concern with giving their recommendation for this project until the funding was complete.

Jeff Reddoor clarified again to the Board that they were giving recommendations to the Legislature and not approvals. The Board also discussed the concerns with giving USU permission for programming and design before construction was approved. There was discussion concerning SB 172 and whether it was inclusive of only state funded projects or non-state funded. They wanted to make sure this request was not considered a phased funded issues if it was approved for design since usually design and construction are approved as a single motion. Gordon Snow clarified his understanding of SB 172. He said the Senate passed the bill to stop the politics of Legislators slipping in the design component hoping to get their building pushed higher up on the list because it had already been designed. This bill doesn't restrict the Building Board from doing it, but the Board would be foolish to do it when the Legislature has stated that they would not do it. Mr. Snow suggested that this project not move forward until funding is completely secured.

**MOTION: Gordon Snow moved to deny approval for design and programming of the Center for Energy and Manufacturing Excellence until Utah State University has all the funding in place and can submit this project for Board approval at a later date. The motion was seconded by David Fitzsimmons**

There was further discussion concerning this issue of programming and design. Chip Nelson said that his understanding of the bill was that if an institution or agency has their own money and they are willing to put their own money at risk for the programming and design, then that is the risk they take. As long as they do that and do not use state funds, the Building Board has the authority to go ahead and approve it. This is not contrary to the intent of SB 172. The Legislature is under no obligation to approve or move that project forward in the future.

Jeff Reddoor explained the Board has the authority to approve non state funded buildings for construction if it doesn't have State requested O&M, Capital improvements." As well as the other criteria outlined in the onset of the meeting. He explained to Mr. Cowley that if you requested approval for the entire project and not just programming and design, then the Board could approve it today. Mr. Nelson agreed that SB does prohibit the Legislature from funding the programming, design and construction of a new building in phases over more than one year. However it doesn't prohibit the agency or institution from funding their own internal programming and design. That is the way this bill was explained.

**The Board took a vote on the Motion. The motion passed with five in favor and one opposed.**

**Voting recorded as:**

**In Favor: Bob Fitch, Gordon Snow, David Tanner, David Fitzsimmons and Fred Hunsaker**

**Opposed: Chip Nelson**

**❑ SALT LAKE COMMUNITY COLLEGE – JORDAN CAMPUS STUDENT CENTER**

Salt Lake Community College indicated they have withdrawn this non-state request. Deneece Huftalin, President of Salt Lake Community College and Student Body President Carlos Merino addressed the Board. President Huftalin said that originally their students had thought about using their own dollars to construct a Jordan Campus Student Center. The Jordan Campus is the third largest of their campus sites. As they started to discuss this issue, work with the master planner and acquire student input, they discovered there was more scoping to do on this project. SLCC has some additional development going on at their Herriman site to accommodate the increased growth in that area and now student leaders are considering whether a Student Center makes more sense for that campus. The students would like to fund such a structure with a student bond but are not quite sure of the location for such a project. Therefore, SLCC request that the students be given approval to continue to scope the project and make decisions concerning location and then come back to the Board when that has been determined with a clearer idea of construction costs. Chair Carnahan assured President Huftalin that a motion was not needed to move forward with additional scoping on the project.

**❑ SALT LAKE COMMUNITY COLLEGE – SOUTH CITY CENTER STRENGTH AND CONDITIONING CENTER**

President Denece Huftalin indicated that several years ago when the South City Center's Facility for Arts and Media was constructed, the student's gym and fitness areas were taken down with the assurance that it would be constructed at a later date. They would like to now construct a Strength and Conditioning Center at an estimated cost of \$3.9 Million. This is a project that our students have voted for and will be paid wholly by the reserves in their student building bond account and no state O&M would be requested. The proposed Strength and Conditioning Center would consist of a room that is for exercise and weights and a room that is multipurpose which would allow student clubs and organizations to use for gatherings, yoga or sponsored events. Gordon Snow said he would rather see a user fee attached to the Strength and Conditioning Center rather than have it paid by a blanket campus student wide student fee.

**MOTION:** David Fitzsimmons moved to recommend the Salt Lake Community College's request to construct a Strength and Conditioning Center at their Salt City Campus using the \$3.9 Million in student reserves with the stipulation that there will be no state funded O&M for this project. The motion died for lack of a second.

Board members felt they would like additional information concerning this project. Fred Hunsaker expressed concern with funding particularly with the amount of the student fee. He stated student fees do not factor into the formula to qualify for student aid, whereas tuition and other expenses do. Gordon Snow proposed that SLCC return to the Board with a better plan that involved a student vote with all students and not just the student council. In addition the Board would like to see a better plan for funding this project which included some student activity fee in addition to a user fee. Chair Carnahan stated that there does not need to be a motion in order to request additional information. President Huftalin was invited to return to the Board in December with a comprehensive plan for the SLCC Strengthen and Conditioning Center at South City Campus.

**❑ ADMINISTRATIVE REPORT FOR DEPARTMENT OF TRANSPORTATION**

Chair Carnahan excused Kevin Griffin from UDOT and indicated that his report would be postponed until next month.

**❑ UTAH COURTS – FOURTH DISTRICT UTAH COUNTY PROVO COURTHOUSE**

Alyn Lunceford from Utah Courts thanked Board members for touring the Provo Courthouse during their Capital Development Tour in August this year. A few things have changed on this project since that visit. Utah County and Provo City have withdrawn their interest in this project based on their current financial needs and other plans for their facility. As a result of this change, the scope of the project has been amended and the cost has decreased to \$80 Million with reduced square footage to reflect that decrease in the four courtrooms. Last year, Utah Courts funded a feasibility study which identified three objectives for this project:

- 1) To replace three outdated, dysfunctional court facilities with one modern facility.
- 2) To construct a prototypical design District Juvenile Court Facility that will provide a safe

and appropriate facility for everyone who uses it – this includes staff, judiciary, public, defense and custody. (None of these three facilities adequately provide a safe or appropriate place for the judicial function).

- 3) To consolidate the Provo District Court Facility, Orem Juvenile Court Facility and Provo Juvenile Court Facility into one facility that meets the current needs of the greater Provo/Orem area.

Mr. Lunceford explained the three Court facilities are crowded and outdated. The Provo Courthouse houses eleven judicial positions between judges and commissioners. However, this building only has nine courtrooms which forces Courts to juggle caseloads and schedule of hearings in accordance with what is available. The Orem Juvenile Court Building is a sideline construction site and cannot be expanded. The Provo Juvenile Court Building does not comply with the current court standard. None of these buildings have sally ports which mean that prisoners are exiting the van and being escorted across a public area into the building. None of these buildings have secure prisoner transport corridors throughout the building. At the Provo District Court the prisoner elevators and employee elevators are the same. This is very problematic. Courtrooms are small and do not have room for Guardian Ad Litem (which is required to be in the courtroom), the Attorney General, gallery or electronic record keeping that is required by state statute. These buildings are a public risk and are not ADA compliant. These facilities cannot be remodeled, modified or brought up to standard. Courts is proposing to consolidate these three facilities into a single centrally located prototypical type facility as the most cost effective way to resolve the problematic shortfall for these three facilities. Mr. Lunceford stated that with the help of DFCM, Courts has acquired the property directly west of the Provo Court facility. This is the proposed building site. A new facility would provide a safer, more secure facility with better public access to the courts, provide ADA requirements and accommodate the mediation and other court services so that Courts can maintain and have better control of caseload management at a single location as well as accommodate future growth. Courts is requesting that the Board recommend their \$80 Million project move forward to the Legislature with the addition of \$550,000 in additional O&M with the present O&M from the three buildings moving over to the new building. Funding will come from a lease revenue bond authorization for \$80 Million to fund the design and construction of this project. The bond will be paid by the Court Complex Fee which is a very large fund that is fed through court filing fees. There was concern about occupancy and use of the vacated Court Buildings. Mr. Lunceford responded that they have talked with Juvenile Justice System about taking over the Provo Juvenile Court Facility. In addition, DFCM has been approached concerning potential occupancy for the Orem Juvenile Court Facility. DHS, Drivers Licensing and the Attorney General's Office are all leasing space in the Provo/Orem area and they would be primary candidates for this space along with the ATC in the Utah County area. Board members were not in favor of tearing down the Provo Courthouse and requested that it be repurposed for use for other state agencies in the area. Mr. Lunceford indicated that if the building is repurposed, then Courts would need to restructure their new parking structure to accommodate the additional spaces needed. The Board agreed there should be a plan for the properties and requested that Mr. Lunceford continue negotiations to try to create something that is best for all parties – the city, county, state and the taxpayers.

**MOTION: Chip Nelson moved to recommend the Fourth District Utah County Provo Courthouse Project with the stipulation that there be further negotiations**

**with the City and County to determine their interest in collaborating on this project and that a plan be put in place that addresses the future use or disposition of the three existing Court Buildings. The motion was seconded by Gordon Snow and passed unanimously.**

**❑ DABC – WEST VALLEY LIQUOR STORE**

Tom Zdunich, Deputy Director of the Department of Alcoholic Beverage Control reported that at the end of FY2015 the DABC Commission suggested that the department have an independent study performed to determine if there was a need for additional liquor stores in the state of Utah. The DABC contacted the University of Utah, David Eccles School of Business and asked for an analysis to determine the need for additional stores and in fact it was determined there was a need for 12 stores including 6 stores located along the Wasatch front. West Valley City emerged as a likely candidate for additional liquor stores. The department agrees with the analysis performed by the U of U to the extent that there are underserved areas within Salt Lake County. The agency also received feedback from customer comment cards placed in their stores commenting on the shortage of stores and lack of service in the Salt Lake County area. The DABC has been in discussion with West Valley City over the last few months with two locations identified for store placement in the area: The first location is 5600 West and 2700 South and the second location being considered is 5600 West and 6200 South. The DABC agrees that locating a store in one of the two approximate areas suggested would better serve the general public. The total project cost would be \$4,447,000. The DABC is also requesting \$41,000 in O&M. Mr. Zdunich indicated that the DABC would bring forward other locations in the future. Board members had questions concerning the O&M. Sal Petilos, Director of the DABC said that O&M is paid through the DABC revenues. It is not general fund money but is generated through the sale of alcoholic beverages. This O&M request is included so that there is funding available to the ISF when the building goes on line. This additional square footage has to be covered in the cost. The DABC, contrary to popular belief is as appropriated agency so they receive a budget. Any increase in operating costs must be covered in a budget allocation. Therefore, they are requesting the O&M.

**MOTION: Chip Nelson moved to recommend the DABC West Valley Liquor Store with an O&M request of \$41,000. The motion was seconded by David Fitzsimmons and the motion passed with five in favor and one opposed.**

**Voting recorded as:**

**In Favor: Bob Fitch, Gordon Snow, Chip Nelson, David Fitzsimmons and Fred Hunsaker**

**Opposed: David Tanner**

The Board adjourned at 12:53 for lunch in room 4112 Utah State Office Building and reconvened at 1:44 to hear the remainder agenda items.

**❑ APPROVAL OF MINUTES OF SEPTEMBER 10, 2014 AND OCTOBER 8 AND 9, 2014**  
Board members decided to vote individually on each set of minutes. David Tanner referred to

page 7 of the minutes of September 10, 2014 which referred to communication problems with representatives from the State Fire Marshall's Office in which the Fire Marshall's office would change their decision and therefore result in an increase in cost to the project. Bruce Whittington, DFCM Interim Director said that after the discussion at the last Board meeting, the previous year's records were researched to see if there was a pattern. Other than the one issue, DFCM did not find any significant impact or pattern for the past year.

**MOTION:** Fred Hunsaker moved to approve the Minutes of September 10, 2014. The motion was seconded by David Tanner. The motion passed with five in favor and one abstained.

**Voting recorded as:**

**In Favor:** Bob Fitch, Gordon Snow, Chip Nelson, David Tanner and  
Fred Hunsaker

**Abstained:** David Fitzsimmons

**MOTION:** David Tanner moved to approve the Minutes of October 8, 2014. The motion was seconded by Bob Fitch and passed unanimously.

**MOTION:** David Fitzsimmons moved to approve the Minutes of October 9, 2014. The motion was seconded by Gordon Snow and passed unanimously.

**❑ NEW PARKING LOT FOR DEPARTMENT OF ALCOHOLIC BEVERAGES IN SANDY**

Lee Fairbourn from DFCM and Tom Zdunich from DABC reported that the state purchased the vacant Key Building for \$704,500 which is the location of the Sandy Liquor Store. The State only owns the property directly under the footprint of the liquor store and not any portion of the parking lot which is the subject of this request. The parking lot property surrounds the Sandy Liquor Store property and four other business properties located on the south side of 9000 South. Years ago the parking lot was improperly subdivided and sold to a partnership. There are five current property owners' that abut the parking lot and use the parking under the terms of the Original Amended and Restated Declaration of Easement and Restrictive Covenants and Agreement dated Feb. 6, 1981. The covenant runs through 2030 with all rights to parking terminated at the expiration of the agreement. The CCR's provide for the use of the property for parking by the five adjoining property owners. The five adjoining property owners pay monthly maintenance, taxes and operating cost fees to a property management company to manage the parking lot. The state's share is pro-rated at 20.3% which is a \$1,122.34 monthly fee for DABC. The monthly fees pay for property taxes, insurance, management fees, office supplies, water, electricity, landscaping services, snow removal, parking lot sweeping, light fixtures maintenance, sign maintenance, asphalt repairs, stripping and reserves. In order to purchase this property, the State of Utah's share at 20.3% would be \$112,247. There will also be closing costs, survey and engineering fees and financing loan fees for a total of \$125,000 to purchase DABC's share of the common parking lot. This purchase will provide the Sandy Liquor Store with permanent ownership of the parking lot along with the other four property owners. Funding for this project will come from the DFCM Land Option Fund.

This was an informational item only.

**❑ WEBER STATE UNIVERSITY'S REQUEST TO COMPLETE A SYSTEMS RENOVATION FOR STEWART LIBRARY**

Mark Halverson, WSU's Director of Campus Planning and Construction reported that the Stewart Library was constructed in the mid 1960's and as a result, the building's electrical, HVAC and plumbing are in need of replacement. Weber State previously sought to replace these critical systems through the State's Capital Improvement program but have found the "phased approach" to this renovation to be too disruptive to the functionality of the library. The approximate budget for this new project is anticipated at \$7 Million for the remodel of 159,000 sf of academic space. The University would like to move forward on their own with this renovation using energy funding (\$1 Million) and the University's Capital Budget Funding (between \$3.5 to \$6.5 Million). Chair Carnahan asked if there was a motion on this project. There was none. There was continued clarification and discussion concerning this project. Mr. Halverson explained that these will run as parallel projects. Last year's and this year's Capital Improvement funds will be used for a portion of the systems renovation such as transformers, switch gear, air handlers, etc. and then the University will have a separate Capital Development Project using institutional funds to address the mechanical/electrical and piping as well as problematic issues. This separate Capital Development project is what is being requested today.

**MOTION:** Gordon Snow moved to approve for design and construction Weber State University's Request to Complete a Systems Renovation for the Stewart Library. The motion was seconded by Bob Fitch. The motion passed with five in favor and one opposed.

**Voting recorded as:**

**In Favor:** Bob Fitch, Gordon Snow, Chip Nelson, David Tanner and Fred Hunsaker

**Opposed:** David Fitzsimmons

**❑ UNIVERSITY OF UTAH'S REQUEST FOR APPROVAL OF A WATER CONSERVATION GARDEN AT RED BUTTE GARDENS**

Mike Perez, University of Utah's Vice President of Administrative Services addressed the Board. The Water Conservation Garden at Red Butte Gardens Project is part of the University's efforts to be a leader in water conservation efforts and will showcase water-conservative landscapes, both native and adaptive species, to inspire landscaping ideas and water-wise plant species selection for the home gardener. The garden is intended as a focus of plants, landscaping methods and practices that conserve water, soil, chemicals and other resources. Utah is the second driest state in the nation but uses more water per capita than any other state. The goal of this garden is to encourage residents to reduce their landscape water consumption by 25%. Red Butte Gardens will fund approximately \$250,000 of this project, with a proposed project budget of \$5.5 Million being funded by donations. O&M will be funded by operation revenues from Red Butte Gardens.

**MOTION:** David Tanner moved to approve the University of Utah's Red Butte Gardens Water Conservation Garden. The motion was seconded by Fred Hunsaker. The motion passed with five in favor and one abstained.

**Voting recorded as:**

**In Favor: Bob Fitch, Gordon Snow, David Tanner, David Fitzsimmons, and Fred Hunsaker**

**Abstained: Chip Nelson**

**□ UNIVERSITY OF UTAH'S REQUEST FOR APPROVAL OF A NEW SKI TEAM FACILITY**

Mike Perez reported the University is a strong competitor in alpine sports, and to ensure its continued success, the Athletic Department has requested an updated facility. The new proposed facility will be located near the Utah Softball Stadium and will be climate controlled to accommodate adequate ski waxing and general care. In addition, the facility will have new locker rooms, restrooms, and central offices, as well as provide a secure place to store skis. It will also provide easy access for loading and unloading trucks and trailers. The new facility will aid in recruitment of the best alpine athletes. The proposed total project budget is \$741,782 and will be funded by donor funds. O&M will be funded by athletic revenues. This project has previously been approved by the University's Board of Trustees and the Board of Regents.

**MOTION:** Chip Nelson moved to approved the New Ski Team Facility for the University of Utah. The motion was seconded by Bob Fitch and passed unanimously.

**□ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY**

Ken Nye from the University of Utah reported they had eleven Design Agreements and five other types of agreements. All of those were normal transactions with nothing unusual. The second page of their report shows two New Space Contracts, fourteen Remodeling Contracts and two Site Improvement Contracts. Of these there was one a little unusual, The Basketball Training Center which was awarded without bidding to the Utah Correctional Industries. The Project Reserve shows four projects that closed out this period and contributed to the fund of about \$59,000.00 transferred to the Project Reserve. On page four of the Contingency Reserve Fund, the increases are all the budgeted amounts for contingency for the FY 2015 Capital Improvement Projects and two decreases both at around \$20,000 each. The first decrease was for a HVAC Controls Project at the Marriott Library where there were two unforeseen conditions. The second was for the Art and Architecture Complex Fire Protection Upgrade and involved some existing utilities that were discovered while installing a water line for the fire sprinklers which were not placed in the ground where the as-built drawings had indicated they were located and created a \$20,000.00 cost to work around that issue.

Ben Berrett from Utah State University reported they had no Professional Contracts issues this reporting period. They had thirteen Construction Contracts which included retaining walls, steps from the Conference Center and the University Inn, and seat replacement in the Conference

Center Classroom and other small miscellaneous contracts. Page three shows the Contingency Reserve Fund in good order at \$768,110.24. There were two significant change orders, one on the Fine Arts Center Roofing Project which was a recoat on an existing foam coat roof. The second for Moab ADA Upgrades in the parking lot which created three change orders for the repairs on the existing parking lot, and ADA upgrades. The Project Reserve Fund is a little lower at \$252,290.32. There was one increase as a project closed for Miscellaneous Critical Improvements FY 2013 and a decrease for Concrete Replacement FY 2015 from last year's Capital Improvement Fund. Both funds are in good order.

**❑ ADMINISTRATIVE REPORT FOR DFCM**

DFCM Interim Director, Bruce Whittington reported this month's Administrative Report was very typical of activity for their organization. They have processed a total of 23 leases – four were for new space and 19 for leases already in progress. There were 36 Professional Service Agreements awarded and 80 Construction Contracts. The Contingency Reserve had a decrease of \$181,000 for four projects. There was no significant activity with the Project Reserve Fund.

Chair Carnahan welcomed Mr. Whittington as the new Interim Director for DFCM.

**❑ DISCUSSION OF FUTURE AGENDA ITEMS**

Chair Carnahan said he will be making a report on the O&M review. He previously met with an O&M Review Group from USHE, the Building Board (David Tanner), University of Utah, (Mike Perez), from UCAT and DFCM (Bruce Whittington). They will be putting together the scope of work and determining the direction for a Legislative request.

Next month the Board will hold a Business Meeting to discuss non-state funded requests and how this process can be more effective.

Senate Bill 172 will be discussed at a future business meeting.

Jeff Reddoor said one of the recommendations requested in the 2011 O&M Audit was to bring forward a definition of auxiliary space. This recommendation for an auxiliary definition will come forward during the December meeting.

The Facility Maintenance Standards, which will be updated with some additional recommendations that are tied to the O&M of a facility, will be coming forward possibly during January or possibly February of 2015.

David Tanner asked if DFCM had completed the Auxiliary definition. Mr. Reddoor responded that this was put together by a third party contracted by DFCM and will be made available to the Board before the next Board meeting. Ralph Hardy said DFCM brought Paulien Associates (Dan Paulien), who was invited to participate, in a couple of discussions during this review. Mr. Tanner expressed concerns that Higher Ed. have input on this definition. Mr. Reddoor said there were two definitions that were brought forward. Mr. Tanner voiced concern with buildings funded by student fees and how they would fit into the definition. This would create a lot of

questions. Mr. Hardy said the NACUBO (National Association of College and University Business Officers) definition doesn't deal with the source of capital funding for a facility. It deals with the functional use of the facility so the NACUBO definition would still work in that context. The definition for auxiliary is based on its use.

**□ ADJOURNMENT**

**MOTION: Fred Hunsaker moved to adjourn the meeting. The motion was seconded by Bob Fitch.**

The meeting adjourned at 2:30 pm.