Discussion Items:

- New Appropriation Usage – N/A
- Programmatic Changes: Healthcare Documentation
- Cost Comparison: Lease versus Own
- Vacant State Lands Inventory
- Fairpark Usage Update
Health Care Requirement:

- **Prime Contractor:** $1,500,000 - evidence of coverage required
- **Subcontractor:** $750,000 - evidence of coverage required
- **Audit:** DFCM to require evidence
- **Action:** Prime contractors to submit proper documentation with award, Prime to collect sub documents
Sample Office Building:
- DCFS office building in Sandy
- 53,400 square feet
- Lease building completed in October 2015
TOTAL COST OF LEASE VS. OWNED OVER 20 YEARS

**Ongoing Cost (millions)**

**Year**

**Lease**

**Construction Cost**

**Lease** + **Construction Cost + O&M**

**Lease** + **Construction Cost + O&M + Annual 1.1% Capital Renewal**

**TOTAL COST OF LEASE VS. OWNED**

**Year**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

**Lease**

**Own (Construction Cost + O&M + Annual 1.1% Capital Renewal)**
Advantages of ‘Owned’ after 20 years...

- $2.5 million less
- Building is built to a 50-year standard
- $18 million asset
- Building is maintained to State standards
INVENTORY OF VACANT LAND

Currently in process
- Bring in additional resources to compile inventory
- Collect data on DFCM-owned properties

Future action
- Consult with agencies to develop master plans
- Identify excess land
Lease extended two months - special event
New lease is drafted / ready to sign
Future use study assigned to the Legislative Management Committee (LMC) last year
LMC assigned to Subcommittee

- Letter dated December 3, 2015:
  - “While we considered relocating the State Fair and finding alternative uses for the Fairpark site, after careful consideration, the group ultimately concluded that it is in the best interest of the state to keep the State Fair at its current location with a stronger commitment from the state and potential new partners that were identified through this process.”
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