

# Utah State Building Board



## MEETING

December 6, 2017

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### MINUTES

#### Members in Attendance:

Ned Carnahan, Chair  
Chip Nelson  
Gordon Snow  
Joe Burgess  
Wendell Morse  
Joe Ligori

#### Guests in Attendance:

Mike Kelley	Attorney General's Office
Jeff Reddoor	Building Board
Patty Yacks	Building Board
Mike Smith	Building Board
Tyson Gregory	Building Board
Tani Downing	Department of Administrative Services
Dorothy Taylor	Department of Administrative Services - DFCM
Lee Fairbourn	Department of Administrative Services - DFCM
Nick Radulavich	Department of Administrative Services - DFCM
Jim Russell	Department of Administrative Services - DFCM
Cade Meier	Department of Alcoholic Beverage Control
Sal Petilos	Department of Alcoholic Beverage Control
Don Brinkerhoff	Department of Human Services
Debbie Whitlock	Department of Human Services - DJJS
Cecil Robinson	Department of Human Services - DJJS
Jolene Chamberlain	Department of Public Safety - Fire Academy
Miranda Jones	Governor's Office of Management and Budget
Kevin Griffin	Utah Department of Transportation
Sid Painar	AJC Architects
Steve Kieffer	Big D Construction
Fran Pruy	CRSA
Jodi Geroux	FFKR Architects
Trenton Jones	FFKR Architects
Tracy Neale	GSBS Architects

Jeff Palmer	Layton Construction
Karen Abarca	Marketlink
Lindsay Balling	Reaveley Engineers
Malin Francis	Salt Lake Community College
Deneece Huftalin	Salt Lake Community College
Bob Askerlund	Salt Lake Community College
Tiger Funk	Southern Utah University
Brittany Punjabi	Spectrum Engineers
Ken Nye	University of Utah
Ben Berrett	Utah State University
Rich Amon	Utah System of Higher Education
Joseph Demma	Utah System of Technical Colleges
Tyler Brinkerhoff	Utah System of Technical Colleges
Mark Halverson	Weber State University

On Wednesday, December 6, 2017, the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol, in Salt Lake City, Utah. The meeting was called into order at 9:00 am.

**□ APPROVAL OF MINUTES FROM THE NOVEMBER 7, 2017 BOARD MEETING**

Chair Carnahan asked for comments or corrections to the minutes from the November Board Meeting, two corrections were identified. The first correction is to Item 10 (page 5) FY19 Capital Development Projects: Salt Lake Community College's Jordan Campus Student Center. Mr. Snow indicated that he would like to see the comments on student fees and cost per square feet to be reflected in the minutes. The second correction is on paragraph 2 (page 2), which states that Mr. Morse owns a private construction firm. This will be corrected to reflect that Mr. Morse owns a private design and consulting firm.

**MOTION: Mr. Nelson moved to table the approval of the Minutes from the November 7, 2017 Board Meeting until the next scheduled meeting. The motion was seconded by Mr. Burgess and passed unanimously**

Chair Carnahan diverted from the scheduled agenda for Joe Ligorì to take his Oath of Office. After Mr. Ligorì was sworn in, he took his position on the bench. Chair Carnahan then proceeded with the agenda.

**□ DHS: DIVISION OF JUVENILE JUSTICE SERVICES – REQUEST FOR PROGRAMMING OF THE SALT LAKE MULTI-USE YOUTH CENTER**

Ms. Whitlock, DJJS Deputy Director; Mr. Robinson, DJJS Administrative Services Director; and Mr. Childs, Project Architect presented a request to conduct programming for the Salt Lake Multi-Use Center. The current facility, the Wasatch Youth Center, was built in 1962 and is one of the oldest facilities in the DJJS system. Seismic studies from two engineering firms were completed on the Wasatch Youth Center, which identified significant structural issues with the facility. These issues pose safety risks to the youth residents and DJJS employees that occupy the building. JRCA Architects has performed an in-depth feasibility analysis, which determined that remodeling these facilities is neither cost effective nor recommended. Instead, DJJS would like to move forward with demolishing the Wasatch Youth Center and rebuilding a multi-use center on the current site. Additionally, DJJS's Decker Lake facility will be sold and operations from this facility will be moved to the new multi-use center. This consolidation is expected to save \$2.7M annually and improve efficiency. This project will cost an estimated \$39M to complete. DJJS anticipates

contributing approximately \$5.5M in funds from sale of two facilities, Decker Lake (located in West Valley City) and Weber Valley Detention Center (located in Roy). Today's request is for DJJS to proceed with programming for this project using agency general funds. The cost for programming is approximately \$400K. There is currently not a set sale date for these properties; however, Roy City has expressed their intention to purchase the Weber Detention Center. The \$39M project cost does not reflect the two potential sales. There was discussion on whether the funds from these sales could go back to DJJS for future use. Mr. Kelley, Board Counsel, cited 63A-5-215 (2).

Mr. Snow inquired what analysis has gone into the proposed 40-bed count. Ms. Whitlock explained that changes in juvenile justice reform will reduce the number of youths that serve time in these facilities and that 40 beds is projected to meet DJJS's needs over the next ten years. Additionally, design criteria will be included in the facility to allow for an additional housing pod with minimal disruption if needed.

**MOTION: Mr. Nelson moved to approve the request for programming of the Salt Lake Multi-Use Center contingent that DFCM oversee the programming process. The Board also requests that DJJS report to the Board at a future meeting once programming is complete. The motion was second by Mr. Burgess and passed unanimously.**

Chair Carnahan diverted from the scheduled agenda. Item 9, University of Utah's Research Addition to the Orthopaedic Center was presented next.

**☐ UNIVERSITY OF UTAH: RESEARCH ADDITION TO ORTHOPAEDIC CENTER**

Director Reddoor clarified that this non-State funded remodeling project falls under the Board's purview to approve for construction. The total cost of the project is approximately \$3M and no funds for capital improvement or O&M will be requested. This project is included in the University of Utah's Master Plan.

**MOTION: Mr. Snow moved to approve construction for the University of Utah's Research Addition to the Orthopaedic Center. The motion was second by Mr. Morse and passed unanimously.**

**☐ FY19 LAND BANK PRIORITIZATION: STATE COURTS SIXTH DISTRICT COURTHOUSE AND DEPARTMENT OF PUBLIC SAFETY UTAH FIRE AND RESCUE ACADEMY RELOCATION LAND BANK**

The IGG has requested the Board to prioritize the land bank requests received this year. Courts will work with DFCM to explore the option of funding their land bank request through the Land Option Fund Account. Mr. Russell confirmed that the request has increased from \$250K to \$300K. DFCM offered to present to the Board with a Notice of Intent once a property has been selected. The Board has concerns with DPS's Utah Fire and Rescue Academy Relocation request. The current lease has approximately seven years remaining and there is a concentration of commercial development occurring at the old Geneva Steel site. Mr. Snow also suggested that the academy explore collaborating with one of the colleges in the USTC system.

Due to the possibility of State Court's request being potentially funded by DFCM and the current concerns with DPS's request the Board elected to postpone the prioritization until January's meeting. DFCM has agreed to present an update on State Court's request in January's meeting. Additionally, the Board will also schedule DPS to present in January's meeting to address questions and concerns regarding their land bank request.

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**MOTION:** Chair Carnahan moved to table the FY19 Land Bank Prioritization until the January meeting due to the abovementioned concerns. The motion was second by Mr. Snow and passed unanimously.

**☐ FY19 NON-STATE FUNDED CAPITAL DEVELOPMENT REQUESTS**

The following requests were reviewed for recommendation to the Legislature.

**Department of Alcohol Beverage Control: Pleasant Grove – Lehi Market Area Store and the Reconstruction of Store 4 – Foothill**

Mr. Petilos stated that the Pleasant Grove request is essential to grow DABC's building program in order to meet continued demand. The DABC is 18-19 stores under what quota currently allows for. However, it is important that stores are sustainable once in place. The project will be paid with a revenue bond. Ongoing funds will be requested from the Legislature for O&M.

**MOTION:** Mr. Nelson moved to recommend both the Department of Alcohol Beverage Control's Pleasant Grove – Lehi Market Store and the Reconstruction of Store 4- Foothill to the Legislature for bonding approval. The motion was second by Mr. Ligori and passed unanimously.

**Weber State University: Davis Campus Computer and Automotive Engineering Building**

Mr. Halverson stated that this request is donor funded and that \$10M has been raised to date. Today's request is to proceed with programming. Ongoing funds will be requested from the Legislature for O&M.

**MOTION:** Mr. Burgess moved to approve programming for Weber State University's Davis Campus Computer and Automotive Engineering Building and to recommend the request to the Legislature for ongoing funds to be used for O&M. The motion was second by Mr. Morse and passed unanimously.

**University of Utah: South Campus Student Housing and Dining Services**

Mr. Nye presented the request for a revenue bond to pay for project costs as well as O&M.

**MOTION:** Mr. Morse moved to recommend the University of Utah's South Campus Student Housing and Dining Services to the Legislature for bonding approval. The motion was second by Mr. Nelson and passed unanimously.

**Salt Lake Community College: Jordan Campus Student Center**

President Huftalin presented the request for approval of a revenue bond of up to \$16M for SLCC's Jordan Campus Student Center. Additionally, SLCC has acquired \$10M in student fees for this project. SLCC is seeking to obtain bonding approval prior to beginning programming, which is estimated to cost between \$700-800K. The bond would be purchased for the amount identified after programming has been completed.

The Board expressed concerns regarding the CBE's they have received for this project. The first, created last November indicated a \$26M. SLCC has worked with DFCM to produce a CBE with a total project cost of \$16M. President Huftalin stated that the first CBE was designed around building a new facility. The \$16M CBE is designed around remodeling an existing building. Mr. Russell also stated that there was some confusion on how the secured funds were represented on the CBE. SLCC will be requesting bonding approval of up to \$16M in conjunction with the \$10M secured for this project. At this time, the total project cost is estimated to be between \$20M-\$26M.

Mr. Snow expressed concerns that the project isn't well-defined at this time and that SLCC should explore funding this project through the state-funded Capital Development process. Mr. Amon and Mr. Russell confirmed that it is not unusual for an institution to request bonding approval from the Legislature without a program in place. President Huftalin confirmed that O&M for the student center will be paid through a funding model that consists of using a portion of student fee dollars for O&M. President Huftalin also confirmed that SLCC pays rent for administrative office space in student centers; generating revenues back to students. Director Reddoor confirmed that there is a statutory requirement that the institution must establish a funding plan for lifetime O&M of the facility once programming has been completed. There was discussion on the size of the facility, at 45,000 sqft., and having these student services already available at SLCC's Redwood campus. Mr. Russell stated that SLCC is projecting that the Jordan campus will become the main campus for their institution and that the size is to accommodate future growth.

There are concerns regarding the total cost per square feet at approximately \$570/sqft.. Mr. Russell stated that this cost is aligned with other development projects and cited the rising cost of construction. He also stated that SLCC's decision to explore renovating existing space, rather than building new is a sign that the institution is making an effort to address this concern.

Mr. Snow addressed a concern that SLCC does not have the requirement to report back to the Board once their recommendation has been given for this project. President Huftalin agreed to report back to the Board once programming has been defined to address this concern.

**PROPOSED**

**MOTION:** Mr. Morse moved to recommend Salt Lake Community College's Jordan Campus Student Center to the Legislature for bonding approval up to \$16M. This recommendation is contingent upon a conservative program being completed and approved by DFCM. The bonding request shall reflect the amount determined once programming is complete. With no second to this motion, it fails.

**PROPOSED**

**MOTION:** Mr. Snow moved to not recommend Salt Lake Community College's Jordan Campus Student Center to the Legislature for bonding approval up to \$16M and strongly encourages Salt Lake Community College to use institutional funds to begin preprogramming in order to better define the project. With no second to this motion, it fails.

**MOTION:** Mr. Morse moved to recommend Salt Lake Community College's Jordan Campus Student Center to the Legislature for bonding approval up to \$16M. This recommendation is contingent upon a conservative program being completed and approved by DFCM. The bonding request shall reflect the amount determined once programming is complete. Salt Lake Community College will report back to the Board once programming has been completed as an informational item. The motion was second by Mr. Nelson and passed with a 3-2 vote.

**IN FAVOR:** Mr. Nelson, Mr. Burgess, Mr. Morse  
**OPPOSED:** Mr. Snow, Mr. Ligori

**Utah State University: Phase II Space Dynamic Lab Building**

Mr. Berrett presented the request for a revenue bond for Phase II of the Space Dynamics Lab, which will cost approximately \$31.3M and is 75,700 sqft. Programming has been completed.

**MOTION:** Mr. Morse moved to recommend Utah State University's Phase II Space Dynamic Lab Building to the Legislature for bonding approval. The motion was second by Mr. Burgess and passed unanimously.

**☐ FIVE-YEAR REVIEW OF R23-13: STATE OF UTAH PARKING RULES FOR FACILITIES MANAGED BY THE DIVISION OF FACILITIES CONSTRUCTION AND MANAGEMENT**

Mr. Kelley stated that no recommended changes have been received R23-13 and suggested that a Five-Year Notice of Review and Statement of Continuation be submitted.

**MOTION:** Mr. Nelson moved to approve the Five-Year Notice of Review and Statement of Continuation for R23-13: State of Utah Parking Rules for Facilities Managed by the Division of Facilities Construction and Management. The motion was second by Mr. Ligori and passed unanimously.

**☐ FIVE-YEAR REVIEW OF R23-22: GENERAL PROCEDURES FOR ACQUISITION AND SELLING OF REAL PROPERTY**

Mr. Kelley advised that possible amendments to this rule may be brought forward in upcoming legislation. At this time only minor technical changes have been made involving compliance with existing statute references.

**MOTION:** Mr. Snow moved to approve the Five-Year Notice of Review and Statement of Continuation for R23-22: General Procedures for Acquisition and Selling of Real Property. The motion was second by Mr. Burgess and passed unanimously.

**☐ ADMINISTRATIVE REPORTS FOR THE UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY**

Mr. Nye delivered the administrative report for the University of Utah. There were 16 professional service agreements and 7 construction contracts issued. There is one area to highlight for construction contracts:

- Items 6 and 7; Projects 22128, HCI Level 1 Grossing Lab and 22130, HCI Level 3 Anatomic Pathology While these are separate projects in every way, they are happening at the same time in the Huntsman Cancer Institute Building. In order to avoid coordination issues with two contractors in the same building at the same time (although on different floors), the bidding of these projects was coordinated to result in the same contractor being selected for both projects.

There is an increase of \$32,748 to the Project Reserve Fund that reflects residual balances in capital improvement funds. This leaves a balance of \$797,480 in the account, which is considered adequate to meet anticipated demands for authorized projects.

There are no increases to the Contingency Reserve Fund and a small decrease of \$8,585 to cover small unforeseen conditions and design errors. Analysis indicates that the current balance of \$3,164,718 is adequate to complete the projects that have been authorized and it does not reflect an excess balance. The balance is currently at a high point as FY18 funding has been moved into the Contingency Reserve and FY18 projects have not yet started construction.

Mr. Berrett delivered the administrative report for Utah State University. There were 3 professional service agreements and 8 construction contracts issued. There is one area to highlight for professional contracts:

- Item 1: Design services have been awarded for a trail through the Brigham City Campus

One project contributed \$8,767 and 3 projects needed funds (\$20,255) from the contingency reserve fund during this reporting period. Based on an internal risk assessment, the University finds the balance of \$92,185 to be adequate.

One project contributed \$3,127 the project reserve fund during this reporting period. Based on an internal risk assessment, the University finds the balance of \$588,086 to be adequate.

#### **❑ ADMINISTRATIVE REPORT FOR UDOT**

Mr. Griffin presented the administrative report for the Utah Department of Transportation. Four new salt sheds have been designed and advertised under one bid package for the benefit of economy of scale. These shed are located at:

- I-80 MP40 @ Knolls
- Boulder Satellite Maintenance Station
- Mt Carmel Maintenance Station
- I-70 Exit 108 Lone Tree

The bid for this project has come in at \$150K over budget. UDOT has agreed to provide additional funding to cover the bid. These projects are expected to be completed by the end of the fiscal year.

A new location is currently being considered for the Salt Lake West Maintenance Facility as contaminants in the soil have been discovered in the proposed Godfrey Trucking site, deeming it unsuitable for this project. UDOT currently owns the property; however, an element of this project is to sell the land as excess property. Three alternative sites are currently being considered. Construction is anticipated to begin next fiscal year.

An emergency repair to the sewer system at the Tie Fork Rest Area is currently being finished. The bid for the project came in at \$250K over the estimate, which was funded out of UDOT's Land and Building funding.

The Cottonwood Maintenance Facility is approximately 95% complete. This is the largest maintenance facility in the UDOT system and has dedicated space for avalanche crews. The facility has 12 bays total.

The Snowville Maintenance facility is currently under construction. UDOT and DFCM advertised the project and the lowest bid was \$700K above the estimate. Project was awarded to Hughes Construction. UDOT will make up the difference using available funds from the sale of the Clinton Maintenance Station and UDOT Code One funding if needed. 10-15 completion sewer line

The new Morgan Maintenance Station is 100% complete. The Region has moved into the new facility. The old Morgan Maintenance Station will be sold as soon as possible to provide funding for next fiscal year projects.

The new Monticello Port of Entry Inspection Building is 100% complete and a Certificate of Occupancy is pending.

The new Daniels Port of Entry inspection building is 95% complete. Construction should finish within the weeks. Certificate of Occupancy will follow shortly.

Mr. Griffin stated that UDOT will be returning to the Board within the next few months to present a request for the replacement of the Milford Maintenance Station.

**❑ ADMINISTRATIVE REPORT FOR DFCM**

Mr. Russell presented the administrative report for the Division of Facilities Construction Management and introduced Mr. Radulovich, DFCM's new Assistant Director and precedes Mr. Whittington.

There are no significant updates to the lease report. In October 44 Professional Services Agreements were issued and in November 24 Professional Services Agreements were issued. There were 60 construction contracts issued in October and 22 issued in November.

In October, the Capital Development Contingency Reserve Fund started period with \$3,472,827 and ended with \$5,449,511 with increase/adjustments of \$2,846,816 and 5 transfers to projects totaling \$870,132. In November, the account started period with \$5,449,511 and had increases/adjustments of \$83,268 and 4 transfers to projects totaling \$142,430, ending with a balance of \$5,390,349.

In October, the Capital Improvement Contingency Reserve Fund started period with \$4,970,875 and ended with \$4,978,955, with 14 increases of \$416,782 and multiple transfers to projects totaling \$408,702.

- This transfer of \$84,300 is the annual transfer to the DFCM Admin Budget per Legislative Appropriation

In November, the account started period with \$4,978,955 and ended with \$6,001,657, with 6 transfers to projects totaling \$36,719 and multiple transfers to the fund of \$1,059,421.

The Contingency Reserve Fund Analysis is a quarterly report for the State Building Board, which shows an analysis of estimated future demands on the contingency reserve fund. This reserve fund only applies to projects funded with State General funds, education funds, or general obligation bonds. The current projection is a small excess of \$101,970. This is an improvement from the September projection of a deficit of (\$998,815).

In October, the Capital Development Project Reserve Fund started with a balance of \$1,066,122 and had one decrease of \$501,065 ending with a balance of \$565,057. The Capital Improvement Project Reserve Fund had 12 transfers to the fund totaling \$607,824 and 2 transfers from the fund of \$277,702, ending with a balance of \$6,381,309.

In November, the Capital Development Project Reserve Fund had no decreases and one 2 increases of \$2,967,637 ending with a balance of \$3,532,695, while the Capital Improvement Project Reserve Fund had multiple transfers to the fund of \$1,473,422 and 2 transfers out totaling \$61,266, ending with a balance of \$7,793,464.

- Intent language was approved last year that allows DFCM to transfer excess Project Reserve and Contingency funds to the new correctional facility project. It is projected that approximately \$5.5M in reserves will go to this project. Additionally, serious ADA issues have been identified for the SUU Business Building project. \$900K will go to this project along with SUU contributing their share of this cost.

There was discussion on best-intended use regarding the transfer of potential excess capital improvement funds to the correctional facility project. DFCM agreed to present an update on this project to the Board in an upcoming meeting.

**❑ ADJOURNMENT**



**MOTION: Mr. Nelson moved to adjourn the meeting. The motion was second by Mr. Ligori and passed unanimously.**

The meeting adjourned at 11:30 am.