



**Gary R. Herbert**  
Governor

# Utah State Building Board

3120 State Office Building  
Salt Lake City, Utah 84114  
Phone (801) 538-3010  
Fax (801) 538-3844

## **MEMORANDUM**

To: Utah State Building Board  
From: Jeff Reddoor  
Date: December 7, 2016  
Subject: **DABC: Approval for Design and Construction of Riverton-Herriman Market Area Liquor Store (Non-State Funded)**  
Presenter: Cade Meier, Deputy Director for DABC

---

### **Recommendation**

Jeff Reddoor recommends the Board approve the request for the DABC to design and construct a new liquor store in Riverton, Utah. This is a Non-State Funded request.

### **Background**

The southwest area of Salt Lake County has had and will continue to have significant population growth. The location of an additional store in this area can serve multiple market areas, including stores #26-Taylorsville and #11-Magna. The estimated project cost is \$5.4M.

### Attachments:

Riverton-Herriman Market Area Liquor Store: Capital Development Project Request & Feasibility Statement



- *If applicable, describe all alternate proposed sources of O&M funding. (fees, tuition, usage charges, etc.)*
- *Explain why this project should receive ongoing state funding, including O&M and future capital improvement funding.*
- *Other than the State requirement to comply with the high efficiency building standard, describe any other strategies that you plan to employ in the facility that will make its operation more efficient.*

**New Program Costs:** \$ 600,000

*Estimate the cost of new or expanded programs and services that will result if the project is funded and provide a brief description of the additional program costs and anticipated funding sources below. This should include any operating budget increase that will be required, other than O&M, in order to operate the programs that will be housed in the requested facility. If this request will make existing state space available for alternative uses, the above estimate should also include the estimated cost of new or expanded programs and services that will be housed in this vacated space.*

**New FTEs Required for O&M and Programs** O&M 0 Programs 10

*Provide a separate estimate of the number of new employees that will be required for O&M and for program purposes if the project is funded. Provide a brief description below; i.e., staff for new or expanded programs or to maintain the facility. This includes any FTE that will be paid for from Increased O&M Funding or New Program Costs noted above.*

**Existing Facility:**

*How is the existing program housed? Why is the existing facility not able to meet your needs? What is the proposed use or disposition of the existing facility if your request is funded?*

*Where applicable, if the proposed facility is not intended to be replacement space, (existing facility serving this function will not be demolished) describe the future use of the existing facility. Include functions to be served, costs of remodeling or expansions as well as the amount of deferred maintenance and code compliance that will need to take place in the existing facility to enable it for continued use.*

Existing Space (square feet) Currently Occupied \_\_\_\_\_

**Project Executive Summary:**

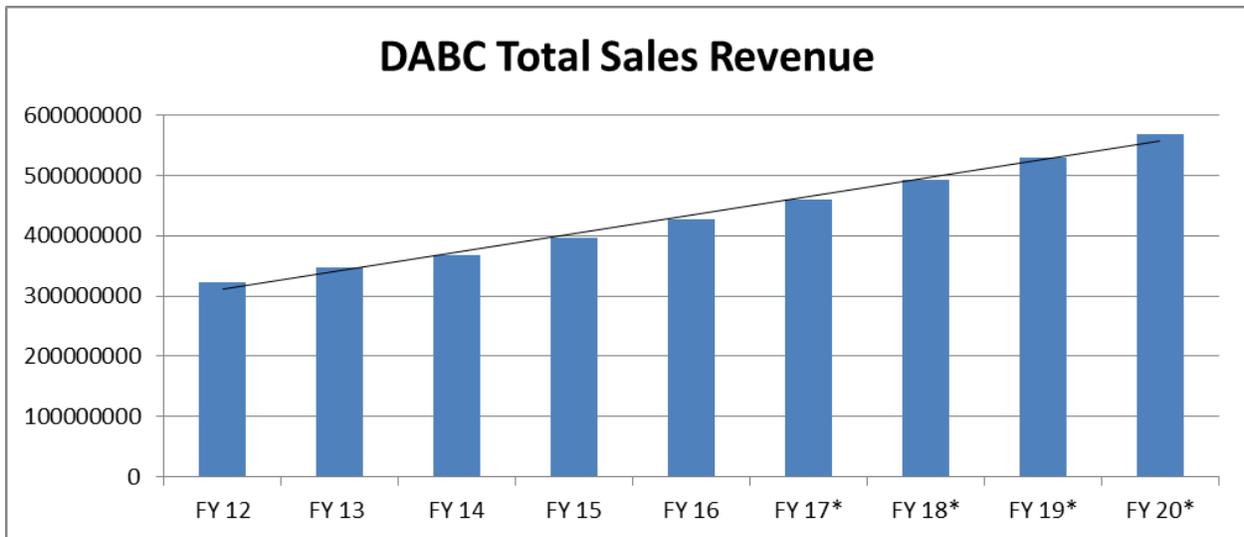
The proposed project will assist the DABC meet its statutory mission of “reasonably satisfy demand” for alcoholic beverages.

The department currently has 44 Liquor and Wine Stores with another in West Valley scheduled

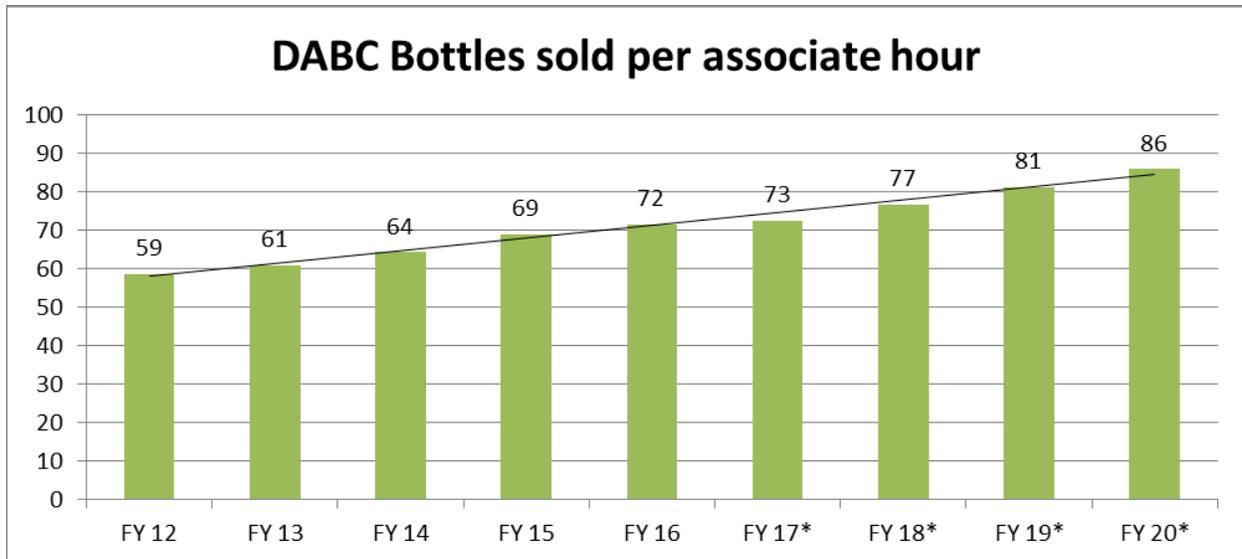
to open in March 2017 and another in Syracuse in the spring of 2019. The DABC is currently 17 stores below what the statutory formula which determines the number of stores that DABC is allowed to have indicates. Based on current population estimates, the DABC should have 63 Wine and Liquor Stores.

In 2016, Zions Public Finance, INC. conducted a store placement master plan for the DABC. The Zion’s team recommended that the department build new stores in the top twelve market areas; Riverton, Layton, Pleasant Grove, Sandy, Taylorsville, Harrisville, Roy, West Valley City, Bountiful, Draper, Ogden, and Cottonwood Heights. new stores at that time. The study considered two main areas; Population growth and performance measures such as bottles sold per man hour and transaction in each store area.

The Charts below indicates the increased demand and projected demand put on our existing stores



The chart below indicates the increased demand put on our current system by bottles sold per associate hour.



With no additional stores built to take away from the increased demand the current stores will become less efficient and offer a lower level of customer service.

**Feasibility/Planning:**

Additional stores always help the DABC to more easily meet demand for alcoholic beverages.

The department has seen significant increases in sales when new stores have come online in the past. We believe that increases are partially the result of increased floor sales area with a commensurate increase in products displayed, better parking, and usually better site location and visibility.

The possibility of a project in the Farmington market area is in its infancy. We are reaching out to the surrounding municipalities to gauge their openness to a DABC facility.

○

**State System of Higher Education, Additional Statutory Required Information:**

*As require in Title 63A-5-104 (2) (b)(iii) that an institution described in Section [53B-1-102](#) that submits a request for a capital development project address whether and how, as a result of the project, the institution will:*

- (A) *offer courses or other resources that will help meet demand for jobs, training, and employment in the current market and the projected market for the next five years;*
  - *Describe*
  
- (B) *respond to individual skilled and technical job demand over the next 3, 5, and 10 years;*
  - *Describe*

(C) respond to industry demands for trained workers;

- Describe

(D) help meet commitments made by the Governor's Office of Economic Development, including relating to training and incentives;

- Describe

(E) respond to changing needs in the economy; and

- Describe

(F) based on demographics, respond to demands for on-line or in-class instruction;

- Describe

**Capital Development Modifications After Deadline:**

Title 63A-5-104 (2) (c)

*(c) An agency may not modify a capital development project request after the deadline for submitting the request, except to the extent that a modification of the scope of the project, or the amount of funds requested, is necessary due to increased construction costs or other factors outside of the agency's control.*

**Non- State Funded Without O&M:**

Title 63A-5-104 (3)

*(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 that consists of the design or construction of a new facility if:*

*(i) the State Building Board determines that the requesting state agency has provided adequate assurance that state funds will not be used for the design or construction of the facility;*

*(ii) the state agency provides to the State Building Board a written document, signed by the head of the state agency:*

*(A) stating that funding or a revenue stream is in place, or will be in place before the project is completed, to ensure that increased state funding will not be required to cover the cost of operations and maintenance to the resulting facility for immediate or future capital improvements; and*

*(B) detailing the source of the funding that will be used for the cost of operations and maintenance for immediate and future capital improvements to the resulting facility; and*

*(iii) the State Building Board determines that 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.*

**Land Bank Acquisition Requests:**

*Requests for purchase of land from funds to be appropriated by the State Legislature for future use by an agency or institution will be evaluated based upon approved programmatic planning and facilities master plan requirements of the agencies and institutions.*

**General Considerations** - *Provide detail for the following considerations that will be taken into account in evaluation of these requests.*

- *Location and description of the property including any existing permanent structures.*
- *Current availability of the land and “time sensitivity” of the window of opportunity for its purchase.*
- *Intended use of the land and its relative importance in the context of the agency or institutions role and mission assignment and strategic plan for the future.*
- *Suitability of the property for the intended use (ingress/egress, proximity of utilities, percentage of buildable area, geo-technical, etc. where applicable).*
- *Reasonableness of cost as determined by an appraisal or other reasonable estimate of the value of the land.*
- *Condition of the land, including the potential liability of the institution pertaining to clearing the property, potential existence of hazardous waste, greenhouse gas emissions, etc.*
- *Condition and potential use of existing structures, if any.*

**UCAT Statutory Requirements** - *State statute specifies that the State Building Board must determine that the requirements of UCA 53B-2a-112 have been met before it may consider a funding request from the Utah College of Applied Technology pertaining to new capital facilities and land purchases. UCAT requests for such purchases should describe in detail how each of these statutory requirements have been met including:*

*inclusion of letters from school districts stating that they do not have space available for UCAT use; an inventory/utilization report of the current UCAT space; a summary of the ATE programs being offered by the college campuses in the UCAT area and copies of current cooperative agreements or a summary of efforts to develop such agreements.*

**Photographs and Maps:**

Please see the attached study for mapping ( Page 25 )

**Scoring Analysis for Building Board Request Evaluation Guide:**

*Please provide the following justification to aid the Building Board and DFCM in applying the attached Capital Development Request Evaluation Guide.*

1. **Existing Building Deficiencies and Life Safety Concerns**

*If the request involves the renovation or replacement of an existing state owned facility, provide a summary (one page maximum) of critical life safety and other deficiencies in the existing facility. Address the potential impact and probability of occurrence of life safety deficiencies. Coordinate with assigned DFCM staff to identify the extent to which the project addresses documented deficiencies in the existing facility. Document the extent of existing nonfunctional or dilapidated space.*

2. **Essential Program Growth**

*Summarize demographic data which justifies the scope of the project including any increased space requested. Document the extent of any existing shortages of space. Attach the source and date of demographic data. Examples of demographic data that may be used include workload, enrollment, and population changes.*

3. **Cost Effectiveness**

*If an alternative approach is being suggested that is less costly than a standard approach, demonstrate the immediate and long term savings of the alternative approach. Conversely, if a more expensive cost approach is being suggested explain why.*

4. **Project Need: Improved Program Effectiveness and Support of Critical Programs/Initiatives**

*Demonstrate how the requested project will improve the effectiveness and/or capacity of the associated program(s) and thereby improve the delivery of services. Demonstrate the criticality of the program or initiative that will be supported by the requested project. Demonstrate how the requested project supports a critical state program or initiative.*

5. **Alternative Funding Sources**

*Document, by category, the amount of alternative funding that is in hand, the amount for which enforceable commitments have been obtained, and any additional amount for which alternative funding is being sought. With the exception of donations, identify any timing constraints associated with the alternative funding.*

## **5-Year Plan**

**Project #1:** Add new store in Riverton Market area. The southwest area of Salt Lake County has had an will continue to have a significant population growth. The addition of an additional store in this area can serve multiple market areas. ( See page 25 of our Master planning study)  
Estimated Project Cost: 5.4 MM

**Project #2:** Add new store in the Farmington Market area. A strategically located store in this area, perhaps near Farmington or Kaysville, could serve both markets (see page 27 of Master Planning Study)  
Estimated Project Cost: 5.4 MM

**Project #3:** Add new store in Pleasant Grove area. Adding a store on the northwest side of Utah lake could better serve the market areas currently served by stores 44 (pleasant Grove), 40 (Riverton), and 31 (Draper). This area is expected to have significant population growth through 2030 and beyond.  
Estimated Project Cost: 5.4 MM

**Project #4:** Add new store in Sandy Market area. A store strategically placed in the area could serve multiple market areas. If placed further west, it could help serve stores 9 (Murray), 26 (Taylorsville), or 40 (Riverton), while a store placed further east could also serve store 15 in Cottonwood Heights, which is 12 in the priority list, and potentially store 31 in Draper.  
Estimated Project Cost: 5.4 MM

**Project #5:** Add a new store/club store in the Harrisville – Ogden area. Growth in northern Weber County could warrant an additional store in the Harrisville market area. Potential locations for an additional store could include near Farr West, Pleasant View or North Ogden as well as in Ogden.  
Estimated Project Cost: 5.4 MM

## Capital Development Projects

### Capital Budget Estimate (CBE)

<b>Project Name:</b>	RIVERTON/HERRIMAN LIQUOR STORE		
<b>Agency/Institution:</b>	DABC		
<b>Project Manager:</b>	Mueller		
<b>Cost Summary</b>			
	<b>\$ Amount</b>	<b>Cost Per SF</b>	<b>Notes</b>
Facility Cost	\$ 2,817,085	\$207.14	
Utility Fee Cost	\$ 56,288	\$4.14	
Additional Construction Cost	\$ 191,378	\$14.07	
Site Cost	\$ -	\$0.00	
High Performance Building	\$ 45,971	\$3.38	
<b>Total Construction Cost</b>	<b>\$ 3,110,722</b>	<b>\$228.73</b>	
<b>Soft Costs:</b>			
Hazardous Materials	\$ 126,000		
Pre-Design/Planning	\$ 42,441		
Design	\$ 219,352		
Property Acquisition	\$ 1,500,000		
Furnishings & Equipment	\$ 108,000		
Information Technology:	\$ 7,000		
Utah Art (1% of Construction Budget)	\$ 31,107		
Testing & Inspection	\$ 35,000		
Contingency	\$ 151,947		
Moving/Occupancy	\$ -		
Builder's Risk Insurance (0.15% of Construction Budget)	\$ 4,666		
Legal Services (0.05% of Construction Budget)	\$ 1,555		
DFCM Management	\$ 40,000		
User Fees	\$ -		
Commissioning	\$ 34,000		
Other Costs	\$ 40,000		
<b>Total Soft Costs</b>	<b>\$ 2,341,068</b>	<b>\$172.14</b>	
<b>TOTAL PROJECT COST</b>	<b>\$ 5,451,791</b>	<b>\$400.87</b>	
<b>Previous Funding</b>	\$ -		State and Agency
<b>Other Funding Sources (Identify in note)</b>	\$ 5,451,791		
<b>REQUEST FOR STATE FUNDING</b>	<b>\$ (0)</b>		
<b>Project Information</b>			
Gross Square Feet	13,600	Base Cost Date	23-Sep-16
Net Square Feet	12,240	Estimated Bid Date	30-Mar-19
Net/Gross Ratio	90%	Est. Completion Date	30-Nov-19
		Last Modified Date	23-Sep-16
		Print Date	12/5/2016