Office of the
Legislative Fiscal Analyst

FY 2005 Budget Recommendations

Joint Appropriations Subcommittee for
Capital Facilities and Administrative Services

Capital Budget

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1.0 Summary: Capital Budget

The Capital Budget funds new construction, major remodeling, roofing and paving projects. Capital Development projects are projects that add new square footage or cost more than $1,500,000. Capital Improvements (also called "alterations, repair and improvement" or AR&I) are remodeling projects that cost less than $1,500,000 and do not add new square footage.

The ongoing portion of the Capital Budget base is made up of General Fund and Income Tax – but the State can take advantage of bonds, donations and federal funds to pay for projects.

Financing	Analyst FY 2005 Base	Analyst FY 2005 Changes	Analyst FY 2005 Total
General Fund	27,584,700	(607,800)	26,976,900
Income Tax	17,000,000		17,000,000
Total	$44,584,700	($607,800)	$43,976,900
Programs			
Capital Improvements	42,714,700	1,262,200	43,976,900
Capital Development Fund	1,870,000	(1,870,000)	
Total	$44,584,700	($607,800)	$43,976,900
FTE/Other			

2.0 Issues

2.1 Capital Improvements

Capital Improvements - also called alterations, repairs and improvements – must be funded before any new capital development project can be approved. During the 2001 General Session the Legislature increased the minimum funding formula from 0.9 percent to 1.1 percent of the value of all state buildings. The plan to increase funding included a transfer of existing funds within the capital budget. As revenue projections went unmet in FY 2002 and FY 2003, the Legislature amended statute to allow for more flexibility in the capital improvement program. The change allowed the legislature to increase flexibility by funding at the original 0.9 percent level.

The difference in 1.1 percent and 0.9 percent now exceeds $11 million. However, even at 0.9 percent of value, the State will provide nearly $44 million in funds to address the maintenance backlog. It seems unlikely that the State will be able to fund the 1.1 any time in the near future given other pressures. If funding continues at 0.9, the Analyst believes that the Legislature should consider permanently returning to the 0.9 level.

The Analyst Recommendation includes assumes funding at the 0.9 level in FY 2005 and sets the Capital Improvement program at $43,976,900 instead of the 1.1 percent level of $53,750,000.

2.2 Capital Development Recommendation

In the past the Analyst provided a prioritized list for consideration by the Legislature. This year, with no ongoing cash budget for development, the Analyst hesitates to make a recommendation that would increase indebtedness. Last year the Capital Facilities committee chose to limit facility bond authorizations to the amount of principal to be retired within the year. Using that principle the Legislature would target $64 million in authorizations for the 2004 General Session.

Rather than attempt to prioritize projects this year the Analyst will provide a ranking system based on categorical needs in the state. The Analyst believes projects should be prioritized by the legislature within the following categories:

1. Replacement/renewal of existing space;
2. Expansion of existing programs;
3. Opportunities;
4. Creation of new programs.

The Analyst recommends that the Legislature adopt this rank order as it prioritizes needs for development this year. The order recognizes that the state is serious about maintaining a AAA bond rating and that a key element of that is balancing the need for capital renewal against the demand of growth in services (primarily in higher education). Opportunities arise when the state may be able to take advantage of a unique circumstance (such as a purchase or grant that would significantly lower costs). Creation of new programs should remain low on the priority list during a time when existing programs struggle to maintain service levels.

2.3 Using Capital Budget to Enhance Ongoing Revenue

The Legislature addressed revenue shortfalls for Fiscal Year 2002 and 2003 by using one time funds to fill gaps in ongoing budgets. This created structural imbalance in the FY 2004 budget as agency programs continued in hopes of receiving ongoing appropriations. Last year the Legislature transferred funds from the Capital Budget to the College of Eastern Utah to provide gap coverage in its dormitory bond program. The Legislature also provided payment for two of the last three $921,000 bond payments needed to complete financing on the Promontory prison unit operated by the Department of Corrections. This year's debt service amount includes the final payment on the facility.

This action provided the state with more than $1 million in ongoing General Fund to apply toward the structural deficit. Such flexibility is one of the traits that keeps Utah's bond rating at the AAA level.

2.4 Rotating Research Institution Projects

The following proposal appeared in the 2003 Analyst Recommendation and is re-printed for consideration this year due to the fact that Utah State University received funding for a large project last year, providing a potential starting point for the "rotation."

The Utah System of Higher Education occupies approximately two-thirds of all state space. Among the USHE, the University of Utah and Utah State University occupy the most (and oldest) space. One of the real difficulties that arises in the facility approval process is competition between the two research universities for development funds. This year the top priorities at the U of U and USU total more than half of the entire USHE request.

With two large institutions competing for such large amounts of funds, the Legislature may want to consider establishing an alternating system that would fund the top priority of one school one year, then the top priority of the other school in the following year, assuming availability of funds. This would recognize political reality of facility funding and could remove the facility "bottleneck," allowing smaller schools compete on a more level playing field for funding.

2.5 Salt Lake Community College Metro Center

In 2001 Salt Lake Community College entered into a lease for 38,000 square feet of classroom and meeting space downtown. The ten year lease included a first year rent of $149,000 then jumped to approximately $500,000. Over the course of the lease the payments will climb to $650,000. Current statute allows colleges and universities to enter into leases under Regent Authority without official legislative notification – state agencies requesting a similar lease are required by statute to notify the Legislature any time they enter into a "high cost" lease.[1]

During the course of the lease SLCC encountered difficulties with the property, including serious life-safety issues. At the same time the developer filed for bankruptcy protection and the building is now owned by the court trustee. Since the primary creditor on the bankruptcy is the building contractor, the contractor made repairs to the building and made it available for occupancy again. Therefore, SLCC is required to complete the lease as signed (the College did not include a standard "out" clause found in other leases with state agencies - and even the college[2] – that would allow the state to terminate the lease if funding were rescinded).

As of the writing of this document, the College made known to the bankruptcy trustee that the College intends to purchase the facility for $5.5 million ($4.25m for the facility and $1.25m for upgrades to be performed by the contractor under the supervision of DFCM). This is an amount similar to what is owed to the original contractor, who will provide market value upgrades worth approximately $1.8 million if the deal is approved.

At this point it seems that there is no way for the college to terminate the lease without a significant cost to the state. The state is left with three options:

1. Continue to lease to the end of the term (total expenditure will exceed the $5.5 million selling price);
2. Purchase the facility using a loan from the RDA that will be replaced by a Regent's Bond in two or three years;
3. Purchase the facility using a Building Ownership Authority Bond that will be funded by the college.

[1] Utah Code 63A-5-301 defines a "high cost lease" as any lease with a term of ten years or longer or a lease that will cost more than $1 million during the term of the lease.
[2] SLCC terminated its Millcreek lease in February of 2003 citing a clause that allows the Board of Trustees to remove the lease allocation from the institutional budget.

The College's current plan is to borrow funds from the Salt Lake City RDA. The loan would be amortized over ten years but would have a balloon payment at the end of the second or third year. The College would then return to the Legislature to request permission to issue a Regent's Revenue Bond funded by student fees at the Metro Center. The Analyst believes this is a risky proposition given that the revenue stream is dependent on student enrollments downtown. A more cost effective method would be for the State Building Ownership Authority to purchase the building and lease it to SLCC. This would provide a more stable revenue stream and cheaper financing (the last BOA bond was rated AA+). This would also place the state in charge of the facility in the future, allowing more flexibility should the demand for downtown education programs fail to materialize.

2.6 Revenue Bonds vs. Lease Revenue Bonds

As capital budgets are requested and prepared, conversation often focuses on the use of revenue bonds as a funding source. Many times these conversations make little or no distinction between true revenue bonds and lease revenue bonds.

FY 2005 Proposed Revenue/Lease Revenue Projects

Revenue			
DABC	Replacement Store (Mt. Olympus)	$2,015,000	Sales of Goods
DABC	Replacement Store (N. Ogden)	$1,495,000	Sales of Goods
DABC	Replacement Store (Ogden)	$1,220,000	Sales of Goods
DABC	Store Expansion (Provo)	$580,000	Sales of Goods
DABC	New Store (Park City)	$2,895,000	Sales of Goods
USU	Housing and Parking Structure	$35,500,000	Fees/Parking Rev.
USU	Co-Generation Project	$976,000	Energy Savings
USHE	OCHE Office Purchase	$3,600,000	Student Fees
Lease Revenue			
SLCC	Metro Center	$5,500,000	Lease Payments
DFCM	Ogden Regional Center	$8,964,000	Lease Payments
DFCM	Moab Regional Center	$1,450,000	Lease Payments
DFCM	Logan Regional Center	$5,164,000	Lease Payments

True revenue bonds pledge an actual income stream as the source of payment. This is most often used by the Department of Alcoholic Beverage Control and higher education institutions. DABC pledges part of its sales to fund debt service, higher education often uses student fees or revenue generated by auxiliary operations such as parking. Legislative scrutiny is still important for these projects to ensure that the most pressing needs are being addressed by agencies seeking bonding authority.

From the agency perspective, lease revenue bonds are not funded from a revenue stream. The "revenue" from a "lease revenue" bond is only revenue to the State Building Ownership Authority. The BOA furnishes capital for the construction of a facility and then charges lease rates to user agencies. With low interest rates it is tempting to convert lease payments to bond payments as a way to maximize expenditure. However, the state must be careful to ensure that the value of moving to a bond payment exceeds the cost of combining agencies that may not be better off in co-located space. Legislators continue to express concern that agencies agree to high cost leases as a way to circumvent the capital facility approval process. Failure to carefully monitor proposals for lease-revenue bonds may lead agencies and institutions to believe that they can use leases to gain leverage in the facility approval process.

2.7 Pay as Go (PAYGo) Financing

During the 2000 General Session the Legislature moved toward establishment of a pay-as-you-go (PAYGo) system for financing capital facilities. The plan would have provided more than $150 million per year for capital improvements and capital development. With the budget downturn of FY 2002-2003 the Legislature used the cash in the capital budget to balance the state budget. In effect, the capital development fund became a backup to the "Rainy Day" fund. Even with the cuts to the ongoing cash, nearly $44 million remains in the budget for Capital Improvements. Depending on the size of the 2004 Bond Authorization, this amount is likely to represent from forty to sixty percent of facility expenditures. The ability to use cash for capital needs – especially for short term items like improvements – sends a strong signal to rating agencies that the state is serious about maintaining its AAA bond rating.

While the opportunity to return to PAYGo for developments is probably two or three years off, the Legislature should begin planning now to earmark one-time surplus funds for capital projects. As one-time funds are used and principal continues to be paid off there will be an opportunity to restore facility funding to an ongoing cash base.

2.8 Transportation Projects

The top two priorities for the Utah Department of Transportation are new maintenance stations in Heber City and Vernal. As part of the justification for moving the new facilities, the Building Board notes that noise is a "nuisance"[3] to neighbors. This is often brought up as an issue with UDOT facilities, but rarely is it matched with a city effort to help defray the cost of moving. Furthermore, the sites chosen by UDOT for these new facilities will require significant expenditures to prepare the site and connect utilities.

[3] Utah State Building Board (2004). *Five Year Building Program*, pp. D-16 and D-17. Salt Lake City Utah: Division of Facilities Construction and Management.

UDOT FY 2005 Request	Heber City	Vernal
Construction	$892,600	$1,028,500
Design Fees	107,316	122,661
Site Costs	434,300	728,800
Misc./Equip	481,784	593,039
	$1,916,000	**$2,473,000**
Total Bays	10	12
Cost Per Bay	$191,600	$206,083

Current facilities in Vernal and Heber City may be less than ideal, but given the cost of replacing the facilities, the Analyst believes that the Legislature's best option is to hold off on new facilities while focusing transportation money on building roads and paying debt service.

2.9 Oxbow Jail Purchase

During the 2001 General Session the Analyst presented a report[4] on the feasibility of purchasing the Oxbow Jail from Salt Lake County. The asking price at that time totaled $17,725,000. In addition the Department of Corrections and DFCM anticipated an additional $2.3 million for remodeling and $500,000 to purchase adjacent property. The report concluded that for the facility to be of value to the state, the total state cost must be considered.

Oxbow Cost Analysis	Governor's Proposal
Facility	$7,000,000
Land	$729,000
Remodel	$3,271,000
Total	$11,000,000
Beds	552
Cost Per Bed	$19,928
Net Beds (Less Halfway Program)	460
Net Cost Per Bed	$23,913

[4] Walthers, Kevin (February, 2001). *Facility Report: Department of Corrections, Division of Youth Corrections and Courts*, pp. 9-10. Salt Lake City, Utah: Office of the Legislative Fiscal Analyst.

State cost must include remodeling and land purchase

This year the Governor's budget request includes $11 million to purchase and remodel the Oxbow Jail for state use. At first glance this appears to cut in half the per bed cost from the 2001 proposal. However, the facility will not be used for 552 secure beds, bringing the total secure facility to 460 beds. Even at 460 beds, the total cost of $23,913 per bed provides some value to the state. The Analyst believes that this cost is in line (and is likely slightly lower) with what the state would expect to build new on state land in Draper. The difficulty in completing the sale comes from the fact that the state must consider the full cost of the facility – not just the purchase price. If the purchase and remodel can not be completed for the $11 million proposed in the Governor's budget, then the state loses the utility of a facility off-site. The state still carries 300 empty beds in the VOI/TIS dorm and will see expanded capacity opportunities this year when Cache County opens its new jail. Opening a facility off of the main Draper campus increases costs as economies of scale are lost. It may be in the state's best long term interest to build a facility on the Draper campus or in Gunnison (opening beds for women at Draper) and use the co-location of facilities to lower ongoing costs.

If the Oxbow facility can not be purchased and remodeled for $11 million as proposed by the Governor, the Analyst recommends that the Department of Corrections use capacity on the Draper site to manage the growing women's population and return to the Legislature with a plan to build a new facility that will provide a long-term solution to the state.

3.0 Programs: Capital Budget

3.1 Capital Improvements

The Analyst is recommending Capital Improvement funding of $43,976,900. If the Legislature approves this statutory minimum it will represent Utah's largest annual Capital Improvement appropriation.

Financing	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
General Fund	35,506,700	25,714,700	26,976,900	1,262,200
General Fund, One-time		(4,200,000)		4,200,000
Income Tax	4,900,000	17,000,000	17,000,000	
Dedicated Credits - GO Bonds		4,200,000		(4,200,000)
Project Reserve Fund	100,000			
Total	$40,506,700	$42,714,700	$43,976,900	$1,262,200
Expenditures				
Other Charges/Pass Thru	40,506,700	42,714,700	43,976,900	1,262,200
Total	$40,506,700	$42,714,700	$43,976,900	$1,262,200

*Non-state funds as estimated by agency

Capital Improvements are major alteration, repair and improvements (AR&I) of the State's fixed capital assets. Capital improvement funds may not be used for program equipment or routine maintenance.

Minimum funding levels for Capital Improvements are set in statute:

> *The Legislature may not fund the design or construction of any new capital development projects, except to complete the funding of projects for which partial funding has been previously provided, until the Legislature has appropriated 1.1 percent of the replacement cost of existing State facilities to capital improvements (UCA 63A-5-104(5))*

Maintenance Backlog

DFCM estimates that there is nearly $200 million of immediate needs in the state's maintenance backlog. Capital Improvement funds help to reduce the backlog but cannot address all issues. Many facilities have significant problems that require more than the $1,500,000 statutory cap allowed for capital improvements (examples include the U of U's Marriott Library, WSU's Swenson Building and the State Capitol). In these cases, funds must be used from the Capital Development portion of this budget. The Analyst believes that the Legislature's focus on taking care of existing needs before allocating funds to expansion has been wise for the state. This shows recognition of the fact that Capital Improvements alone cannot alleviate the maintenance backlog. The Analyst believes the Capital Facilities and Administrative Services Committee should continue to focus on large projects that need Capital Development funds to correct significant problems that inflate maintenance backlog totals and potentially threaten the state's bond rating.

AR&I Funding Supports Higher Education

If the Legislature funded Capital Improvements at 1.1 percent, the $53 million level would eclipse the highest funding amount by approximately twenty percent. If Capital Improvements are funded at the lower rate of 0.9 percent the FY 2005 level will still be the most ever appropriated to specifically address the maintenance backlog. More than half of all Capital Improvement dollars go to projects that benefit Higher Education and the Utah College of Applied Technology. This is money that is rarely accounted for in considering state support of education even though the direct beneficiaries of the program are students.

Capital Improvement Expenditures

	Higher Education	UCAT/Public Education	General Government	Law Enforcement	Statewide Issues	Total
FY 2004	22,040,300	1,854,900	10,036,400	4,993,000	3,790,100	42,714,700
FY 04 %	*54%*	*5%*	*25%*	*12%*	*9%*	
FY 2003	21,312,000	2,044,500	10,093,800	3,946,000	3,090,400	40,486,700
FY 03 %	*53%*	*5%*	*25%*	*10%*	*8%*	
FY 2002*	23,839,909	1,915,800	8,667,458	3,848,761	4,140,000	42,411,928
FY 02 %	*56%*	*5%*	*20%*	*9%*	*10%*	
FY 2001	17,462,500	1,270,500	10,760,500	2,708,700	4,550,800	36,753,000
FY 01 %	*48%*	*3%*	*29%*	*7%*	*12%*	
FY 2000	15,842,300	1,687,800	8,429,400	2,983,800	4,614,700	33,558,000
FY 00 %	*47%*	*5%*	*25%*	*9%*	*14%*	
FY 1999	17,231,543	2,638,435	8,565,535	3,037,937	1,000,000	32,473,450
FY 99 %	*53%*	*8%*	*26%*	*9%*	*3%*	
FY 1998	13,235,366	2,938,200	10,346,675	1,681,900	3,850,957	32,053,098
FY 98 %	*41%*	*9%*	*32%*	*5%*	*12%*	
FY 1997	12,667,800	1,969,200	12,171,500	2,333,100		29,141,600
FY 97 %	*43%*	*7%*	*42%*	*8%*		
FY 1996	9,059,350	1,069,900	6,431,550	1,963,800		18,524,600
FY 96 %	*49%*	*6%*	*35%*	*11%*		
FY 1995	5,605,100	555,000	7,678,100	1,465,000		15,303,200
FY 95 %	*37%*	*4%*	*50%*	*10%*		
FY 1994	4,536,600	635,700	7,270,200	1,894,400		14,336,900
FY 94 %	*32%*	*4%*	*51%*	*13%*		
Total Expenditur	**Higher Education**	**Public Education**	**General Government**	**Law Enforcement**	**Statewide Issues**	**Total FY 94-03**
FY 94-04	162,832,768	18,579,935	100,451,118	30,856,398	25,036,957	337,757,176
Average %						
FY 94-04	48%	6%	30%	9%	7%	

1994-1997: Law enforcement category includes Courts, Corrections and Public Safety.
1998-2002: Law enforcement category includes above plus Youth Corrections.
* FY 2002 Funding includes $2.8 million in transfers

Statewide AR&I Issues

In FY 2003 the Building Board allocated more than $3 million in capital improvement funds for "Statewide funding issues." Statewide funding issues are listed in the table below.

DFCM Statewide Expenditures					
Project	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**
Facility Audits	$215,000	$215,000	$220,000	$220,000	$220,000
Condition Assessments	700,000	950,000	1,000,000	735,000	500,000
Capital Improvement Mgmt. (DFCM Admin)					492,200
Energy Program	815,700	800,000	150,000		
Scanning of Documents	80,000	125,300	-		
Topographical Surveying	50,000	42,000	-		
DFCM CAD Standards	150,000	132,000	170,000		
Hazardous Materials	850,000	801,500	700,000	650,000	600,000
Emergency Power Source (Generators)	354,000		-		
Paving PM	250,000	350,000	350,000	295,000	327,900
Paving UCI	150,000	235,000	250,000	250,000	250,000
Roofing PM	200,000	500,000	400,000	300,000	400,000
Roofing UCI	300,000	300,000	300,000	100,000	250,000
Roofing - Seismic		300,000	300,000	100,000	200,000
Emergency Roofing	200,000	300,000	-	140,400	250,000
Emergency Funds	300,000	200,000	200,000	200,000	200,000
Land Option		100,000	100,000	100,000	100,000
Total - Statewide Issues	**$4,614,700**	**$5,350,800**	**$4,140,000**	**$3,090,400**	**$3,790,100**

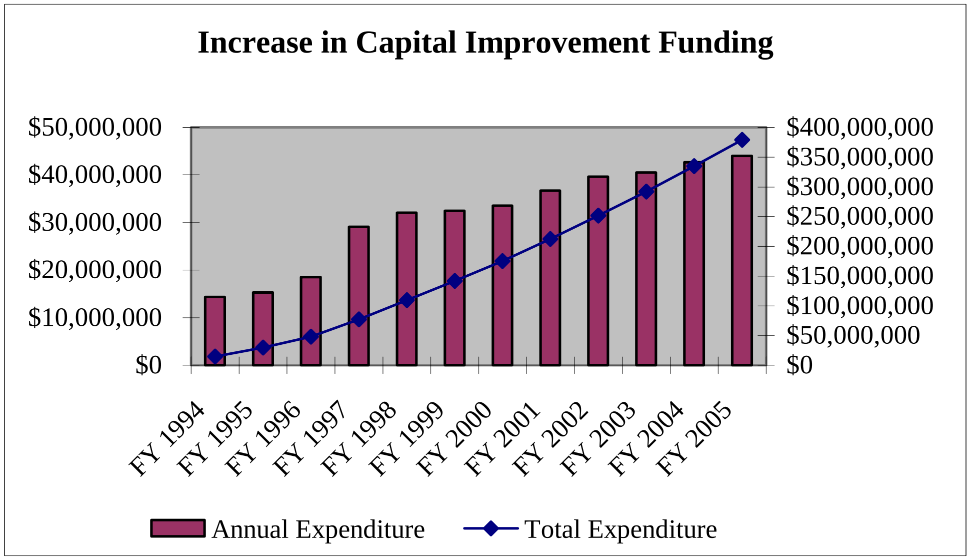
Source: DFCM and OLFA

One of the larger items addressed in the statewide issues category is the condition assessment program. DFCM contracts for engineering studies to provide key data on the condition of state owned facilities. The Legislative Auditor determined that more than eighty percent of capital improvement projects come from assessments prioritized in this program. The Analyst believes that this program is paying long term dividends and will continue to monitor and report on its progress.

Funding continues to increase

Funding for Capital Improvements will again climb to a new high, even assuming funding at the lower 0.9 percent level. The Utah system of funding alterations, repairs and improvements relies on replacement value of facilities. This means that inflation and new facilities drive program increases every year. Many states ignore such funding issues or fund on a fixed cost that does not keep up with growth. The Utah system is one of the most creative solutions available to any level of government.

AR&I alone will not eliminate maintenance backlog



Source: OLFA Meribah Database

Even with the record level of funding, DFCM estimates that the state still carries $199 million in immediate needs that can not be fully addressed in the current year. Utah is not alone in carrying huge maintenance backlogs. Most, if not all, government entities attempt to forestall capital costs by keeping buildings longer than they are designed for or by postponing major repairs. However, just because the backlog is large does not mean that the Utah system is insufficient to fix the problem. Nearly forty percent of Utah facilities are over 25 years old, so the natural replacement cycle will accelerate the elimination of the backlog. The Legislature should continue to place emphasis on Capital Development projects that replace aging and worn space. This year's effort reduced immediate needs by $54 million although the five and ten year amounts increased slightly.

Facility Assessment: Progress on Backlog

Buildings	**FY 2004**	**FY 2005**	**Progress**
Immediate	$202,971,000	$167,164,000	$35,807,000
Five Year	416,486,000	474,383,000	(57,897,000)
Ten Year	214,679,000	227,514,000	(12,835,000)
Total	$834,136,000	$869,061,000	($34,925,000)
Infrastructure			
Immediate	$51,315,000	$31,932,000	$19,383,000
Five Year	154,395,000	169,960,000	(15,565,000)
Ten Year	80,435,000	99,194,000	(18,759,000)
	$286,145,000	$301,086,000	($14,941,000)
Total Backlog	$1,120,281,000	$1,170,147,000	($49,866,000)

Source: 2003 and 2004 Five Year Book

3.2 Capital Planning

The Analyst does not recommend any state funds for planning.

3.3 State Funded Capital Development

Financing	2003 Actual	2004 Estimated*	2005 Analyst	Est/Analyst Difference
General Fund		1,870,000		(1,870,000)
Federal Funds	7,900,300			
Project Reserve Fund	700,000			
Total	$8,600,300	$1,870,000	$0	($1,870,000)
Expenditures				
Other Charges/Pass Thru	8,600,300	1,870,000		(1,870,000)
Total	$8,600,300	$1,870,000	$0	($1,870,000)

*Non-state funds as estimated by agency

USHE Priorities

Colleges and Universities occupy two-thirds of all state space and, with growth continuing throughout the system, annually receive the largest capital funding for new projects. The Legislature consistently reminds schools that there is no "queue" for projects, that each year projects are prioritized based on merit. The reason the Legislature avoids lining up projects is that priorities change from year to year even when projects aren't funded. A queue encourages schools to cling to projects that may not be in the long term interest of the state or the school.

Top Priorities By Institution FY 2000-2005

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
UU	~~Cowles Renovation~~	Fine Arts Museum	Fine Arts Museum	Marriott Library	Marriott Library	Marriott Library
USU	Heat System Renovation	Heat System Renovation	~~Heat System Renovation~~	Merrill Library	~~Merrill Library~~	Animal Sciences
WSU	Chilled Water Plant	~~Chilled Water Plant~~	~~Davis Campus~~	Land Purchase	Swenson Renovation	Swenson Renovation
SUU	~~PE Building~~	Business Building	Teacher Education	Teacher Education	Teacher Education	Teacher Education
UVSC	~~Information Sciences~~	~~Classroom Additions~~	~~Classroom Building~~	~~Wasatch Campus~~	~~Vineyard Purchase~~	Digital Learning Center
SLCC	~~Applied Education Center~~	Perimeter Road/Buildings	Auto Trades Remodel	Health Sciences	Health Sciences	Health Sciences
DSC	Fine Arts Building	Fine Arts Building	~~Fine Arts Building~~	Health Sciences	Health Sciences	Health Sciences
Snow	Performing Arts	Performing Arts	~~Performing Arts~~	Classroom Building	Classroom Building	Library/Classroom
CEU	Main Building and Theater	Main Building Remodel	~~Main Building Remodel~~	Fine Arts Complex	Fine Arts Complex	SJC Library

Source: USHE and OLFA

3.4 Statewide Facility Needs

Each year facility requests outpace the ability of the state to fund them. Rather than develop a priority list, the Analyst presents the following as projects that merit strong consideration from the legislature. Categories are provided in priority order – the Analyst still believes that taking care of existing needs is the most important consideration in funding capital development projects. Projects are listed alphabetically within each category. The column titled "FY 04 Stage" refers to three projects that could be funded for less than the total amount if necessary.

FY 2005 Projects

	Total Project	Total State Funds	FY 05 Stage if applicable	Donations/ Other Funds	Increased O &M
Renovations/Replacements					
State Capitol	$187,000,000	$187,000,000	$50,000,000		
Tooele Court Facility	$9,446,000	$7,103,000		$2,343,000	
University of Utah Marriott Library	$63,035,000	$45,035,000	$27,000,000	$18,000,000	$363,000
USU Animal Sciences	$5,475,000	$5,475,000			$12,000
WSU Swenson Bldg. Renovation	$8,569,000	$5,569,000		$3,000,000	$0
Program Expansion/Growth					
CEU San Juan Library/Health Sci.	$5,240,000	$4,240,000		$1,000,000	
Dixie State College	$15,626,000	$15,626,000			$405,800
DNR/UDC Special Ops Replacement	$1,305,000	$1,305,000			
National Guard Readiness Center	$10,536,000	$2,719,000		$7,817,000	$42,500
SLCC Health Sciences	$26,657,000	$26,657,000			$699,500
Snow College	$18,179,000	$9,179,000		$9,000,000	$405,300
SUU Teacher Education	$10,545,000	$10,545,000			$253,700
UBATC Vernal Campus	$10,525,000	$10,525,000			$299,500
UVSC Digital Learning Center	$32,500,000	$32,500,000			$818,600
Opportunities					
BATC Bourns Bldg. Purchase	$3,550,000	$3,550,000			$438,700
DFCM Moab Regional Ctr. Purchase	$1,450,000	$1,450,000			($65,000)
UDC Oxbow Jail Purchase	$11,000,000	$11,000,000	$7,000,000		$660,100

Staged Funding should be used rarely

The column titled "FY 05 Stage" refers to three projects that could be funded for less than the total amount if necessary. The Analyst hesitates to recommend staged funding unless there is a compelling reason:

- Given the amount of funds needed for the Capitol it seems prudent to break up funding over three or four years.
- The University of Utah can structurally brace the Marriott Library and add the ASRS portion for $27 million. If the balance of funding were delayed the building would still be usable.
- The Governor budgeted $11 million to purchase and renovate Salt Lake County's Oxbow jail. The Legislature could approve the $7 million purchase and address renovation at a later date.

Capitol Preservation Board – Capitol Restoration Project

Last year the Legislature approved $10 million to purchase stone and move forward with testing and final design of the Capitol. As presented last year, the appropriation provided sufficient funds for the project to stay on track through FY 2004. The appropriation assumed continued progress in phases, including the closure of the Capitol in 2004 as staff moved into the expansion wings. The Capitol Preservation Board will begin moving staff offices to the expansion in April and plans to hold April Interim meetings in the new buildings. Although they would prefer full authorization of the remaining $187 million for the project[5], the Capitol Preservation Board believes that it can move ahead in FY 2005 with $50 million.

WSU Swenson Building Renovation

Weber State University's Swenson Renovation request underscores the need to match sound development planning with the capital improvement program. The building could be retrofitted over a number of years with capital improvement funds, but the time to completion and cost of such a plan is prohibitive. In addressing the facility all at once the Legislature can keep flexibility for capital improvement funds and would remove more than the $8.6 million total price from the list of "immediate needs" on the maintenance backlog.

University of Utah Marriott Library

Following the 2001 General Session, the University of Utah anticipated placing a Marriott Library remodel at number two on their priority list for FY 2003 consideration. An engineering study funded by the University determined that the life safety problems within the library warranted placement at the top of the institutional priority list. The remodeling project as anticipated by the University was found to be unworkable due to severe seismic needs within the existing structure. Instead of requesting $12 million in state funds to match $6 million in donations, the cost of the project jumped to $45 million and the institution promised to fund $18 million from gifts.

The restoration design includes a high volume automated storage and retrieval system (ASRS). Automated retrieval systems allow libraries to consolidate seldom used materials into one area, creating increased demand overall for holdings that normally would take shelf space from high usage materials. It would be possible to build the ASRS as an initial phase of the total restoration and to complete exterior bracing in FY 2005. The project could be staged without obligating further funds in FY 2006 although it is likely that the assumption would be to fund the remaining balance.

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[5] If the full $187 million were authorized, the State Treasurer would still issue debt in stages. Federal law requires that the state issue only the amount that can be spent at any given time.

BATC Bourns Building Purchase

Over the next ten years the Bridgerland College of Applied Technology anticipated construction of two new facilities on its main campus that would add approximately 50,000 square feet of space. As the College prepared its request for the 2003 Legislative Session they became aware of a large manufacturing facility less than a mile from the main campus (and on the same road). The building owned by the Bourns Company contains 87,000 square feet and is ideal for the type of training that BATC provides. The $3.55 million purchase price offers an opportunity to gain more space for much less than would be expended for construction of new facilities. However, the Legislature should keep in mind that the facility will likely need additional upgrades (likely funded with Capital Improvements) and expansion of the program is no guarantee that this will completely relieve pressure to add new facilities on the main campus.

Utah National Guard Armory

The Utah National Guard recently sold its Murray Armory, relocating three units to its Camp Williams Facility. With the transfer of a Medical Area Support Company to Utah, the Guard faces the need of constructing a new readiness center. The federal government provides a three-to-one match on state funds for new armories, but insists that funding be in place prior to allocation of funds. In the past the Legislature provided assurances for funding by authorizing bonds to be issued only upon receipt of anticipated federal funds. The Analyst believes that it would be in the interest of the state to offer matching funds. **If any facility or highway bond is approved during the 2004 General Session, the Analyst recommends adding an authorization of $2,719,000 for a new National Guard Armory to be placed in North Salt Lake.** The Analyst also recommends adding language to the bond bill that allows issuance only upon receipt of federal funds in the amount of $7,800,000 to fund the balance of the project.

Tooele County Court Facilities

The Third District Court shares space with Tooele County at the Tooele Complex. The facility design prevents establishment of basic security measures and creates a situation where accused criminals share hallways with jurors, victims and the public. With significant growth in Tooele County the Courts now needs to expand its facilities. After exploring several options, it appears that a lease-purchase funded through court fees will not work for this facility as has been done in the past. One difficulty with this plan is that the court fees anticipated to be used for this project have been shifted to filling gaps in the current budget year. With no ability to provide additional state funds, the Analyst can not recommend approval of this project for FY 2005 but notes that this is an issue that must be addressed soon.

Transportation Projects

The Department of Transportation seeks authorization to purchase two parcels of land totaling $500,000. Given the current budget situation, the Analyst recommends that this amount be funded through the Transportation Appropriation Subcommittee as part of the overall UDOT budget.

3.4 Non-State Funded Projects

The table below shows projects recommended for funding from sources other than State funds. The Analyst is concerned that current facilities carry maintenance backlogs as the State continues to accept donated buildings or approve fee-driven projects. The Analyst also recognizes that many donated or fee-driven projects provide extraordinary value to the State.

FY 2005 "Other Fund" Revenue Projects

Agency	Project	Amount	Funding Source	New O/M	Comment
DABC	Replacement Store (Mt. Olympus)	$2,015,000	Sales of Goods	None	Part of master plan
DABC	Replacement Store (N. Ogden)	$1,495,000	Sales of Goods	None	Part of master plan
DABC	Replacement Store (Ogden)	$1,220,000	Sales of Goods	None	Part of master plan
DABC	Store Expansion (Provo)	$580,000	Sales of Goods	None	Part of master plan
DABC	New Store (Park City)	$2,895,000	Sales of Goods	None	Part of master plan
USU	Housing and Parking Structure	$35,500,000	Fees/Parking Rev.	None	Part of master plan
USU	Co-Gen Project	$976,000	Energy Savings	None	
USHE	OCHE Office Purchase	$3,600,000	Student Fees	None	Good opportunity
SLCC	Metro Center	$5,500,000	Lease Payments	None	Analyst rec. BOA Bond
DFCM	Ogden Regional Center	$8,964,000	Lease Payments	($135,000)	Solves difficult lease issues
DFCM	Moab Regional Center	$1,450,000	Lease Payments	($65,000)	Analyst rec. G.O. Bond
DFCM	Logan Regional Center	$5,164,000	Lease Payments	$109,000	
UDOT	Heber City Maintenance Station	$1,916,000	Tranportation Fund	None	Analyst rec. delay
UDOT	Vernal Maintenance Station	$2,473,000	Tranportation Fund	None	Analyst rec. delay
UU	Gauss House	$7,600,000	Federal Funds	$188,400	Increase in scope
UU	College of Health Academic Ctr.	$15,000,000	Donations	$316,800	Part of master plan
UU	Geology/Geophysics Building	$21,400,000	Donations	$480,600	Part of master plan
UCAT	Davis ATC Entreprenurial Bldg.	$1,835,000	Donations	None	
UCAT	Southeast ATC	$200,000	Int. Funds/CIB	$11,400	
UNG	TASS Barracks	$11,719,000	Federal Funds	None	
DWS	Logan Employment Center	$2,801,000	Federal Funds	None	Could be part of Reg. Ctr.
DNR	Carbon County Land	$250,000	Agency Funds	None	

Recommended O&M

As facilities come online they carry an impact for routine operation and maintenance. Legislative policy requires agencies to acknowledge State funded obligations when requesting non-State funded buildings. In the past, the Legislature expressed concern that O&M funds were not considered in accpetance of non-state funded buildings. Agencies also expressed frustration that O&M funds often were not appropriated once facilities were approved. To bridge this gap, committee chairs of the Capital Facilities and Administrative Services subcommittee now communicate with chairs of operational committees that will be affected by future O&M requests. While this is not a guarantee of future funding, it is an attempt to use as much information as possible in accepting buildings.

Regional Centers

DFCM presented information to the Building Board detailing the need for central locations of services in Cache and Weber Counties. The state has a number of leases in each county, many of which will expire soon or can be terminated. With growth in both counties, it may be better in the long term for the state to co-locate services in an owned facility. DFCM estimates that rent to agencies in Weber County will actually decline by $135,000 if approved. To make a regional center work in Cache County will require an additional $109,000. The Analyst believes the Legislature should carefully consider all options and costs in approving new regional centers.

Moab Regional Center Offers Value to State

The state currently rents space for a regional center in Moab, Grand County. Workforce Services recently moved to new space, providing ample room for the remaining tenants (DHS, DNR, DPS Driver's License, AP&P and SITLA) for the "foreseeable future."[6] While the Analyst shares the Legislative concern that agencies may be using lease payments to leverage capital facilities, in this case the purchase option was put in place as part of the original project. If purchased on a Lease Revenue Bond, DFCM estimates that costs to agencies would drop by $65,000. **The Analyst recommends that this project be added to any G.O. Bond authorization and that agency budgets be reduced by the anticipated Lease Revenue Bond payment and returned to the General Fund.**

DNR should seek land for new facility in Carbon County

Two years ago the Legislature approved a lease-purchase of a new facility in Carbon County for the Department of Natural Resources. The project assumed financing by Carbon County which never materialized. In the meantime the Department agreed to a three year extension on current lease space that precludes seeking funding for a new building until the 2005 or 2006 Legislature. At this point the Department has enough funds available from Lifetime License Fees that it could "loan" the money to itself and pay back the fund over time. Although the Department does not expect to request approval of the new facility for one or two years, **the Analyst believes that the Department should begin the process of acquiring land for the new facility**.

[6] Utah State Building Board (2004). *Five Year Building Program*, pp. C-3. Salt Lake City Utah: Division of Facilities Construction and Management

3.5 Lease Report

Three entities have leasing authority in Utah: DFCM, the Courts and the Utah System of Higher Education. DFCM bears the responsibility for coordinating and reporting lease activity:

> **63A-5-303. Lease reporting and coordination.**
> (1) The director shall:
> (a) prepare a standard form upon which agencies and other state institutions and entities can report their current and proposed lease activity, including any lease renewals; and
> (b) develop procedures and mechanisms within the division to:
> (i) obtain and share information about each agency's real property needs; and
> (ii) provide oversight and review of lessors and lessees during the term of each lease.
> (2) Each agency, the Judicial Council, and the Board of Regents for each institution of higher education shall report all current and proposed lease activity on the standard form prepared by the division to:
> (a) the State Building Board; and
> (b) the Office of Legislative Fiscal Analyst.

Each year DFCM presents a lease report as part of the Five Year Book. The Legislature provides a flexible system of reporting that allows agencies to manage their programs with leases when appropriate by simply reporting their intention rather than gaining formal approval for each lease. Current statute requires DFCM or Judicial Council oversight for high cost leases, defined as a lease that:

> (a) has an initial term including any agency optional term of ten years or more; or
> (b) will require lease payments of more than $1,000,000 over the term of the lease including any agency optional term. (*UCA 63A-5-301*)

This provision is not applicable to the Utah System of Higher Education which has the ability to establish its own policies:

> **63A-5-305 Leasing by higher education institutions.**
> (1) The Board of Regents shall establish written policies and procedures governing leasing by higher education institutions.
> (2) Each higher education institution shall comply with the procedures and requirements of the Board of Regents' policies before signing or renewing any lease.

Interim report warned of unexpected costs

Last year the Legislature requested a detailed interim report from the Legislative Fiscal Analyst. A primary concern mentioned in the report was the ability of the Utah College of Applied Technology to enter into leases with no Legislative oversight. To deal with this, the Analyst offered the following recommendation:

> Leasing can provide the state a means to serve citizens in a cost effective and flexible manner. Furthermore, leases tie directly to agency budgets under the supervision of legislative appropriation committees.
>
> The Analyst is concerned that there exists a loophole in the leasing statute that allows agencies to commit to leases in the interim even though they lack funding for the new space. The Analyst recommends that the legislature adopt as budget policy a prohibition on providing new funding for any lease that is signed during the interim without prior approval.[7]

Regent Leasing Policy

Colleges and universities are allowed to seek lease space with Regent approval for leases but are prohibited from coming to the Legislature to seek funds for the new leases. In meeting their statutory goal, the Regents commit to:

> Review and approve institutional requests for plans to lease capital facilities space with state-appropriated funds for programs of instruction, research, or service when contracts for leasing such facilities: (1) exceed $50,000 per year; (2) commit the institution to space rentals for a 5-year duration or beyond; or (3) lead to the establishment of regular state-supported daytime programs of instruction in leased space. An annual report of all space leased by the institutions, including space leased for off-campus continuing education programs and space leased in research parks, shall be compiled by the Commissioner's Office for review by the Board of Regents and forwarding to the State Building Board for possible inclusion in its comprehensive 5-year building plan. (*Regent Policy 4.5.7. - Leased Space*)

[7] Walthers, Kevin (June, 2003). Lease Report, p. 8. Salt Lake City, Utah: Office of the Legislative Fiscal Analyst. http://www.le.state.ut.us/interim/2003/pdf/00000522.pdf

Statewide Lease Data

This process worked well for the most part, but this year the Legislature is confronted with one purchase coming from a lease (see Section 2.5, above) and another school is considering borrowing funds from a local government to expedite construction of a library. Such factors create the potential to completely remove the Legislature from the facility approval process. Currently state Agencies must report their intention to enter into a high cost lease[8] but the Judiciary and Higher Education/UCAT are exempt from this requirement. This reporting is for information only – it is not an approval-seeking process. **The Analyst believes that if the Legislature desires to maintain control over the expansion of state-owned facilities it must consider the impact of high cost leases and should include Higher Education, UCAT and the Judicial Branch in reporting high cost leases.**

Leasing offers the state a substantial value when used appropriately. Lease space can offer low cost and flexibility while tying the cost of facilities directly to agency budgets. The tables below present data on leases held by the courts, state agencies and the USHE. A complete agency (non-USHE) list of leases is provided following the 4.0 table.

Office space accounts for nearly 1.2 million square feet of total space.

DFCM Building Leases

Type of Space	Number of Leases	FTE	FY 2004 Square Feet	FY 2004 Annual Rent	Cost Per Square Foot
Air Monitor Station	8	-	3,600	8,390	$2.33
Free Office	26	2	18,316	0	$0.00
Hangar	2	-	2,498	6,204	$2.48
Hangar/Office	4	26	103,535	50,246	$0.49
Human Resource	14	122	52,291	450,186	$8.61
Library	3	6	5,110	2,000	$0.39
Office	215	3,991	1,176,884	16,909,877	$14.37
Office/Other	10	101	91,207	787,425	$8.63
Office/Sublease	9	44	27,132	270,876	$9.98
Storage	7	1	41,470	98,182	$2.37
Storage/Other	11	85	83,250	361,550	$4.34
Store	8	55	44,762	579,708	$12.95
Total	**317**	**4,432**	**1,650,055**	**$19,524,643**	

Source: DFCM

[8] Utah Code 63A-5-301 defines a "high cost lease" as any lease with a term of ten years or longer or a lease that will cost more than $1 million during the term of the lease

The state leases more than 12 million square feet of land.

DFCM Land Leases

Type of Space	Number of Leases	FTE	FY 2004 Square Feet	FY 2004 Annual Rent	Cost Per Square Foot
Ground Lease	15	-	11,939,369	80,134	$0.01
Parking	9	-	163,250	231,158	$1.42
Stock Pile Yard	1	-	105,450	75	$0.00
Trailer Space	5	13	29,600	10,770	$0.36
Transmit Statation	4	-	94,672	2,400	$0.03
Total	**34**	**13**	**12,332,341**	**$324,537**	

Source: DFCM

Courts Leases

Judicial Branch leases total nearly $3.8 million per year. This figure does not include funds used to pay debt service on revenue bonds.

Courts

Type of Space	FY 2004 Leases	FTE	FY 2004 Square Feet	FY 2004 Annual Rent	Cost Per Square Foot
Court/Office	28	196	268,834	2,748,467	$10.22
Office	19	85	74,910	1,027,503	$13.72
Parking	0	-	0	0	
Storage	1	-	2,701	17,556	$6.50
Total	**48**	**281**	**346,445**	**$3,793,526**	

Source: DFCM

USHE Leases

The Utah System of Higher Education leases an additional 1.7 million square feet. The table below shows changes from 2001 to 2002. A significant portion of space leased by the University of Utah is part of research park.

USHE Lease Report

	2001 Leases	*2001 Sq. Ft*	*2001 Rent*	*2002 Leases*	*2002 Sq. Ft*	*2002 Rent*	*2003 Leases*	*2003 Sq. Ft*	*2003 Rent*
University of Utah	81	779,763	$9,332,712	85	838,282	$10,305,216	90	838,098	$10,655,760
Utah State University	14	107,409	853,634	15	99,133	744,556	15	107,392	786,989
Weber State University	7	51,974	120,790	8	54,442	134,894	7	44,369	98,228
Southern Utah University	18	40,546	273,913	22	42,506	290,024	23	41,934	298,552
Snow College	0	0	0	0	0	0	0	0	0
Dixie State College of Utah	1	5,840	125	1	5,840	125	1	5,840	125
College of Eastern Utah	3	26,725	60,116	4	32,325	60,126	6	49,541	64,926
Utah Valley State College	17	182,868	718,826	17	200,097	736,994	14	189,551	641,277
Salt Lake Community College	9	67,879	604,138	9	107,283	649,623	9	108,218	1,145,896
Utah College of Applied Technology		n/a	n/a	11	202,241	1,013,805	19	347,002	1,195,119
Mountainland ATC				3	*97,924*	*239,901*	5	*107,324*	*300,501*
Salt Lake/Tooele ATC				3	*29,076*	*418,720*	4	*72,276*	*510,720*
Bridgerland ATC				0	*0*	*0*	1	*87,731*	*78,958*
Southeast ATC				1	*2,241*	*23,484*	5	*6,671*	*41,740*
Southwest ATC				1	*45,000*	*200,000*	1	*45,000*	*130,000*
Uintah Basin ATC				1		*24,000*	1		*24,000*
Dixie ATC				1	*18,000*	*72,000*	1	*18,000*	*72,000*
Davis ATC				1	*10,000*	*35,700*	1	*10,000*	*37,200*
USHE TOTAL	***150***	***1,263,004***	***$11,964,254***	***172***	***1,582,149***	***$13,935,363***	***184***	***1,731,945***	***$14,886,872***
Total Leases Added:				*29*	*309,175*	*$1,925,123*	*29*	*210,974*	*$775,075*
Total Leases Ended:				*8*	*(37,600)*	*($373,760)*	*17*	*(92,717)*	*($796,110)*
Total Leases Changed:				*80*	*26,570*	*$346,876*	*96*	*20,128*	*$832,480*
Total Increase:				*21*	*301,145*	*$1,899,109*	*12*	*149,795*	*$951,512*

Source: USHE, UCAT and OLFA

USHE Capital Development and Land Acquisition Priorities

2004-05 Board of Regents Priorities

November 18, 2003

SBR Rank	Project	State Cost Request (1)	Previous State Funds	Estimated State O&M (2)	Other Funds	New GSF (2)	Remodeled GSF	Disposed GSF	Net Additional GSF	Major Infrastructure
1	WSU Reed K. Swensen Building Renovation/Remodel	$5,569,000	$0	$75,400	$3,000,000		42,800		0	
2	UU Marriott Library Adaptation and Automated Storage and Retrieval System (ASRS) Facility Addition	$45,035,000	$0	$321,800	$17,000,000	14,587	302,000		14,587	
3	UVSC Digital Learning Center	$32,500,000	$0	$902,500	$0	180,000			180,000	
4	SLCC Health Sciences and General Classroom Building	$26,657,000	$0	$762,000	$0	148,000			148,000	
5	USU Animal Science Renovation	$5,475,000	$0	$27,000	$0		29,259		0	
6	DSC Health Sciences Building	$15,626,000	$0	$450,800	$0	70,000			70,000	
7	SUU Teacher Education Building	$10,545,000	$0	$320,500	$3,400,000	62,025			62,025	
8	CEU San Juan Library and Health Sciences Building	$4,240,000	$0	$131,700	$750,000	28,080			28,080	
9	Snow Library/Classroom Building (3)	$16,179,000	$0	$135,000	$2,000,000	96,000			96,000	
UCAT #1	Uintah Basin ATC -- Vernal Campus (4)	$10,525,000	$0	$333,000	$0	66,600	5,000		66,600	
UCAT #2	Bridgerland ATC -- Bourns Building Acquisition (4)	$3,550,000	$0	$240,000	$0	87,731			87,731	
	Totals			$3,126,700		665,292	379,059	0	665,292	

Notes:

(1) State cost request amounts revised to reflect most recent figures.

(2) Figures are preliminary estimates and subject to Regents, DFCM, and/or institutional review.

(3) Snow College has plans to obtain additional other funds of $7 million, which would reduce the state cost request to $10,000,000.

(4) The top two priority projects for UCAT, which are being heard by the Building Board, are listed for Regent information only. These projects are not to be prioritized against other USHE projects.

Building Board Ranking

Building Board Rank	Agency/Institution	Project	State Funds Requested	Total Project Budget	Increased State O&M
	FY2005				
1	All Agencies/Institutions	Capital Improvement Funding	53,750,000	53,750,000	N/A
2	Multi-Agency	Ogden Regional Center	8,914,000	8,914,000	(135,000)
3	Multi-Agency	Moab Regional Center Purchase	1,450,000	1,450,000	(65,000)
4	Multi-Agency	Logan Regional Center	5,164,000	8,036,000	109,000
5	Weber State University	Reed K. Swensen Building Renovation	5,569,000	8,569,000	-
6	National Guard	Salt Lake/Davis Readiness Center	2,719,000	10,536,000	42,500
7	Public Safety	Education/Training Center @ SLCC -Planning	235,000	235,000	N/A
8	Utah College of Applied Tech.	UBATC/USU Vernal Campus	10,525,000	10,525,000	299,500
9	Utah College of Applied Tech.	Bridgerland ATC Bourns Building Purchase	3,550,000	3,550,000	438,700
10	Dixie State College	Health Sciences Building	15,626,000	15,626,000	405,800
11	Salt Lake Comm. College	Health Sciences Building	26,657,000	26,657,000	699,500
12	University of Utah	Marriott Library Renovation & ASRS	45,035,000	63,035,000	363,000
		Total FY2005	**$ 179,194,000**	**$ 210,883,000**	**$ 2,158,000**

State Capitol Building Renovation

The Building Board expresses its support for the continuation of the renovation of the State Capitol Building and suggests that the funding be addressed separately as a result of the magnitude and duration of the project and the Capitol's unique governance structure.

Building Board Priority

The projects listed for FY2005 and FY2006 were heard in detail by the Building Board and are listed in the order of the Board's recommended priority. The projects listed for FY2007, FY2008 and FY2009 are grouped by the proposed funding year and are not prioritized within the funding year. They are listed in alphabetical order by agency or institution within each fiscal year. Operations and maintenance costs and other funding sources are not estimated for these projects.

Additional Information - State Funded Requests

Additional information for FY2005 and FY2006 projects is provided in section C in the order of the Board's priorities.

Building Board Five Year Plan (FY 2006-2009)

Building Board Rank	Agency/Institution	Project	State Funds Requested	Total Project Budget	Increased State O&M
	FY2006				
1	All Agencies/Institutions	Capital Improvement Funding	53,750,000	53,750,000	N/A
13	Southern Utah University	Teacher Education Building	10,545,000	10,545,000	253,700
14	Courts	Tooele Courthouse	7,103,000	9,446,000	-
15	College of Eastern Utah	San Juan Library & Health Sciences Bldg.	4,240,000	5,240,000	127,200
16	Snow College	Library/Classroom Building	9,179,000	18,179,000	405,300
17	Courts	Cedar Court Land Purchase	500,000	500,000	-
18	Human Services	Developmental Center Residential Facilities	3,012,000	3,012,000	83,300
19	State Board of Education	Schools for the Deaf & Blind Salt Lake Facility	11,508,000	11,508,000	310,600
20	Natural Resources	Special Operations Facility Replacement	1,305,000	1,305,000	-
21	Utah State University	Animal Science Building Renovation	5,475,000	5,475,000	12,000
22	Utah Valley State College	Digital Learning Center	32,500,000	32,500,000	818,600
23	Corrections	Purchase & Adaptation of Oxbow Jail	15,703,000	15,703,000	660,100
24	Natural Resources	New Campgrounds in Four Rural State Parks	4,657,000	4,657,000	86,000
		Total FY2006	**$ 159,477,000**	**$ 171,820,000**	**$ 2,756,800**
	FY2007				
	All Agencies/Institutions	Capital Improvement Funding	53,750,000		
	College of Eastern Utah	Fine Arts Complex	10,500,000		
	Dixie State College	Whitehead Student Services Center	12,600,000		
	Multi-Agency	Richfield Regional Center	6,000,000		
	Natural Resources	Midway Hatchery Restoration	7,200,000		
	Public Safety	Education/Training Center @ SLCC	22,000,000		
	Salt Lake Comm. College	Visual Arts and Design Bldg. at South City	16,000,000		
	Utah College of Applied Tech.	Davis ATC High Tech Building	12,400,000		
	University of Utah	Building #036 Adaptation	2,000,000		
		Total FY2007	**$ 142,450,000**		

Agency/Institution	Project	State Funds Requested
FY2008		
All Agencies/Institutions	Capital Improvement Funding	53,750,000
Courts	St. George Courthouse	24,000,000
Human Services	Developmental Center Facility Conversions	5,000,000
State Board of Education	Buffmire Rehabilitation Service Center	6,900,000
Utah College of Applied Tech.	Mountainlands ATC North Utah County Campus	9,000,000
University of Utah	Chemistry Laboratory Expansion	10,000,000
Utah State University	Biology/Natural Resources Renov./Addition	25,000,000
Utah Valley State College	Student Academic Support Building	16,000,000
Weber State University	Classroom Building (Replace Bldgs. 1 & 2)	18,000,000
	Total FY2008	**$ 167,650,000**
FY2009		
All Agencies/Institutions	Capital Improvement Funding	53,750,000
Corrections	Housing Unit	13,000,000
Natural Resources	Parks - Green River Golf Course - 9 Holes	2,500,000
Salt Lake Comm. College	Classroom Building at Redwood Campus	19,000,000
Southern Utah University	Business Building Addition	3,500,000
Utah College of Applied Tech.	Ogden/Weber ATC Health Technology Building	8,900,000
Utah College of Applied Tech.	Salt Lake/Tooele ATC Salt Lake Campus	7,000,000
University of Utah	College of Humanities Expansion	12,000,000
Utah Valley State College	Fine and Performing Arts Building	45,000,000
	Total FY2009	**$ 164,650,000**

4.0 Funding History

Financing	2001 Actual	2002 Actual	2003 Actual	2004 Estimated*	2005 Analyst
General Fund	35,505,300	22,634,000	35,506,700	27,584,700	26,976,900
General Fund, One-time	13,400,000			(4,200,000)	
Uniform School Fund	11,816,100				
Income Tax		17,000,000	4,900,000	17,000,000	17,000,000
Income Tax, One-time	82,546,000				
Transportation Fund	611,000				
Federal Funds	1,170,000		7,900,300		
Dedicated Credits Revenue	428,000				
Dedicated Credits - GO Bonds	8,600,000	34,750,400		4,200,000	
GFR - Special Administrative Expense		1,186,700			
Transfers - Youth Corrections	2,319,200				
Project Reserve Fund			800,000		
Beginning Nonlapsing	36,500				
Total	$156,432,100	$75,571,100	$49,107,000	$44,584,700	$43,976,900
Programs					
Capital Improvements	36,753,000	39,594,000	40,506,700	42,714,700	43,976,900
Capital Planning	2,086,500	40,000			
Capital Development Fund	117,592,600	35,937,100	8,600,300	1,870,000	
Total	$156,432,100	$75,571,100	$49,107,000	$44,584,700	$43,976,900
Expenditures					
Other Charges/Pass Thru	156,432,100	75,571,100	49,107,000	44,584,700	43,976,900
Total	$156,432,100	$75,571,100	$49,107,000	$44,584,700	$43,976,900
FTE/Other					

*Non-state funds as estimated by agency.

FY 2004 Projections

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Administrative Services							
Ground	74,202	74,202	74,202	$1,501		74,202	$1,539
Office	20,939	20,939	20,939	$220,531	53.00	20,939	$226,044
Parking	41,400	54,900	61,500	$151,640	-	61,500	$155,431
Storage/Other	50,858	52,058	52,058	$242,866	11.50	52,058	$248,938
Transmit Station	97,672	94,672	94,672	$2,400		94,672	$2,460
Total	**285,071**	**296,771**	**303,371**	**$618,938**	**64.50**	**303,371**	**$634,411**
Agriculture							
Hangar	1,175	1,175	1,175	$3,204	-	1,175	$3,284
Office	159	159	160	$450	2.00	160	$450
Office/Other			5,000	$83,644	10.00	5,000	$83,644
Total	**1,334**	**1,334**	**6,335**	**$87,298**	**12.00**	**6,335**	**$87,378**
Alcoholic Beverage Control							
Parking	14,225	6,000	6,000	$5,610		6,000	$5,750
Store	50,772	51,762	44,762	$579,708	55.00	44,762	$594,201
Total	**64,997**	**57,762**	**50,762**	**$585,318**	**55.00**	**50,762**	**$599,951**
Attorney General							
Office	4,860	21,632	21,632	$296,993	79.00	21,632	$304,418
Total	**4,860**	**21,632**	**21,632**	**$296,993**	**79.00**	**21,632**	**$304,418**
Commerce							
Office/Sublease	137	137	137	$2,083	1.00	137	$2,135
Total	**137**	**137**	**137**	**$2,083**	**1.00**	**137**	**$2,135**
Community and Economic Development							
Library	6,011	6,011	5,110	$2,000	6.00	5,110	$2,050
Office	54,510	40,356	36,144	$619,593	119.00	36,144	$635,083
Storage	3,500	3,500	3,500	$12,205	-	3,500	$12,510
Total	**64,021**	**49,867**	**44,754**	**$633,797**	**125.00**	**44,754**	**$649,642**
Corrections							
Ground	74,009	74,009	74,009	$1,450		74,009	$1,486
Office	47,222	48,029	55,080	$587,832	153.50	55,080	$602,528
Office/Sublease	1,467	1,467	1,088	$14,756	4.00	1,088	$15,125
Total	**122,698**	**123,505**	**130,177**	**$604,038**	**157.50**	**130,177**	**$619,139**
Courts Administrator							
Office	65,679	78,128	74,910	$1,027,503	84.50	74,910	$1,053,191
Courts/Office	234,218	277,301	268,834	$2,748,467	196.15	268,834	$2,817,178
Parking	14,000	14,000	-	$0	-	-	$0
Storage	2,701	2,701	2,701	$17,556	-	2,701	$17,995
Total	**316,598**	**372,130**	**346,445**	**$3,793,526**	**280.65**	**346,445**	**$3,888,364**
Criminal and Juvenile Justice							
Office	4,093	4,093	5,218	$65,177	18.00	5,218	$66,806
Total	**4,093**	**4,093**	**5,218**	**$65,177**	**18.00**	**5,218**	**$66,806**
Education							
Human Resource	2,460	2,460	2,460	$29,616	-	2,460	$30,356
Office	80,844	81,217	73,091	$1,072,738	212.00	74,491	$1,099,572
Office/Other	44,337	44,337	44,337	$291,253	18.00	44,337	$298,534
Classrooms	80,000	80,686	686	$3,000		686	$3,075
Total	**207,641**	**208,700**	**120,574**	**1,396,607**	**230.00**	**121,974**	**1,431,537**
Environmental Quality							
Air Monitor Station	12,600	3,280	3,600	$8,390	-	3,600	$8,600
Ground	600	500	1,100	$2,400	-	1,100	$2,460
Office	1,200	1,200	1,200	$3,200	7.00	1,200	$3,280
Office/Other	13,500	13,500	13,500	$81,810	17.00	13,500	$83,855
Storage/Other	5,550	5,550	5,550	$15,815	1.00	5,550	$16,211
Trailer Space	2,400	2,400	2,400	$1,270	-	2,400	$1,302
Total	**35,850**	**26,430**	**27,350**	**$112,885**	**25.00**	**27,350**	**$115,707**
Financial Institutions							
Office	8,735	8,735	8,735	$107,671	50.00	8,735	$110,362
Total	**8,735**	**8,735**	**8,735**	**$107,671**	**50.00**	**8,735**	**$110,362**

FY 2004 Projections

Governor

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Office	648	648	648	$26,392	2.00	648	$27,052
Total	**648**	**648**	**648**	**$26,392**	**2.00**	**648**	**$27,052**

Health

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Free Office	4,400	4,400	5,300		2.00	5,300	$0
Ground	256,331	256,331	256,331	$5	-	256,331	$5
Office	21,564	28,153	40,692	$487,650	102.00	40,692	$499,842
Office/Other	8,702	8,702	2,625	$31,614	6.00	2,625	$32,405
Storage	9,890	9,890	9,890	$48,566	1.00	9,890	$49,780
Storage/Other	1,880	1,880	1,880	$11,355	2.00	1,880	$11,639
Total	**302,767**	**309,356**	**316,718**	**$579,191**	**113.00**	**316,718**	**$593,671**

Human Services

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Ground	45,738	45,738	45,738	$1	-	45,738	$1
Human Resource	47,332	49,831	49,831	$420,570	122.00	49,831	$431,084
Office	400,541	398,359	425,330	$6,041,325	1,563.50	425,330	$6,192,359
Office/Other	19,235	19,235	19,235	$255,443	35.50	19,235	$261,829
Office/Sublease	7,708	7,708	7,708	$92,224	20.00	7,708	$94,530
Parking	2,100	2,100	2,100	$3,780		2,100	$3,875
Storage	2,000	2,000	2,000	$7,200		2,000	$7,380
Trailer Space	1,960	-	-	$0	-	-	$0
Total	**526,614**	**524,971**	**551,942**	**$6,820,544**	**1,741.00**	**551,942**	**$6,991,057**

Insurance

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Office	4,419	4,419	4,419	$88,986	14.00	4,419	$91,210
Total	**4,419**	**4,419**	**4,419**	**$88,986**	**14.00**	**4,419**	**$91,210**

Judicial Conduct Commission

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Office	739	739	739	$9,976	3.00	739	$10,225
Total	**739**	**739**	**739**	**$9,976**	**3.00**	**739**	**$10,225**

National Guard

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Ground	4,497,569	4,497,569	4,497,569	$69,657	-	4,497,569	$71,398
Office	4,237	5,707	5,707	$71,636	11.00	5,707	$73,427
Total	**4,501,806**	**4,503,276**	**4,503,276**	**$141,293**	**11.00**	**4,503,276**	**$144,825**

Natural Resources

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Ground	700	87,940	262,180	$4,545	-	262,180	$4,659
Office	21,998	27,028	27,388	$310,976	112.00	27,388	$318,750
Hangar/Office	4,363	4,363	4,363	$8,944	2.00	4,363	$9,168
Office/Other	5,790	5,790	6,510	$43,661	14.00	6,510	$44,752
Office/Sublease	9,248	9,248	9,248	$93,084	14.00	9,248	$95,411
Residence	1,400				3.00	-	$0
Storage	300	300	300	$1,650	-	300	$1,691
Total	**43,799**	**134,669**	**309,989**	**$462,859**	**145.00**	**309,989**	**$474,431**

Navajo Trust Administration

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Office	1,224	1,224	1,224	$26,510	2.00	1,224	$27,173
Total	**1,224**	**1,224**	**1,224**	**$26,510**	**2.00**	**1,224**	**$27,173**
Ground	6,641,120	6,641,120	6,641,120	$75	-	6,641,120	$77
Hangar	1,323	1,323	1,323	$3,000	-	1,323	$3,075
Office	115,260	106,115	103,244	$1,132,425	484.50	110,581	$1,160,747
Free Office	13,976	13,016	13,016	$0		13,016	$0
Office/Hangar	4,247	4,247	4,247	$10,618	3.00	4,247	$10,883
Office/Sublease	8,175	8,175	8,175	$59,412	3.00	8,175	$60,897
Storage	8,480	8,480	8,480	$28,536	-	8,480	$29,249
Storage/Other	1,476	1,476	1,476	$6,642	7.00	1,476	$6,808
Trailer Space	6,000	6,000	6,000	$1,500	-	6,000	$1,538
Total	**6,800,057**	**6,789,952**	**6,787,081**	**$1,242,208**	**497.50**	**6,794,418**	**$1,273,274**

Tax Commission

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Storage/Other	21,600	21,600	21,600	$81,871	63.00	21,600	$83,918
Total	**21,600**	**21,600**	**21,600**	**$81,871**	**63.00**	**21,600**	**$83,918**

FY 2004 Projections

	Oct. 2001 FY 2002 SQ. FT.	Oct. 2002 FY 2003 SQ. FT.	Oct. 2003 FY 2004 SQ. FT.	Oct. 2003 FY 2004 ANNUAL RENT	PROJECTED FY 2005 FTE Count	PROJECTED FY 2005 SQ. FT.	PROJECTED FY 2005 ANNUAL RENT
Transportation							
Ground	87,120	87,120	87,120	$500	-	87,120	$513
Hangar/Office	94,925	94,925	94,925	$30,684	21.00	94,925	$31,451
Stock Pile Yard	107,650	105,450	105,450	$75	-	105,450	$77
Storage	17,300	17,300	17,300	$25	-	17,300	$26
Trailer Space	28,700	21,200	21,200	$8,000	13.00	21,200	$8,200
Total	**335,695**	**325,995**	**325,995**	**$39,284**	**34.00**	**325,995**	**$40,266**
State Treasurer's Office							
Office	7,576	7,576	7,576	$108,716	15.00	7,576	$111,433
Total	**7,576**	**7,576**	**7,576**	**$108,716**	**15.00**	**7,576**	**$111,433**
Office	16,665	22,424	22,424	$392,590	56.00	23,124	$402,423
Office/Sublease	776	776	776	$9,317	2.00	776	$9,550
Total	**17,441**	**23,200**	**23,200**	**$401,907**	**58.00**	**23,900**	**$411,973**
Office	199,224	239,187	265,306	$4,681,602	784.00	266,140	$4,798,660
Parking	93,900	93,650	93,650	$70,128		93,650	$71,881
Total	**293,124**	**332,837**	**358,956**	**$4,751,730**	**784.00**	**359,790**	**$4,870,541**
Grand Total	**13,973,544**	**14,151,558**	**14,278,853**	**$23,085,797**	**4,580.15**	**14,289,124**	**$23,660,902**