

September 7, 2016

MEMORANDUM

TO: State Board of Regents

FROM: David L. Buhler

SUBJECT: USHE – Institutional Non-State Funded Projects and Land Bank Requests for 2017-18

Issue

Regent Policy R710, *Capital Facilities*, requires the Board of Regents to review and authorize institutional requests for non-state funded capital development projects that require legislative approval and land bank projects seeking legislative appropriations.

Background

The following three non-state funded projects are being submitted for Regent consideration for the 2017 General Legislative Session and will require legislative authorization for bonding. These projects are not eligible to receive state-appropriations for design, construction, or operation and maintenance (O&M):

- University of Utah – University Guest House Expansion
- Dixie State University – Legend Solar Stadium
- Salt Lake Community College – Jordan Campus Student Center

Regents should be aware that two of the requests for state-funded capital development projects are also asking for legislative authorization for bonding to assist with financing through construction of the projects. These two projects are being presented separately with the state-funded requests.

- University of Utah – Medical Education & Discovery (MED)/ Rehabilitation Hospital
- Dixie State University – Human Performance Center

The following land banking request for state appropriations is submitted for consideration by the Regents:

- Snow College – Ephraim Campus Property

Additional information about these projects may be found in the following attachments.

Commissioner's Recommendation

The Commissioner recommends that the Regents authorize institutions to present these projects for Legislative review and action during the 2017 General Session.

David L. Buhler
Commissioner of Higher Education

DLB/KLH/RPA
Attachments

UNIVERSITY OF UTAH – UNIVERSITY GUEST HOUSE EXPANSION

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$8,250,000	\$0	\$8,250,000	27,365	\$0	Operating Revenues

The University of Utah Guest House and Conference Center is located at Fort Douglas and currently accommodates 180 sleeping rooms and 30,000 square feet of meeting space. The Guest House currently runs at capacity providing housing for patients and guests visiting the adjacent hospital facilities as well as the Utah Summer Conference Program. This project would expand the University Guest House by 30 to 35 rooms designed for longer term stays with amenities including handicap restrooms and kitchens particularly suited for hospital patients. The site for the expansion is adjacent to the existing facility on property owned by the University.

Operating revenues from the expanded University Guest House will support the bond for this project. Demand for housing at this location continues to exceed the supply and the University projects that revenues will cover bond payments, operations, and maintenance of the facility. Operation and maintenance costs associated with the new facility are estimated at \$125,000. Patient visits to the University Hospital continue to increase and the Hospital estimates that approximately 34 percent of patients live outside of Salt Lake County, many of which require multi-day stays for cancer treatments, transplants, or trauma incidents. The University Hospital is supportive of this project to provide housing adjacent to the Hospital for patient and familial convenience.

DIXIE STATE UNIVERSITY – LEGEND SOLAR STADIUM

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$4,700,000	\$3,907,400	\$8,607,400	44,130	\$0	Institutional Funds and Donations

This project will add a 5,000 seat aluminum bleacher system to the east side of the existing stadium as well as four new locker rooms, two large public restrooms, and a ticketing and concessions area located underneath the new bleachers. A canopy structure with solar panels will cover the seating area and will offset the utility demand for the new facility. The existing west side structure was constructed in 1982 and provides restroom and locker facilities for the home team. Visiting teams currently use locker and shower facilities off-site as well as portable bleachers on the east side for fans. This project would create a permanent facility for visiting teams and allow the University to host more sporting and community events such as high school athletics and city concerts and fireworks.

Legend Solar LLC has committed \$10 million to the stadium project: \$5 million in cash and \$5 million in electricity savings over a 25-year period. In addition, the University has identified over \$2.4 million in non-appropriated institutional funds and Washington County has committed \$1.5 million for this project. Estimated operation and maintenance on the expanded facility is estimated to be \$113,135 annually that will be covered through ticket fees, concession revenues, rental fees, and athletics student fees. Bonding for this project would likely come through General Revenue system bonds, which leverage various sources of institutional funds to pay the debt and would be reimbursed from donations specific to this project.

SALT LAKE COMMUNITY COLLEGE – JORDAN CAMPUS STUDENT CENTER

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$46,390,000	\$0	\$46,390,000	80,000	\$0	Student Fees

The SLCC Jordan Campus (located at 9000 South 3500 West in West Jordan) has experienced growth in students from approximately 650 in 2006 to more than 1,500 today. Student space on the campus is limited and has been accommodated in other primarily academic facilities. The addition of a multi-use student center on the campus will provide space for a student bookstore, food services and dining area, student government, printing services, advising services, and financial aid. The new facility will include space for student life and leadership to provide gather space for student organizations and study groups as well as access to a recreational fitness center. It will also allow space currently used for student services in other Jordan campus facilities to be reclaimed for academic uses.

Debt service payments on the \$46.4 million facility will be paid primarily through student fees. SLCC recently paid off their only outstanding bonds (the 2010 Auxiliary System and Student Fee Revenue Refunding Bonds) in June 2016 freeing up student fee revenue and bonding capacity. Operation and maintenance for the new facility is estimated at \$279,700 and will also be funded from student fees.

*STATE FUNDED PROJECTS WITH A
NON-STATE FUNDED REVENUE BOND COMPONENT*

UNIVERSITY OF UTAH – MEDICAL EDUCATION & DISCOVERY(MED)/REHABILITATION HOSPITAL

Revenue Bond	Donations/ Other	State Funds	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$190,000,000	\$197,000,000	\$50,000,000	\$292,000,000	500,000	\$473,400	Donations, Hospital Rev.

This state funded project requests \$190,000,000 of revenue bonding authorization of which \$145,000,000 is to cover the timing and cash flow of \$197,000,000 of donor commitments. The remaining \$45,000,000 of bonding authorization will finance a portion of the rehabilitation hospital, which will service the debt payments with hospital revenues. The rehabilitation hospital will also cover the increased operation and maintenance of the new facility with hospital revenues. Additional information on this project may be found in the state funded capital development project descriptions.

DIXIE STATE UNIVERSITY – HUMAN PERFORMANCE CENTER

Revenue Bond	Donations/ Other	State Funds	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$16,000,000	\$9,000,000	\$25,000,000	\$50,000,000	142,000	\$594,980	Student Fees

This state funded project requests \$16,000,000 of revenue bonding authorization to finance the portion of the facility that will share space between academic physical education programs and student recreation as well as student activity portions of the facility including a wellness center. Debt payments on the bonds will be serviced with student fees, which will also cover a portion of the operation and maintenance costs. Additional information on this project may be found in the state funded capital development project descriptions.

SNOW COLLEGE – EPHRAIM LAND BANK

The College seeks Regent approval to request \$555,000 from the Utah State Legislature to purchase three properties contiguous to campus that have recently become available. The three properties are located on the block containing the Snow residence halls just north of the main campus. Acquisition of these properties would allow the College to have complete ownership of the entire block and would allow for the future expansion of student housing to accommodate enrollment growth. The properties were identified in the most recent master plan for future development and acquisition. The College would pay appraised value for the properties which assessed as follows:

- 146 E. 200 N., Ephraim, UT - \$142,000
- 191 N. 200 E., Ephraim, UT - \$160,000
- 170 E. 200 N., Ephraim, UT - \$253,000