

Utah State Building Board



MEETING

September 10, 2008

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice Chair
Steve Bankhead
Cyndi Gilbert
Wilbern McDougal
Mel Sowerby

DFCM and Guests in attendance:

Kent Beers	Division of Facilities Construction & Management
Shannon Elliott	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
Kimberlee Willette	Governor's Office of Planning and Budget
Mark Spencer	Utah System of Higher Education
Bob Askerlund	Salt Lake Community College
Tom Christensen	University of Utah
Ben Berrett	Utah State University
Keri Hammond	EDA Architects
Julee Attig	Henriksen/Butler
Jackie McGill	Spectrum Engineers

On Wednesday, September 10, 2008, the Utah State Building Board held a regularly scheduled meeting in C445 of the Utah State Capitol, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

APPROVAL OF MINUTES AUGUST 6, 2008

Chair Jardine sought a motion on the minutes of the August 6, 2008 meeting.

MOTION: Mel Sowerby moved to approve the meeting minutes of August 6, 2008. The motion was seconded by Cyndi Gilbert and passed unanimously.

Kent Beers distributed the FY 2010 Capital Development Projects identifying the state funded capital development projects requested this year. He also distributed the land

banking requests and the projects from other funding sources (non-state funded). Because of the large number of state funded projects DFCM received this year, Mr. Beers recommended the Building Board hear the state funded projects and land banking requests on October 1, and the projects from other funding sources on October 16 after the ranking of the state funded projects. Mr. Beers also distributed a draft FY 2010 Capital Improvement list identifying the requests received to date.

The Governor's Office of Planning and Budget has asked the Building Board to look more in depth at the non-state funded projects and prioritize the projects. DFCM has asked the agencies to provide a justification of the projects, as well as a cost benefit analysis identifying any direct or indirect costs. GOPB wished to review how the costs will affect state dollars. They would also like to determine the benefit of the projects whether revenue related or a benefit to customers in order to offset any expenses to the project. Kimberlee Willette, GOPB, will report back on if the projects should be categorized prior to being prioritized. She also offered to assist agencies if they had further questions.

Steve Bankhead noted that the University of Utah Business Replacement Expansion was on the state funded and non-state funded project lists. Kent Beers responded that the University was requesting \$30 million in state funding, but would proceed with the project with donations if the project was not funded.

Approximately \$5 million was set aside by the legislature for land banking. The land banking will be addressed as a separate category on October 16.

The Board will address the capital improvement requests at the April meeting. Due to a statutory change last year, DFCM must report all improvement projects over \$1 million and all phased projects over \$2.5 million to the legislature. Those lists need to be included in the five year book this year requiring the requests to be turned in earlier to allow the DFCM project managers time to compile the cost analysis on each project. Typically DFCM receives \$300 million in requests each year, but the need far exceeds the requests.

❑ AMENDMENTS TO RULE R23-30

John Harrington, DFCM State Energy Manager, reviewed Rule R23-30 which addressed the revolving loan fund defined in HB198 sponsored by Representative Hunsaker. The legislation calls for \$3.65 million to be allocated to DFCM and used as a revolving loan fund for state agency and institution energy projects. DFCM requested approval to proceed with the Administrative Rules process and begin the 30 day public comment period. DFCM has identified projects exceeding \$3.65 million and would like to move forward with projects throughout the state when the rules are approved.

Mel Sowerby did not feel there was a standard definition of energy efficiency. He was concerned that each agency be allowed the opportunity to define their desired energy savings. John Harrington responded that the intent of the rule was to keep the definitions as less restrictive as possible in order to best fund the projects. DFCM developed a point

grading system in which each applicant must provide a detailed application outlining specific items. Every applicant receiving over 70 points on the point matrix will be reviewed by the Board.

Mel Sowerby felt the estimated energy savings statement was somewhat loose. Mr. Harrington responded that an engineering study is completed on every project through Rocky Mountain Power and then independent engineers verifying the savings as a third party.

Alan Bachman requested to file the rule with the Division of Administrative Rules by September 15 and allow for the 30 day comment period. DFCM will report back to the Board after the comment period.

MOTION: Cyndi Gilbert moved to authorize DFCM to file Rule R23-30 with the Division of Administrative Rules and allow for the 30-day comment period. The motion was seconded by Mel Sowerby and passed unanimously.

□ RULE R23-22, GENERAL PROCEDURES FOR ACQUISITION AND SELLING OF REAL ESTATE

Rule R23-22 was previously presented to the Board as an emergency rule and to allow for a public comment period. There were no written comments received during the period. At that time, the Board specifically asked that Mr. Wilbern McDougal have time to review the rule. Mr. McDougal had since reviewed the rule with legal counsel throughout the valley. He was comfortable with the rule, but emphasized that the importance of a paper trail for appraisals be emphasized in the rule. Kent Beers noted that DFCM maintains meticulous records of all appraisals and reports pertaining to property transactions by way of practice. He offered to allow members of the Board to inspect the records kept on real estate transactions. Mr. McDougal requested a note be included in the document indicating the practice is currently being followed.

Alan Bachman was concerned that any revision to the document would require the 30-day comment period to be done again. This may cause a gap where no rule is in effect and no requirement for appraisals. He proposed the Board adopt the rule and direct DFCM to maintain a paper trail as a matter of policy. The rule could then be edited in the future if needed. Similar laws requiring a paper trail are already in place in Utah, which would make it a legal requirement regardless.

MOTION: Mel Sowerby moved to authorize DFCM to file an effective notice with the Division of Administrative Rules. The motion was seconded by Steve Bankhead and passed unanimously.

❑ SALT LAKE AREA MASTER PLAN – STATE GOVERNMENT OFFICE NEEDS .

DFCM was previously asked to present the master plan for the Salt Lake Area Government Office Space Needs to the Government Operations Interim Committee. DFCM wished to provide the same report to the Building Board to identify the office space needs over the next 20 years in the Salt Lake area.

A space study was conducted by VCBO Architecture and Wickstrom Economic and Planning Consultants in 2006 and identified 870,000 square feet of office space in the Salt Lake area. The study revealed that 1,024,000 square feet of office space was needed and that state employees were in extremely crowded conditions. The immediate shortage of space of 154,000 square feet would increase to 325,000 square feet over the next 10 years and 450,000 over the next 20 years. Since the space analysis was conducted, the state sold the 136,000 Human Services building increasing the immediate shortage to 290,000 square feet. The Multi-Agency Office Building was also authorized since then, and will house Human Services and the Department of Environmental Quality in 250,000 square feet. The location of the building will be at approximately 1950 West and North Temple. With the new building, the shortage is approximately 40,000 square feet.

With the current 40,000 square foot shortage and the 171,000 square feet needed over the next ten years, there will be another 211,000 square feet of space needed. Options being considered are the World Trade Center and the White Ballfield Building #1. The White Ballfield is 11 acres located directly south of the Utah State Fairpark and is used primarily for parking during the fair. This site could house two 125,000 – 150,000 square foot buildings and a 1000 stall parking lot. This area is also proposed for a Trax line and is a non-state funded project being considered this year.

In order to accommodate the 125,000 square foot shortage over the next 20 years, DFCM proposed the White Ballfield Building #2, an additional building at the 1950 West Campus, or replacing the Agriculture building. The two buildings at the 1950 West Campus were built in 1984. When DEQ vacates the buildings, the Department of Insurance would like to relocate to the 30,000 square foot building. Tenants are still being sought for the 45,000 square foot building. The life span on these buildings is estimated to be consumed in about 20 years and the buildings would then be demolished. At that time, a new 125-200,000 square foot building could be constructed on the site along with a parking terrace. Another option would be to demolish the existing 45,000 square foot Agriculture building. The building was built in 1980 and the state owns the property. A new 100-150,000 square foot building could be built on the site, along with additional parking.

Kent Beers sought comments on the State's master plan for the Salt Lake Area Government Office Needs. Steve Bankhead asked if the State Office Building was going to be demolished in the future. Mr. Beers responded that if the Capitol Preservation Board is successful in obtaining funding for the demolition of the existing State Office Building, then DEQ would remain in their current buildings until the State Office Building is

reconstructed. Employees currently in the State Office Building would relocate to the Multi-Agency Office Building in the interim.

Kerry Casaday asked if the Trax station and parking stalls west of the Jordan River superseded the previous presentation by UTA. Kent Beers responded that the previous plan was not acceptable to key members of the Legislature or the Governor's office because it involved selling the state property.

Mel Sowerby asked if the needed square footage was geographically specific to the downtown area where land is extremely expensive. Kent Beers responded that most of the administrative functions of agencies are currently in the downtown area. The current number of state employees and historical growth trends in state government are projected to be in the same location as the existing administration.

ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Tom Christensen, University of Utah, provided the administrative report for the period of July 18 to August 22, 2008. There were five design agreements and one programming/planning agreement awarded for the period.

The Health Sciences Library Fire Protection project was awarded without going through a selection process because it was a continuation of previous work and the similar design. There was an urgent need to move forward with the project. The design fee was under \$75,000.

There were five remodeling contracts awarded for the period including a contract awarded for asbestos abatement at the HPER building. This was an emergency basis due to the need to complete the project prior to school starting. The contract was just under \$15,000, which was more than anticipated.

There was a decrease to the Contingency Reserve Fund of \$5,153.52 for the Student Services Building Fire Detection System in order to address an unknown condition where the existing electrical wiring did not meet code requirements.

MOTION: Steve Bankhead moved to approve the administrative report for the University of Utah. The motion was seconded by Kerry Casaday and passed unanimously.

Ben Berrett, Utah State University, provided the administrative report for the period of July 16 to August 20, 2008. There was one professional contract and 16 construction contracts awarded for the period.

The Brigham City Science Lab Addition is a renovation of the old Grand Central Building. The \$2 million multi-purpose lab consists of chemistry, engineering, child development and associated faculty space.

The Utah Water Research Lab is a water testing facility and an additional facility houses a pumping station. Replicas are made and tested to model water structures such as dams. When completed, this will be one of only two sites in the United States where such modeling and testing is done.

Of USU's 80 projects, seven are complete, 24 are substantially complete, 30 in construction, 10 in the design/study phase, and 13 are pending.

MOTION: Cyndi Gilbert moved to approve the administrative report of Utah State University. The motion was seconded by Wilbern McDougal and passed unanimously.

☐ REALLOCATE UNALLOCATED ROOFING FUNDS TO FACILITY MAINTENANCE AUDIT PROGRAM.....

DFCM recommended that the Building Board reallocate \$110,000 from the Unallocated Roofing account to DFCM's Facility Maintenance Audit Program. Statue requires DFCM to conduct periodic audits of the facility maintenance audit programs at state agencies and institutions of Higher Education that received maintenance delegation.

DFCM has entered into a contract with ISES Corporation to conduct these audits in behalf of DFCM. In order to fund this contract, DFCM requests that the Building Board reallocate \$110,000 from the Unallocated Roofing account to DFCM's Facility Maintenance Audit Program. Funds in the unallocated roofing account come from bid savings on roofing projects (capital improvement projects). This account has built up an excess balance of approximately \$700,000 that needs to be reallocated to other worthy projects such as the facility maintenance audit program. Utah Code 63A-5-204(3) applies to the facility audit program.

MOTION: Mel Sowerby moved to reallocate \$110,000 from the Unallocated Roofing account to DFCM's Facility Maintenance Audit Program. The motion was seconded by Kerry Casaday and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR DFCM.....

Kent Beers provided the DFCM administrative report for the period of July 15 to August 19, 2008. There were 32 construction contracts issued for the period.

Funds from the project reserve fund were used to award the Egan Fish Hatchery Raceway Repairs, Uintah Basin ATC Administration Building Culinary Remodel, CEU San Juan

Campus New Maintenance Shop Building, and the Ogden/Weber ATC Metals Building Chiller Replacement.

An emergency demolition was approved for the USDC Cellar Building. This was awarded on a direct award basis due to the urgency of getting this cellar demolished before anyone fell through the roof.

The Provo Juvenile Courts parking lot expansion project was awarded at \$122,000 and the project was budgeted for \$97,000. The difference was \$25,000 and the cost was split 50/50 between Courts and DFCM.

There were two contingency reserve reports including one for the ending Fiscal Year 2008 activity, and balance and the other showing Fiscal Year 2009 activity to date. Mr. Beers noted there is a current balance in the contingency reserve fund of \$6.2 million.

There was a transfer of \$121,936 for the CUCF New 192 Bed Expansion to cover change orders #11 and #12. There was also a transfer of \$66,017 for the Salt Lake County Joint Drivers License/DMV Building to cover change orders #6 and #7. Remodeling decreased to the contingency reserve fund include \$56,470 for Southern Utah University ADA Accessibility Upgrades to cover CCD #1, and \$19,627 for the Dixie College Science Building Remodel to cover change order #3 for various unknown conditions.

In FY2009 there was a transfer of \$1 million for DFCM's share of funding for the UVU Land Purchase approved in 2008 House Bill 3, Item 56B. There was a transfer of \$59,820 for the SLCC Jordan Campus Health Sciences Building to cover the construction contract for the pool dehumidifier to complete the project.

There were two project reserve reports this time including one for the ending Fiscal Year 2008 activity and balance, and the other showing Fiscal Year 2009 activity to date. There was a decrease of \$200,000 to the DFCM Administration Budget for the annual allocation per 2008 Senate Bill1, Item 40.

□ ADJOURNMENT

Kent Beers reminded the Board of the capital development hearings on October 1. The hearings are expected to begin at 8:00 am and last until at least to 5:00pm.

MOTION: Mel Sowerby moved to adjourn. The motion was seconded by Kerry Casaday and passed unanimously.

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