

November 7, 2018

MEMORANDUM

TO: State Board of Regents

FROM: David L Buhler

SUBJECT: USHE – Institutional Non-State Funded Projects for 2019-20

Background

In accordance with Regent Policy R702, *Non-State Funded Project*, the Board of Regents reviews and authorizes institutional requests for non-state funded capital development projects that require legislative approval.

The following non-state funded projects were submitted for consideration. These projects require legislative authorization for bonding, but are not requesting state-appropriations for design, construction, or operation and maintenance (O&M):

- University of Utah – Kathryn F Kirk Center for Comprehensive Cancer Care and Women’s Cancers
- University of Utah – Athletic Facility
- Utah State University – Mountain View Residence Hall Replacement
- Utah State University – USU East Parking Terrace
- Utah State University – Space Dynamics Lab Research Building
- Utah State University – Space Dynamics Lab High Bay Building
- Dixie State University – Student Housing
- Utah Valley University – Sorensen Center Remodel

In addition, two non-state funded requests also requires legislative authorization because they request state-funded operation and maintenance:

- Utah State University – Information Technology Services Building
- Utah State University – Moab Academic Building

Further information about the non-state funded projects may be found in the following attachment.

Commissioner's Recommendation

The Commissioner recommends that the Regents review these projects carefully and approve them for legislative action.

DLB/KLH/RPA
Attachment

David L Buhler
Commissioner of Higher Education

UNIVERSITY OF UTAH – KATHRYN F KIRK CENTER FOR COMPREHENSIVE CANCER CARE AND WOMEN’S CANCERS

Revenue Bond	Donations	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Sources Bond Repayment
\$40,000,000	\$89,000,000	\$129,000,000	190,000	\$0	Hospital Revenues

The University proposes a new cancer research facility that will be built as an eight-story addition to the northwest portion of the Huntsman Hospital complex. This would be the fifth phase of the Huntsman Hospital complex. The initial Huntsman Cancer Institute opened in 1999 to research cancer. The second phase established a hospital which opened in 2004 with 50 inpatient beds and 256,000 square feet. In 2011 phase III expanded the hospital with 156,000 square feet, which doubled the number of inpatient beds and outpatient space. In 2017 Phase IV consisted of the Primary Children’s and Families’ research center that added approximately 220,000 square feet of space to research children’s cancers.

The new facility will add an additional 190,000 square feet of hospital, clinical and research space focused on women’s cancers. Approximately 102,000 square feet on four floors of the proposed facility will house 45-50 inpatient rooms, oncology faculty workspace, clinical trial space, and outpatient services. Of the other four floors, half will be used for nonclinical operations and the other half (approximately 44,000 square feet) will be shelled for future growth. The new facility will provide additional teaching and educational opportunities for physician residents, medical students, and student nurses. The facility will also accommodate the growing need for inpatient bed-space and outpatient cancer care as the Huntsman Hospital currently operates at capacity and administrators project ongoing clinical need in the growing and aging Utah population.

The University will fund the Kathryn F Kirk Center for Comprehensive Cancer Care and Women’s Cancers facility with \$89,000,000 of donations and \$40,000,000 of revenue bonds. Hospital revenue will service the debt on the revenue bonds and will pay for ongoing operation and maintenance of the facility. No state funds will be requested for the new facility.

UNIVERSITY OF UTAH – ATHLETIC FACILITY

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Sources of Bond Repayment
\$80,000,000	\$0	\$80,000,000	174,000	\$0	Athletic Revenue

The University requests an \$80,000,000 athletic facility that will be funded by revenue bonds repaid with athletic revenue. Additional details will be provided in the November 16 Board of Regents meeting.

UTAH STATE UNIVERSITY – INFORMATION TECHNOLOGY SERVICES BUILDING

Revenue Bond	Other Funding	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Funds
\$0	\$7,700,000	\$7,700,000	23,500	\$206,330	Institutional Funds

This Utah State University (USU) project will construct a new 23,500 square foot stand-alone facility for the department of Information Technology (IT). The IT department provides IT services to the University including a service desk, application development, database administration, website design, computer lab management, networking, and information. The IT department currently occupies space in three buildings spread across the Logan campus which results in operational inefficiencies and utilizes valuable academic space. With the construction of this new facility, space in two of the facilities will be returned to the academic units that have requested the space to accommodate student growth in their programs. The space in the third building, the Quonset hut, is planned for demolition contingent on a future state-funded academic building.

The new facility will include office and support space for the IT department as well as conference rooms, a call center for the customer service help desk, and IT equipment storage, repair, and assembly space. The facility will also include office, storage, and workshop space for the Academic and Instructional Services (AIS) department that coordinates audio/visual and broadcast equipment for classroom support. The new facility will be constructed on the east side of campus directly north of the creamery and food sciences building. Non-state institutional funds will pay for the design and construction of the facility, but the University intends to request ongoing operation and maintenance funding of the State Legislature.

UTAH STATE UNIVERSITY – MOAB ACADEMIC BUILDING

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Funds
\$0	\$11,000,000	\$11,000,000	20,500	\$184,526	Institutional Funds and Donations

The 20,500 square foot USU Moab Academic Building would be the first facility for a new Moab campus located on 40-acres of property acquired by the University in 2012. The University currently provides instruction in approximately 15,600 square-feet of commercial space owned by the University in Moab. Current offerings at the Moab facility include 24 bachelor's degrees, 24 master's degrees, 2 doctoral degrees, and various certificate programs. Upon completion of the new Academic Building, USU intends to sell the current commercial buildings and apply the proceeds to the construction cost of the new facility.

The Moab Academic Building will include one large classroom to accommodate up to 50 students, three to four medium-sized classrooms to accommodate up to 25 students, and between 11 and 14 smaller classrooms or online instructional rooms. The facility will also provide space for nursing and health profession labs, a computer lab, testing center, and office space. Non-state institutional funds and donations will pay for the design and construction of the facility, but the University intends to request ongoing operation and maintenance funding of the State Legislature

UTAH STATE UNIVERSITY – MOUNTAIN VIEW RESIDENCE HALL REPLACEMENT

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$41,600,000	\$0	\$41,600,000	129,160	\$0	Housing Rental and Fees

USU proposes a 401-bed housing facility to replace the Mountain View Residence Hall built in 1966. The fifty-year-old facility consists of 365 beds in a seven-story dorm-style living structure. Due to its age, the current residence hall lacks modern fire-suppression and life-safety systems and will require significant investment to resolve aging infrastructure needs including a new roof, new elevators, new air conditioning, and upgraded finishes. Additionally, the existing building will not accommodate a more modern design; therefore, the University recommends replacement and demolition of the existing facility.

The new residence hall will include single and double occupancy rooms in suite-style and apartment-style units. The new Mountain View hall will be built in a parking lot adjacent to the current facility and will share access to dining and recreation facilities with other existing residential facilities. The site is located within the core of the Logan campus and provides convenient access to academic and student facilities. The University has found that students living on-campus during their first year have higher graduation rates and grades than their counterparts. Student housing rent and other associated fees will pay the debt service on the proposed bond for design and construction of the facility as well as ongoing operation and maintenance. No state funds will be requested for this facility.

UTAH STATE UNIVERSITY – USU EAST PARKING TERRACE

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$11,700,000	\$0	\$11,700,000	225,000	\$0	Parking Revenue

USU proposes a new 500-600 stall parking structure adjacent to the Fine Arts facilities on the east side of the Logan campus. The parking terrace will be four to five stories tall and will serve art and music events as well as balance the distribution of parking across campus. Over time the University has lost some surface-level parking lots to new facility construction and growing student demand requires the University to provide additional parking options. A multi-story structure will alleviate congestion on-campus and in the adjacent communities and will provide closer parking options for fine arts events. Parking revenue will support the issuance of \$11,700,000 in revenue bonds that will fund the design and construction of the facility as well as the ongoing maintenance. No state funds will be requested for the parking structure.

UTAH STATE UNIVERSITY – SPACE DYNAMICS LAB RESEARCH BUILDING

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$37,700,000	\$0	\$37,700,000	78,000	\$0	Research Program Reimbursed Overhead

The Space Dynamics Laboratory (SDL) is one of fourteen nation-wide university affiliated research centers tasked with developing scientific research solutions for military and space applications. The Laboratory, located on the Logan Innovation Campus, develops intelligence, surveillance and reconnaissance technologies including technologies used for tactical sensors, data compression, flight testing, and cyber security. These technologies are in heavy demand by industry, the scientific community, and the military.

The proposed project is a third phase of the Space Dynamics Laboratory and will provide additional space for offices, electronic and computer testing labs, server rooms, and conference rooms. The first phase of the SDL project was funded in two parts with bond issuances of \$18,000,000 in September 2015 and \$12,000,000 in July 2016. The second phase was funded with a bond issuance of \$32,210,000 in June 2018. Construction of Phase II is currently underway.

The proposed 78,000 square-foot facility will be built to the east of Phase I and Phase II buildings. The requested project will provide additional space for the growing research program that is currently at maximum capacity and is projected to exceed the capacity of both phase I and II buildings. The USU Research Foundation, which oversees the creation and implementation of commercialized research technology, requests the additional facility to capture available research funding beyond what could be accommodated in the existing facilities. Revenue from federal grants and research funding will service the debt on \$37,700,000 of new research revenue bonds and will pay for ongoing operation and maintenance of the facilities. No state funds will be requested for the new facility.

UTAH STATE UNIVERSITY – SPACE DYNAMICS LAB HIGH BAY BUILDING

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$15,000,000	\$0	\$15,000,000	40,000	\$0	Research Program Reimbursed Overhead

In addition to the third phase of the Space Dynamics Laboratory, the USU Research Foundation requests a 40,000 square foot high-bay structure to test and calibrate large space-based sensors and projects. As mentioned previously, the Research Foundation documents the need for additional space to accommodate high demand from government and industrial contracts. The Space Dynamics Laboratory works with NASA, the Department of Defense, and private contractors to develop satellite and communication technology. Current demand for research and development exceeds the space available in the USU Innovation Campus and a high-bay structure would provide additional capacity for multiple, large-scale projects.

The proposed 40,000 square foot facility will include office space, laboratory space, cleanrooms, and high-bay integration and test facilities. The facility will be located west of the Calibration and Optical Research facility which will make use of the high-bay facility. Revenue from federal grants and research funding will service the debt on \$15,000,000 of new research revenue bonds and will pay for ongoing operation and maintenance of the facilities. No state funds will be requested for the new facility.

DIXIE STATE UNIVERSITY – STUDENT HOUSING

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$41,835,000	\$0	\$41,835,000	125,000	\$0	Housing Rental and Fees

Dixie State University proposes a 450-bed housing facility in order to accommodate the demand for on-campus housing and to replace outdated existing facilities. DSU currently has 662 on-campus beds with near full occupancy. The proposed facility will replace the 48-bed Shiloh dormitory, which was constructed in 1962 and has exceeded its useful life. In addition to replacing outdated space, the new dormitory will make better use of the limited land remaining on-campus by constructing higher-capacity housing. The new facility will consist of apartment units with approximately six students per unit. The facility will also include group study space, community kitchens, and exercise space.

The current demand for on-campus housing exceeds capacity by almost three times and surrounding private housing options are also running at near capacity. Student demand for on-campus housing is expected to grow each year as enrollments increase. Students living on-campus during their first year have higher graduation rates and grades than their counterparts. Student housing rent and other associated fees will pay the debt services on the proposed bond for design and construction of the facility as well as ongoing operation and maintenance. No state funds will be requested for this facility.

UTAH VALLEY UNIVERSITY – SORENSEN CENTER REMODEL

Revenue Bond	Donations/ Other	Total Cost Estimate	Gross Sq. Feet	State Funded O&M	Source of Bond Repayment
\$24,557,800	\$0	\$24,557,800	64,970	\$0	Student Fees and Auxiliary Revenue

The Sorensen Student Center at Utah Valley University is a multi-phased building, constructed over the past 40 years in three major efforts. The last phase of construction was completed in 2001. As an auxiliary service, the Sorensen Student Center is funded and maintained through student approved fees and bonds.

The Utah Valley University Student Association proposes to remodel and expand the Sorensen building. The multi-year project will enhance the food court and add more seating for student dining. Additional conference, office, and service spaces are included. Aging venues such as the Ragan Theater will be updated and the main concourse will be refreshed with new wall treatments, ceilings, and light fixtures. Entries into the bookstore and meeting spaces will be improved to make them easier for students to find.

The project will also add space for mental health initiatives proposed by the students. This important facet of student success has experienced a sharp increase in service demand. Adding the needed consultation spaces will allow those seeking services, better access than is possible now with the limited spaces available in the old building. Student fees and auxiliary revenue will pay the debt services on the proposed bond for design and construction of the facility as well as ongoing operation and maintenance. No state funds will be requested for this facility.