

September 22, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: Tab W Addendum: USHE – Institutional Non-state Funded Projects and Land Bank Requests for 2015-16

Issue

The University of Utah has determined that their Health Care Rehabilitation Institute project is not yet ready for final approvals and has requested that it be removed from the list of non-state funded projects this year.

The following is the amended list of non-state funded projects that will be presented for consideration by the Regents for approval in the 2015 legislative session. The projects needing legislative authorization for bonding and/or future state-appropriated O&M support are also identified.

- University of Utah
 - William C. Browning Building Addition O&M
 - Orson Spencer Hall Replacement Bonding O&M
- Utah State University
 - Center for Energy & Manufacturing Excellence – Price Campus O&M
 - Fine Arts Complex Addition/Renovation O&M
 - Romney Stadium West-side Renovation Bonding
 - Valley View Residence Hall Replacement Bonding
- Dixie State University
 - On-campus Student Housing Replacement Bonding
- Salt Lake Community College
 - Health & Wellness Center – South City Campus
 - Student Center – Jordan Campus Bonding

Land Bank Requests – Funding has been requested for the following land bank purchase:

- Dixie State University
 - University Plaza Purchase

Commissioner's Recommendation

It is the Commissioner's recommendation that the Regents review these projects and the land bank request carefully and recommend for legislative action those deemed to be appropriate.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH

September 17, 2014

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE - Institutional Non-state Funded Projects and Land Bank Requests for 2015-16

Background

In addition to the state-funded projects reviewed and recommended by the Regents for funding each year, the Regents also consider capital development needs in two other categories:

- Projects to be built entirely with non-state appropriated funds - These are proposed projects to be built using a variety of non-state appropriated funds, including private donations, revenue bonds, federal funds, et al that require Regents' and Legislative approval in order to be built. Those projects to be financed with revenue bonds also require Regents' authorization to seek approval from the Legislature to *issue the bonds*. Finally, authorization to seek state-appropriated *O&M support* for non-state funded projects must also be approved by the Regents.
- Land bank purchases - Requests for funding in this category, if authorized by the Regents, are submitted to the Legislature for funding consideration.

Non-state Funded Projects - The following non-state funded projects have been submitted for consideration by the Regents for approval in the 2015 legislative session and are summarized in the attachments. The projects that also need legislative authorization for bonding and/or future state-appropriated O&M support are also identified.

- **University of Utah**
 - William C. Browning Building Addition O&M
 - Orson Spencer Hall Replacement Bonding O&M
 - UU Health Care Rehabilitation Institute Bonding
- **Utah State University**
 - Center for Energy & Manufacturing Excellence – Price Campus O&M
 - Fine Arts Complex Addition/Renovation O&M
 - Romney Stadium West-side Renovation Bonding
 - Valley View Residence Hall Replacement Bonding
- **Dixie State University**
 - On-campus Student Housing Replacement Bonding

- **Salt Lake Community College**
 - Health & Wellness Center – South City Campus
 - Student Center – Jordan Campus
- Bonding

Land Bank Requests - Funding has been requested for the following land bank purchases:

- **Dixie State University**
 - University Plaza Purchase

Commissioner's Recommendation

It is the Commissioner's recommendation that the Regents review these projects and land bank requests carefully and recommend for legislative action those deemed to be appropriate.

David L. Buhler
Commissioner of Higher Education

DLB/GLS/WRH
Attachment

UNIVERSITY OF UTAH – WILLIAM C. BROWNING BUILDING ADDITION

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$8.2 M	24,000	\$199,700	Donated Funds

This proposed addition to the Browning Building will provide space for the College of Mines & Earth Sciences' increasing enrollment, expanded research, and the new Center for Mining Safety and Health Excellence. The new space will consolidate programs currently housed on off-campus leased space and several on-campus buildings. The four story addition will house the following programs:

- Metallurgical Engineering Department – The addition will create a dedicated, shared Metallurgical Characterization and Instrumentation facility for teaching and research. At present, their resources and facilities are scattered throughout campus and in off-campus rental space. It is expected that research funding will increase from \$6 million to \$10 million in the next few years with significant increases in graduate students and researchers.
- The Center for Mining Safety and Health Excellence – This Center was created to help those who depend on the mining industry and will utilize the University's abilities to innovate, collaborate and help solve real world, challenging problems that have a profound effect on people working in the mining industry, their communities, and economies that rely on mining. While the Center's primary focus will be on Utah, where the mining industry has played an important historical role in the state's development, and continues to play a key role in the state's economy - accounting for over 60% of exports from the state last year - its scope also includes the global mining community.
- Geology & Geophysics - This is the fastest growing department in the college and is currently in need of additional large-classroom space and faculty offices. The additional space will promote the college's competencies in geological engineering, geology, geophysics, and seismology.

The capital funding will be provided by \$8.2 million of donated funds, \$3.8 million of which has been committed to date. \$199,700 of ongoing state-funded O&M support is requested for this addition to a core academic facility for which state-funded O&M is currently provided.

UNIVERSITY OF UTAH – ORSON SPENCER HALL (OSH) REDEVELOPMENT:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$60.0 M	195,338	\$1,049,456	Donor & Institutional Funds with Bonding Authorization Requested

The current Orson Spencer Hall has surpassed its useable life span, and is beset with both physical and functional obsolescence. A myriad of issues including seismic instability, building systems failures, and ineffectual teaching spaces make its continued use inefficient and unpleasant. The building houses a large

portion of the programming for the College of Social and Behavioral Science, the largest college at the University, programs associated with Humanities, and most of the general purpose classrooms on Campus. The spaces occupied are too small or disparate to foster the departments' educational missions and programs and suppress growth and interdisciplinary work.

After much study it has been determined that the best and most cost effective approach is to demolish the existing 107,618 square foot facility and replace it with, potentially, a three pavilion, 195,338 square foot building. The largest pavilion will sit on the current site with two smaller structures flanking the fountain on the Marriott Library Plaza, thus helping to reenergize a central core of campus.

Changing teaching methodologies require more student-centric spaces allowing for greater technology flexibility and group work. The new facility will provide approximately 25 general purpose classrooms with a 23 net square feet per seat size allowing for more interactive learning and teaching experiences.

The new facility will allow for departments such as Geography, which requires leased space in Research Park to accommodate its research, to be re-united and the English as a Second Language (ESL) program to have much needed space to accommodate the dramatic growth the program continues to experience. The Hinckley Institute will have an increased presence and will be more integrated with the other programs in the College of Social and Behavioral Sciences including Political Science, Economics, Environmental & Sustainability Studies, and the MPP & MPA programs.

The Gender and Ethnic Studies programs will also be given a permanent home in the new facility, ending temporary occupancy in various buildings across campus. These two programs continue to grow and need space that facilitates teaching and student outreach.

The capital project will be constructed with funds from revenue bonding, donated funds and institutional funds. State-appropriated O&M support is provided for the existing building and this redevelopment will require an additional appropriation of \$1,049,500, primarily because of the expanded space.

UNIVERSITY OF UTAH – HEALTH CARE, REHABILITATION INSTITUTE

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$82.8 M	164,000	\$0	Donations and Bonding defeased by Clinical Revenues

The existing Rehabilitation Services facility is located in the School of Medicine Building 521. It is an accredited and certified rehabilitation hospital; however, it does not meet current State standards required for a new rehabilitation hospital which require at least double the existing space. Additionally, the existing facility is housed in a seismically challenged structure that is planned to be demolished. The new facility will provide a location to relocate and expand on existing services, as well as meet State regulations.

The existing 37-bed inpatient rehabilitation unit is operating at near 90% capacity. Statewide, the number of inpatient rehab unit stays has increased 14% since 2009 from 2,637 to 3,026. During that same period the number of inpatient rehab unit stays at the University's facility has grown 65%, from 476 to 785. The facility is at the upper limits of capacity and acuity of patients, and as a result, more community-level cases are

being referred to other institutions. A detailed market study is under way, but projections indicate that current demand for inpatient rehab services would support 60 additional beds by 2017, assuming no new sources of volume and no new marketing.

In addition to additional demand in the Wasatch Front market, recent outreach efforts throughout the intermountain west have been very successful in positioning the University of Utah Hospitals and Clinics as a regional referral center for high end specialty care. Rehabilitation services have not been part of outreach efforts or expanded local marketing because of capacity issues. The University would be a very attractive regional provider of rehabilitation services, particularly in spinal cord injury and traumatic brain injury. The rehabilitation program within the hospital enterprise is growing and needs additional space to expand its patient services. This facility will keep the department and its program in close proximity to the main hospital to better serve both the in-patient and out-patient populations.

This project is closely linked with two other projects: the Medical Education and Discovery (MED) Building that will replace the School of Medicine Building 521 and the Ambulatory and Administrative Building (AAB) that will serve to relocate various clinical and support services displaced by the demolition of Building 521. The MED project is currently in pre-programming. The next step for the Rehabilitation Hospital is to complete a feasibility study for the proposed location adjacent to the new MED building and move into programming as soon as possible.

The capital funding to be provided for the project consists of \$41.4 million of donor funding currently being negotiated and \$41.4 million of bonding to be defeased with clinical revenues. Ongoing O&M support will also be provided with clinical revenues.

UTAH STATE UNIVERSITY – CENTER FOR ENGINEERING & MANUFACTURING EXCELLENCE (USU EASTERN CAMPUS):

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$15.0 M	55,000	\$471,640	Private donations

The proposed facility will bring together Career and Technical Education (CTE) instruction, energy and manufacturing research, and economic development to support current and future regional industry as well as promote industry-related community events and partnerships. The research spaces in one wing will foster collaboration between new energies sciences and associated industrial disciplines. The CTE spaces in the adjacent wing will be high-bay shops where industrial disciplines such as welding, machining, manufacturing, and CAD will be taught and applied. A multi-purpose space to bridge the two functions will encourage collaboration and innovation through meetings and events related to the needs of regional energy and manufacturing industry.

The project will strengthen the connection and interaction of USU's historic strength in research, the Eastern Campus' historic strength in CTE instructional programs, and regional partners in energy and manufacturing. This effective interaction will support current and future economic development opportunities and innovations, provide workforce training in advanced manufacturing and energy technologies, and create new opportunities in scientific research.

The facility also will enable the expansion of important CTE programs to meet new demand and provide

high-quality, safe facilities. The USU Eastern Campus Automotive and Welding programs have a high level of success with faculty and students have receiving national recognition and awards -- welding students have placed in the top three in international competitions for several years. The welding shop is currently at capacity and cannot support additional growth. With Carbon High School nearby, the center will serve both secondary and post-secondary students, allowing for appropriate collaborations between public education and higher education in service of workforce and economic development.

The \$15 million of capital funding for the project will be provided by private donations. Since the building will house core academic programs that promote workforce and economic development in the region, \$471,640 of ongoing state-appropriated funding support is requested for the O&M needs of the facility.

UTAH STATE UNIVERSITY – FINE ARTS COMPLEX ADDITION/RENOVATION:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$9,000,000	38,000	\$175,870	Donated Funds

The existing Fine Arts Complex consists of three buildings joined together: Fine Arts Visual, Fine Arts Center, and the Art Museum. The project will provide renovation of the acoustics and finishes within the Kent Concert Hall and new displays and finishes for the Tippetts Gallery. It will also include a 16,000 square foot addition for the Music Wing, and a new 5,000 square foot scenery shop adjacent to the Morgan Theater. These additions and renovations are necessary to serve the theater and music programs as well as the many diverse needs of the campus and community for classroom space and community functions. The project will not change any existing functions in a major way, but will create more space and efficiency for these programs.

The project will improve and upgrade obsolete and dysfunctional theatrical systems, improve functionality of the complex, and update finishes. The specific aspects are:

- Kent Concert Hall Renovation - The Kent Concert Hall is the second largest indoor assembly space on campus, seating 2,168 people and accommodating 400 on its stage. Capital improvement funding has been used for the performance venues to address fire and life safety issues and accessibility, but acoustical, functional, and aesthetic improvements are still badly needed.
- Tippetts Gallery - The Tippetts Gallery is in a prominent area at the intersection of the major venues and the main lobby. It will be reconfigured for better lighting, displays, and finishes.
- West Addition - The west addition will accommodate the needs of the Museum and Music Department, and will provide new administrative offices. The Music Department has no lounge or study area for students who now often overflow into hallways or vestibules. There are currently not enough practice rooms to meet the student demand. The new administrative offices are needed to accommodate the Deans suite and other faculty who are not currently housed within the complex due to lack of available space.

A new northwest entrance will create an inviting public presence for the facility as a whole, alleviating the now ambiguous and confusing entrance sequence through the interior courtyard. It will enhance the plaza between the Fine Arts Complex and the Performance Hall, and will create much needed indoor and outdoor spaces for public performances, activities, and functions.

Additionally, it will complete the redesign of the interior courtyard.

- Scene Shop - The new scene shop is needed to accommodate the theater program. Because there is not adequate space elsewhere in the facility, scenes currently are constructed on the stage of the Morgan Theater.

Capital funding for the project will be provided by private donations. \$175,870 of new state-appropriated O&M support is requested for the addition to the Fine Arts Complex, for which state-funded O&M support is currently provided.

UTAH STATE UNIVERSITY – ROMNEY STADIUM WEST-SIDE RENOVATION:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$23.0 M	50,650	0	Bonding defeased with gate receipts and Private Gifts

Design approval for this project, which consists of demolition of the old structure and construction of a new, expanded facility on the west side of the existing Romney Stadium, was approved by the Regents at their May 16, 2014 meeting. It will include new restrooms, concessions, lobby space and additional seating. The project will add 1100-1200 new club, loge, and premium skybox seats, and consist of multiple new levels above the existing stadium seats.

This request is to enable USU to move forward with construction of the project, including authorization to seek legislative approval for the required bonding.

No state appropriated funds are required for the planning and design, construction, or ongoing O&M support for this facility.

UTAH STATE UNIVERSITY – VALLEY VIEW RESIDENCE HALL REPLACEMENT:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$23.1 M	109,800	0	Bonding defeased with rental income

This project will replace the Valley View Residence Hall, an aging 368 bed high-rise residence hall that was built in 1966 on central campus, which will be demolished. The proposed new residence hall will replace the current number of beds and provide a 5% increase to accommodate future growth. The existing facility has many structural and code deficiencies, and is in need of major upgrades to systems including an elevator replacement. It is also traditional dormitory style housing, which is not desirable to the contemporary student body.

The new facility will provide suite/apartment style units to meet the current trends in housing demand. It will implement the first phase proposed by the Master Plan for housing replacement in the North Core District of central campus. The site for the new building is a parking lot that is a prime location within the core of

campus, adjacent to the existing building to be demolished, with convenient access to parking, recreation and dining services, with proximity to all utilities. The possibility of including underground parking is being evaluated.

Capital funding will come from bonding, which will be defeased by rental income. State-appropriated O&M support is not requested.

DIXIE STATE UNIVERSITY – 400 BED STUDENT HOUSING PROJECT:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$20.0 M	100,000	0	Bonding defeased with rental income and other auxiliary services income

The existing on-campus housing was built in 1968 and no longer meets the needs and expectations of current students. The brick and plaster construction of the facility is not conducive to more modern configuration and updating. It is scheduled to be demolished and replaced with a new student housing project.

Dixie State University's (DSU) enrollment has more than doubled over the past eight years. During this period of rapid student growth, private entities have provided housing to meet student demand. Currently, both private and campus housing is aging and in short supply. Student housing has been identified as a significant factor limiting the student growth of the institution. The proposed building will contain approximately 400 beds with several options of possible apartment style floor plans. It will also have study and recreation amenities expected by students. The design will match the existing architectural style of the campus and complement existing buildings.

In order to expedite provision of the high priority need, DSU is requesting Board approval to plan, design, and build this facility and to seek legislative authorization for the bonding that will be required to finance the project. The bond will be defeased with rental income and other auxiliary services. State-appropriated O&M support is not requested.

SALT LAKE COMMUNITY COLLEGE – SOUTH CITY CAMPUS STRENGTH & WELLNESS CENTER:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$3.9 M	11,575	0	Excess student fee revenue bond reserves

The Strength and Conditioning Center for the South City Campus and was demolished to provide space for the Center for Arts and Media which was completed just over a year ago. There currently is no space for the student body to access this type of activity.

The new facility will be an 11,575 gross square foot addition to the north side of the Main Building of the South City Campus with access through a small lobby. It will include an entry lobby and reception desk, exercise/weight room, multi-purpose instruction space, men’s and women’s restrooms with showers, two offices, storage, and lockers all on the main level. Spaces will be configured for greatest flexibility, organized to support the diversity of the Health and Lifetime Activities course work, and to provide indoor venues in the off hours for recreational and fitness programs. It will be serviced by the campus-wide utilities systems.

Capital funding for the project will be provided from excess reserves from the existing student fee revenue bond that will be paid off in 2016. State-appropriated O&M funds are not requested for the facility.

SALT LAKE COMMUNITY COLLEGE – JORDAN CAMPUS STUDENT CENTER:

Total Cost Estimate	Gross Sq Feet	State Funded O&M	Source of Funding
\$30.0 M	120,000	0	Bonding defeased with existing student fee revenue

This project will consist of a multi-level building with approximately 120,000 gross square feet of space on the Salt Lake Community College - Jordan Campus and will provide a central location for functions that currently are scattered throughout the 3 existing buildings on the Campus.

The program for the building has not progressed beyond a conceptual plan, but the facility is expected to be similar to an existing facility on the Taylorsville Redwood Campus. The students would like to have design and bonding approvals in place when they are able to re-bond using existing student fees for bond payments.

No state-appropriated funds will be needed for capital or ongoing O&M costs.

USHE 2015-16 LAND BANK PROPERTY REQUESTS SEPT. 8, 2014

DIXIE STATE UNIVERSITY – PURCHASE OF UNIVERSITY PLAZA COMPLEX

Purchase Price	Acres	Bldg. Square Feet	Proposed Use
\$3,000,000	2.0	30,000 gross square feet	Current and Future Use

This is an atypical land bank request in that the property in question was purchased by the Dixie State University Foundation in 2008. The property is comprised of a two acre parcel of land and four office buildings. It is adjacent to an existing DSU property that is proximate to the main campus (see the attached campus map). The buildings were initially rented out to commercial tenants, but over time the campus has taken occupancy of the space. The buildings are now used as classrooms and offices for academic departments including Developmental Education, Integrated Studies and Criminal Justice.

This request is for funding to purchase the land and buildings from the Foundation. While the property is currently utilized by DSU as part of the campus, it requires payment of rent to the Foundation by the academic programs. Purchase of the property from the Foundation will eliminate the cost of the required rent payments and will enable the Foundation to purchase other properties adjacent to campus as they become available.

The purchase price of \$3,000,000 is the projected balance owing on the property assuming funding for its purchase is approved by the 2015 legislature. The original purchase price paid by the foundation for the property in 2008 was \$4,155,000.



EXISTING DIXIE STATE UNIVERSITY
CAMPUS SHOWING PROPOSED EXPANSION
AND PROPOSED LAND AQUISITION