

# Utah State Building Board



## MEETING

January 31, 2007

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### MINUTES

#### Utah State Building Board Members in attendance:

Larry Jardine, Chair  
Kerry Casaday, Vice Chair  
Steve Bankhead  
Cyndi Gilbert  
Katherina Holzhauser  
Manuel Torres  
John Nixon, Ex-Officio

#### DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Robert Franson	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Dana Edwards	Division of Facilities Construction & Management
Lucas Davis	Division of Facilities Construction & Management
Kimberly Hood	Department of Administrative Services
Rich Amon	Governor's Office of Planning and Budget
Mark Spencer	Utah System of Higher Education
Bob Askerlund	Salt Lake Community College
Wes Curtis	Southern Utah University
Randall Funk	University of Utah
Mike Perez	University of Utah
David Besel	Utah State University
Darrell Hart	Utah State University
Tony Lords	Henriksen Buter
Keri Hammond	EDA Architects
Chris Coutts	MHTN Architects
Patty Neuteboom	Reaveley Engineers
Rolynne Hendricks	VCBO Architecture

On Wednesday, January 31, 2007, the Utah State Building Board held a regularly scheduled meeting in the Board of Regents Boardroom, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 10:30am.

**APPROVAL OF MINUTES OF NOVEMBER 29, 2006** .....

Chair Jardine sought a motion on the Utah State Building Board meeting minutes of November 29, 2006.

**MOTION: Manuel Torres moved to approve the meeting minutes of November 29, 2006. The motion was seconded by Mel Sowerby and passed unanimously.**

**PRESENTATION OF THE FY2008 FIVE-YEAR BUILDING PROGRAM (FIVE YEAR BOOK)**.....

Kent Beers presented a copy of the five-year building program for the Board's acceptance, which is a designated obligation by statute. The document outlined the state funded and non-state funded capital projects recommended by the Building Board, as well as a list of the capital improvement projects requested from each of the state agencies and institutions of higher education. It also contained a summary of the contingency fund activity and the project reserve report, and a report on leased buildings throughout the state of Utah.

Keith Stepan directed the Board to the additional handouts that were distributed including a report prepared for the Capital Facilities and Government Operations Subcommittee due to questions being raised about the status of past projects since FY2004. The report indicated that DFCM was managing \$1 billion of design/construction work since the fall of 2006.

DFCM also provided an energy plan and report which outlined the efforts on the self directed work, recommissioning work, fineanswer program with Rocky Mountain Power, and other projects. The document also outlined the expenses DFCM anticipates over the next year for energy projects and the credits that will be received and the annual savings. The two year payback on the projects is excellent. The initial cost incurred by the State is \$3.7 million, and user agencies and institutions will be credited back \$2 million with an annual savings of \$1.1 million.

The DFCM Report Card highlighted DFCM's goals, FTE's, how the funding is received, and the increase in funding for state funded projects.

Steve Bankhead applauded DFCM for their excellent work in preparing the Five-Year Book and the information contained in the reports.

**AMENDMENTS TO RULE R23-25** .....

Alan Bachman explained R23-25 recently came up for a review through the Division of Administrative Rules to determine if the rule should continue. DFCM determined the rule needed updating to be in accordance with the state statute that had been amended over

the years. The procedure has not been used at DFCM, but Utah Administrative Code requires DFCM to have the adjudicated proceedings on file.

Mr. Bachman requested the Board approve DFCM to file the amendments to Rule R23-25 for publication, and return after the public comment period for final adoption by the Board.

**MOTION: Steve Bankhead moved that the Board approve the filing of the amendments to Rule R23-25. The motion was seconded by Mel Sowerby and passed unanimously.**

**☐ REALLOCATION OF FY2007 CAPITAL IMPROVEMENT FUNDS .....**

DFCM recommended that the Board reallocate \$103,000 from the ABC Cedar City Store Retaining Wall/Structural Repair project to the Statewide Emergency Fund, and \$875,000 from the SLCC Utility Tunnel Expansion project to three other SLCC projects including the design and construction of campus wide elevator replacements (\$400,000), the design of the replacement of three boilers in the central plant (\$160,000), and design of phase II of the utility tunnel system (\$315,000).

Kent Beers explained the funding for the Alcoholic Beverage Control Cedar City Store project was approved for \$130,700. A structural engineering study has used \$27,700. The Cedar City ABC Store has extensive structural problems resulting from movement in a retaining wall at the rear of the building causing the back wall of the store to pull away. A structural engineer estimated the cost to repair the damage to be over \$400,000. After conferring with ABC officials, DFCM has determined that this project should not proceed. ABC's masterplan calls for the store replacement within the next four years because it is too small to meet current demand. ABC will move the replacement of this store up on its list and submit it as a capital development request next year. The new store will be funded through a lease revenue bond that will be paid off with ABC sales revenue. DFCM recommended that the Board reallocate \$103,000 from this project to the Statewide Emergency Fund.

The Salt Lake Community College Utility Tunnel Extension project was initially approved for \$1,034,000. Planning and design has used \$159,000. The design will not be completed until late winter meaning \$875,000 designated for construction will not be used this fiscal year. DFCM and SLCC officials feel that the construction funds should be reallocated to other projects instead of sitting idle for the next several months. SLCC will request funding for construction of the utility tunnel extension and the other designed projects in the FY2008 capital improvement process. DFCM requested that the Board reallocate funding to the following projects:

- (a) \$400,000 for elevator replacements in various buildings throughout the campus;
- (b) \$160,000 for the design of three boiler replacements at the Central Heating Plant; and,
- (c) \$315,000 for design of phase II of the Utility Tunnel System.

Kent Beers noted this makes the design process on certain projects complicated. For that reason, over the last two years, DFCM has experimented with putting a little bit of capital improvement money into a planning fund DFCM could use on certain high priority projects to get the design done early. DFCM has had such good success over the last two years with this program that they will be adding additional funds to the capital improvement for this planning fund. They will be doing more and more of the early planning projects.

**MOTION: Cyndi Gilbert moved approval of the reallocation of capital improvement funds. The motion was seconded by Katherina Holzhauser and passed unanimously.**

**☐ PROPOSED DONATION OF NEW USU BUILDING IN TOOELE, UTAH.....**

Since the Building Board approved the other fund projects in November, three additional “other fund” projects have been proposed for approval.

DFCM recommended that the Building Board approve Tooele County’s offer to provide funding for the construction of a \$1.2 million, 6,000 square foot building to be located on USU property in Tooele, Utah. One building currently resides on the plot of land and is fully utilized. The county feels additional space would provide more opportunities for students, but recognizes the difficulty in obtaining a new facility in Tooele through the Building Board and Legislature. In late November, the county approved a bond authority opportunity to build the building and lease it to Utah State University, with the option to donate the building to USU in the future. The minimum, no cost lease agreement will be done through a general obligation bond and does not need collateral.

Keith Stepan requested the Board approve DFCM to enter into negotiations on a lease agreement with the Tooele County Commission. Chair Jardine sought a motion on the request.

**MOTION: Cyndi Gilbert moved to approve DFCM to enter into negotiations for a lease agreement with Tooele County. The motion was seconded by Steve Bankhead.**

John Nixon questioned if legislative approval was required for the lease. Keith Stepan responded the legislature had previously approved the lease as an “other fund” project.

Katherina Holzhauser questioned if USU would be required to relocate if Tooele County desired to use the building for something else. Keith Stepan responded the terms of the lease would be for 20 years with Utah State University. The state would be given the option to purchase the property, possibly prior to the end of the 20 years.

**The motion passed unanimously.**

Keith Stepan highlighted two additional other fund requests. UCAT Mountainland ATC requested approval to exercise MATC's option to purchase an additional 17 acres of Thanksgiving Point land to accommodate a UTA commuter rail link to their new campus site. Funding would be supported by a land swap agreement with UTA and Lehi City.

The Board previously approved the purchase of 23 acres for MATC at a discounted price. West of the property is a rail track which will be used for the future rail system from Utah County. MATC has entered into negotiations with UTA and Lehi City for a station stop at Thanksgiving Point. Approximately 10-12 acres would be transferred to UTA and Lehi City at the current market value. This would leave MATC with five additional acres at no cost. No state funds are involved in this transaction.

The SUU Housing Complex Revenue Bond proposal is another other funded project being requested. In-as-much as the new Student Housing Eccles Living Learning Center has been such a success, it has placed additional unexpected pressure on providing additional new student housing on SUU's campus. It is reported that the Juniper Hall and Manzanita Court facilities, built in the 1960s, no longer are viable housing for some 400 students. A revenue bond paid for by student rental fees is requested by the University to replace the old, outdated and unsafe housing complex.

Kent Beers noted that these two projects were not listed on the agenda and were for discussion only. They were being provided as information since the Capital Facilities and Government Operation Committee had previously approved them. DFCM will return to the Board in the future to obtain approval.

**❑ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY .....**

Randall Funk, University of Utah, provided the administrative report for November 10, 2006, through January 12, 2007. There were three design agreements, two programming agreements and three study agreements awarded during this time period. There were also two new space contracts and five remodeling contracts awarded.

There were two transfers into the Contingency Reserve Fund from the Nursing Fire Suppression System and the Natatorium Pool C Repair and Upgrade. There was one transfer out of the Contingency Reserve Fund for the Electrical Switchgear Upgrade, Phase I.

There were two transfers into Project Reserve from the Public Safety Install Fire Sprinkler System and the Behavioral Science Restoration and Seismic Study.

**MOTION: Katherina Holzhauser moved to approve the administrative report of the University of Utah. The motion was seconded by Cyndi Gilbert and passed unanimously.**

David Besel, Utah State University, provided the administrative report for November 8, 2006, to January 10, 2007. There were 11 new professional service contracts and eight construction contracts awarded for the period.

There were two new projects added to the Project Reserve Fund Activity including the New Fire Connections and the Agricultural Science Electrical Upgrade, which will add \$2484.57 to the fund.

The current delegated projects list showed 67 projects of which 16 are in the Design/Study phase, 25 are in construction, 13 are substantially complete, four are complete and nine are pending. USU is currently managing \$47 million in projects.

**MOTION: Manuel Torres moved to accept the administrative report of Utah State University. The motion was seconded by Katherina Holzhauser and passed unanimously.**

**☐ ADMINISTRATIVE REPORTS FOR DFCM.....**

Kent Beers provided the administrative reports for DFCM. There were 25 architect/engineering agreements awarded and 37 construction contracts awarded.

Funds were transferred from the State Hospital Warehouse Demolition, Fairpark Wasatch Building Water System Upgrade, and Veterans Nursing Home Emergency Generator from the projects reserve fund to award the contracts.

There were decreases to the contingency reserve fund for the USU New Merrill Library, UVSC Digital Learning Center, UVSC Science Building Remodel Phases I & H, and the Heber Wells Commerce Space Enclosed. There was also a decrease to the Project Reserve Fund for the State Hospital Warehouse Replacement in order to cover the cost of the old warehouse demolition.

Keith Stepan commented that DFCM is still struggling with project escalation mostly on paving, roofing and mechanical projects. This has resulted in the need for reserve and contingency fund requests.

DFCM has offered back \$1.5 million to the legislative subcommittee of excess contingency which will be reappropriated during the session.

**☐ ADJOURNMENT.....**

The Board adjourned at 11:30am and would reconvene at 2:00pm to meet with the Capital Facilities and Government Operations Subcommittee.

**MOTION: Mel Sowerby moved to adjourn. The motion was seconded by Katherina Holzhauser and passed unanimously.**