

Utah State Building Board



MEETING

January 9, 2008

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice Chair
Cyndi Gilbert
Manuel Torres
Mel Sowerby
John Nixon, Ex-Officio

DFCM and Guests in attendance:

Gregg Buxton	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Elliott	Division of Facilities Construction & Management
Dana Edwards	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Steve Allred	Legislative Fiscal Analyst's Office
Kimberlee Willette	Governor's Office of Planning and Budget
Doug Wright	Corrections
Alyn Lunceford	Courts
Mike Porter	Fair Park
Mark Spencer	State Board of Regents
Kevin Walthers	College of Eastern Utah
David Tanner	Southern Utah University
John McNary	University of Utah
Ken Nye	University of Utah
Mike Perez	University of Utah
Raelynn Potts	University of Utah
Jim Michaelis	Utah Valley State College
Sarah Parris	BNA Consulting
Skip Bourgeois	GSBS Architects
Julee Attig	Henriksen Butler Design Group
Chris Coutts	MHTN Architects
John Naser	Salt Lake City Corporation
Ralph Jackson	UTA
Ryan McFarland	UTA
Matt Sibul	UTA
Brian Wilkinson	UTA

RoLynne Hendricks
Ellen Parrish

VCBO Architecture
VCBO Architecture

On Wednesday, January 9, the Utah State Building Board held a regularly scheduled meeting in W125 State Capitol Complex, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

APPROVAL OF MINUTES OF NOVEMBER 28, 2007

Chair Jardine sought a motion on the meeting minutes of November 28, 2007.

MOTION: Cyndi Gilbert moved to approve the Building Board meeting minutes of November 28, 2007. The motion was seconded by Mel Sowerby and passed unanimously.

FAIR PARK REQUEST TO DEVELOP WHITE BALL PARK PROPERTY.....

DFCM recommended that the Building Board review a request from the Utah State Fair Corporation in conjunction with the Utah Department of Transit Authority (UTA) to develop the White Ball Park property. The White Ball Park is approximately seven acres of state-owned property located on the South side of North Temple at about 1150 West. The Fair Park's proposed development of the White Ball Park property includes selling two acres of the property that front North Temple for retail development and paving the remaining five acres for use as a "UTA Park N Ride" lot. A conceptual drawing of their proposal was included in the Board packet.

Kent Beers explained that the Utah State Fair Park, including the White Ball Park, resides on property owned by the State of Utah. DFCM leases the property to the Utah State Fair Corporation. The term of the lease runs from July 1, 1997 to June 30, 2017.

The lease agreement between DFCM and the Utah State Fair Corporation places restrictions on the use of the state's property and/or buildings, including the construction of any new buildings and/or facilities at the state fair park. Article 6.2 of the lease agreement requires that the construction of new space costing more than \$100,000 and building projects costing over \$1 million not be undertaken without prior consultation and approval from DFCM. Article 9 of the lease agreement does not allow any major alterations or additions to the leased premises without written notice to DFCM.

Matt Sibul, UTA, provided an overview of the project. He highlighted a graphic showing the six mile light rail corridor connecting downtown with the airport. Upon completion, there will be a connection to the top three traffic generators in the state of Utah including the Salt Lake City Central Business District, the airport, and the University of Utah. UTA anticipates seven stations including on the corridor at 500 West, 800 West, Fair Park, Cornell Street (approx. 1540 West), Winifred (approximately 1950 West), 2200 West, and the Airport.

North Temple is a six lane road with three lanes going each direction. Salt Lake City Corporation wants to downsize the road and make it into a grand boulevard. This also entails reducing the number of travel lanes in each direction from three to two.

UTA projects approximately 10,000 estimated daily riders on opening day with 50% to/from the airport and 50% between downtown and west-side neighborhoods. Salt Lake and UTA are working together to approve the Locally Preferred Alternative (LPA) to deal with the alignment and station locations and the configuration of North Temple, and hope to be done later this winter. They are also in the process of hiring a contractor and going through the final design process with hopes to begin construction in late 2008 or early 2009 in order to be completed by 2012.

UTA has been discussing developing a Park-and-Ride location along the corridor and have been looking at a couple of possible locations. One of those is the White Ball Park location and another is slightly west at the Redwood Road/North Temple retail project. The preferred location is the White Ball Park. Mr. Sibul referred to a conceptual drawing of the park-and-ride facility which would be complimented by a mixed used development and 600 parking stalls on two acres on North Temple. UTA and the city have conceptually discussed a development on the corridor that would compliment the grand boulevard scenario. The Park-and-Ride would allow the Fair Park to improve their parking situation and increase the ridership of UTA. The Fair Park, UTA and Salt Lake City would benefit through the mixed-use component through increased revenue for improvements, offset operational costs, and provide new amenities for neighborhoods along North Temple.

Mr. Sibul discussed two scenarios that could be accomplished at the White Ball Park, both with two acres of mixed-use development and five acres of UTA-improved parking. Scenario One would include UTA buying the fronting two acres and leasing the five additional acres for a Park-and-Ride. Scenario Two would include UTA buying the entire seven acres and entering into a long-term agreement to guarantee shared parking for the Fair Park which is how UTA typically obtains their Park-and Rides.

Mike Porter stated the Fair Park felt the opportunity was beneficial for everyone involved. The Fair Park would benefit by getting the White Ball Park area improved through paving, lighting, and landscaping all at no cost to the state. The Fair Park requested the proceeds from the selling of the two acres be dedicated for capital improvements on the Fair Park to allow them to get their projects funded and generate additional revenue.

Vice-Chair Kerry Casaday felt the property was very valuable and wondered if it was a good use of the property. He suggested the property may be better suited for a large capital development project in the future rather than a parking lot. Mr. Porter responded that putting up an office building across from the Fair Park would be quite detrimental and they would lose a significant amount of parking. The space is also invaluable to the Fair Park, especially during the Fair.

John Nixon questioned the availability of space in the downtown area. Kent Beers responded there were two vacant parcels including the area west of the Tax Commission

tentatively planned for the Multi-Agency building that would house Human Services and DEQ. Once that is occupied, the White Ball Field would be the only other available location. Mr. Beers noted that DFCM has presented their master plan to the Legislature and Governor's Office over the last two years and the White Ball Field is a potential building site they have presented in their master plan. State agencies preferred to relocate to the White Ball Field, but it is under current lease with the Fair Park until 2017. DFCM's most recent space utilization analysis indicated an immediate need for an additional 150,000 square feet of state government office space. By 2016 an additional 400,000 square feet of space will be needed. If the site is sold or turned into a permanent parking area, the state would be forced to purchase property for an additional 400,000 square feet of additional office space needed over the next ten years. John Nixon expressed the need to land back and cautioned against selling the space downtown. He thought looking at the master plan was very important to the decision.

Cyndi Gilbert asked if the property is owned by the state of Utah and leased to the Fair Park, would the proceeds from the sale go to the Fair Park. Mr. Porter responded they were hopeful because they have serious needs and have not been fruitful in obtaining the needed funds through the capital improvement process or an additional source of revenue.

Mel Sowerby stated they were legislatively precluded from doing what the Fair Park was proposing. Mr. Porter understood the steps were to go through the Building Board and Legislature and that it would be an uphill battle.

Steven Allred, Legislative Fiscal Analyst's Office, commented that the Capital Facilities Committee is very interested in the concept of land banking with agency property, higher education and transportation property. In the next session there will be considerable discussion about land banking and what can be done. The White Ball Field would be proposed to the Legislature to discuss how to proceed.

Chair Jardine sought an action on the item. Kerry Casaday asked if DFCM could do a review to determine if there was another alternative to selling the property. Kent Beers stated DFCM was always open to taking direction from the Governor's Office and the Legislature on how to best use state land.

MOTION: Kerry Casaday moved to table the issue and allow for some further study and options for the land.

Chair Jardine felt the Board should make a determination and then suggest completion of a study.

Vice Chair Casaday withdrew his motion.

Cyndi Gilbert felt it was best to leave the property status quo and allow the legislature to look at the land banking issues and alternatives.

MOTION: Cyndi Gilbert moved to deny their request to parcel the property as presented and keep it under the lease to the Fair Park for the time being. The motion was seconded by Mel Sowerby and passed unanimously.

☐ REALLOCATION OF CAPITAL IMPROVEMENT FUNDS AT UVSC AND CEU...

DFCM recommended that the Building Board reallocate capital improvement funds at Utah Valley State College and the College of Eastern Utah. UVSC wished to reallocate \$306,300 to the HVAC System Upgrade, and CEU wished to reallocate approximately \$440,000 to the BDAC Building HVAC Upgrade.

UVSC requested reallocation of FY 2008 Capital Improvement funding to correct problems with their campus HVAC system that could impact the operation of the new Digital Learning System when it comes on line. The cost of the HVAC upgrade is estimated to be \$500,000. UVSC requests to postpone \$145,000 from the tartan surface repair at the PE building; \$125,000 from campus exterior lighting, and \$36,300 from ADA compliance improvements, and shift the funding to the HVAC upgrade. UVSC will request \$200,000 during next year's capital improvement funding cycle to complete the HVAC upgrade. UVSC will also request funding for each of the postponed projects during next year's capital improvement funding cycle.

CEU requested reallocation of FY 2008 Capital Improvement funding from a project intended to remodel space in the Student Activities Center Building for programs being taught in the Music Building. The Music Building was to be boarded up pending approval of CEU's Capital Development request to demolish and replace the Theater and Music Buildings. Unfortunately, remodeling of the SAC could not be accomplished in time for school to begin and the project was cancelled. The project was originally funded at \$440,000 and only a small amount has been used for design work. CEU requested that the unused balance be transferred to the BDAC HVAC project.

Vice Chair Kerry Casaday asked if UVSC could afford to put off the ADA compliance improvements. Mr. Beers responded the ADA issues existing on campus have existed for several years and would not be severely impacted by delaying the project for an additional six months. The ADA issues are significant and important, but bringing the multi-million digital learning center online and having sufficient HVAC capacity is a higher priority.

MOTION: Manuel Torres moved to approve the capital improvement reallocation for Utah Valley State College and the College of Eastern Utah. The motion was seconded by Kerry Casaday and passed unanimously.

☐ UNIVERSITY OF UTAH BUSINESS BUILDING: SCOPE CHANGE AND DESIGN AUTHORIZATION

DFCM recommended that the Board consider the request from the University of Utah to modify the scope of the David Eccles School of Business Remodel and Addition project previously approved by the 2006 Legislature as a "Project from Other Funding Sources." The original project consisted of remodeling the Business Classroom Building, the Garff Building and the Madsen Building at an estimated cost of \$30,787,000. This request modifies the scope of the project to the demolition of the Francis A. Madsen Building (23,727 sq. ft.) and replacement with a new 109,300 sq. ft. building; and the demolition of the Kendall D. Garff Building (32,884 sq. ft.) and replacement with a new 76,642 building.

The modified project is the same as the Capital Development project presented by the University this year which requested \$28,500,000 in state funding to join with the University's \$79 million in private donations. Because of the large donations associated with this project, the University and its contributors would like to proceed immediately with the design using the 2006 approval by the Legislature. This request is based on the loss of purchasing power associated with escalating construction costs. If state funding is not approved during the upcoming session, the project will be scaled back in size so that the University's donations will cover the entire cost.

Rather than delay a project, DFCM normally brings previously approved "Projects from Other Funding Sources" that undergo significant changes in scope back to the Building Board for approval. Upon Board approval of the change in scope and authorization to proceed with design, DFCM will notify the Governor's Office and Legislative Leadership.

MOTION: Kerry Casaday moved to approve the change in scope and immediate design authorization for the University of Utah. The motion was seconded by Mel Sowerby and passed unanimously.

□ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye, University of Utah, presented the administrative report for the period of November 9, 2007 to December 14, 2007. There were five design agreements, two programming/planning agreements, two new space contracts and two remodeling contracts awarded for the period.

There was a small increase to the Project Reserve Fund from the east campus electrical upgrades in the amount of \$1,800.65. There were decreases due to deposit errors in the wrong project account for the OSH fire alarm and sprinkler system project, and the project to create and repair the existing pedestrian and bike paths.

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

Kent Beers presented the Utah State University administrative report for the period for November 7, 2007 to December 12, 2007. There were nine professional contracts and five construction contracts awarded for the period. The Contingency Reserve Fund was reduced by \$17,264.00 and \$53,930.90 was added to the Project Reserve Fund. The UWRL Hydraulics Laboratory was added to the Delegate Projects list. Of the 79 current delegated projects, 20 are in the design/study phase, 32 in construction, 20 substantially complete, five are complete and two are pending.

MOTION: Mel Sowerby moved to approve the administrative report for Utah State University. The motion was seconded by Cyndi Gilbert and passed unanimously.

□ ADMINISTRATIVE REPORTS FOR DFCM

Kent Beers presented the administrative report for DFCM for the period of October 31 to December 7, 2007.

Of the construction contracts awarded, the Heber Wells Building Elevator Upgrade and Office of Education Elevator Upgrade were both approved on an invitational bid basis due to the specialized work. The balance of the construction budget will be transferred to the project reserve fund.

There were decreases to the Contingency Reserve Fund including a transfer of \$2,297,480.45 due to the State's share of the settlement agreement with Okland Construction, and also change order #41 to add power to one elevator and walls around the emergency generator enclosure to raise them. There were a number of change orders and costs that were in dispute on the project and the settlement agreement determined there would be no additional cost overruns on the project, and that Okland would finish the project for the specified amount.

Alan Bachman and Lynn Hinrichs of DFCM have spent a considerable amount of time rewriting the CM/GC agreement. A draft is in the process of being reviewed by the institutions of Higher Education, the Association of General Contractors, and the American Institute of Architects.

□ ADJOURNMENT

The next Building Board meeting will be held on Thursday, January 31. The Board will meet as a whole in the morning and will meet with the Capital Facilities Government Operations Committee in the afternoon.

MOTION: Mel Sowerby moved to adjourn at 10:00am. The motion was seconded by Manuel Torres and passed unanimously.

**MINUTES OF THE
JOINT CAPITAL FACILITIES & GOVERNMENT OPERATIONS
APPROPRIATIONS SUBCOMMITTEE MEETING
THURSDAY, JANUARY 31, 2008, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present:

Sen. Scott K. Jenkins, Committee Co-Chair
Rep. Kevin Garn, Committee Co-Chair
Sen. Mike Dmitrich
Sen. Sheldon Killpack
Sen. Darin Peterson
Rep. DeMar "Bud" Bowman
Rep. Rebecca Chavez-Houck
Rep. Stephen Clark
Rep. Janice M. Fisher
Rep. Fred R. Hunsaker
Rep. Gordon Snow
Rep. Mark Walker
Rep. Bradley A. Winn

Staff Present:

Steve Allred, Fiscal Analyst
Richard Amon, Fiscal Analyst
Todd Wardrop, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present:

Larry Jardine, Building Board Chairman
Mike Perez, Associate Vice President, University of Utah
Darrell Hart, Associate Vice President, Utah State University
John Freeman, Deputy Director of Operations, Department of
Alcoholic Beverage Control
D. Gregg Buxton, Director, Division of Facilities Construction and
Maintenance
Richard Clarke, Maintenance Engineer, Department of
Transportation
Bill Juszcak, Maintenance Engineer, Department of Transportation
Kent Beers, Assistant Director, Division of Facilities Construction
and Maintenance
Greg Peay, Facilities Manager, Department of Corrections
Michael Styler, Executive Director, Department of Natural
Resources
Robyn Pearson, Deputy Director, Department of Natural

Resources

Dana Miller, Campus President, Southwest Applied Technology

A list of visitors and a copy of handouts are filed with the Subcommittee minutes.

Co-Chair Garn called the meeting to order at 2:15 p.m.

1. Welcome

Co-Chair Garn welcomed everyone to the meeting.

2. Building Board Comments - Larry Jardine, Board Chairman

Co-Chair Garn expressed appreciation to Mr. Jardine and the Board for their service. Chairman Jardine presented an overview of the responsibilities of the Building Board. He acknowledged DFCM for their assistance in preparing the Five-Year Building Program. Co-Chair Garn asked if the Building Board has the capacity to prioritize vacant parcels of land for a Land Banking program. Mr. Jardine responded positively and stated that he felt it is a critical issue. He assured Subcommittee members that there are members of his board well qualified with a background in real estate to accomplish this prioritization. Chairman Jardine introduced members of the Board in attendance.

4. "Other" Funded Capital Development Requests - Steve Allred, Fiscal Analyst

Analyst Allred reviewed points of information regarding these requests.

First, he stated that "Other"-Funded projects are those to be constructed with donations, federal grants, auxiliary revenues, restricted funds, or any other funding source that cannot be appropriated for general state purposes.

Second, UCA 63A-5-104 states that, with few exceptions, a capital development project may not be constructed on State property without legislative approval. All bonds backed by the State's credit must be approved by the Legislature.

Third, "Capital Development" is a project costing \$2.5 million or more, or any purchase of real property where an appropriation is requested.

Mr. Allred reminded Subcommittee members of the procedures regarding these projects. He also drew attention to a Budget Brief and an Issue Brief on Capital Developments in the binder.

University of Utah - Mike Perez, Associate Vice President

a. University of Utah Huntsman Cancer Hospital II-B

This request does not include State O&M, and there will be no future requests for funding. The financing source is a State Building Ownership Authority revenue bond.

b. University of Utah Neuropsychiatric Institute Expansion

This request does not include State O&M. Funding will be from fund raising and clinical revenues.

c. University of Utah Northwest Campus Parking Structure

This request does not include State O&M nor Capital Improvement funding. The financing source is a Board of Regents revenue bond.

d. University of Utah Arboretum Visitor Center Addition

The request for this project includes \$6,800 for increased State O&M. Mr. Perez reported that \$1.4 million has been donated to this project.

MOTION: Co-Chair Jenkins moved to approve the four projects presented by the University of Utah.

The motion passed unanimously with Sens. Killpack and Peterson and Rep. Winn absent for the vote.

Utah State University - Darrell Hart, Associate Vice President

e. Utah State University Business Building Addition

The request for this project includes \$350,000 in increased State O&M. The financing source is donations.

f. Utah State University Vernal Entrepreneurship and Energy Research Center

The request for this project includes \$360,000 for increased State O&M. The

financing source is donations.

g. Utah State University Early Childhood Education Research Center

The request for this project includes \$375,000 for increased State O&M. The financing source is a Board of Regents revenue bond backed by grants and donations.

h. Utah State University Hydraulics Laboratory Addition to Water Lab

This request does not include State O&M. The financing source is internal loans and grants.

i. Utah State University Structures Lab Enclosure

This request does not include State O&M. The financing source is an insurance claim.

Vice President Hart stated that in summary the University is requesting increased O&M on three projects and the total square footage of all five projects at a cost of \$78,450,000. He reported that these projects represent program growth at Utah State, and that last year was the biggest Freshman class in the history of the school. He also stated that donations received are driven by need.

MOTION: Rep. Hunsaker moved to approve the five projects presented by Utah State University.

The motion passed unanimously with Sen. Killpack and Reps. Walker and Winn absent for the vote.

Rep. Hunsaker declared a potential Conflict of Interest.

Alcoholic Beverage Control, John Freeman, Deputy Director of Operations

All projects to be financed with revenue bonds.

j. Alcoholic Beverage Control Cedar City Liquor Store Replacement

The request for this project includes \$19,200 for increased O&M.

k. Alcoholic Beverage Utah County North Liquor Store

The request for this project includes \$38,300 for increased O&M.

l. Alcoholic Beverage Control Washington County North Liquor Store

The request for this project includes \$31,900 for increased O&M.

m. Alcoholic Beverage Control Summit County Heber/Midway Liquor Store

The request for this project includes \$31,900 for increased O&M.

n. Alcoholic Beverage Control Utah County South Liquor Store

The request for this project includes \$38,300 for increased O&M.

Subcommittee members discussed the issue of increased design cost and construction of these projects. They questioned why the design cost was so high when the buildings are all basically prototypical with some exterior changes to reflect the area where they are located. Deputy Director Freeman stated that inflation has been built in to the estimates to allow for rising costs of design and construction. He agreed to review the numbers on the projects with DFCM, especially the design costs.

Co-Chair Jenkins requested detailed plans and costs of the last building built by the DABC. Mr. Freeman agreed to provide Subcommittee members with this information. Co-Chair Jenkins also stated that he would like to review a summary of the square-foot costs of all State buildings. D. Gregg Buxton, Director, DFCM, will present information in a future meeting explaining the process of determining costs of State buildings.

MOTION: Sen. Dmitrich moved to approve the five projects presented by Alcoholic Beverage Control.

Sen. Dmitrich withdrew his motion.

MOTION: Rep. S. Clark moved to go to the next agenda item.

The motion passed unanimously with Sens. Killpack and Peterson and Reps. Walker and Winn absent for the vote.

o. Department of Transportation Hurricane Maintenance Station - Richard Clarke and Bill Juszczak, Maintenance Engineers

Mr. Juszczak distributed a handout showing the project description. Mr. Clark stated that the cost can be partially offset by the sale of the existing Hurricane site and the excess land at the new location. The request for this project does not include increased State O&M.

Subcommittee members questioned the cost of site development and the consensus was that site development should not be included in the design fee. Mr. Clark was asked to provide to the Subcommittee the breakout difference between site development costs and prototype costs.

Kent Beers, Assistant Director, DFCM, responded to questions about design costs and square footage costs. He explained the position of DFCM regarding lease revenue bonds. He stated that the cost of property sometimes drives the costs in other areas higher. He stated that the Division is willing to take direction from the Subcommittee concerns.

MOTION: Sen. Killpack moved to approve the Department of Transportation Hurricane Maintenance Station request.

The motion passed unanimously with Sens. Dmitrich and Peterson and Reps. Walker and Winn absent for the vote.

p. Department of Corrections Chill/Cook Kitchen at Draper Prison - Greg Peay, Facilities Manager

Manager Peay stated that this project is not on the Governor's budget list, and that he is presenting this project as an informational item only. He stated that the Department is hoping to come back next year with a full report and a request for funding.

Mr. Peay responded to questions from Subcommittee members. Rep. Snow questioned the method of financing with revenue bonds.

No action was taken on this request.

MOTION: Rep. Bowman moved to approve the minutes of the meeting held January 30, 2008.

The motion passed unanimously with Sen. Dmitrich and Reps. Fisher and Winn absent for the vote.

q. Department of Natural Resources Uintah County Regional Center - Mike Styler, Executive Director and Robyn Pearson, Deputy Director

This request was submitted too late to be reviewed by the Building Board.

Executive Director Styler presented the Subcommittee with intent language regarding this project and asked for approval.

Director Styler explained why the project was not brought before the Building Board for review and responded to questions from Subcommittee members. Deputy Director Pearson explained the ownership issue and the right to use issue regarding the building currently housing the Department in Uintah County. DFCM Director Buxton explained that the Division has been doing a title search on the property. Rep. Snow stated that this is not a black and white issue and it needs to be resolved before decisions can be made on the project.

The Directors stated that they have been in this building for 25 years and have outgrown the space there.

MOTION: Rep. S. Clark moved to approve the following intent language for the Department of Natural Resources Uintah County Regional Center and to give permission to the Department to move forward if the Building Board approves that the action is beneficial to the State, and if DNR reports to the Executive Appropriations Committee first:

It is the intent of the Legislature that the Division of Facilities Construction and Management, acting on behalf of the Department of Natural Resources, may enter into a lease purchase agreement with Uintah County to provide needed space for agency programs in the area if the Department of Natural Resources obtains the approval of the State Building Board.

The motion passed unanimously with Sens. Dmitrich and Peterson and Reps. Walker and Winn absent for the vote.

r. Southwest Applied Technology Building - Dana Miller, Campus President

This request was submitted too late to be reviewed by the Building Board.

Assisting in the presentation was Kirt Michaelis, Vice President of Administrative Services. President Miller explained that Southwest ATC requests permission to use lease funds to enter into an agreement with a private party/developer to build an Automotive Technology facility on State-owned property and to enter into a lease-purchase agreement.

Rep. Snow again expressed concern with the lease-purchase option. Co-Chair Garn stated his belief that the method of financing this request is in question.

Mr. Miller stated that the contractor would have to agree to sell the building to the State before construction was begun.

Rep. Bowman praised President Miller for his accomplishments in the growth of the program there in Cedar City and stated his support for this request.

President Miller explained that Southwest ATC has \$108,000 (ongoing) in its current budget to commit to the new lease and has requested an additional \$212,000 in on-going lease funds from the 2008 Legislature for the project.

MOTION: Rep. Bowman moved to approve the request for the Southwest Applied Technology Building on condition that \$212,000 is appropriated to the UCAT budget.

Subcommittee discussion ensued regarding optional funding methods and concerns about similar requests of this nature coming to the Subcommittee. Rep. Snow questioned the unknown cost of the building. Co-Chair Garn stated that he felt it was a dangerous precedent to set in approving a project without sufficient detail.

SUBSTITUTE MOTION: Rep. S. Clark moved to adjourn. The motion passed unanimously with Sen. Dmitrich and Reps. Fisher and Winn absent for the vote.

The meeting was adjourned at 4:07 p.m. by Co-Chair Garn.

The minutes were reported by Bonnie Brinton.

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Sen. Scott K. Jenkins
Committee Co-Chair

Rep. Kevin Garn
Committee Co-Chair