

**MINUTES OF THE  
INFRASTRUCTURE AND GENERAL GOVERNMENT  
APPROPRIATIONS SUBCOMMITTEE MEETING**

Room 445, State Capitol

February 5, 2013

Members Present:        Sen. Wayne A. Harper, Co-Chair  
                                 Rep. Gage Froerer, Co-Chair  
                                 Rep. Jacob L. Anderegg, House Vice-Chair  
                                 Sen. Lyle W. Hillyard  
                                 Sen. David P. Hinkins  
                                 Sen. Scott K. Jenkins

                                 Sen. Peter C. Knudson  
                                 Sen. Karen Mayne  
                                 Sen. Kevin T. Van Tassell  
                                 Sen. Evan Vickers  
                                 Rep. Johnny Anderson  
                                 Rep. Kay J. Christofferson  
                                 Rep. Lynn N. Hemingway  
                                 Rep. John Knotwell  
                                 Rep. Douglas V. Sagers  
                                 Rep. R. Curt Webb  
                                 Rep. John R. Westwood

Members Absent:  
Rep. Janice M. Fisher

Staff Present:  
Mr. Mark Bleazard, Legislative Fiscal Analyst  
                                 Mr. Gary Ricks, Legislative Fiscal Analyst  
                                 Ms. Cami Deavila, Secretary

Note: A list of visitors and a copy of handouts are filed with the Subcommittee minutes. A copy of related materials and an audio recording of the meeting can be found <http://le.utah.gov/asp/interim/Commit.asp?Year=2013&Com=APPIGG>

**1. Call to Order/No minutes to Approve**

Co-chair Froerer called the meeting to order at 7:34 a.m.

**2. UDAF/UDH/DPS Module #2 of the Unified State Laboratory**

Lance Davenport, Commissioner, Utah Department of Public Safety, stated three departments pooled money to pay for programming the two modules of the Unified State Laboratory. The request is for \$35.62 million in funding for module two which will contain the Public Safety Crime Laboratory, Agricultural Laboratory and the State Medical Examiner. Mr. Davenport recapped reductions in the project to reduce costs. Mr. Davenport touched on the different functions that take place in the different labs, including the Public Safety Crime Lab, Office of the Medical Examiner, and the Agriculture Lab. There are safety concerns in the building and

federal standards are not being met which makes decertification a possibility. There would be considerable cost savings and work flow improvements in constructing the module two building.

Rep. Hemmingway asked what the Agriculture Lab does. Kyle Stephens, Deputy Commissioner, Utah Department of Agriculture and Food, replied the department oversees feeds, fertilizers, pesticides, dairy products, and food products. The department handles food safety and quality assurance.

Co-chair Froerer recommended the committee tour the crime lab and see the outdated building. The service performed keeps the bad guys in prison and good guys out of prison.

### **3. Department of Human Services Admissions & Durable Housing**

Guy Thompson, Superintendent, Utah State Developmental Center, stated the request is for the secured State facility and introduced Keith Davis, Director of Administrative Support, Department of Human Services. Mr. Davis stated the project would replace an existing building that houses support needs. The building is outdated, has been abused by clients, and is not large enough. The building requested has about 14,270 square feet and no programming or design has been done on the building.

Mr. Thompson added the current building was built in 1967 and houses the most violent patients from all Counties in the State. The building will house individuals that need help gaining control of their lives but shouldn't necessarily be in jail. Mr. Thompson addressed the safety concerns of the building. Currently, there are 1,800 people on a waiting list for services. The center is licensed for 265 beds and currently has 215 people living there. The cost would be minimal to the State as the property has already been purchased and the utilities are subbed in.

Sen. Jenkins asked if the parents are charged for services when a violent person is received at the facility or if expenses are totally covered by Medicaid. Mr. Thompson stated parents do not pay for service; it is a Medicaid funded facility. The State pays \$1 and the Federal Government reimburses \$3.

Rep. Christofferson asked why there were 265 beds and only 215 were occupied and what will become of the old facility. Mr. Thompson replied the building is not up to code and therefore patients cannot be housed in it and the building will be torn down. Rep. Christofferson asked what the net increase in beds would be. Mr. Thompson answered the number of beds would stay the same.

Co-chair Harper asked for clarification that the programming was not done and asked how long it would take to do the programming and design. Mr. Thompson stated 8-10 months. Co-chair Harper asked why the facilities are located in American Fork, not Provo. Mr. Thompson replied the infrastructure is already in American Fork, such as therapists and security; and the property is already purchased.

Rep. Knotwell asked what the average length of time someone stays at the facility and what the additional O&M costs would be. Mr. Thompson replied there are people that have lived their entire lives there but generally a year while they are stabilized and learn to cope with society. There should not be an increase in O&M.

Sen. Mayne stated that while working for Granite School District, the number of children with behavioral issues increased every year.

Rep. Webb wanted clarification that the department dealt with the mentally disabled not the mentally ill. The population has changed from serving kids to serving violent adults and the buildings are not designed for this population group.

Rep. Anderegg stated that he has taken youth groups to do service projects at this facility and knows first hand the buildings are old and in disrepair.

#### **4. Non State Funded Project Requests**

##### **a. Southern Utah University Center for the Arts**

Dr. Michael T. Benson, President, Southern Utah University (SUU) stated this project is funded by private donations. The center will combine a new replacement theater for The Shakespeare Festival and a museum of art. The State Building Board has approved the project. To date \$25 million has been committed to the project. Pres. Benson gave an overview of the impact the Festival has on the local economy. Cedar City has put in \$3 million and Iron County has put up \$2 million for the project. The total cost is \$30 million broken down into two phases. No State O&M will be required, it will be funded through a small increase in tickets prices and there will be no student fee increases.

Sen. Vickers spoke to the impact of the festival to the local economy.

##### **b. University of Utah Basketball Training Center**

Dr. Chris Hill, Director of Athletics, University of Utah, stated the men's and women's basketball teams would be able to practice in a facility that is up to date with the new facility. The current facility was built in 1969 before women's programs and title IX. Nothing will have to be done to the existing gymnasium. The project will take \$23.6 million to build and no State O&M funding will be needed and no student fees will be involved. Donors and athletic department funds will pay for the bonds. The building will have 50 years longevity.

Sen. Vickers asked where funding was at; is the money in the bank, or are there just commitments. Dr. Hill Replied the bonds would be paid for by increased revenue from television money and the PAC 12. Fundraising will raise half of the amount needed.

##### **e. University of Utah Kennecott Building Renovation + Phase II**

Richard Brown, Dean of Engineering, University of Utah stated the current Kennecott building has serious seismic problems. The amount of research has grown from \$25 million per year to \$81.5 million in the last decade and there is a serious need for more space. The request is for approval to go forward with phase two. The renovation will have 25,000 square feet of new space and a remodel of 17,000 square feet. The phase two costs are \$11 million. The project will need State O&M of \$229,000. The project received \$2 million from Kennecott Copper, more than \$1 million in gifts and the remainder is coming from the College of Engineering.

#### **f. University of Utah Utility Distribution Infrastructure**

Jim Russell, Program Director, Division of Facilities Construction and Management, introduced David Wesemann, Design Team Leader, Spectrum Engineers. Mre. Wesemann gave the committee an update on the \$85 million electrical infrastructure upgrade project.

Porter McDonough, Project Manager, Layton Construction, presented the committee with an update on the construction portion of the project. Mr. McDonough stated there are three phases to the project. \$35 million was allocated last year. The project needs an additional \$64 million in funding to be completed.

Michael G. Perez, Associate Vice President, Facilities and Maintenance, University of Utah, stated the additional request is for \$64 million to complete the project; \$8.4 million for the high temperature water and \$55.6 million for the electrical. One idea to service the project is to issue either a revenue bond or a geo bond. The second issue is having sufficient funding for O&M and R&R.

Co-chair Harper asked if the \$64 million funding this year, in addition to the funds from last year would complete the infrastructure project and updates. Also, what guarantee will the committee have that the infrastructure will be maintained properly. Mr. Perez stated with the revenue bond logic, they can have a rate structure which will provide a margin, much like a utility company, that will provide ongoing O&M and R&R. Co-chair Harper added that traditionally, State O&M would be \$3.9 million and if they are asking for that. Mr. Perez stated they are asking for \$3.9 million ongoing fuel and power, which is the revenue source to retire the debt. University Auxiliary Operations would be contributing at the same rate to fund the debt service.

Co-chair Froerer stated that constructions costs are at about 38-40 percent, and asked if the job is at the same rate of completion. Mr. McDonough stated the project is less than that in the scope of work. All the equipment for the substation has been procured and the contract work is about 10-15 percent complete.

#### **g. Utah State University Aggie Life Wellness Center**

Stan L. Albrecht, President, Utah State University (USU) introduced all the projects the university will be requesting and introduced Dave Cowley, Director of Facilities and Construction, Utah State University. Mr. Cowley stated the student body president initiated the Life Wellness Center in 2009. The building would contain a fitness center, basketball and

volleyball courts, pool, a multi activity court, health themed café, and study and media rooms. It will also house the outdoor recreation program and campus recreation, which is responsible for the intramural programs. The cost estimate is \$30 million and will be 100,000 square feet of space. State funds will not be required to build or for O&M. The source of funding is from student fees. The agreement with the students is a \$75 fee; \$25 was implemented this fiscal year and supported the Legacy Fields Project. The other \$50 doesn't go into effect until the building is completed. The university will pursue donors and naming opportunities to reduce fees charged to students.

Rep. Anderegg asked for clarification that the increased fee to students was only \$50 and asked if it is the total fee charged per semester and will the total portion go to O&M. Mr. Cowley stated the total fee per semester is in the \$400 range and the existing fees are committed to several different areas. Rep. Anderegg asked if the fees are likely to go back down. Mr. Cowley stated that the fees would not likely go down.

Rep. Vickers asked how long the bond was for. Pres. Albrecht answered 30 years.

Rep. Sagers asked if the \$300 per square foot included the interest rates on the bond or if it was just construction costs and if that was a reasonable rate for that type of structure. Mr. Cowley stated the \$30 million is for construction and all the equipment that will go into the building, such as fitness equipment. Rep. Sagers asked what the life expectancy of the equipment was. Mr. Cowley stated the fee was set to provide sufficient money to pay for debt service, O&M on an ongoing basis and a reserve account for replacing equipment.

#### **h. Utah State University Tooele Science & Technology Building**

Mr. Cowley introduced the Tooele project. The Tooele campus has seen significant growth and is in need of a new classroom building. The project cost is \$8 million and the building will have 28,000 square feet. There will need to be an increase in State O&M for \$238,400. The source of funds is Regional Campuses and Distance Educational Departmental funds, the Tooele Regional Campus operations, and private donations that are currently being sought. The project has support from Tooele City and Tooele County.

#### **i. Utah State University Blanding Recreation Center**

Mr. Cowley stated that a new housing facility with 75 beds is currently under construction. The students asked for a multi purpose recreation court. The center will have space large enough for campus wide events. It is a single court to play basketball and volleyball with a small lobby. The cost estimate is \$900,000 with 7,000 square feet. The student fee increase was larger than the students and faculty felt good about. The project is in a holding pattern until the cost can be reduced or money raised. Students would be willing to donate a fee account to the project.

#### **j. Utah State University Space Dynamics Laboratory**

Mr. Cowley stated the project on the innovative campus does not need to be built but it does need Legislative bonding authority. The space lab has seen significant growth and all available space has been leased. A contractor has built a new building and offered it for lease. The entire building is needed and a lease will be written with a purchase option. USU would like bonding authority to purchase the facility.

Co-chair Froerer asked what size of bond is needed. Mr. Cowley replied \$15-\$20 million.

Co-chair Harper asked about O&M and if it was a revenue bond. Mr. Cowley answered there would be no State request for O&M and it is a revenue bond. The revenue pledge would be the research system. Co-chair Harper asked if it was a 30-year bond. Mr. Cowley stated it could be a 20-30 year, but it is looking like a 30-year bond.

Co-chair Froerer appreciates the concern in looking at student fees and balancing student needs with fees paid.

#### **k. Department of Public Safety Price Communications and Driver License Building**

Mr. Davenport stated there is a pressing need with the Department of Public Safety operations in Carbon County and the Driver License Office and Communication's Center of the Utah Highway Patrol. Mr. Davenport gave the committee an overview of dire working conditions and the need for an updated building.

Major Mike Rapich, Utah Highway Patrol presented the committee with pictures and a description of the problems in the current facility. One advantage of building near the current facility is the communication towers won't need to be relocated, which would be about \$250,000. The facility would be built on UDOT property. There is money in the current budget to pay for the building, which is estimated to be about \$1.2-\$1.8 million.

Mr. Davenport stated it has been difficult to find a suitable space in the area and has been an ongoing effort for a number of years. He also reiterated that relocating the communication towers would cost about \$500,000.

Co-chair Froerer asked for a recap on the number of agencies served by the communications towers. Major Rapich stated dispatch service for all of Southeastern Utah. It is the primary law enforcement and emergency services dispatch center for all of Carbon County, which provides 911 back up to the Uintah Basin. It also provides back up services to other law enforcement agencies in Grand and San Juan Counties.

Rep. Christofferson asked if the funding included a remodel for the driver license office. Mr. Davenport stated the new building will be a two-story building and the lower floor will house the driver license office. The upper story will be the communication center. Rep. Christofferson asked what would be done with the old building. Mr. Davenport replied UDOT might utilize the space for offices.

Rep. Sagers asked if excessive mold had been found while renovating the current building. Cheryl Searle, Commercial Real Estate Specialist, Division of Administrative Services, answered a small amount of mold was found but had been taken care of.

## **5. Land Banking Requests**

### **a. Courts Northern Utah Land Acquisition**

Alyn Lunceford, Facilities Director, Utah State Courts, asked for \$1.75 million to purchase 5-7 acres of land between Lehi and Eagle Mountain for a future court facility. Current land prices are \$5.75-\$8 a square foot. This is a future need, as the courts project courthouse needs 20-25 years out. Mr. Lunceford gave the committee an overview of the current courthouse uses and future courthouse projections throughout the State.

Sen. Jenkins stated the \$5.75-8 a square foot seemed to be high. Mr. Lunceford stated that it could be; to be in a city center they have to pay a little more.

### **b. Southern Utah University Residential Property 3.68 Acres**

David Tanner, Associate Vice President, Southern Utah University, stated SUU is landlocked and there are three areas available to purchase. The request is for 3.6 acres with a cost of \$2.72 million. The Center for the Arts property was appraised at \$1.15 million with property values starting to rise. The next piece of property is 1.2 acres for \$1.2 million.

Co-chair Froerer asked for a total amount requested. Mr. Tanner replied \$2.72 million, primarily for parking and housing needs.

Rep. Westwood stated it is a needed expansion for the university as housing is at capacity.

### **c. Davis Applied Technology Center Morgan Land Banking**

Brent Peterson, Vice President of Operations, Davis Applied Technology College, stated the request is for 9.88 acres \$575,000 and will primarily be used for parking.

### **d. Bridgerland Applied Technology Center Parcels Adjacent to Campus**

Dr. Richard L. Maughan, Campus President, Bridgerland Applied Technology Center, stated the request has been before the committee previously. The campus has seen a 346 percent increase in students since they began in 1987. The request is for three parcels of property adjacent to and surrounding the campus for 18.5 acres, 26 acres, and 10 acres. It is an appropriate time to purchase the property while it is available and the cost is within reason. This would add an additional 55 acres to their campus.

Co-chair Harper admonished the committee to look through the committee packet. The specific information shows requests for \$118 million in revenue bonds, in addition to general obligation

bonds. If projects are approved there will be an additional \$4.3 million ongoing O&M State funds, 18 fulltime employees hired, and \$17.4 million one-time money for land banking requests. Revenue bonds are generally paid in 30 years versus general obligation bonds for State buildings that are six-year bonds and transportation bonds are 15 years.

Co-chair Froerer stated the Governor's office passed out a sheet detailing requests for DAS and the capital budgets. The committee can compare the Governor's request with the State Building Board's requests. There are no priorities or rankings in the Governor's request.

Motion: Sen. Van Tassell moved to adjourn. The motion passed unanimously.

Co-chair Froerer adjourned the meeting at 9:50 a.m.

Minutes were reported by Cami Deavila, Senate Secretary.

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Sen. Wayne A. Harper, Co-Chair

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Rep. Gage Froerer, Co-Chair