

Utah State Building Board



MEETING

December 5, 2012

MINUTES

Utah State Building Board Members in Attendance:

N. George Daines, Chair
David Fitzsimmons
Sheila Gelman
Jeff Nielson
Chip Nelson
Ned Carnahan
Gordon Snow

DFCM and Guests in Attendance:

Gregg Buxton	Division of Facilities Construction & Management
Cee Cee Niederhauser	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
Rich Amon	Department of Administrative Services
Alan Bachman	Office of the Attorney General
Chiarina Gleed	Office of the Attorney General
Kimberlee Willette	Governor's Office of Planning and Budget
Mark Bleazard	Legislative Fiscal Analyst Office
John Harrington	Division of Facilities Construction & Management
Bianca Shama	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Lynn Hinrichs	Division of Facilities Construction & Management
Wayne Christensen	Division of Facilities Construction & Management
Cheryl Searle	Division of Facilities Construction & Management
Michael Bensen	Southern Utah University
Dorian Page	Southern Utah University
Dave Tanner	Southern Utah University
Ken Nye	University of Utah
Mark Halverson	Weber State University
Kevin P. Hansen	Weber State University
Charles Darnell	Utah State University
Ben Berrett	Utah State University

David Cowley	Utah State University
James Morales	Utah State University
Christian Thrapp	Utah State University
Niel Holt	USU/SDL
Lyndon Loosle	USU/SDL
Sherry J. Ruesch	Dixie State College
Bob Askerlund	Salt Lake Community College
Malin Francis	Salt Lake Community College
W. Ralph Hardy	Commission of Higher Education
Amber Craighill	BHB Engineers
Keri Hammond	EDA Architects
Stephanie Ray	EDA Architects
Russ Bachmeier	FFKR Architects
Julie Attig	Reaveley Engineers
Rick Stock	Sunrise Engineering
Jay Bollwinkle	MGB+A
James Knight	Eaton Architecture
Burke Cartwright	EDA Architects
Tracy Neale	GSBS Architects
Michael Leishman	FFKR Architects

On Wednesday, December 5, 2012 the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol, Salt Lake City, Utah. Chair George Daines called the meeting to order at 9:08 am.

APPROVAL OF MINUTES OF OCTOBER 24, 2012

Chair Daines sought a motion for approval of the minutes.

MOTION: Ned Carnahan moved to approve the meeting minutes of October 24, 2012. The motion was seconded by David Fitzsimmons and passed unanimously.

REQUEST FOR PROGRAMMING FOR WEBER STATE'S SCIENCE LAB REPLACEMENT PROJECT

Kevin Hansen, Associate Vice-President of Facilities at Weber State reported that this project was presented before the Board during the Capital Development Hearing in October. Weber State feels an urgent need to proceed with programming for this project in order to identify the precise needs and perimeters of the building. When they receive approval from the Legislature for design and construction, they will be ready to move forward with the project. The programming phase will take several months. The University will pay approximately \$500,000 for the programming for this project because of its size and scope. They are requesting that the Board approve their request to proceed with programming paid by University funds with the provision that when the project is funded by the Legislature, they would be able to recoup the \$500,000 invested in the project. This will keep this project on a schedule which will best meet the needs of the University. They do not anticipate any problems if the funding is delayed for three to four years.

MOTION: Chip Nelson moved to approve the Programming for Weber State’s Science Lab Replacement Project. The motion was seconded by Sheila Gelman and passed unanimously.

Chair Daines requested that the record note that the University is spending their funds for programming. The expenditure of those funds will be reimbursed once the state allocates the funding for the project. Until that time, the University is investing their money in the programming phase of this project.

☐ SUU CENTER FOR THE ARTS RESUBMITTAL

Chair Daines reminded the Board that this project had been tabled at the last meeting.

MOTION: Jeff Nielson moved to allow SUU to bring their Center for the Arts back to the Board for discussion and consideration during the meeting. The motion was seconded by Ned Carnahan and passed unanimously.

President Michael Benson and a member of the Executive Committee of SUU’s Board of Trustee’s, Eric Leavitt, addressed the Board. President Benson thanked Board member Ned Carnahan and Chair Daines for visiting campus to review their project. During their meeting they covered the scope and cost of the proposed project, the pledges and payment schedule and the proposed program, design, and construction timeline. SUU has also received additional donations totaling \$6 Million for this project since the October’s Board meeting with promises of additional offerings in the future. They are requesting that the Board approve the entire Southern Utah Center for the Arts project – not to exceed \$30 Million. In addition, they are requesting that “stop gaps” be put in place so that programming, design, and construction can commence as the requisite funds are in place. The proposed schedule was distributed to Board members:

Phase A	Artistic Production Facility (cost: \$8.8 Million)	January 31, 2013
Phase B:	Replacement Shakespeare Theatre (cost \$13 Million)	January 10, 2014
Phase C:	Southern Utah Museum of Art -- SUMA (cost: \$8.2 Million)	June 15, 2015

These phases will move forward as the funding is secured. Board members expressed concern over public funding from Iron County and Cedar City RDA for this project. Board member Ned Carnahan assured the Board that he had reviewed this with city and county representatives and felt their commitment to the project was solid. SUU indicated that O & M funding would be address with a surcharge on ticket sales and a transfer of O & M money from the current facility. In addition, SUU students voted and agreed to contribute toward O & M for this project. SUU does not anticipate coming to the state for O & M funding. Director Gregg Buxton clarified that this project will be classified as an auxiliary building. Chair Daines asked representatives from SUU to meet with DFCM concerning “cash equivalents” so that there would not be any confusion concerning this issue. In addition, SUU acknowledged that they had changed the order of the buildings for the Arts Center and felt that this new plan would allow the buildings with the most utility to be constructed first.

MOTION: Ned Carnahan moved to approve SUU’s Center for the Arts for \$30 Million with the proposed “stop gaps” or phases in place. Such “stop gaps” will prohibit

the University from moving to the next phase until funding for that phase is in place. The motion was seconded by Gordon Snow and passed unanimously.

Ned Carnahan requested that DFCM work with SUU and returns and report as the University moves through the phases of this project so that the Board has an understanding that the project is moving forward. Gordon Snow expressed concern that student fees would be raised to pay for O & M. President Benson said that this was an existing fee that would help with O & M. The Administration met with student body officers who agreed to have the fee transfer over for O & M for the museum. This will be the first student-run accredited museum in American which will provide teaching space and jobs for students

☐ UNG REALLOCATION FROM DEQ PROJECT

DFCM Real Estate Manager, Wayne Christensen reported that over two years ago the Federal Government transferred the title of three warehouses to the state of Utah. These warehouses were in poor condition and needed extensive renovations. Warehouse C6 is a total of 120,000 sf. State Archives presently occupies 80,000 sf of this building for additional archive space. The 40,000 sf at the north end of this warehouse is occupied by Division of Workforce Services (10,000 sf) and Utah National Guard (30,000 sf). DFCM is proposing that a ramp, man door and new lights be added to this portion of the Warehouse. They are requesting that \$50,000 be reallocated from a cancelled DEQ project and used to complete renovations in Warehouse C6.

MOTION: Jeff Nielson moved to approve the UNG Reallocation of funds from the DEQ Project. The motion was seconded by Chip Nelson and passed unanimously

☐ INFORMATIONAL UPDATE OF REVOLVING LOAN FUND

John Harrington, DFCM Energy Director provided an informational update on the status of the Revolving Loan Fund. The Revolving Loan Fund began with \$2.5 Million. They have approved thirteen loans on this amount – three have been paid back and ten are outstanding. All of the money has been distributed at least once and loan repayments have allowed them to provide some additional loans. Through careful assessment of institutions and agencies, it was determined there is a need for an additional \$3 Million for quick payback projects such as lighting retrofits, re-commissioning, piping insulation, variable frequency drives, boilers and a number of other projects. These quick payback projects would be from two to six years. Because of the demand, this additional loan money could easily be distributed within the next two to three months. This money is loaned interest free for energy efficient projects with an average 32.5 percent annualized return on the investment which benefits agency and universities. Director Gregg Buxton reminded the Board that eventually there will be Legislation which will regulate where and how these savings will be used. Chair Daines will report to the Infrastructure and General Government Appropriations Subcommittee during the new Legislative session and suggest that they appropriate additional funds to the State's Energy Program. John Harrington also addressed their experience with solar pv systems, new incentives from Rocky Mountain Power, federal and state tax credits for energy and some of their proposed projects for the future.

☐ **USU AGGIE LIFE AND WELLNESS CENTER RESUBMITTAL**

Chair Daines reminded the Board that this project had been tabled at the last meeting pending additional questions.

MOTION: Jeff Nielson moved to allow USU to bring their Aggie Life and Wellness Center back to the Board for discussion and consideration during the meeting. The motion was seconded by Gordon Snow and passed unanimously.

David Cowley, Vice-President of Facilities at Utah State University, James Morales, Vice-President of Student Services and Christian Thrapp, USU's current student body president gave the report. They addressed the additional questions presented by Gordon Snow and covered the following issues:

- 1) Students fees, which will help pay for this facility, will only increase for students at the Logan campus and not USU's regional campuses.
- 2) USU has set a goal to raise \$10 Million in donations for this facility. They are actively engaged in talking with donors. At this point they do not have any donations. Any private donations received before construction could offset the increase in student fees.
- 3) A student referendum was held to vote on this facility. Thirty-five percent of the student body voted on this issue. It passed by fifty-one percent. Students who were opposed to the facility simply did not want to pay for it.
- 4) The possibility of user fees instead of mandatory fees.
- 5) The use of the intramural playing fields across from the Wellness Center.
- 6) The debt service on the 30 year bond and the O & M required for this project would be approximately \$7 a sf.
- 7) The possibility of the University creating a Wellness Center that could be optional for students to join. Students who use the facility would pay for it.

Board members expressed concern about the burden of increased fees on the student body and the 30 year debt required of students. Ralph Hardy from the Commission of Higher Education commented that over the past two years, the Board has approved two similar facilities that were paid with student support – Utah Valley University and Weber State. Several members of the Board expressed support for this project but wanted to find other options for funding this facility.

MOTION: Jeff Nielson move to approve the Aggie Life and Wellness Center as presented by Utah State University. The motion was seconded by Chip Nelson and passed with 6 in favor and 1 abstained

☐ **USU SPACE DYNAMICS LABORATORY FACILITY, PHASE I**

David Cowley introduced Neal Holt, Director of the Space Dynamics Laboratory at USU and Linda Loosely, CFO of the USU Research Foundation. Mr. Cowley reported that USU is requesting approval to construct Phase I of the new Space Dynamics Laboratory facility located at the Innovation Campus in Logan. This new facility will house the C4ISR Systems Division which has reached maximum capacity and limited new growth. This is a non-state funded project with no O & M requested. Mr. Cowley explained that because of the timing the Legislative session and the next Board meeting, he would like the Board's approval contingent upon the approval from the Board of

Trustee on January 4, 2013 and the Board of Regents approval on January 25, 2013. Phase I of the new SDL building will be in the range of 60,000 sf and will include offices, electronics and computer testing laboratories, and other associated spaces. An initial feasibility study by FFKR Architects estimates a total project cost of \$20,232,000. This project, when approved by the Legislature will be funded with proceeds from bonds issued under USU's existing Research Revenue System. Board members expressed support for the project but were not comfortable giving approval prior to the Board of Trustees and Regents approval. Board members decided to hold a special conference call to have a motion and take the vote of the Building Board after prior approvals are received by USU. The Teleconference/Conference Call was scheduled for Monday, January 28, 2013 at 9:00 am in 4110 DFCM Teleconference Room. Assistant Attorney General, Alan Bachman confirmed that an electronic meeting could be held.

MOTION: Gordon Snow moved that the Board follow the approval process where USU's Space Dynamics Laboratory Facility, Phase I should receive approval from their Board of Trustees and the Board of Regents first. This motion includes the request to have a special Building Board meeting by telephone following Trustees and Regents approval to have a motion and vote on this project. The motion was seconded by Chip Nelson and passed unanimously

Note: USU did not return to the Board with this project on January 28, 2013. They notified DFCM that they had a new proposal for their project which did not require bonding.

☐ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye from University of Utah reported that the University issued eight design and eight planning/other types of agreements during this reporting period. There were fifteen remodeling contracts and four site improvement contracts. One site improvement contract was procured in a non-standard way due to an emergency condition with a sixteen inch water main break at 1900 East and Medical Drive which virtually closed use of both roads. There was no activity with the Project Reserve Fund this month. The Contingency Reserve had one large decrease for the Eyring Chemistry HVAC System Upgrades for \$101,380.85 due to a variety of unforeseen conditions. The largest item was \$33,000 to provide for access stairs and the addition of a platform and rails for new exhaust fans on the roof in order to comply with code requirements. The next largest item was for \$9,220 to repair an existing duct that was leaking. The balance of the transfer was for twelve other items to address unforeseen conditions or meet code requirements.

MOTION: Ned Carnahan moved to accept the Administrative Report for the University of Utah. The motion was seconded by Gordon Snow and passed unanimously.

Ben Berrett from Utah State University reported there were three professional contracts and fifteen construction contracts issued during this reporting period. The professional contracts included BEERC Classroom Addition/Office Remodel for \$75,900 to Cooper Roberts Simonsen Associates for design of new classroom space and USUE CEIC Building Remodel for \$25,000 to MHTN Architects for a facility assessment. In addition there was a Concrete Replacement project of \$8,500 to Professional Service Industries for sidewalk petrographic analysis. All Construction

contracts were for small amounts. The largest of the Construction Projects included Miscellaneous Critical Improvement for \$268,448.00 to replace doors on five fire hose cabinets in NFS, \$231,481.00 to replace lights on Morgan Theatre Stage, \$231,481 to update signage to meet ADA standards in Education Building and \$231,481.00 to Replace BNR NW & SW entrance doors and install auto openers. There were no increases to the Contingency Reserve Fund. However, there were three draws – Concrete Replacement to replace main line/topsoil and landscape for \$30,992.50, Old Main Masonry Restoration to replace four window lintels/remove stucco west elevation for \$12,877.00 and Fine Arts Precast Concrete Panel Replacement modify beam detector for \$10,482.58. There was no activity with the Project Reserve Fund. Mr. Berrett added that their Contingency and Project Reserve Funds are in good order.

MOTION: Jeff Nielson moved to accept the Administrative Report for Utah State University. The motion was seconded by David Fitzsimmons and passed unanimously.

☐ DFCM ADMINISTRATIVE REPORT

Kurt Baxter, DFCM Planning and Budget Manager, indicated there were no significant Lease Reports. Architect/Engineering agreements and construction contracts were not included in this report missing due to the transition phase of new accounting software at DFCM. They should be available at the next Board meeting. The Contingency Reserve on pages 3-4 show the fund at \$6.2 Million. Increases to the Fund are from FY 13 budgeted contingency transfers, decrease change orders and modifications. Decreases include USU Agriculture Building for \$267,420.00, Dixie Holland Centennial Commons Building for \$148,162.00 which covers change order #15 and DTS wiring costs that were over budget. Salt Lake Community College had a \$115,074.00 change order. The Project reserve Fund on page 15 is at \$6.3 million. This fund is sensitive to the flow of monies that must be balanced in order to award the projects for this year. Increases to the Fund include: U of U Nursing Building Renovation and several additional closed out projects. Decreases to the fund were for the Freeport Center Warehouse for \$287,000.00, Springville Hatchery Water Treatment System Project for \$128,557.00 and a few other small projects for unknown conditions.

☐ 2013 BUILDING BOARD MEETING SCHEDULE

MOTION: Ned Carnahan moved to approve the 2013 Building Board Meeting Schedule with the addition of the January 28th Meeting. The motion was seconded by Sheila Gelman and passed unanimously.

☐ ADJOURNMENT

MOTION: David Fitzsimmons moved to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 11:28 am.