

Layton

CONSTRUCTING WITH INTEGRITY



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Serving the Customer's Customer

David S. Layton

Foundation

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Fall 2009

University Hospital Expansion
Salt Lake City, Utah



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Standard Drywall Inc.



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Serving the customer's customer

Layton delivers the intricacies of hospital construction

With the completion of the \$120 million West Pavilion expansion, Layton culminates an eight-year journey on the University of Utah Health Care campus with our team completing projects under five separate contracts. Unlike many projects that we've been involved with, the state of Utah was issuing solicitations for additional work often before the current phase of construction was completed.

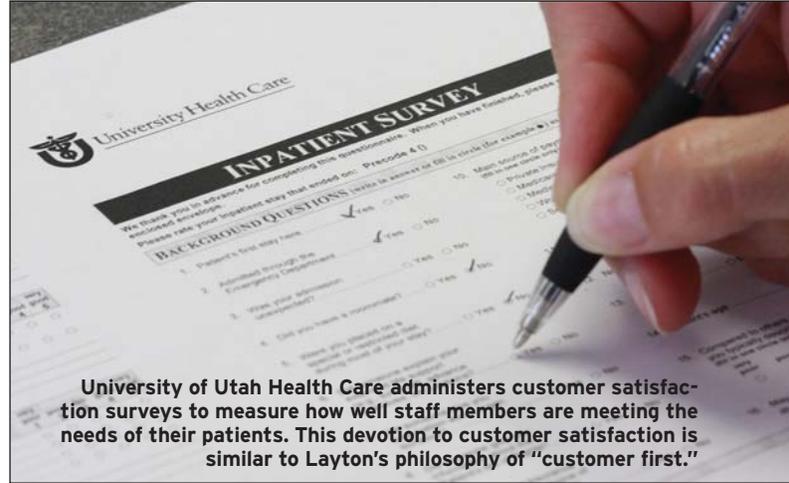


David S. Layton

Our team had to step up on each proposal with innovative ideas, competitive costs, and a plan to keep an already busy hospital fully operational. Although we competed for each new contract, our team quickly realized the importance that past performance played with the selection committee. Fortunately, the Layton team had proven throughout each opportunity at University Hospital that we deliver predictable outcomes. Each successful performance reinforced the character, talent and quality of our personnel and state and university decision makers took comfort in inviting us back to construct the West Pavilion.

Our collective teams of project personnel worked seamlessly together looking for solutions rather than pulling against each other over problems. One such solution included a heliport atop a new parking structure to alleviate parking shortages. The idea was so well received that in the subsequent expansion, our crews added three vertical parking levels and raised the heliport once more.

In one of the most complicated phases of the Eccles Critical Care Pavilion expansion, crews were required to add two new floors above seriously ill patients (which were being treated directly below the construction activity) thereby expanding



University of Utah Health Care administers customer satisfaction surveys to measure how well staff members are meeting the needs of their patients. This devotion to customer satisfaction is similar to Layton's philosophy of "customer first."

what had been a three-story building to five stories.

On the extremely tight footprint, the hospital's front door is virtually the only point of entry for patients, employees and visitors. In order to begin work on the West Pavilion, the demolition of the existing main entrance resulted in the need to create a temporary entrance during nearly two years of construction in order to route visitors and staff safely around construction activities, equipment and materials. Hospital administrators went so far as to offer complimentary valet parking service for patients and visitors consistent with their mission statement to "... provide compassionate care without compromise."

Also essential in the expansion of any existing hospital is the health of patients, employees and guests which can be severely compromised without careful attention to detail. Prior to any construction activity, plans were developed and implemented by constructors and healthcare professionals for construction dust containment, infection control and utility and med-gas line activation. The facility and patients were monitored to ensure the absence of any contamination resulting from critical construction activities.

The University Hospital places exceptional patient care above all else and as such knows well the value of implementing excellent customer satisfaction programs. This is one reason why they have been consistently ranked among the best health care providers by U.S. News & World Report magazine. The overriding goal of this eight-year expansion process was to provide a state of the art facility where the best and brightest health care professionals could practice. The need for new facilities is proof positive that patients trust the care that they receive at the hospital.

At the ribbon cutting ceremony, David Entwistle, chief executive officer of University Hospital and Clinics said, "This expansion has always been about providing the best space for our patients to receive care and for our staff to work in. The University is known for its excellent patient care, teaching, and leading-edge research, and now we have the facility to match those skills."

We couldn't help but recognize that during construction the University Hospital was going to be viewed by its customers partially through the lens of our construction processes. We took seriously our role in creating a partnership environment to eliminate problems and minimize inconveniences in an effort to preserve the high-end quality of care delivered at University Hospital. We are honored to have been a part of a series of projects which will favorably impact the community for decades. We commend all who played a role. 🏗️

TOSH makeover brings efficiency, history together

Interior Construction Specialists has completed a multiple phase renovation of Intermountain Health Care's Orthopedic Specialty Hospital (TOSH) in Murray, Utah. Relatively new facilities added in recent years at a now-closed, 50-year-old hospital were saved with this renovation.

New features include corridors, a cafeteria, basements, elevators, administrative offices, conference rooms, a teledata center, a laundry, a maintenance area and significant utility work. The renovations connect multiple buildings together to make them one. A three-story bed unit received room remodels and new post-recovery rooms.

Like a good TOSH joint replacement, this renovation makes the TOSH facility functional again.

Wyoming facility ranks No. 4 in concrete panels

The Wyoming Medium Correctional Institution in Torrington, Wyo., is **fourth** on the list of the Tilt-Up Concrete Association's "Top 10" buildings with the most concrete panels. The Torrington project

has 551 panels. The association recognizes the biggest, heaviest, tallest and other extraordinary accomplishments in tilt-up construction. Layton Construction will complete the 680-bed, 380,000-square-foot correctional facility in November 2009.

Torrington •



The new Wasatch High School in Heber City, Utah, brings a state-of-the-art facility to town while still celebrating the past.

Utah high school construction begins new legacy

Utah Gov. Gary Herbert and U.S. Rep. Jim Matheson participated with school district officials, community leaders and Layton Construction team members as Wasatch High School in Heber City, Utah, was dedicated in August. The 320,000-square-foot school opened Sept. 1, 2009, to greet students in grades 9 to 12. Architectural themes taken from the original school and a 10-foot by 50-foot mural help capture 100 years of Wasatch High School history in the new school.

University Hospital in Texas to experience 'The Layton Way'

Layton has joined Zachry and Vaughn as a joint venture construction team (ZVL), which has been awarded the contract to provide construction management services for the University Health System (Texas) University Hospital in San Antonio. The new hospital tower, which will be nearly one million square feet, is recognized as one of the most significant construction programs ever undertaken in south Texas. Construction of the \$650-million project will be complete in 2013.

Waxie Sanitary Supply inventory center goes green

Waxie Sanitary Supply opened its Regional Inventory Center in Salt Lake City in September. The facility is pending LEED Silver certification, and will be the first janitorial supply building in the United States to meet LEED certification standards. The 86,000-square-foot structure will serve Waxie's intermountain region. Layton is also building a similar regional distribution center for Waxie in Mesa, Ariz. That facility will be completed by the end of 2009.

Layton named No. 32 by Concrete Construction magazine

In July 2009, Concrete Construction magazine released its annual "CC100" list of top concrete constructors, with The Layton Companies ranked No. 32. The rankings are based upon annual concrete revenues and other criteria including quality, positive relationships with employees and subcontractors, innovative technologies and diversification.



Layton Construction completed a \$120-million expansion of University Hospital in Salt Lake City. The expansion added 308,000 new square feet – including empty space to meet future needs.

Taking Care of Others

Layton teams with University of Utah Health Care to heal

Chrissy Daniels has an interesting job with University of Utah Health Care. She is officially the director of exceptional patient experience, working specifically at University Hospitals in Clinics in Salt Lake City.

But that job involves more than meets the eye.

As you might expect, Daniels oversees patient satisfaction surveys, but since 2001 she has also been the primary liaison of the construction team expanding the hospital.

So, when the University Hospital in Salt Lake City started working on a \$120-million expansion that involved adding 308,000 new square feet, additional parking and a new heliport, Daniels had to balance

the realistic demands of a construction project with the hospital's bigger need to be a place of healing and a place where lives are saved.

"Expanding a hospital is, in many ways, building under some of the most challenging conditions," Daniels says.

Hospitals never close. They can never be without some sort of power and if something goes wrong, it could be a matter of life and death.

In the spirit of a "customer satisfaction survey," let's take a look at the project.

DID LAYTON HAVE THE CREDENTIALS YOU WERE LOOKING FOR?

Layton has built its reputation on quality work and being a good team player. In fact, it was those relationships that made the staff at University Hospital excited to see Layton trailers show up on site.

"We're built on relationships," Daniels says. "Our leadership knows who they can trust. Not only have we developed trust with Layton as a company, but we've developed trust with the individual people working on this project."

For example, superintendent Herb Biesinger has been working on projects on the University of Utah campus for 14 of the last 20 years. His experience at the U started with the original Moran Eye Center in 1988.

Layton construction manager Kevin Charves had worked on other University of Utah construction projects — with Biesinger — and was also familiar with the unique needs of the hospital.

“You couldn’t find anyone on our staff – especially the nurses – that wasn’t happy to see Layton do this job.”

Chrissy Daniels
Director of Exceptional Patient Experience
University Hospitals & Clinics
Salt Lake City, Utah

The Details

START DATE
Spring 2006

COMPLETION DATE
July 16, 2009

SQUARE FOOTAGE
308,000 (new)

COST
\$120 million

ARCHITECT
Architectural Nexus,
Salt Lake City

SPACE HIGHLIGHTS
Two additional levels on east wing, brand new west wing, expanded parking, new heliport



“It was great to have a team that didn’t have to learn on the job,” Daniels says. “They were familiar with us and we were familiar with them. Plus, we felt like the corporate offices were willing to do what needed to be done to get the job done.”

DID LAYTON COMMUNICATE WELL WITH OTHERS?

There are logistical concerns with any construction job, but planning is even more imperative when expanding a working hospital.

“We always found that we knew what was happening and we were involved in the decisions,” Daniels says.

For example, all utility lines coming in and out of the hospital needed to be reconfigured. However, the hospital could never be without basic services like water and electricity.

Dust, noise and other contaminants had to be completely contained, so there had to be a plan and a schedule for that, too. And if things came up, which they always do on a project this size, good communication was even more crucial.

Layton president David Layton compared the process of expanding a hospital to remodeling your kitchen during



Besides improved patient areas, the expansion included a new lobby (pictured), cafeteria area, escalators (left) and customer service facilities.

the middle of preparing for Thanksgiving dinner. That takes serious communication.

DID LAYTON MEET THE NEEDS OF YOU AND YOUR PATIENTS?

That’s a daunting question. The University Hospital is a teaching hospital. It’s also one of only two Level 1 trauma centers in the area. It sees 650,000 visitors annually. It serves people from 10 percent of the geographic area of the United States.

But there’s an easy answer.

“We strive for our clients to have a ‘Level 5’ experience,” Daniels says. “If we look at Layton the way our patients look at us — did we do what they expected, were we professional, were we skilled — Layton met every expectation.”

And that’s saying something.

“Everything they do at the University Hospital is driven by patients — patient care truly is the No. 1 priority,” Charves says. “Our team is proud to have helped the University build on their industry-leading reputation by creating a healing environment for patients as well as an environment that’s conducive to an efficient, happy staff.”

The Hospital’s Charge

Patients truly are No. 1 at University Hospital. Below is a little more information about University Health Care.

- University of Utah Health Care is the Intermountain West’s only academic health care system, combining excellence in patient care, the latest in medical research, and teaching to provide leading-edge medicine in a caring and personal setting.
- The system provides care for Utahns and residents of five surrounding states in a referral area encompassing more than 10 percent of the continental United States.
- Whether it’s for routine care or highly specialized treatment in orthopedics, stroke, ophthalmology, cancer, radiology, fertility, cardiology, genetic-related diseases, organ transplant, or many other areas of medicine, University of Utah Health Care offers the latest technology and advancements, including some services available nowhere else in the region.

The WOW Factor

“Since the expansion opened it’s easy to tell who is a visitor to the hospital and who works on staff. The staff members are the ones looking up and saying, ‘Wow.’ They can’t believe how great the expansion turned out.”

Chrissy Daniels

Director of Exceptional Patient Experience
University Hospitals & Clinics

What’s Been Added?

The University Hospital added 308,000 new square feet, but where did that go? Here are a few highlights:

- The expansion required a complete *transformation of the main entrance*. Because of that, roadways were designed to best meet the needs of patients and visitors.
- The hospital added *smaller, more specialized units* with 12 beds. This allows patients to receive care from a nursing staff with an advanced skill base. The proximity allows families in similar situations to connect.
- The hospital added *private rooms*, allowing more privacy and family involvement in the healing process.
- The hospital added *250 parking stalls* to the parking terrace under the heliport.
- The expansion included *two unfinished floors*, giving the hospital plenty of room to grow.
- New *patient rooms and nursing stations* were designed with input from the skilled nursing staff.
- The new lobby has an open feel and gives patients *convenient access to necessary services* like the information desk, patient admitting, labs, outpatient pharmacy and the cafeteria.



Prefabricated cell modules make correctional facilities efficient to build. This photo shows how the modules are stacked to make a two-story jail.

The Best Way

Prefab modules give correctional facilities quick turnaround, better ROI

The Layton Companies operates one of the largest self-performed concrete crews in the western United States. Concrete is at the heart of the company's work, and Layton's crews take great pride in the concrete work they provide, from footings and foundations to architectural finished concrete that becomes a focal point of many jobs.

However, there are times when cast-in-place concrete may not be the best answer. Such is the case with correctional facilities work, which Layton has undertaken for many years. Currently, Layton crews are constructing the Uintah County Public Safety Complex in Vernal, Utah.

The complexities of building individual jail cells include the relatively small size of the cell, mechanical, electrical and plumbing fixture requirements, integral bunk placement and security elements — all which make it economically unfeasible to build with cast-in-place concrete.

Layton has turned to supplier Tindall Corporation, which prefabricates cell modular units and ships them to the site for placement. Each 15-foot by 14-foot-6-inch, 55,000-pound prefabricated unit contains two cells, which each contain two bunks and a wall-attached

desk, toilet and sink, chase utilities and a steel form finished floor. Each module contains nearly 4,000 pounds of reinforcing steel, and the concrete is engineered to 8,000 pounds per square inch. The reinforcement and strength allows for narrower walls, reducing the overall footprint and size of the facility.

The prefabricated cell modules were shipped by rail car to Salt Lake City from the manufacturing facility in Atlanta, then trucked 170 miles to the correctional facility site in eastern Utah.

Layton concrete workers placed the footings for the modules and a large crane hoisted each of the cell modules into place. Precise placement of the concrete was essential so the mechanical, electrical and plumbing rough-ins of the modules fit correctly. The modules were double-stacked to create a two-level correctional facility.

The Uintah jail pod is a collection of 48 modules with a total of 192 beds configured in an octagonal shape. Once the modules were placed, Layton's concrete teams completed concrete slab-on-grade (ground level) and slab-on-deck (second level) to connect the modules. Also, at those corner locations, stairways were attached to

provide access to the second level. The roof was fabricated over the modules and concrete pre-cast panels fill the exterior spaces at the corners of the octagonal jail cell pod.

Taking a tour of the facility while under construction, a county commissioner was ecstatic when he saw how well the modules fit in place and lined up precisely with Layton's concrete footings and utilities.

The construction timeline was also compressed as modules were ordered early in the design phase and prefabricated while initial site construction was underway. Placement of the concrete cell modules was fast and efficient. Owners of correctional facilities are typically government organizations looking to maximize limited budgets. Shortened construction schedules help put the facility in service sooner to gain a quicker return on the significant investment. Layton's construction team plans to open the Uintah County correctional facility two months ahead of schedule in the spring of 2010.

Layton's customers always expect precision. Perhaps that expectation is never more important than in a correctional facility. After all, a jail is a place where you hope your guests check in but never leave, at least until the jailer says so. 📌



Herb Biesinger

EMPLOYEE FOCUS | Herb Biesinger

Despite what it might seem like, Herb Biesinger works for Layton Construction — **not the University of Utah.**

The possible confusion is understandable, however, because Biesinger has been working on buildings on the University of Utah campus for about **14 of the last 20 years**, starting with his work as superintendent on the first Moran Eye Center in 1988.

Since then, Biesinger has worked on high-profile campus projects including **Rice-Eccles Stadium**, the Moran Eye Center and — most recently — the expansion to University Hospital.

"The University is a wonderful owner to build for because **the people here understand construction**," Biesinger says. "You don't have to explain why

something needs to be done. You can get right down to figuring out how to do it."

Biesinger started with Layton in 1982 (first working on a remodeling project on Temple Square) and has been a superintendent since 1986. He enjoys his work because it's challenging.

"It's like being the **conductor of a big band**," he says. "You have to make sure everyone comes in when they're supposed to and does their job."

Biesinger enjoys the fairness he receives from Layton and enjoys the **stability the company offers.**

"Layton has always treated me like an individual, not just as an employee number. I appreciate that," Biesinger says.

Setting the 'Standard'

Drywall contractor raises the playing field in customer satisfaction

If you ask project manager Randy Washburn or senior vice president Bob Caya of Standard Drywall Inc. in Salt Lake City what the company does, you'll get an interesting, telling answer.

"What do you need?" Randy asks.

The team at Standard Drywall Inc. doesn't use the word "can't." Not with clients.

"We're taught to say, 'We can,'" Randy says. "We won't use the word 'can't.' It goes back to our philosophy of customer service and problem solving."

Standard believes in the power that comes from a team. If you have a bunch of individual companies working on a project and each company is only looking out for No. 1, then it's going to be a long road. But working together and keeping promises has taken Standard where it needed to go.

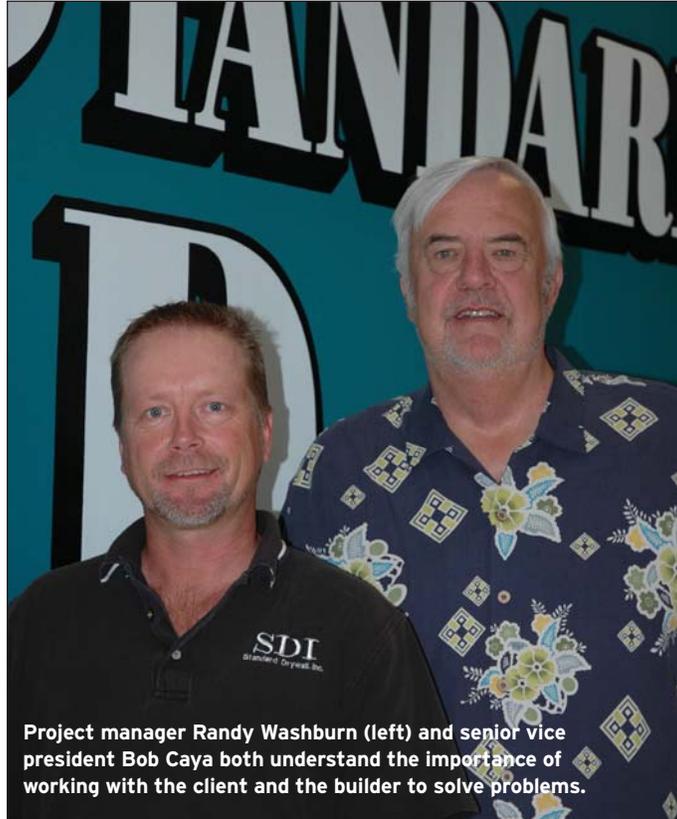
"Simply, we try to be easy to work with and do what we say we'll do," Bob says. "That sounds simple, but you'd be amazed at how many companies don't do those two things."

It's this inability to say "can't" along with the team approach that led to Layton's successful partnership with Standard in completing the University Hospital Expansion in Salt Lake City.

The hospital expansion was a big job, done on a small staging footprint with complicated outside concerns.

And, with hospital construction, concerns — or more specifically, problems — can be life-and-death issues. Imagine putting up drywall knowing that dust can cause serious health concerns for the client's patients.

Imagine securing drywall in a place where the noisy necessary



Project manager Randy Washburn (left) and senior vice president Bob Caya both understand the importance of working with the client and the builder to solve problems.

tools can keep a sick person from getting enough rest.

That's pressure.

"It was a complicated job," Randy says. "There were some unique scheduling issues and we had to do our best to keep the job site clean and out of the way. It goes back to working well as a team."

And the team approach wasn't just referring to the group of builders. Standard Drywall was part of the design-build team used to foresee problems and eliminate major concerns. The company also stepped up, as needed, to do more than the original contract hired them for.

"We see that a lot," Bob says. "We'll get hired to do one thing — like the drywall — and before we know it, they're asking us to paint the walls and put in the ceiling."

And the answer is, you guessed it, "no problem."

"We have the manpower and capabilities to do things on a short schedule, if needed," Randy says. "We can have 85 guys at a job with a couple of days notice. That's big for contractors."

Standard Drywall tries to work well enough with contractors that the company will be on the short list of candidates for the next job.

"We know we'll always have to bid jobs out and that the bidding is complicated," Bob says. "But, we always strive to be one of those few companies that a contractor will consider."

And when they're asked to work, the answer will be: "Absolutely." 🍷

Standard Drywall Inc.

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Salt Lake City

TYPE OF WORK
Drywall, painting, ceilings, insulation

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“Layton is great to work with. You're part of the team — part of the discussions. You're able to see things from the beginning that makes the process go smoother.”

— Randy Washburn
Project Manager
Standard Drywall Inc.

Economic Outlook

- Economic activity in the Twelfth District appeared to hold largely steady since the last report [May], with broadening signs of improvement, or at least, stabilization, in many sectors.
- Job growth in the District continued to fare moderately worse than that in the nation as a whole over the 12 months ending in June.
- Business and consumer lending activity in the District fell further, and credit conditions remained tight.
- Conditions in the District's housing markets remained very weak but showed further signs of improvement. Demand for commercial real estate, on the other hand, eroded further.
- The reduction in wage pressures was widespread but was particularly pronounced in sectors that have seen the largest drops in labor demand, such as construction, finance, real estate and retail.

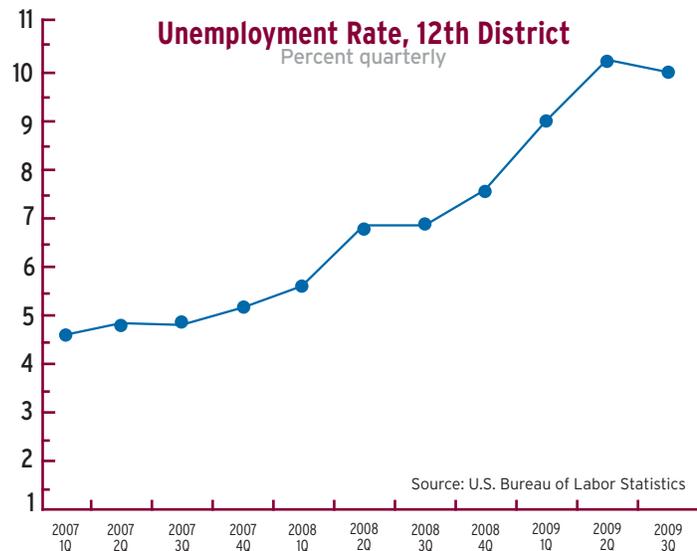
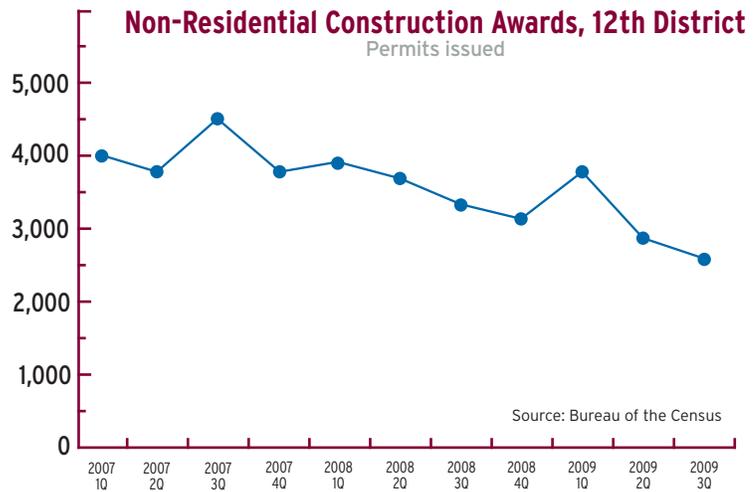
Source: Economic Trends & Conditions, August 2009, FRB San Francisco, Economic Research Department.

Editor's note: To more fully analyze the regional markets of The Layton Companies, this economic outlook page has been reformatted using economic data from the nine-state Twelfth District of the Federal Reserve Bank of San Francisco. The district includes the states of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah and Washington.

THE NUMBERS GAME

A LOOK AT THE FEDERAL RESERVE BANK OF SAN FRANCISCO 12TH DISTRICT'S ECONOMIC TRENDS

This issue's review highlights the continuing challenges of the regional and national economy. However, The Layton Companies is optimistic to see improving markets and conditions. With reduced demand and lower materials and labor costs, now is a great time to construct.



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