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MGT OF AMERICA, INC.

Utah's Need for a New Prison

Costs & Benefits of Prison Relocation

Relocation of Utah State Prison, Draper

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I. INTRODUCTION

In 2013, MGT of America (MGT) contracted with the Utah Prison Relocation and Development Authority (PRADA) to provide master plan options for the potential relocation of the 4,000-bed Utah State Prison located in Draper, Utah. In January 2014, MGT, with a group of specialty subconsultants (team), submitted its preliminary report of findings and recommendations that outlined the costs and benefits of relocating the prison. Subsequently, the Legislature and governor approved a resolution supporting prison relocation and establishing the Prison Relocation Commission (PRC), whose main purpose is to "*carefully and deliberately consider, study, and evaluate how and where to move the state prison*" (2014 General Session S.B. 268, Prison Relocation Commission). The PRC's charge assumes the prison will be moved and it is outside the scope of the commission's charge to spend its limited resources evaluating the current site. The PRC has therefore directed its efforts to finding and assessing new sites. As part of this effort, MGT's contract was extended so that MGT could assist the PRC in identifying and evaluating potential prison sites and developing an initial assessment of the type of facilities that should be constructed to accommodate the growth in Utah's offender population and to facilitate implementation of effective inmate programming.

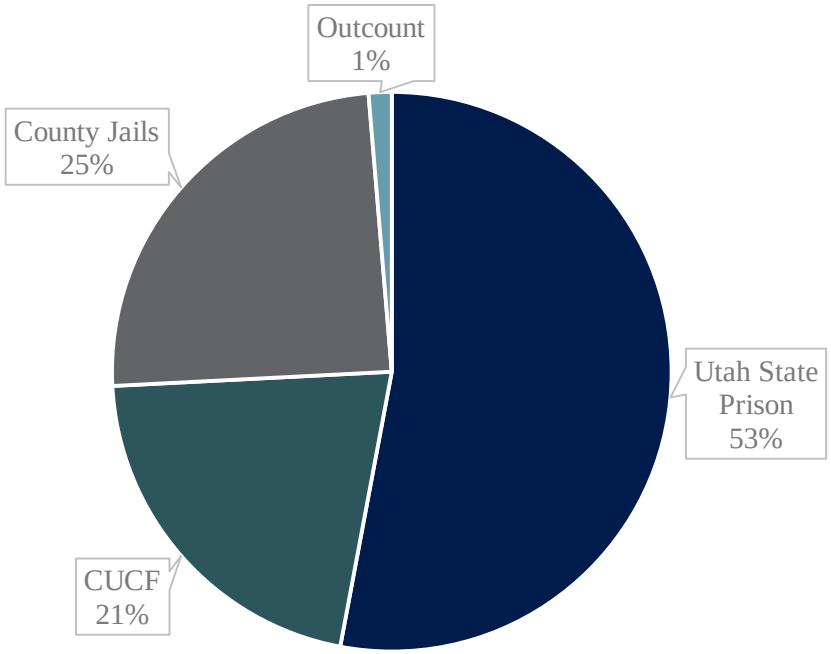
Since July 2014, the MGT team has been diligently working to assist the PRC to identify, screen, and evaluate potential sites, and has developed an operational and architectural program for a new correctional facility. This report combines analysis from the last two years of work into a single document that addresses the following issues:

- The unique role of the Utah State Prison in Utah's correctional system.
- The need for a new correctional facility to replace the Utah State Prison.
- The benefits of building on the Draper site vs. relocation.

II. UNIQUE ROLE OF THE UTAH STATE PRISON

Both in its size and its operational functions, the Utah State Prison has a very unique and important role in the state correctional system. It is difficult to find similar facilities in other states that are comparable in both size relative to the overall system capacity and that perform similar critical system functions. The Utah State Prison is a very large facility, with a capacity of 3,980 beds. Its size alone is unusual, as most prisons in the U.S. have a capacity of between 500 and 2,000 beds. The Utah State Prison's importance is further enhanced by the fact that it is only one of two prisons operating in the state, its bed space comprises more than 50 percent of the overall state corrections system capacity. The following figure identifies the Utah Department of Corrections (UDC) capacity breakdown.

UDC CAPACITY DISTRIBUTION



Source: Utah Department of Corrections

The total UDC system capacity is 7,516 beds and is divided over four areas:

1. 3,980 beds - Utah State Prison in Draper (53%).
2. 1,596 beds - Central Utah Correctional Facility (CUCF) in Gunnison (21%).
3. 1,840 beds - County Jails (state has contracts with 21 county jails to house state inmates – 25%).
4. 100 beds - Outcount (out-of-state offenders housed in Utah system – 1%).

Currently a 192-bed housing unit is under construction at CUCF and is expected to be operational in 2016. This expansion would increase the capacity at the CUCF to 1,788 beds and overall system capacity to 7,708 beds.

The fact that Utah has only two prisons is unusual when compared to other states of similar population. The table below compares Utah to states with similar resident population, indicating that other states operate significantly more prisons. Even Wyoming, the least populated state in the country, operates more than double the number of prisons than Utah.

NUMBER OF PRISONS PER STATE

State	2010 Resident Population Rank	# of Prisons
Arkansas	32nd	15
Kansas	33rd	10
Utah	**34th**	**2**
Nevada	35th	9
Wyoming	50th	5

Source: Population size from U.S. Census Bureau. Number of Prisons from Association of State Correctional Administrators.

The importance of the Utah State Prison to the state's overall correctional system is also the result of the key system-wide functions it performs. These functions are not typically found in a single prison and include:

- Central healthcare service management for UDC. All healthcare is managed through the Utah State Prison and any offender with critical medical needs is housed there.
- UDC-wide administration and transportation hub. The administrative offices are part of the the Utah State Prison property and all offender transports are managed and generally conducted by prison staff.
- Main reception and orientation intake center for UDC.
- Main release and discharge processing center for UDC.
- Only prison housing female offenders.

There are prisons older than the Utah State Prison that continue to operate in other parts of the country. The Pontiac Correctional Center (opened in 1871) in Illinois, Clinton Correctional Center (opened in 1844) in New York State, and Folsom State Prison (opened in 1880) in California have all been open longer than the prison in Draper and are all still in operation. But each of these facilities represents a small portion of the overall system capacity of the state in which the facility is located. For example, Pontiac Correctional Center is one of 25 correctional facilities in Illinois and houses only five percent of its overall population. Clinton Correctional Center in New York is one of 54 prisons in the state and its capacity represents just five percent of the overall inmate population. Folsom State Prison is one of 34 state prisons in California and represents just three percent of the system's overall capacity. While each of

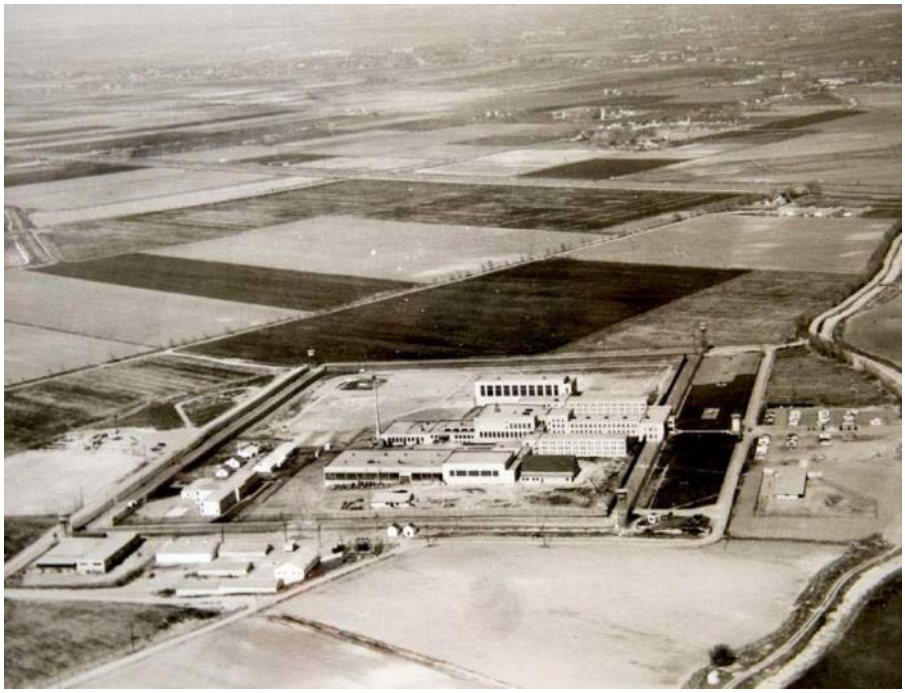
these older facilities has specific functions in each state, none performs any of the key system functions like the Utah State Prison. Therefore, because of its relative size and its unique mission, the condition and vitality of the prison are key to overall correctional system performance. It can be said, "as goes the Draper prison, so goes the entire Utah correctional system." This also means any limitations of the Utah State Prison, whether in physical plant or operations, are limitations for the entire system.

III. WHY DOES UTAH NEED TO BUILD A NEW PRISON?

A. Inadequate Current Facilities

The Utah State Prison opened in 1951 and portions of it have been operating for more than 60 years. Over this time, it has been added on to multiple times to accommodate state inmate population growth. The Wasatch Unit was the first section of the facility to open, which initially had approximately 700 beds. The photo below was taken in the early years of the prison prior to significant expansion and displays that the initial facility was sited in the middle of vacant farm ground and well away from concentrations of population and economic development.

UTAH STATE PRISON, CIRCA 1950S



Since the Utah State Prison was initially opened, the city of Draper has grown up around the prison as the Salt Lake City metropolitan area expanded south. Today, development is encroaching on every boundary of the prison grounds. As the city has grown, so has the prison, adding the following units:

- Oquirrh
- Timpanogos
- Olympus

UTAH STATE PRISON - TODAY

- Uinta
- Promontory
- Lone Peak

ANTIQUATED SWAMP COOLERS

There are currently more than 100 buildings and 1.1 million square feet of floor space within the 534 acre area comprising the Utah State Prison. As the years have passed, these buildings have aged significantly, necessitating continuous repairs. Maintaining the infrastructure at a prison is costly and the facility is in constant need of utility system repairs. This year alone, there are immediate needs for replacement of antiquated boiler systems and the repair of roofs and ceilings due to continuing leaks. These issues only increase in number and urgency with each passing year. If the prison were to remain operating at the Draper location, then critical, long term capital improvements must be completed. Examples of needed capital investments include:

- Medical infirmary expansion: Estimated cost - $36.5 million.
- Additional treatment and programming space: Estimated cost - $149 million over next 20 years.
- Kitchen replacement: Estimated cost - $21.0 million.
- Other needed improvements:
  - Replace Wasatch housing units.
  - Replace Oquirrh housing units.
  - Replace or repair collapsing HVAC duct work under concrete slabs of Timpanogos units.

Even if these capital improvements are made, the facility will still have an out-of-date and inefficient design that increases safety and security issues and the facility's overall operating costs.

MGT's team has spent significant time over the past two years inspecting the Utah State Prison, during which time many of its key functional areas were found to be substantially undersized. For example, the medical infirmary serves as the treatment and housing area for those offenders with acute medical issues. The infirmary was built when the facility capacity was 1,300 beds and is severely strained, attempting to serve the prison's current population of 4,000 inmates. Likewise the culinary building (kitchen) was built to serve a population of 1,200 offenders but now produces 12,000 meals per day and needs to be expanded.

When offenders are admitted into the Utah correctional system, an important initial period of time is set aside to classify the security of the offender, conduct initial screenings, and assess their program needs. Key to this reception and orientation (R&O) period is the need to observe the offender's behavior. However, due to undersized reception and orientation space, offenders in R&O status must be housed at

five different locations throughout the facility. Likewise, visiting space is limited. Past studies have shown offenders who receive regular visits are more likely to be successful upon release than those who do not. These studies show a continued connection with external support structures helps offenders remain committed to changing their criminal lifestyle upon release. However, the Utah State Prison has been forced to turn away visits in some areas due to the limited visiting space.

The facility lacks programming space needed to implement vital offender treatment. The facility was opened when "warehousing" of offenders was the most prevalent correctional philosophy. In the last several decades, corrections officials have come to understand that the vast majority of offenders will one day return to society and correctional systems should help them return as better citizens, not better criminals. To improve inmate success upon release from prison, it is important that they be provided access to treatment and reentry programs that help them address the factors that lead to their past criminal behavior and also help improve their successful reintegration into our communities. The lack of program space is readily evident at the Utah State Prison. For example, due to lack of space, some programs have to be conducted in areas that are counterproductive, such as busy hallways or cramped rooms. Also, because of limited space, waiting lists to get into critical programs can be lengthy. For example, the waiting list for the sex offender treatment program is more than 800 inmates long.

The MGT team also observed that the Utah State Prison is inefficient to operate. Because it has been added on to more than seven times over the last 60 years, the layout of the facility is a jumble of buildings that limit sight lines and increase the number of staff needed to ensure safety and security. The current layout requires UDC to staff seven of the nine existing guard towers at an annual staff expense of $2.0 million in labor costs. Most new prisons are no longer built with inefficient guard towers, having replaced them with technology (high-tech cameras and fence detection systems). The facility also has 11 entry points, seven of which are for visitors. Staffing these entry points costs the state $3.3 million per year. A new prison would greatly reduce this expense by decreasing the number of public entrances to two.

CONTROL BOOTH AT USP

The outdated design has also limited UDC's ability to implement modern offender supervision techniques, and instead relies upon the outdated philosophy of "indirect supervision." Under indirect supervision, correctional officers are remotely separated from offenders, either by cell doors or a glassed, enclosed control booth. On the other hand "direct supervision of offenders is a correctional philosophy that changes the way correctional officers interact with inmates. It is typically used for medium and minimum security offenders and its objective is to maximize constructive staff-offender contact and communications. Over the last 20 years, direct supervision has replaced indirect supervision as the preferred method of supervising offenders. The benefits of direct supervision are many, as it has been shown to improve the safety and security of staff and offenders. UDC wants to implement direct supervision across the facility, but cannot due to design limitations.

B. Significant Costs to Maintain Current Facilities

Simply maintaining the existing Utah State Prison, replacing a few buildings, and expanding program space will be very expensive. In 2014, an independent firm (Procost) developed 20-year cost estimates to keep the facility operational. These cost estimates were:

- $239 million – to maintain the prison and replace older buildings.
- $150 million – to add needed program space at the prison.

While these improvements total **$389 million**, it is important to note these costs are in 2014 dollars. This means the State of Utah would have needed to appropriate $389 million in 2014 to pay for these needed improvements over the next 20 years. However, states typically budget for their capital needs on a year-by-year basis. Therefore, it would be more common for Utah to budget and expend approximately $19.5 million per year ($389 million/20 years) during each of the next 20 years. Inflation costs associated with construction and repair trades would increase this expense each subsequent year. Inflation in the construction market is variable, but can range between three and seven percent annually. Assuming a conservative three percent inflation rate each year, the state would actually spend **$578 million** over the next 20 years to maintain the facility, replace older buildings, and add program space.

IV. RELOCATION VERSES STAYING IN DRAPER

Although the Legislature and governor clearly stated in 2014 that *"it is sound public policy and in the best interests of the state to move the prison facilities from their current location in Draper"* (2014 General Session, H.C.R. 8, Concurrent Resolution Regarding Moving the State Prison), some continue to ask about rebuilding in Draper. To address those questions, the PRC asked MGT to do a brief analysis of the benefits of building a new facility at the Draper site and the benefits of relocating to a new site.

A. Benefits of Building a New State Prison on the Current Site

Land Acquisition Costs

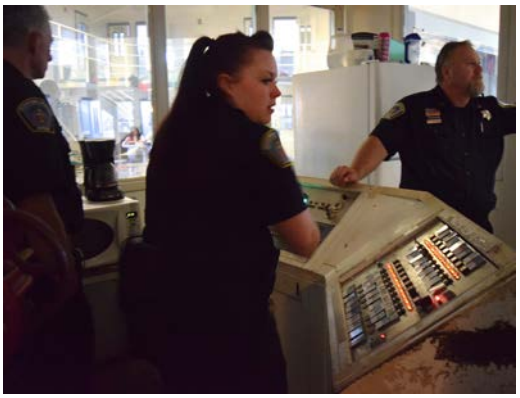
The ground upon which the current prison sits is owned by the state. Therefore, keeping the prison on this site would remove the state's need to purchase land for a new prison site, which could cost millions of dollars depending upon acreage and location.

Access to Utilities Already Exists

The infrastructure needed for a correctional facility (water supply, wastewater collection, electric power, natural gas, and communication services) can be costly. These costs would be avoided if the prison remained on the Draper site as utilities are already available at the site.

Staff Retention

UDC STAFF



Staff are the most valuable resource of any correctional system, and UDC has made investments in recruiting, training, and maintaining their highly skilled, well-trained and experienced staff. Over the past decades staff have made decisions concerning where to live based on the location of the Utah State Prison. Our analysis of the Utah State Prison staff residences indicates the majority live in Draper and nearby surrounding communities. Relocating the prison to a remote location would likely increase the commute time for the majority of Utah State Prison staff and could result in some staff attrition. An increase in turnover would equate to UDC's loss of valuable, experienced staff, which would increase costs associated with recruiting and training new employees. Additionally, recruitment of staff for professional positions involving medical and counseling at a remote location could be more difficult. MGT's 2014 study for PRADA noted the CUCF in Gunnison had difficulty filling positions in medical, mental health, and programs areas due to its relatively remote location. Maintaining prison operations in Draper would avoid these potential staffing issues.

Retention of Volunteers

VOLUNTEERS

Volunteers play a major role in the overall operation of UDC in a way unlike any other correctional system in the nation. The Utah State Prison has nearly 1,300 active volunteers who not only complement the work of UDC employees, but also provide needed support, counseling, and programming that would not be available otherwise. A 2013 UDC report identified over 1,000 volunteers living in Salt Lake County. Moving the state prison to a remote area would increase their commute time and restrict their ability to volunteer. This could ultimately negatively impact programming levels at the prison and could contribute to increased offender recidivism.

Relationship with City of Draper

The city of Draper and the Utah State Prison have grown up together. When the prison first opened in 1951 it was surrounded by vacant farm ground. Today however, businesses and homes border the facility property on every side. As the city and the Utah State Prison have grown over the decades, so has the positive relationship between the two. Relocating to a community that strongly opposes the prison would force UDC to earn trust of its host community anew. The department would have to work to gain credibility and forge a positive relationship with the new host community, which could take several years to accomplish.

Relative Proximity to Community Resources

The Utah State Prison conducts over 1,000 offender transports a month, with the majority being to medical and court facilities. The Draper site is relatively proximate to the facility's primary medical center (26 miles one-way) and to the primary courthouse (22 miles one-way). The potential sites at Eagle Mountain, Fairfield, and Grantsville are considerably farther away, and, as a result, UDC operating costs associated with these transports would increase if the prison were relocated to one of these communities. A study conducted by the Utah Legislative Fiscal Analyst estimated and compared the UDC 50-year transportation costs to and from courts, medical facilities and county jails for each of the four potential sites. If the prison were located at Eagle Mountain, Fairfield, or Grantsville, the transportation costs over the 50-year period would be between $105 million and $135 million higher than the estimated current cost at the Draper site ($240.5 million). Only the site in Salt Lake City would have a lower offender transportation cost than Draper, with projections nearly $49 million lower.

Access to Transportation

Bounded on the east and south by Interstate 15, on the north by Bangerter Highway, and on the west by the Frontrunner rail line, the Draper site has outstanding access to regional transportation networks. Regional highway access to all of the other potential sites is much more limited; two of the sites have only a singular access road into the area and none have a commuter rail line.

Emergency Response

Because of the multiple access routes to the Draper site, there are few impediments to emergency response should a serious incident occur. The current site is served by the Unified Police Department and

the Unified Fire Departments. While these departments are rarely called to the site, they are conveniently located nearby. More remote sites with limited access to emergency response services could incur significant liability during a serious incident should the main access route be temporarily closed.

B. Challenges of Rebuilding in Draper

There are significant challenges to rebuilding the Utah State Prison on its current site in Draper, and these challenges have significant costs attached. Therefore, one of the major benefits of relocating the Utah State Prison is cost-avoidance. Many of these costs are directly related to the fact that the Draper site does not meet several of the PRC's most basic site selection criteria. If the Draper site was one of the 50 sites the PRC initially screened and evaluated, it would not have made it past the initial site screening stage. Specifically, the PRC established a minimum threshold of at least 500 vacant acres for a potential site. While the total acreage of the Draper site is nearly 700 acres, only 276 acres of it is vacant, contiguous, and buildable. Second, the Draper site wouldn't have met several of the assessment guidelines established by the PRC at its December 3, 2014 meeting, including the following:

- Is the proposed site in the path of expected concentrations of population growth and increased population density that will occur in the foreseeable future?
- What is contemplated in the land use plan of the local community where the proposed site is located?

The goal of these two guidelines was to ensure the prison would not be placed in a location where population was expected to grow in the very near future, and that placing the prison on a site would not conflict with verifiable master plans of the local communities. The Draper site fails to satisfy both of these guidelines, as it most definitely is in the path of future population growth and the city of Draper has specific plans to develop the site (should it be vacated) for intensive industrial and commercial use. We note this is further supported by recent development in the area that has become known as the "Silicon Slopes" due to the influx of technology firms.

Part of our basic review of the current site included a simple fit analysis to determine whether a conceptual footprint for a new prison that was developed by MGT and UDC could fit on the vacant contiguous acreage. Before discussing this fit test it is important to understand how this footprint was developed. Over the period of several months in the fall of 2014, MGT, in conjunction with UDC staff, drafted an architectural and operational program. The intent of this program was to identify how a new correctional facility should operate, and based on this operation, how it should be designed. From this program a conceptual footprint for a new prison was established. This conceptual footprint does not represent the final design for a new prison, but serves as a foundation from which the final design should be developed and it incorporated the many guiding principles MGT and UDC identified a new facility should meet. The guiding principles developed by UDC included:

Maximizing Programming Space

Sufficient programming space should be provided to allow UDC to implement criminal justice reforms, including enhanced treatment and reentry programming.

Minimizing Offender Movement

Offender movement across the facility can be time consuming and expensive. The existing facility has key core service areas such as medical, kitchen, etc. that are a significant distance from offender housing.

This means moving the offenders to those services currently takes additional time and resources. The new prison should be designed to reduce offender movement requirements.

Maximizing Facility Efficiency

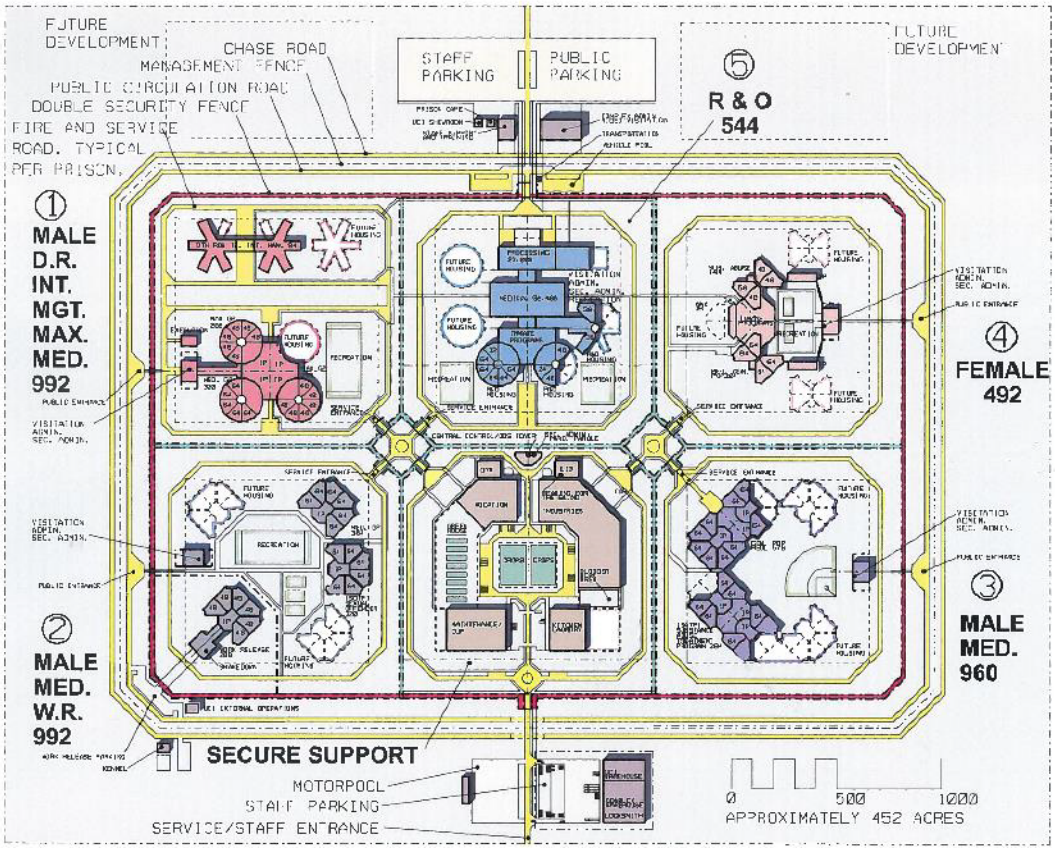
The new facility should use technology and current correctional thinking to ensure an efficiently designed, constructed, and operated facility that reduces operating costs.

Implement the Direct Supervising Management Philosophy

The new facility should be designed to allow direct supervision to be implemented in housing and other areas.

Based on MGT's work with UDC in drafting the architectural and operational program, we developed a conceptual footprint for a prison that met these established guiding principles. This footprint represents a compact campus-like complex that totals 1.33 million square feet of floor space.

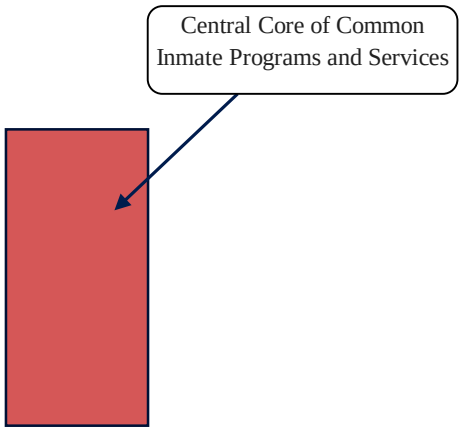
CONCEPTUAL DESIGN FOR NEW PRISON



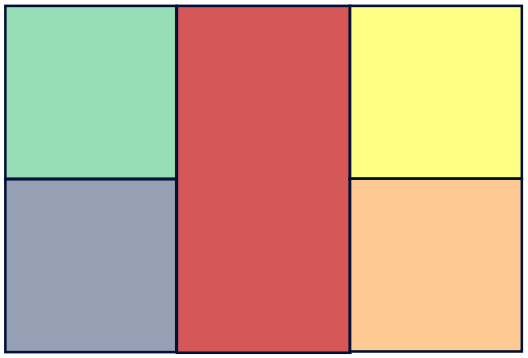
To maximize efficiency, this footprint almost forces itself into a square or slight rectangular layout, with the center of the complex consisting of the common services that are routinely accessed by offenders. These central core services include:

- Medical
- Programs
- Educational/Vocational
- Kitchen
- Laundry
- Reception and Orientation
- Correctional Industries
- Visitation
- Maintenance

CENTRAL CORE OF COMMON SERVICES



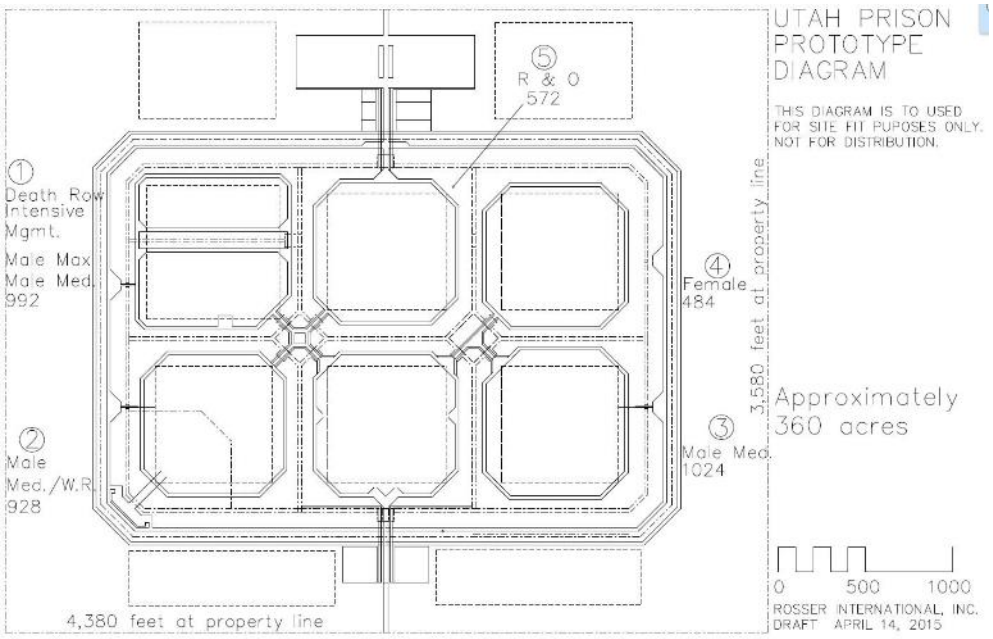
HOUSING SURROUNDING CENTRAL CORE



On both sides of this central core are housing units that include death row; intensive management; maximum, medium, and minimum security male housing; female housing; and a work release center. Including the reception and orientation unit in the central core area, this complex will have five facilities that will allow UDC to separate offenders into appropriate security levels. This conceptual footprint reduces the amount of offender movement needed by minimizing the distances from the housing areas to the regularly accessed services in the central core of the prison.

The initial conceptual footprint developed by the MGT team required 452 acres of vacant land. However, knowing that acquiring land for the prison could be expensive, our team was able to reduce the footprint to 360 acres by decreasing the amount of open space between various buildings. This has become the footprint MGT is using to determine if the new prison will fit on potential sites.

360 ACRE FINAL FOOTPRINT

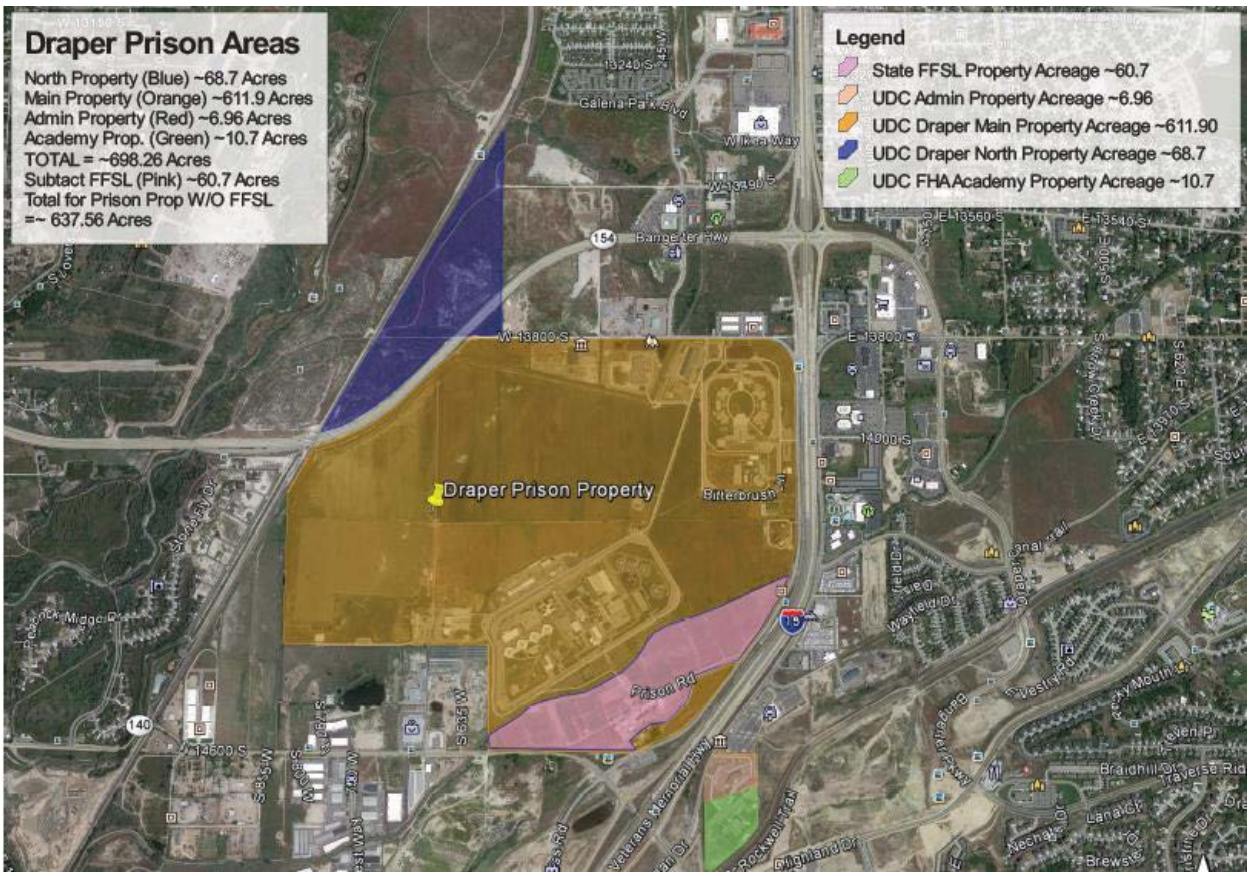


V. BASIC FIT TEST TO EXISTING DRAPER SITE

MGT has tested this 360 acre footprint at all of the four potential sites to ensure it would fit within the vacant ground. In some of the sites, wetlands and steep slopes have reduced the overall potential acreage that could be used for development. However, we have determined this footprint will fit on each of the sites. If the Draper site were to be considered for the prison, it should also be able to fit this footprint. Therefore, we conducted a basic fit test for the Draper site.

The following figure was extracted from the 2013 appraisal of the Draper site conducted by Valbridge Free and Associates, and identifies the total amount of acreage (698 acres) available on the site.

AERIAL OF DRAPER SITE



While there exists nearly 700 acres of state-owned land, much of it is not usable for the construction of a new prison. Specifically, three portions of the property would not be suitable or available for prison construction:

- Land north of Bangerter Highway (highlighted in blue).
- Land southeast of I-15 representing the UDC headquarters and training academy buildings (highlighted in green and tan).

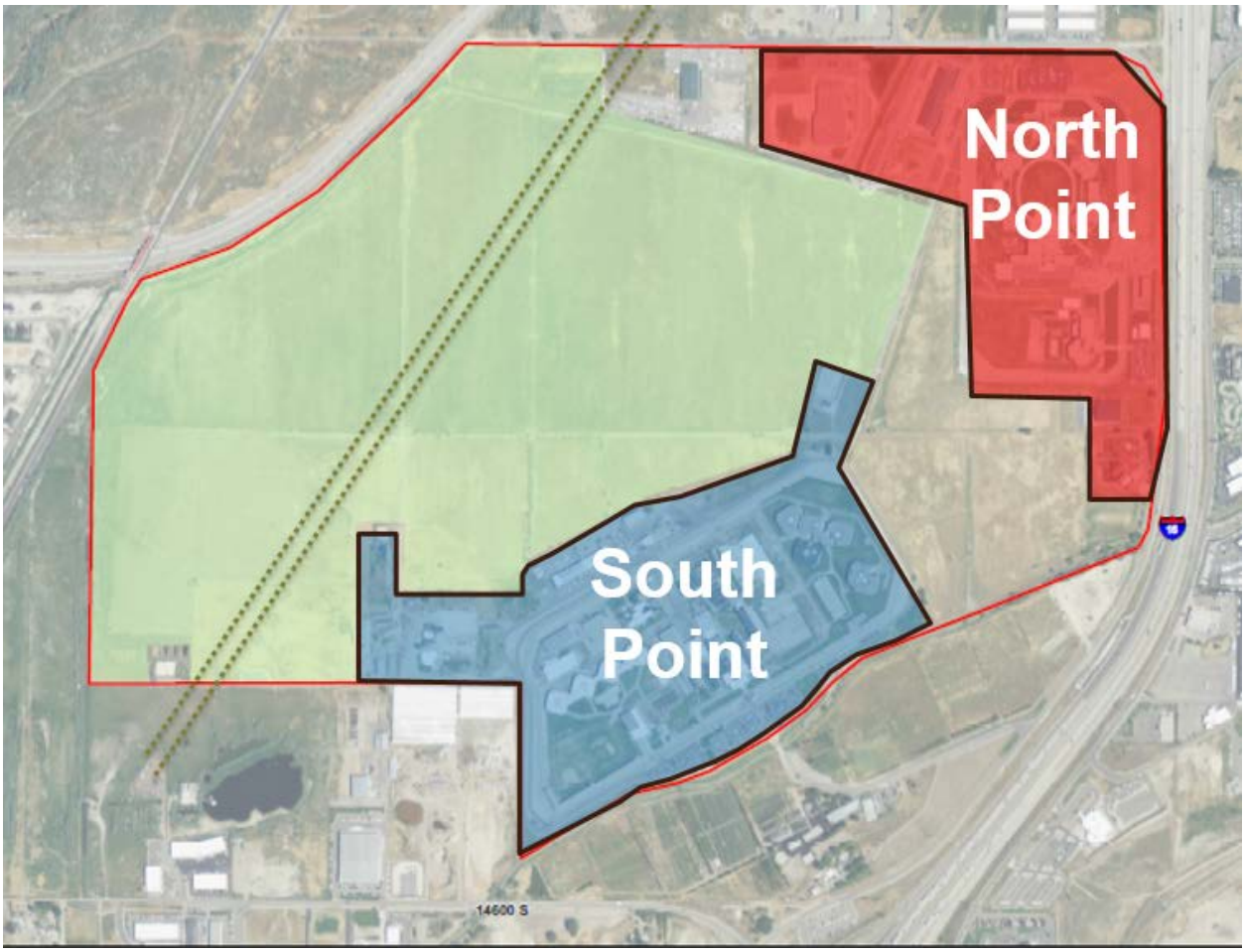
- Land owned and used by the Utah Division of Forestry, Fire, and State Lands (highlighted in pink).

Subtracting these areas from the total leaves 534 acres of contiguous property. However, a significant portion of this contiguous property includes the 100+ buildings making up the Utah State Prison. Removing this already developed acreage leaves only 276 vacant acres of ground upon which the facility could be constructed. The following figure identifies the **total contiguous acreage** outlined in red and the **total vacant acreage** shaded in green.

DRAPER SITE CONTIGUOUS AND VACANT ACREAGE

UDC identifies two separate sections of the existing prison as North Point and South Point. The following figure displays these sections and also shows where a high power transmission lines corridor bisects the property.

NORTH POINT AND SOUTH POINT



The North Point section of the facility includes some of more recently constructed units:

- Timpanogos
- Lone Peak
- Promontory

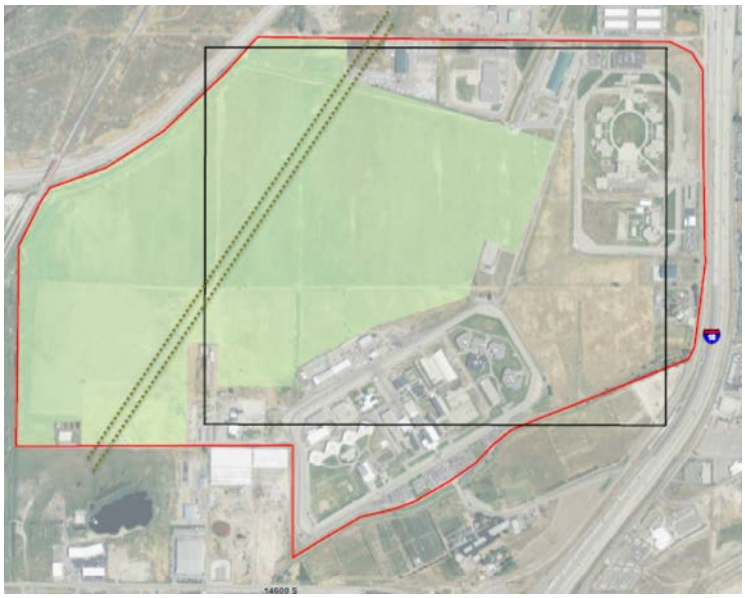
The South Point section includes some of the older units in the facility:

- Wasatch
- Oquirrh
- Uinta

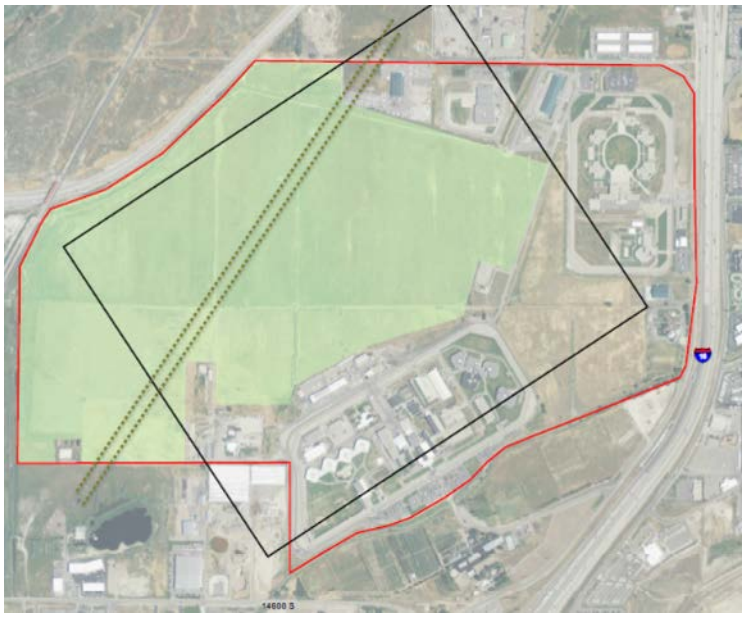
South Point is also the location for critical services such as the medical infirmary and kitchen.

MGT took the 360-acre footprint and overlaid it on the Draper site to determine its fit. The following figures represent two fit options.

FIT TEST #1



FIT TEST #2



Implications of Basic Fit Test

Each fit test clearly displays that the conceptual footprint cannot fit within the vacant contiguous acreage on the Draper site. Simply put, it is impossible to fit a 360 acre rectangle into 276 irregularly shaped acres. Therefore, building a new prison as conceived in the vacant acreage at Draper would not be possible. However, it could be possible to build on the entire 534 contiguous acres, as both fit tests display the footprint only minimally extends beyond the contiguous acreage. But building on the contiguous acreage will be complex because the existing prison occupies a significant portion of the ground needed for construction. As a result, to complete construction on this site would require the prison be constructed in a sequenced phased construction/demolition approach where construction of the new

facility and demolition of the old facility are conducted in a thoughtful, preplanned manner. The steps of this approach would be as follows:

1. Start construction of new prison on vacant acreage.
2. Once most of vacant acreage is developed, halt construction.
3. Move a portion of inmates and staff out of a section of the existing prison to the new prison.
4. Section off the now vacated area and begin demolition.
5. Once demolition is completed and acreage cleared, restart construction of new prison in the newly vacated ground.
6. Repeat steps 3, 4 and 5 until new prison is constructed.

The high power transmission line corridor that bisects the vacant portion of the property would need to be relocated prior to any construction on the prison grounds. MGT estimates the relocation of this line will cost approximately $3 million per mile, and of significant concern is where the line should be relocated. The area surrounding the prison is largely developed and there exists little available land upon which the power corridor could be placed without causing serious environmental impacts and equally serious concerns to property owners. Finding a suitable corridor for the transmission lines may require additional miles of relocation resulting in significant expense for the state. This issue would need further study.

Some have mentioned that replacing the prison on the Draper site would be easy, similar to constructing new school buildings on the site of an existing school, or building new office structures on the site of an existing office building. This is far from accurate; the security concerns resulting from the construction and demolition of buildings ***on an operating prison site*** are far greater than those for schools or offices. The required sequenced construction/demolition approach along with the security concerns would have serious operational and fiscal implications for UDC and the construction project. The implications are described below:

Increased Security Risks and Operational Costs

Demolition on an active prison site would introduce heightened security risks to staff, inmates, volunteers, and contractors. UDC staff must ensure the safety of all who work or are housed on prison grounds, and as a result prison staff would need to take extreme precaution to reduce the potential for weapons and contraband to be brought into the prison. To ensure this does not occur UDC would need to:

- Install fencing around demolition and construction zones that have appropriate setbacks from operating prison buildings.
- Account for every contractor entering and leaving demolition grounds. Background checks of contractor staff performing the demolition would be required and their actions on the site would need to be monitored.
- Inventory every tool entering and leaving demolition site. Tools in a prison are considered potential weapons; therefore every tool would need to be continuously accounted for.

- Continuously secure material from demolition (rebar, metal, wire, concrete, etc.). Virtually every piece of demolished material could represent a weapon in the hands of an inmate. Therefore, UDC would have to ensure all such material is properly controlled and removed offsite.

As a result, UDC will need funding for additional staff to ensure site security during the construction process.

Increased Costs Associated with Operating Two Prisons for Extended Period of Time

With a sequenced construction/demolition approach to construction, the state would have to operate two facilities – both the existing prison and the newly constructed prison – simultaneously and for an extended period of time. This would create duplicative staff posts and services that would increase the overall operating costs for the duration of construction.

Increased Inflation Costs

The sequenced construction/demolition approach would significantly extend the time it takes to complete the new correctional facility, and time is money in a $550 million project. At a conservative annual inflation rate of three percent, every additional year of construction would add $17 million in added project costs.

Increased Design and Construction Costs

Developing and implementing a sequenced construction/demolition schedule will be a complex undertaking and add to the costs associate with project planning and construction. There are two basic requirements this sequenced schedule must meet:

1. Demolition must create sufficiently large and usable vacant ground for new construction.
2. Key functions at the existing prison cannot be halted and buildings demolished until very near the end of construction.

These two requirements can actually be counter to each other because the need to create usable vacant ground through demolition may conflict with demolishing portions of the existing facility where key services are located. Likewise, there may be sections of the existing prison that could be demolished first, but would not provide vacant ground that could be immediately used for construction. For example, one might propose the Wasatch portion of the facility be the first to be demolished. At initial review this seems logical as Wasatch is the oldest section of the prison and many of its buildings are costly to maintain and operate. Yet, demolishing this portion of the facility first would provide no real usable space for construction since it is located in the center of the South Point section of the facility. Therefore, the firms that design and construct the new facility would need to spend additional time and effort developing a complex, well-reasoned construction/demolition schedule with UDC. Because of the extra planning and implementation effort required with this approach, it is expected the costs for design and construction would be significantly higher.

Reduced Efficiency of New Prison

The most effective process to ensure a new correctional facility meets the state's needs for the future is to develop a conceptual design for a new correctional facility that establishes a basic footprint, then select a

site where the design can best be accommodated. This design must reflect Utah's future correctional system needs, ensure efficiency of operation, and allow for the successful implementation of criminal justice reforms. Once designed, a site should be found where that prison could be built. This is what MGT has done with each of the four potential sites.

Through our work on an architectural and operational program with UDC, we have developed a conceptual prison design that reflects UDC guiding principles for a new prison. From that design, a 360 acres footprint was created. MGT has confirmed this footprint fits each of four sites under review without compromise. However, it will not fit on the vacant acreage on the Draper site, and trying to build on this site subjugates prison design to the limitations of the site. In effect, the site would determine the prison, as opposed to the prison determining the site. Forcing the prison design into the vacant space at Draper would compromise the conceptual design and reduce the facility's efficiency. If a new correctional facility were to be constructed on the Draper site, it would be less efficient, costing more money, and take longer to complete.

C. Benefits of Relocating the Prison

Throughout their effort to identify and evaluate sites, the PRC and MGT have stressed the potential economic benefits a host community could receive from a correctional facility. New prisons across the country have benefited local communities by contributing to the development of the infrastructure needed in remote locations. These improvements can serve as the foundation for future industrial and commercial development. A relocated correctional facility will bring more than 800 jobs to a community and will have an annual operating budget of over $120 million. For the four sites under consideration, the new prison would help develop the infrastructure necessary to spur future economic opportunities that would provide long-term benefit to these communities.

Building a new prison on the Draper site also results in the state's loss of the benefits that would result from development of the site. The 2014 Master Plan developed for PRADA included an economic impact analysis for the development of the site. This analysis was based on very conservative land use assumptions that dedicated 63 percent of the ground for retail and residential use, as opposed to the higher revenue generating commercial and industrial use.

MGT LAND USE ASSUMPTIONS

DEVELOPMENT TYPE	ACRES	PERCENT OF TOTAL
Retail (including a shopping mall, cinema, and restaurants)	210	31%
Commercial (office, hotel)	90	13%
Light Industrial (supply chain and flex-space)	120	18%
Housing (single and multi-family)	220	32%
Rail Hub	40	6%

Based on this land use scenario, the following economic benefits were projected:

- More than 13,000 jobs created during construction.
- $1.8 billion in annual economic output after full build-out.
- More than 18,000 jobs created after full build-out.
- $94.6 million in annual state and local tax revenues generated after full build-out.

These benefits are dependent upon the land use assumptions. It is expected these benefits would be higher if the site was developed with a greater concentration of industrial or high-tech businesses, and less residential and retail development.

Another benefit of relocation is the value of the Draper property that would be realized from its eventual sale. If the prison is relocated, the state would be able to sell the Draper property for a significant amount. In 2013, Valbridge Free and Associates appraised the property and identified it should sell for $51 million if left undeveloped.

VI. SUMMARY AND CONCLUSIONS

The following represents the summary of issues addressed in and conclusions of this report.

- The Utah State Prison plays a key role in the overall success of the state's correctional system and needs to be replaced.
- The Draper site would not have met some of the PRC's basic guidelines and requirements, which were established for the selection of a new prison site.
- Building a new prison offsite will cost approximately $550 million.
- Maintaining and improving the existing prison will cost $578 million over the next 20 years. Even after this money was spent, the facility would continue to be an old, outdated, and inefficient institution.
- There is insufficient vacant contiguous acreage on the Draper site to construct a new prison while fully operating the existing prison.
- A prison could be built on the contiguous acreage of the Draper site, but would require a complex sequenced construction/demolition schedule.
- Building on the current Draper site would avoid the expense of acquiring property and extending infrastructure to a new site.
- These averted costs can be offset by increases associated with:
  - Inflation costs related to longer construction duration.
  - Greater costs for planning and implementing a sequenced construction/demolition schedule.
  - Greater UDC operating costs associated with:
    - Operating two correctional facilities for an extended time period.
    - Controlling demolition and construction zones to limit introduction of contraband.
- Relocating the prison would allow the state to realize the potential benefit of developing the Draper site.
- A potential host community will realize significant community-wide benefits as investment in local infrastructure and the facility's operating expenditures would likely spur economic development in and around the host community.