

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
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HOUSE OF
REPRESENTATIVES

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CHRISTINE WEASON

JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, March 7, 2002

12:00 Noon

House Hearing Room 4

AGENDA

- Call to Order
- [Approval of Minutes of December 12, 2001](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES –](#)
 - A. [Consider Approval of Lease-Purchase for State Health Laboratory.](#)

EXECUTIVE SESSION.*

 - B. Review of Phase Two Request for Proposals for State Health Laboratory.
 - C. Review Architect and Construction Manager at Risk Proposals for Forensic Hospital Renovation Component of the Arizona State Hospital Construction Project.
- 2. [DEPARTMENT OF ECONOMIC SECURITY – Review of Arizona Training Program at Tucson Study.](#)
- 3. ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY –
 - A. [Consider Approval of Bond Projects.](#)
 - B. [Review of Lease-Purchase Projects.](#)
- 4. [ARIZONA BOARD OF REGENTS/UNIVERSITY OF ARIZONA – Review of Lease-Purchase Projects.](#)

(Continued)

5. ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF CORRECTIONS/DEPARTMENT OF JUVENILE CORRECTIONS/ARIZONA DEPARTMENT OF TRANSPORTATION – Review of Revisions to Department of Corrections and Department of Juvenile Corrections, and Department of Transportation FY 2002 Building Renewal Allocation Plans.
6. ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND – Report on 10-Year Facilities Master Plan.

* As permitted under A.R.S. § 38-431.03 and A.R.S. § 41-2514.

The Chairman reserves the right to set the order of the agenda.

3/04/02

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 542-5491.

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**MINUTES OF THE MEETING
JOINT COMMITTEE ON CAPITAL REVIEW**

Wednesday, December 12, 2001

The Chairman called the meeting to order at 8:40 a.m. Wednesday, December 12, 2001 in Senate Appropriations Room 109 and attendance was noted.

Members:	Senator Solomon, Chairman Senator Brown Senator Bennett Senator Cirillo Senator Hamilton Senator Mitchell	Representative Knaperek, Vice-Chairman Representative Allen Representative Gray Representative Pearce Representative Weason
Absent:	Senator Guenther	Representative Cheuvront Representative Lopez
Staff:	Lorenzo Martinez Bob Hull Chris Earnest	Jan Belisle, Secretary Jill Young Tim Sweeney
Others:	Debbie Johnston, Senate Jay Ziemann, State Parks Travis Mallen, Senate Blake Anderson, ASU Dr. Philip Geiger, SFB	Renee Bahl, State Parks Terry Issacson, ASU-East Charles Haverstick, ADOT Bob Harris, ADOT John Arnold, SFB

Representative Gray moved the Committee approve the minutes of November 29, 2001 as presented. The motion carried.

ARIZONA STATE PARKS – Review of State Lake Improvement Fund Projects.

Tim Sweeney, JLBC Staff presented the Arizona State Parks request that the Committee review State Lake Improvement Fund (SLIF) projects totaling \$13,455,800. There are a total of 35 SLIF projects. The projects reviewed today will be using the FY 2001 revenue and will not impact potential transfers from SLIF to the General Fund in FY 2002 and FY 2003.

(Continued)

In response to Senator Cirillo, Jay Ziemann, Assistant Director, State Parks stated that the land for the Lake Havasu City project is owned by the state Land Department. There are three landowners and over the last 3-4 years there have been land exchanges and agreements between the Land Department, the Bureau of Land Management and State Parks. There are no private landowners.

Representative Pearce expressed concern regarding SLIF city projects. Some of the projects are not for natural major lakes and waterways. Maricopa County generates approximately 80% to 85% of the monies that go into SLIF. Their return is approximately 5-10% of those dollars.

Senator Hamilton mentioned that the residents in Maricopa County represent the majority of users of the lakes, waterways and recreational facilities in areas outside Maricopa County.

Senator Bennett moved the Committee give a favorable review to the State Lake Improvement Fund projects totaling \$13,455,800. The motion carried.

SCHOOL FACILITIES BOARD – Report on FY 2003 Instructions to the Treasurer.

Chris Earnest, JLBC Staff presented to the Committee the report from the School Facilities Board (SFB) on the estimated amounts necessary in FY 2003 for the Building Renewal Fund, New School Facilities Fund and the Deficiencies Correction Fund. The board will instruct the Treasurer to transfer a total of \$416.3 million in FY 2003. This amount includes \$28.0 million for the Deficiencies Fund; \$128.3 million for the Building Renewal Fund and \$260.0 million for the New School Facilities Fund.

In response to Representative Gray, Dr. Philip Geiger, Director, School Facilities Board said there were approximately 40 districts that had not reported on their prior year building renewal expenditures. The Attorney General's Office has indicated that if a school district does not expend any monies for building renewal in the prior year, it is not obligated to report. The law does not require them to submit a report unless they have done work with the building renewal monies.

Senator Cirillo indicated that the loophole needs to be closed and that districts should be required to report regardless of the amount of expenditures.

In reply to Senator Bennett, Dr. Geiger stated that the formula takes into account the age of the building as criteria. New buildings negate getting building renewal money. The formula is set so that every year the building is in existence, it gets more building renewal money through the formula.

Senator Bennett asked if a \$15 million school was built, how much building renewal money would be sent out the first year or two. Dr. Geiger said the information would be provided to the Committee.

In reply to Chairman Solomon, Dr. Geiger said in year 2003 the deficiency corrections program ends. A district must qualify to get a new school built and this is determined by a statutory formula which takes into account population growth estimates. The numbers of increased growth in population come from 2 sources. The district provides demographic studies and SFB does additional demographic studies using an outside consulting firm. SFB also checks the student count with the Department of Education (ADE).

Chairman Solomon reiterated the information that was to be given to the Committee today. With regard to Senator Bennett's question about the amount of money that goes to a district to be apportioned out for building renewal for the first two years on new school construction.

Mr. John Arnold, Deputy Director of Finance, School Facilities Board, mentioned that he and Chris Earnest, JLBC Staff have discussed some discrepancies in the memo. On page 2 of the memo, the following corrections were made.

(Continued)

Under Deficiencies Correction Fund:

Prior to last week's SFB meeting, the fund had an unobligated balance of \$45.24 million. The SFB did, however, obligate an additional \$7.22 million at their December 6 meeting, reducing the unobligated amount to \$36.2 million.

Under New School Facilities Fund:

After all estimated distributions in FY 2003, SFB currently projects they will end the year with a \$23.512.0 million balance.

In reply to Chairman Solomon, Mr. Arnold said they obligated \$22 million at the December board meeting for deficiencies corrections.

Mr. Earnest stated that for the Deficiencies Corrections Fund, he had started with a base dollar amount that was provided in a report submitted by SFB and removed the deductions. For the new School Facilities Fund, the number that is referenced in the memo is the number that is currently encumbered and the number that Mr. Arnold references is what they plan to encumber, meaning that it represents expenditures on those schools that have been conceptually approved but haven't received final approval.

Dr. Geiger stated that Mr. Earnest's statements were inaccurate and that start dates have been provided. Chairman Solomon asked for a list of 24 start dates that were previously requested but have not yet been provided.

Representative Knaperek also made comments on appropriate decorum for addressing staff and members.

Mr. Earnest stated that he had asked for start dates on 24 schools. These schools are scheduled to be completed and paid for by the end of FY 2002, however, construction has not yet started. He mentioned start dates were requested so that a cash flow analysis could be conducted for FY 2002.

Dr. Geiger stated SFB would provide the information on the 24 schools.

Mr. Arnold stated that the request was given to him and not Dr. Geiger. He was under the impression a previous conversation with Mr. Earnest had adequately covered the request.

In reply to Representative Gray, Dr. Geiger said that contractors are on a reimbursement basis. SFB will receive certification from the architect on the work completed that month, and SFB will pay only for work completed.

In reply to Senator Bennett, Mr. Arnold stated that it is very difficult to project the cash flow on a new school. Every quarter the SFB cash flows the new construction program. When it is complete, the information will be forwarded to Mr. Earnest. It is anticipated that there will be a greater ending balance in 2002.

No Committee action was required.

ARIZONA DEPARTMENT OF TRANSPORTATION – Review of Scope, Purpose, and Estimated Cost of Douglas MVD Service Center.

Bob Hull, JLBC Staff presented the Arizona Department of Transportation (ADOT) request that the Committee review the scope, purpose, and estimated cost of the Douglas Motor Vehicle Division (MVD) Service Center. The project was appropriated \$1,150,000 from the State Highway Fund in FY 2001. The cost is \$238 per square foot.

(Continued)

In reply to Representative Pearce, Mr. Hull said that the state does own the land. The land is not included in the square footage. There were 4 bids received and the low bid was \$939,500 and the highest bid was \$1,175,000.

Representative Knaperek moved the Committee gave a favorable review of the scope, purpose and estimated cost of the Douglas Motor Vehicle Division Service Center. The motion carried.

ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY-EAST – Report on Education 2000 Lease-Purchase Projects.

Ms. Jill Young, JLBC Staff presented follow-up information on Arizona State University-East lease-purchase capital projects being financed with Education 2000 monies. A Certificate of Participation (COP) issuance of \$27,500,000 is planned for ASU-East, and a COP issuance of \$21,600,000 is planned for ASU-West. Repayment of the COPs will be paid from Education 2000, or Proposition 301 monies. Over the next 3 years approximately 18 buildings at ASU-East will be renovated to convert space from its original military configuration to academic use, and a new flightline facility will be constructed.

No Committee action was required.

The meeting adjourned at 9:35 a.m.

Jan Belisle, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Senator Ruth Solomon, Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.

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CHRISTINE WEASON

DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH
SERVICES – CONSIDER APPROVAL OF LEASE-PURCHASE FOR STATE
HEALTH LABORATORY

Request

The Arizona Department of Administration (ADOA) requests Committee approval to issue \$30,000,000 in Certificates of Participation (COPs) to finance the construction of a new state health laboratory. ADOA proposes issuing these COPs in combination with \$34,685,000 in COPs for the new Human Resources Information System (HRIS).

Review of the Phase 2 Request for Proposals for design and construction services for the health laboratory is a separate agenda item to be reviewed in Executive Session.

Recommendation

The JLBC Staff recommends that the Committee approve the request. The scope, purpose, and estimated cost of the health lab project will be submitted for Committee review when the design is completed. The Joint Legislative Budget Committee reviewed the expenditure plan for the HRIS project at its January 2002 meeting.

Analysis

The FY 2002 – FY 2003 Capital Outlay bill (Laws 2001, Chapter 237) authorized and appropriated \$2,342,900 in FY 2003 from the General Fund to ADOA for the lease-purchase financing of a new state health laboratory. Laws 2001, 2nd Special Session, Chapter 3 would have repealed the authority and appropriation for the new health lab. However, the Governor vetoed the repeal, thereby leaving the authority and FY 2003 appropriation intact. The issuance for the project cannot exceed \$30,000,000.

(Continued)

The issuance will be combined with a \$34,685,000 issuance for the HRIS project to save on issuance costs and potentially secure a lower interest rate. The COPs for the HRIS project will be repaid over a 10-year period and health lab COPs will be repaid over a 20-year period. At an estimated average interest rate of 4.8% over the 20-year period, the repayment of the \$30,000,000 for both principal and interest will be \$48,779,600. Page 5 of the submitted materials shows the anticipated debt schedule for the health lab project (HRIS debt schedule is on page 4).

As noted earlier, Chapter 237 appropriated \$2,342,900 in FY 2002 from the General Fund to ADOA for lease-purchase costs. If the COPs are issued, an appropriation of \$2,342,100 will be required in FY 2003 for the annual repayment requirement.

ADOA is currently in the process of procuring design-build services for the construction of the health lab. Procurement of these services is the subject of an Executive Session item on this same agenda.

The financing plan for the health lab is consistent with the intent of authorizing legislation. The JLBC Staff recommends the Committee approve the issuance of \$30,000,000 in COPs for the health lab project.

RS/LM:jb

Jane Dee Hull
Governor



J. Elliott Hibbs
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION • 15 SOUTH 15TH AVENUE, #101
PHOENIX, ARIZONA 85007
(602) 542-1920

February 6, 2002

The Honorable Laura Knaparek, Chairman
Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007

RE: Request for Placement on Joint Committee on Capital Review Agenda – February 2002

Dear Representative Knaparek,

The Department of Administration requests placement in the February 2002 agenda of the Joint Committee on Capital Review to review the following:

1. Request a favorable review and approval of a lease-purchase financing to fund the New State Health Laboratory. As detailed in the attached materials, it is proposed that this lease-purchase financing be combined with ADOA's on-going lease-purchase financing of the State's Human Resources Information System Project, as a means of realizing cost savings and other efficiencies.
2. Request a favorable executive session review to issue Phase Two of the Request for Proposals for the New State Health Laboratory. The Request for Proposals Phase Two is confidential until issued to the selected 3 design build teams. Any prior knowledge available to a design build team would give an unfair advantage. The final design build team selected will be presented to JCCR in executive session prior to final contract negotiation and signing.

The information for this project is attached.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert C. Teel".

Robert C. Teel, Assistant Director
General Services Division
Department of Administration

Attachments

Cc:	Senator Ruth Solomon, Arizona State Senate	J. Elliott Hibbs, Director, ADOA
	Tom Betlach, Director, OSPB	Alex Turner, Administrative Counsel, ADOA
	John Arnold, OSPB	D. Clark Partridge, Deputy State Comptroller, ADOA
	Richard Stavneak, Staff Director, JLBC	Charlotte Hosseini, ADOA
	Lorenzo Martinez, JLBC	
	Catherine Eden, Director, ADHS	
	Craig Dunlap, Assistant Director, ADHS	
	Wesley Press, Bureau Chief, ADHS State Laboratory	
	Bruce Ringwald, General Manager, ADOA Construction Services	

Background:

Laws 2001, Chapter 237, signed by Governor Hull April 23, 2001 appropriated \$2,342,900 from the State General Fund in fiscal year 2002-2003 to the Department of Administration for making payments on Certificates of Participation ("Certificates") issued in association with the lease-purchase financing of the design and construction of a new State Health Laboratory Building and related infrastructure. The legislation also allows up to \$165,000 and 3 FTE Positions each fiscal year to oversee and manage the project until its completion, and, in accordance with the provisions of section 41-791-02, A.R.S, the director of the department of administration may enter into a lease purchase agreement for the issuance of certificates of participation in an amount not to exceed \$30,000,000 for the purposes described above. The Certificates were to be repaid over a twenty-year period. The bill as originally passed also contained a FY 2002 General Fund appropriation of \$2,342,900, but this appropriated amount was vetoed by the Governor.

In order to begin construction in late FY 2003, ADOA and the Department of Health Services proposed that project development begin in FY 2002. To accomplish this, the agencies proposed to the JCCR that \$100,000 be expended from the DHS operating budget for FY 2002 on pre-construction administrative and project management costs. This amount would then be reimbursed from the proceeds of the Certificates upon their issuance. At the August 2001 meeting, the JCCR approved this request in anticipation of the future issuance of the Certificates.

Status:

ADOA issued the Request for Proposal Phase One requesting submissions for design-build teams to detail their qualifications. From the 16 submissions received, the evaluation committee will develop a list of the 3 most qualified teams. These teams will be invited to participate in Phase Two. RFP Phase Two details program requirements and performance specifications as well as administration and technical requirements. The Phase Two proposals from the 3 selected design-build teams shall include preliminary designs, estimates, specifications and design approach. The selection of the successful team will be based on the best value for the State. The final selection will be presented to the JCCR in executive session prior to final contract negotiation and signing. A stipend of two-tenths of one percent of the estimated contract price of \$22,701,000 will be paid to each of the two unsuccessful teams. This equates to \$91,128 total. If the teams accept the stipend, their proposal becomes property of the State of Arizona, and elements of the proposal may be used in the final design. The tentatively scheduled due date for the responses to RFP Phase Two is April 15, 2002. ADOA anticipates awarding the contract by late May 2002.

Financing Plan

The lease-purchase financing of the new State Health Laboratory Building will be accomplished through the issuance of Certificates of Participation as set forth in Laws 2001, Chapter 237, which authorized this project. The lease-purchase agreement will be for a term of twenty years and will require semi-annual payments, anticipated to be on May 1 and November 1 of each year. The lease payments will be subject to annual appropriation by the Legislature and the building will serve as collateral securing the lease payments. At the end of the financing term, title to the building will automatically revert to the State. All of the terms and covenants of the lease-purchase agreement will be in substantially similar form to previous Certificate of Participation lease-purchase financing undertaken by the Department of Administration, and are subject to review by the Office of the Attorney General.

As a means to lower both the borrowing cost and the costs of issuing the Certificates, the financing of the State Health Laboratory is proposed to be combined with the on-going lease-purchase financing of ADOA's Human Resource Information System Project (the "HRIS Project"). The Legislature appropriated funding from the ADOA Personnel Division Fund for FY 2002 and FY 2003 to fund the HRIS Project, which replaces the State's outdated Human Resource Management System. Implementation of the HRIS Project has also been reviewed by the Joint Legislative Budget Committee and the Committee has approved proceeding with lease-purchase financing to fund the cost of paying the awarded vendor installing the System. By combining the financing of the HRIS Project with the State Health Laboratory Building, the State will be able to reduce the costs incurred in issuing the Certificates by in excess of \$100,000. In addition, the State is expected to be able to secure lower borrowing costs (or interest rates) by combining these two lease-purchase transactions.

The attached schedule sets forth the estimated lease payments for the Certificates issued for both the State Health Laboratory Building and the HRIS Project. The average interest rate for this borrowing is estimated, based on current market rates, at 4.80%. The actual interest rate will be determined at the time the Certificates are offered to investors in the debt markets. To meet the vendor payment requirements for the HRIS Project and the construction timetable for the State Health Laboratory Building, the Certificates are expected to be sold to investors in late March, with the proceeds received by the State in mid-April.

Request:

The Department of Administration requests that the Joint Committee on Capital Review:

1. Favorably review and approve the lease purchase financing to fund the New State Health Laboratory.
2. In Executive Session, favorably review Phase Two of the Request for Proposals for the design and construction of the New State Health Laboratory.

ARIZONA DEPARTMENT OF ADMINISTRATION
CONSTRUCTION SERVICES

PROJECT:	NEW STATE HEALTH LABORATORY
FILE NUMBER:	8628
SENIOR PROJECT MANAGER:	Bruce Ringwald
PROJECT MANAGER:	Susan Shearn
DATE:	January 28, 2002

DESCRIPTION

DRAFT

PROJECT COSTS:

Professional Services

1. Outside Project Management	500,000
2. Inspections	100,000
3. Reimbursables	100,000
Subtotal	<u>700,000</u>

Design Build Services

1. A/E Fees	1,766,000
2. Construction	20,073,000
3. Site	862,000
Subtotal	<u>22,701,000</u>

Separate Contracts

1. Building data/voice cabling	100,000
2. Offsite communications cabling	80,000
3. Testing	20,000
4. Move APS pole lines underground	100,000
Subtotal	<u>300,000</u>

SUBTOTAL CONTRACTS	23,701,000
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Contingency	2,247,872
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Project Support

1. Salaries (Est.) 3 FTE's	436,000
2. Expenses	10,000
Subtotal	<u>446,000</u>

Title Insurance	32,000
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Design Stipend - 2 offerors	91,128
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TOTAL EST. PROJECT COST	26,518,000
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FF+E

1. Movable Lab Equipment	2,282,000
2. Office Furniture	120,000
3. Conference Room Furniture	50,000
4. Movable Partitions	180,000
5. Moving coordination/costs	850,000
Subtotal	<u>3,482,000</u>

TOTAL	30,000,000
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FUNDED	30,000,000
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State of Arizona
Department of Administration
Series 2002
Certificates of Participation
TOTAL ISSUE SOURCES AND USES

Dated 04/01/2002

Delivered 04/25/2002

	HRIS System	Health Lab	Issue Summary
SOURCES OF FUNDS			
Par Amount of Bonds.....	\$34,685,000.00	\$30,000,000.00	\$64,685,000.00
Reoffering Premium.....	831,213.30	490,010.45	1,321,223.75
Accrued Interest from 04/01/2002 to 04/25/2002.....	104,882.67	96,803.33	201,686.00
TOTAL SOURCES.....	\$35,621,095.97	\$30,586,813.78	\$66,207,909.75
USES OF FUNDS			
Total Underwriter's Discount (0.500%).....	173,425.00	150,000.00	323,425.00
Costs of Issuance.....	107,242.79	92,757.21	200,000.00
Gross Bond Insurance Premium.....	232,172.24	243,898.15	476,070.39
Deposit to Debt Service Fund.....	104,882.67	96,803.33	201,686.00
Deposit to Project Construction Fund.....	35,000,000.00	30,000,000.00	65,000,000.00
Rounding Amount.....	3,373.27	3,355.09	6,728.36
TOTAL USES.....	\$35,621,095.97	\$30,586,813.78	\$66,207,909.75

RBC Dain Rauscher Inc.
Fixed Income Banking - Phoenix

File = NEWMONEY.SF-Series 2002 COPS-Issue Summary
2/ 5/2002 6:34 PM

State of Arizona
Department of Administration
Series 2002
Certificates of Participation
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
4/25/2002	-	-	-	-	-
11/01/2002	4,045,000.00	3.653%	1,764,752.50	5,809,752.50	-
5/01/2003	-	-	1,438,770.00	1,438,770.00	7,248,522.50
11/01/2003	930,000.00	3.800%	1,438,770.00	2,368,770.00	-
5/01/2004	-	-	1,421,100.00	1,421,100.00	3,789,870.00
11/01/2004	1,465,000.00	3.900%	1,421,100.00	2,886,100.00	-
5/01/2005	-	-	1,392,532.50	1,392,532.50	4,278,632.50
11/01/2005	2,530,000.00	4.100%	1,392,532.50	3,922,532.50	-
5/01/2006	-	-	1,340,667.50	1,340,667.50	5,263,200.00
11/01/2006	3,045,000.00	4.200%	1,340,667.50	4,385,667.50	-
5/01/2007	-	-	1,276,722.50	1,276,722.50	5,662,390.00
11/01/2007	3,870,000.00	4.400%	1,276,722.50	5,146,722.50	-
5/01/2008	-	-	1,191,582.50	1,191,582.50	6,338,305.00
11/01/2008	3,895,000.00	4.500%	1,191,582.50	5,086,582.50	-
5/01/2009	-	-	1,103,945.00	1,103,945.00	6,190,527.50
11/01/2009	6,185,000.00	4.600%	1,103,945.00	7,288,945.00	-
5/01/2010	-	-	961,690.00	961,690.00	8,250,635.00
11/01/2010	6,340,000.00	4.700%	961,690.00	7,301,690.00	-
5/01/2011	-	-	812,700.00	812,700.00	8,114,390.00
11/01/2011	6,950,000.00	4.800%	812,700.00	7,762,700.00	-
5/01/2012	-	-	645,900.00	645,900.00	8,408,600.00
✓ 11/01/2012	7,430,000.00	4.850%	645,900.00	8,075,900.00	-
5/01/2013	-	-	465,722.50	465,722.50	8,541,622.50
11/01/2013	1,430,000.00	4.900%	465,722.50	1,895,722.50	-
5/01/2014	-	-	430,687.50	430,687.50	2,326,410.00
11/01/2014	1,500,000.00	4.950%	430,687.50	1,930,687.50	-
5/01/2015	-	-	393,562.50	393,562.50	2,324,250.00
11/01/2015	1,570,000.00	5.000%	393,562.50	1,963,562.50	-
5/01/2016	-	-	354,312.50	354,312.50	2,317,875.00
11/01/2016	1,650,000.00	5.050%	354,312.50	2,004,312.50	-
5/01/2017	-	-	312,650.00	312,650.00	2,316,962.50
11/01/2017	1,735,000.00	5.100%	312,650.00	2,047,650.00	-
5/01/2018	-	-	268,407.50	268,407.50	2,316,057.50
11/01/2018	1,825,000.00	5.150%	268,407.50	2,093,407.50	-
5/01/2019	-	-	221,413.75	221,413.75	2,314,821.25
11/01/2019	1,915,000.00	5.250%	221,413.75	2,136,413.75	-
5/01/2020	-	-	171,145.00	171,145.00	2,307,558.75
11/01/2020	2,015,000.00	5.300%	171,145.00	2,186,145.00	-
5/01/2021	-	-	117,747.50	117,747.50	2,303,892.50
11/01/2021	2,125,000.00	5.350%	117,747.50	2,242,747.50	-
5/01/2022	-	-	60,903.75	60,903.75	2,303,651.25
11/01/2022	2,235,000.00	5.450%	60,903.75	2,295,903.75	-
5/01/2023	-	-	-	-	2,295,903.75
Total	64,685,000.00	-	30,529,077.50	95,214,077.50	-

State of Arizona
Department of Administration
Series 2002
Certificates of Participation
DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 04/01/2002 to 04/25/2002.....	201,686.00
Bond Year Dollars.....	\$621,312.92
Average Life.....	9.605 Years
Average Coupon.....	4.9136396%

Net Interest Cost (NIC).....	4.7530444%
True Interest Cost (TIC).....	4.6656918%
Bond Yield for Arbitrage Purposes.....	4.6977701%
All Inclusive Cost (AIC).....	4.8086245%

IRS FORM 8038

Net Interest Cost.....	4.6177823%
Weighted Average Maturity.....	9.516 Years

RBC Dain Rauscher Inc.
 Fixed Income Banking - Phoenix

File = NEWMONEY.SF-Series 2002 COPS-Issue Summary
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State of Arizona
Department of Administration
HRIS System
Lease Purchase Financing
DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
4/25/2002	-	-	-	-	-
11/01/2002	3,300,000.00	3.800%	917,723.33	4,217,723.33	-
5/01/2003	-	-	723,920.00	723,920.00	4,941,643.33
11/01/2003	-	-	723,920.00	723,920.00	-
5/01/2004	-	-	723,920.00	723,920.00	1,447,840.00
11/01/2004	500,000.00	3.900%	723,920.00	1,223,920.00	-
5/01/2005	-	-	714,170.00	714,170.00	1,938,090.00
11/01/2005	1,525,000.00	4.100%	714,170.00	2,239,170.00	-
5/01/2006	-	-	682,907.50	682,907.50	2,922,077.50
11/01/2006	2,000,000.00	4.200%	682,907.50	2,682,907.50	-
5/01/2007	-	-	640,907.50	640,907.50	3,323,815.00
11/01/2007	2,780,000.00	4.400%	640,907.50	3,420,907.50	-
5/01/2008	-	-	579,747.50	579,747.50	4,000,655.00
11/01/2008	2,760,000.00	4.500%	579,747.50	3,339,747.50	-
5/01/2009	-	-	517,647.50	517,647.50	3,857,395.00
11/01/2009	5,000,000.00	4.600%	517,647.50	5,517,647.50	-
5/01/2010	-	-	402,647.50	402,647.50	5,920,295.00
11/01/2010	5,100,000.00	4.700%	402,647.50	5,502,647.50	-
5/01/2011	-	-	282,797.50	282,797.50	5,785,445.00
11/01/2011	5,650,000.00	4.800%	282,797.50	5,932,797.50	-
5/01/2012	-	-	147,197.50	147,197.50	6,079,995.00
11/01/2012	6,070,000.00	4.850%	147,197.50	6,217,197.50	-
5/01/2013	-	-	-	-	6,217,197.50
Total	34,685,000.00	-	11,749,448.33	46,434,448.33	-

YIELD STATISTICS

Accrued Interest from 04/01/2002 to 04/25/2002.....	104,882.67
Bond Year Dollars.....	\$251,617.92
Average Life.....	7.254 Years
Average Coupon.....	4.6695595%
Net Interest Cost (NIC).....	4.4081360%
True Interest Cost (TIC).....	4.3435215%
Bond Yield for Arbitrage Purposes.....	4.6977701%
All Inclusive Cost (AIC).....	4.5059930%

IRS FORM 8038

Net Interest Cost.....	4.2316851%
Weighted Average Maturity.....	7.195 Years

State of Arizona
Department of Administration
Health Lab

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
4/25/2002	-	-	-	-	-
11/01/2002	745,000.00	3.000%	847,029.17	1,592,029.17	-
5/01/2003	-	-	714,850.00	714,850.00	2,306,879.17
11/01/2003	930,000.00	3.800%	714,850.00	1,644,850.00	-
5/01/2004	-	-	697,180.00	697,180.00	2,342,030.00
11/01/2004	965,000.00	3.900%	697,180.00	1,662,180.00	-
5/01/2005	-	-	678,362.50	678,362.50	2,340,542.50
11/01/2005	1,005,000.00	4.100%	678,362.50	1,683,362.50	-
5/01/2006	-	-	657,760.00	657,760.00	2,341,122.50
11/01/2006	1,045,000.00	4.200%	657,760.00	1,702,760.00	-
5/01/2007	-	-	635,815.00	635,815.00	2,338,575.00
11/01/2007	1,090,000.00	4.400%	635,815.00	1,725,815.00	-
5/01/2008	-	-	611,835.00	611,835.00	2,337,650.00
11/01/2008	1,135,000.00	4.500%	611,835.00	1,746,835.00	-
5/01/2009	-	-	586,297.50	586,297.50	2,333,132.50
11/01/2009	1,185,000.00	4.600%	586,297.50	1,771,297.50	-
5/01/2010	-	-	559,042.50	559,042.50	2,330,340.00
11/01/2010	1,240,000.00	4.700%	559,042.50	1,799,042.50	-
5/01/2011	-	-	529,902.50	529,902.50	2,328,945.00
11/01/2011	1,300,000.00	4.800%	529,902.50	1,829,902.50	-
5/01/2012	-	-	498,702.50	498,702.50	2,328,605.00
11/01/2012	1,360,000.00	4.850%	498,702.50	1,858,702.50	-
5/01/2013	-	-	465,722.50	465,722.50	2,324,425.00
11/01/2013	1,430,000.00	4.900%	465,722.50	1,895,722.50	-
5/01/2014	-	-	430,687.50	430,687.50	2,326,410.00
11/01/2014	1,500,000.00	4.950%	430,687.50	1,930,687.50	-
5/01/2015	-	-	393,562.50	393,562.50	2,324,250.00
11/01/2015	1,570,000.00	5.000%	393,562.50	1,963,562.50	-
5/01/2016	-	-	354,312.50	354,312.50	2,317,875.00
11/01/2016	1,650,000.00	5.050%	354,312.50	2,004,312.50	-
5/01/2017	-	-	312,650.00	312,650.00	2,316,962.50
11/01/2017	1,735,000.00	5.100%	312,650.00	2,047,650.00	-
5/01/2018	-	-	268,407.50	268,407.50	2,316,057.50
11/01/2018	1,825,000.00	5.150%	268,407.50	2,093,407.50	-
5/01/2019	-	-	221,413.75	221,413.75	2,314,821.25
11/01/2019	1,915,000.00	5.250%	221,413.75	2,136,413.75	-
5/01/2020	-	-	171,145.00	171,145.00	2,307,558.75
11/01/2020	2,015,000.00	5.300%	171,145.00	2,186,145.00	-
5/01/2021	-	-	117,747.50	117,747.50	2,303,892.50
11/01/2021	2,125,000.00	5.350%	117,747.50	2,242,747.50	-
5/01/2022	-	-	60,903.75	60,903.75	2,303,651.25
11/01/2022	2,235,000.00	5.450%	60,903.75	2,295,903.75	-
5/01/2023	-	-	-	-	2,295,903.75
Total	30,000,000.00	-	18,779,629.17	48,779,629.17	-

State of Arizona
Department of Administration
Health Lab

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 04/01/2002 to 04/25/2002.....	96,803.33
Bond Year Dollars.....	\$369,695.00
Average Life.....	12.323 Years
Average Coupon.....	5.0797628%

Net Interest Cost (NIC).....	4.9877923%
True Interest Cost (TIC).....	4.9157173%
Bond Yield for Arbitrage Purposes.....	4.6977701%
All Inclusive Cost (AIC).....	5.0447153%

IRS FORM 8038

Net Interest Cost.....	4.8825665%
Weighted Average Maturity.....	12.221 Years

RBC Dain Rauscher Inc.
 Fixed Income Banking - Phoenix

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STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Stefan Shepherd, Senior Fiscal Analyst

SUBJECT: DEPARTMENT OF ECONOMIC SECURITY - REVIEW OF ARIZONA TRAINING
PROGRAM AT TUCSON STUDY

Request

Pursuant to a requirement in the FY 1999 capital outlay bill, the Department of Economic Security (DES) is submitting the results of a land use study of the Arizona Training Program at Tucson (ATPT) campus for Committee review.

Recommendation

To fulfill its review requirement, the JLBC Staff recommends the Committee acknowledge receipt of the study and request DES to comment on a low-cost alternative by March 18. The study considered the following 3 alternatives: 1) reduce unused space but stay at ATPT, 2) stay at ATPT as it exists today, and 3) relocate into smaller private space and sell ATPT. The study recommended that DES reduce unused space but stay at ATPT (Alternative #1). The low-cost alternative would be similar to Alternative #1, except no new building would be constructed and other upgrade costs would also be deferred. With this additional alternative, the full Legislature could then decide how to resolve the issue in its FY 2003 budget deliberations.

Analysis

The FY 1999 Capital Outlay bill (Laws 1998, Chapter 7, 4th Special Session) included an appropriation of \$25,000 from the General Fund to DES. The appropriation was for a land use study which would include an appraisal of the land, an investigation of possible alternative uses, an analysis of the costs of providing campus-based services at an alternative location, and a recommendation for the final use of the campus. Chapter 7 also required that DES present the study results to JCCR for its review.

The study was completed in August 2001 and transmitted to our office in December. Because of the study's size, we have attached only the executive summary and DES' accompanying letter. The full report is available for review upon request.

(Continued)

In 1967 the federal government deeded 30 acres of property to the state for ATPT. The deed required that the state use the property for public health purposes for at least 30 years. The last residential clients left the facility in February 1997, but the facility continues to be used for day programs and other services to developmentally disabled (DD) clients. Administrative staff for Pima County DD programs also have their offices at ATPT.

The study considers three alternatives:

- 1) Reduce the amount of space used at ATPT and sell the unused portion of the site. This alternative was recommended by the study.
- 2) Stay at ATPT and use as it exists today.
- 3) Relocate to a smaller amount of leased space and sell the existing property.

Alternative 1 also includes construction of a new building to replace 2 buildings and various upgrade projects. *JLBC Staff recommends that DES comment on the implementation of Alternative 1, without construction of a new building or upgrade projects.*

The table below summarizes the costs in each of four categories: yearly operating costs (relative to the current costs in Alternative #2), one-time costs such as facilities upgrades and moving costs, capital costs, and proceeds from sale of some or all of ATPT. Further details on each category's costs follow the table.

<u>Alternative</u>	<u>Operating</u>	<u>One-Time</u>	<u>Capital</u>	<u>Sale Proceeds</u>
#1 (reduce/stay at ATPT)	\$(301,900)	\$353,000	\$1,670,500	\$ (400,000)
#2 (stay at ATPT as is)	\$ -0-	\$339,000	\$ -0-	\$ -0-
#3 (relocate/sell ATPT)	\$ (67,700)	\$249,100	\$ -0-	\$(1,000,000)

Operating: As noted above, the operating costs reflect changes from the current estimated yearly operating cost of \$619,400 in Alternative #2. Alternative #1 has cheaper operating costs than Alternative #2 because Alternative #1 would use only about 50% of the current square footage. The reduced square footage total in Alternative #1 includes the square footage of a new building on the ATPT campus. (This issue is discussed in the "Capital" section below.) Alternative #3 would use about 30% of the current square footage, but DES has assumed a private lease cost per square foot of \$16.50. This amount is about 3 times the estimated cost for ATPT, which includes maintenance staff, maintenance and repair, and occupancy costs. According to the report, reducing square footage could result in no longer being able to provide space for client and community meetings, technology assessment programs, and outpatient biofeedback.

One-Time: In addition to operating costs, the study lists one-time (first-year) costs at \$339,000 of "deferred maintenance" in Alternatives #1 and #2, \$14,000 of relocation costs in Alternative #1, and \$249,100 of moving costs in Alternative #3. The JLBC Staff believes the "deferred maintenance" costs in the study could be considered Building Renewal projects subject to the Building Renewal process.

Capital: Alternative #1 assumes that the state will build a new building to replace two buildings on the site. It is unclear if the new building would have to be built in order to make Alternative #1 work. The new building would be 20,000 square feet, about the same size as the two buildings it would replace, so it is possible that constructing a new building would be purely discretionary.

Sale Proceeds: The study does not provide a figure for how much the state could expect to receive for selling part of ATPT in Alternative #1. It looks like that portion might represent approximately 40% of the property by size, so we have estimated that the proceeds would total \$400,000, or 40% of the \$1,000,000 the study estimates the state will receive from sale of all of ATPT (after demolition) in Alternative #3.

(Continued)

The following table shows total costs (or savings) compared to current costs over a five and ten year period, taking into account capital costs and sale proceeds.

<u>Alternative</u>	<u>Five-Year</u>	<u>Ten-Year</u>
#1 (reduce/stay at ATPT)	\$ 114,000	\$(1,395,500)
#2 (stay at ATPT as is)	\$ 339,000	\$ 339,000
#3 (relocate/sell ATPT)	\$(1,089,400)	\$(1,427,900)

Other non-monetary considerations went into the study's recommendation, including how well the current ATPT site is believed to meet client needs (compared to other alternatives) and the high level of support for the current ATPT site. In addition, a number of less-essential functions would be dropped under Alternatives #1 and #3. These considerations mostly supported Alternative #2; Alternative #3 fared worst in these considerations.

To fulfill its review, the JLBC Staff recommends the Committee acknowledge receipt of the study and request DES to comment on a low-cost alternative by March 18. The low-cost alternative (Alternative #4) would be similar to Alternative #1, except no new building would be constructed and other upgrade costs would also be deferred. In the absence of additional new costs, Alternative #4 would generate savings of \$1,895,500 over five years, as opposed to \$114,500 of costs under Alternative #1.

Attachment
RS/SSh:jb



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson - P.O. Box 6123 - Phoenix, AZ 85005

Jane Dee Hull
Governor

John L. Clayton
Director

DEC 13 2001



The Honorable Laura Knaperek
Co-Chair, Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

Dear Representative Knaperek:

Enclosed is the ATPT Study, which this Department commissioned from TRK Architecture & Facilities Management. I have listed below several considerations that will be relevant to your review of the feasibility study:

1. Community support is high for maintaining ATPT in its current form and use.
2. The condition of the ATPT buildings is highly rated by the State Building Inspector.
3. DES utilizes all of the ATPT buildings to carry out appropriate Department functions and services. These include some services that would be eliminated in the consultant's recommended alternative. These include the Meals on Wheels program, facilities for eight family support groups, outpatient biofeedback, and psychiatric clinics, Adaptive Equipment, teleconferencing center, etc.
4. The facility is in a central location and fully meets all Americans with Disabilities Act accessibility requirements. This makes it an excellent location for clinical meetings, which are required for all clients of the Division of Developmental Disabilities.
5. ATPT is a multi-purpose center of services for residents of Pima County. This utilization of the facility is consistent with the Program Prospectus submitted by the State of Arizona to the Federal Government in order to acquire the property in 1968.

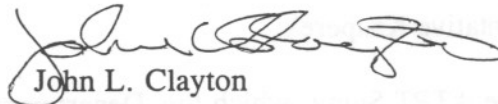
Representative Laura Knaperek

Page 2

6. The cost estimates of operating a downsized ATPT are based on the elimination of services that are delivered by DES under current laws and rules, which govern the Department. The elimination of several buildings at ATPT will require temporary relocations of these services, which should be factored into the costs comparisons. Finally, the Department has funded the replacement of the obsolete ATPT phone system. This \$100,000 cost should not be included in the estimated deferred cost of maintaining ATPT.

If you have any questions or need additional information, please contact Ric Zaharia, Assistant Director, Division of Developmental Disabilities, at (602) 542-6853, or me at (602) 542-5678.

Sincerely,



John L. Clayton

Enclosure

c: Stefan Shepard
Lorenzo Martinez
Tom Betlach
Ric Zaharia
Ron Barber

Executive Summary & Recommendation

The following factors were considered in the three alternatives for the Tucson site currently being utilized by the Arizona Training Program at Tucson:

- Physical aspects of the campus and their uses.
- The community/environmental factors that are affected by a change to the campus.
- Facility needs for service delivery.
- Comparison of costs.

Alternative #1:

The first alternative would be to re-engineer the way services are provided at the current site by reducing the amount of space for services. The unused portion of the site would then be sold.

Pros:

- Current site meets all of the facility requirements identified in the "Needs Investigation" section of the study.
- Lowest first year DES cost of \$770,547 (see "Cost Comparison" section for details).
- Sale of a portion of the property would help pay for the first year DES costs.
- Lowest on-going cost of \$317,517 per year.
- Creates an opportunity to utilize the savings in on-going cost to build a new building.

Cons:

- Community reaction to this alternative is difficult to predict.
- Buildings are reaching their effective life (see Appraisal – Appendix "C" for details).
- Elimination of some services currently being provided at the site.

Alternative #2:

The second alternative would be to leave the ATPT site as it exists today.

Pros:

- Community support for this alternative is high.
- Current site meets all of the facility requirements identified in the "Needs Investigation" section of the study.
- Elimination of some services currently being provided at the site would not need to occur as they would in Alternatives #1 and #3.

Cons:

- Highest first year DES cost of \$1,058,393 (see "Cost Comparison" section for details).
- Highest on-going cost of \$619,393 per year (see "Cost Comparison" section for details).
- Buildings are reaching their effective life (see Appraisal – Appendix "C" for details).

Alternative #3:

The third alternative would be to re-engineer the way services are provided by reducing the amount of space for the services, relocate to lease space, and sell the existing property.

Pros:

- Lower first year DES cost than alternative #2 of \$800,778 (see "Cost Comparison" section for details).
- Sale of the property would pay for the first year DES costs. (\$1,000,000 see Appraisal – Appendix "C" for details).
- Lower on-going cost than alternative #2 of \$619,393 per year (see "Cost Comparison" section for details).

Cons:

- Community opposition to this alternative is high.
- Higher on-going cost than alternative #1 of \$619,393 per year (see "Cost Comparison" section for details).
- Higher first year DES cost than Alternative #1 of \$800,778 (see "Cost Comparison" section for details).
- Finding a lease site, which meets the facility requirements identified in the "Needs Investigation" section could be difficult.
- Elimination of some services currently being provided at the site.

Recommendation:

In order to understand the community feel of the site and the dedication that its clients, caregivers, and staff have for it one *must* visit the site. We recommend that before any final decisions are made, the members of the Legislature should visit the ATPT site.

Based on the findings of this study it is recommended that it be in the best interest of the State to implement Alternative #1. This would involve keeping a portion of the site for providing services to developmentally disabled clients and selling a portion of the site. The cost comparison shows that by reducing the amount of square footage and only providing DES jurisdiction services at the existing site that there would be significant yearly savings over the current yearly costs.

This solution would allow for the therapeutic pool, kitchen, and Memorial Grove to remain, which are important amenities to clients and would be eliminated in Alternatives #2 and #3. This recommendation also takes into consideration the enthusiasm that the community has for these services to remain at this site.

The buildings that would be eliminated would be buildings 1, 2, 3, 4, 7, 8, 10, and 11. We also recommend the demolition of buildings 12 and 13 and the building of a new structure in their place. Building costs would be realized after six years in yearly savings of on-going costs (see "Recommendation Summary" at the end of this section). Remaining buildings could then be rehabilitated utilizing the deferred maintenance monies that currently exist. Services that would be eliminated in this proposal as well as Alternative #3 are listed in the following table.

Omitted Service/Function	Dedicated Sq. Ft.	Description of Service Provided	Service Provider
Therapy. Group for Infants/Toddlers	2,500	Families work directly with their children in a group situation. Serves 100 children per month.	Agency Staff & Therapists
Nutritional Assessments	800	Nutritional assessments provided for 30 clients per month.	Agency Staff
Technology Access Center of Tucson	6,000	Provides assistance in computer technology to people with disabilities.	Volunteers
Training & Educational Programs	3,500	Provides family and consumer centered training based upon requests from the community.	Agency Staff & Volunteers
District Resource Library	800	Provides written material, video and audio presentations, journals, and professional books to staff, families, and consumers	Administrative Staff
Individual Support Team Meetings	500	ISP meetings. Team meeting of a client's family, friends, support, and professional staff.	Various
CPR & First Aid Classes	1,200	CPR & First Aid Classes for Division staff and others who require this instruction to provide direct services.	Red Cross
Family Support Center	3,500	Meetings and educational programs for support groups for Fetal Alcohol Syndrome, Prader-Willi Syndrome, Conductive Education, Discrete Trial Training, Early Treatment of Autism, and the District Family Support Action Committee.	Families
Meetings for Community Groups	1,200	Meetings for groups who work with developmentally disabled and provide advice and input to the Division. These include Arc, Futures Planning Council, Life Options Committee, Café Communiqué, and the Pima Council on Developmental Disabilities.	Volunteers & Families
Program Review Committee & Human Rights Committee	1,500	These groups provide review and oversight of behavior management programs and unusual incident reports. They meet for several hours ten times each month.	Agency Staff, Providers & Volunteers
District Case File Archives	2,000	Storage of case files, contract documents, Business Office receipts, and other documents which must be retained.	Administrative Staff

The final physical locations of the remaining services are not included in this study. A detailed reengineering and relocation plan would need to be prepared in order to determine the highest and best use of the space in the new building as well as remaining space. The extensive investigation required to compile this plan could not be completed within the scope of this project. On the following pages are the cost summary, existing site plan, and proposed site plan. For the disposition of the property that would not be utilized by ATPT refer to Appendix "C" - Appraisal for possible buyers and uses.

ARIZONA TRAINING PROGRAM TUCSON (ATPT) RECOMMENDATION SUMMARY

Building Square Footage at Existing Site	113,650	
Current On-Going Costs at \$5.45 Per S.F. ⁽¹⁾		\$619,393
S.F. After Demo of Bldgs 12 & 13, and Addition of New Building	57,810	
Projected On-Going Costs at \$5.45 Per S.F. ⁽²⁾		\$315,065
Difference Between Current On-Going Costs & Projected On-Going Costs	\$304,328	
Six Year Savings	\$1,825,968	
Savings Grand Total After Six Years		\$1,825,968
New Building S.F.	20,000	
New Building Construction Cost Per S.F.	\$75	
Sub-total	\$1,500,000	
A/E Fees	\$150,000	
Total		\$1,650,000
Building 12 & 13 S.F.	20,450	
Demo Cost Per S.F. ⁽³⁾	\$1	
Total		\$20,450
New Building Grand Total		\$1,670,450

⁽¹⁾DES provided current cost per square foot at the existing site is \$5.45.

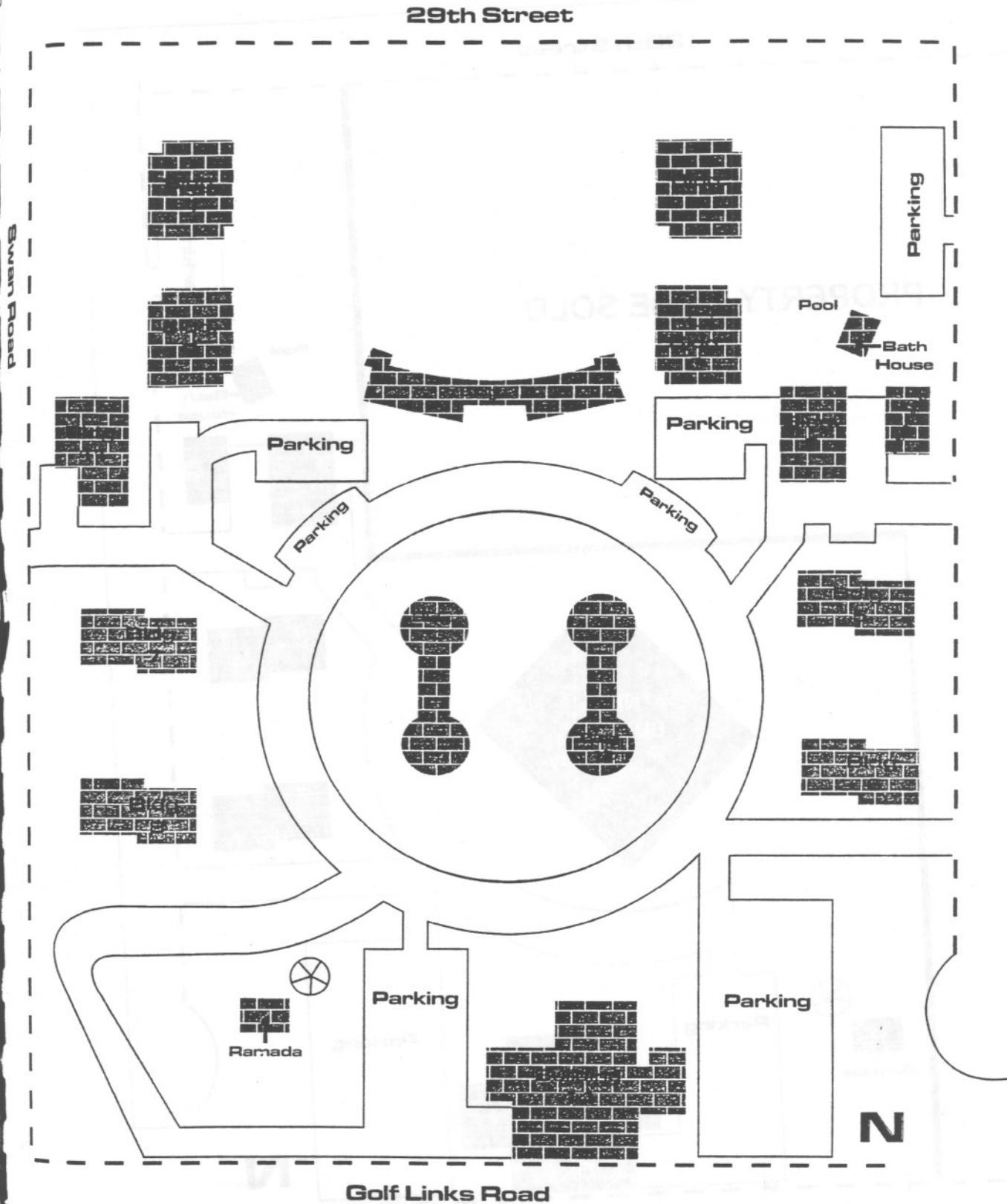
⁽²⁾Assumes that on-going cost per square foot remains at the existing cost per square foot of \$5.45.

⁽³⁾Does not include removal of hazardous materials.

Arizona Training Program at Tucson

4710 East 29th Street

Existing Site



Arizona Training Program at Tucson
4710 East 29th Street
Proposed

29th Street

PROPERTY TO BE SOLD

NEW
BUILDING

Parking

Pool

Bath
House

Parking

Ramada

Parking

N

Golf Links Road

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
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DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY – CONSIDER
APPROVAL OF BOND PROJECTS

Request

Pursuant to Laws 1996, Chapter 334, the Arizona Board of Regents (ABOR) requests Committee approval for Arizona State University (ASU) to issue \$81,500,000 in academic and auxiliary bonds for a Mediated Classroom/Social Sciences (MCSS) Building and Infrastructure Improvements.

These projects were presented to the Committee at its June 2001 meeting when the Committee reviewed revisions to the ASU multi-year bonding plan. Committee approval of each bond project is required prior to the issuance of bonds.

Recommendation

The JLBC Staff recommends that the Committee approve the request with the following stipulation:

- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any tuition collections that may be required for debt service on the repayment of the bonds or for operational costs when the projects are complete. These costs have historically been considered by the entire Legislature through the budget development process.

Consistent with Chapter 334, any revisions to the bonding plan shall be reviewed by the Committee prior to the approval of subsequent bonding projects. The bond issuance for the MCSS building will be \$58,700,000 and the bond issuance for 14 Infrastructure Improvement projects is \$22,800,000, for a total issuance of \$81,500,000. The repayment over a 25-year period at an estimated interest rate of 5.5% will equate to approximately \$70,415,000 in interest payments for both projects. Total payment over the 25-year period will total \$151,915,000.

(Continued)

Analysis

Laws 1996, Chapter 334 authorized ABOR to issue up to \$245,400,000 in revenue bonds for the universities under its jurisdiction. Of the total amount, ASU has been allocated \$100,000,000. The Committee gave a favorable review to the initial plan in May 1997. There have been revisions to each university plan since the initial review. In addition to the bonding authority from Chapter 334, Laws 2001, Chapter 233, authorized additional bonding authority of \$39,100,000 for Northern Arizona University. *Table 1* shows the distribution of bonding authority from Chapter 334 and Chapter 233.

Table 1

	Planned Annual Bond Issues (\$ in Thousands)							Totals
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Undetermined</u>	
ASU	--	--	--	\$15,000	--	\$85,000	--	\$100,000
NAU	30,900	--	--	--	--	62,918	82	93,900
UofA	--	--	--	<u>23,683</u>	<u>30,000</u>	<u>36,900</u>	--	<u>90,583</u>
TOTAL	\$30,900	\$ --	\$ --	\$38,683	\$30,000	\$184,818	\$82	\$284,483

Table 2 lists the projects in the ASU multi-year bonding plan along with the bond issuance amount, the annual debt service requirement, and source of funding for the debt service.

Table 2

<u>Project</u>	<u>ASU Bond Projects</u>		<u>Debt Service Fund Source</u>
	<u>Bond Issuance</u>	<u>Annual Debt Service</u>	
On-Campus Student Housing	\$ 15,000,000	\$1,118,200	Auxiliary – Approved March 2000
Parking Structure VII	3,500,000	261,000	Auxiliary – Future Request
Mediated Classroom/Social Sciences Bldg.	58,700,000	4,376,800	Tuition – Requested Approval
Infrastructure Improvements	<u>22,800,000</u>	<u>,699,800</u>	Tuition (69%); Auxiliary (31%) – Requested Approval
TOTAL	\$100,000,000	\$7,455,800	

ASU is requesting Committee approval to issue a total of \$81,500,000 in bonds to finance the Mediated Classroom and Social Sciences Building and 14 Infrastructure Improvement projects.

Mediated Classroom and Social Sciences Building

ASU plans to build a 276,500 gross square foot (GSF) Mediated Classroom and Social Sciences (MCSS) building. The MCSS Building will be used for classroom, laboratory, library and office space, and consolidate the departments of Political Science, Sociology, Speech and Hearing Science, and Philosophy.

In addition, the MCSS building will house the College of Liberal Arts and Sciences Dean's Office, the Department of History, the Center for Latin American Studies, and the Center for Medieval and Renaissance Studies. These programs are currently housed in the existing Social Sciences Building. The existing building has structural deficiencies that require the building to be vacated and demolished within the next 2 to 3 years.

The MCSS Building will also provide mediated classrooms and an open computing site. A mediated classroom is a high technology classroom designed and wired to take advantage of electronic media such as audio/video conferencing and computer connectivity.

The \$58,700,000 allocated for the MCSS Building includes \$5,700,000 for computer and classroom media equipment. Given the useful life expectancy of the computer and classroom equipment, the \$5,700,000 to purchase these items will be issued as a separate bond series to be repaid within 5 years. The remaining \$53,000,000 will be repaid within 25 years.

(Continued)

The debt service on the bond issuances will be paid from academic revenues. Academic revenues are generated from tuition collections. At an estimated 5.5% interest rate, the total annual debt service will be approximately \$4,376,800. Tuition revenues not set aside by ABOR for debt service may be available to offset General Fund appropriations for university operating budgets. Therefore, any increases in debt service requirements from issuing academic revenue bonds could have a potential impact on the amount of tuition revenues available to offset the General Fund appropriations for operating costs. The first debt service payment is usually due 6 months after the bonds are issued. Therefore, any offsets could potentially occur in FY 2003.

ASU estimates an additional on-going General Fund operating budget requirement of approximately \$2,093,400 per year for the MCSS Building when fully operational in FY 2004. Requests for operating costs associated with the opening of new facilities are typically considered in the normal budget process when agency appropriations are considered by the Legislature.

Infrastructure Improvements

ASU plans to undertake 14 infrastructure improvements. The projects will upgrade the existing infrastructure and expand utility capacity. The existing infrastructure has not been upgraded since the late 1980's and new and planned construction projects require the utility infrastructure to be expanded. *Table 3* lists the projects and dollar allocation for each project.

Table 3

ASU Infrastructure Improvement Projects	
<u>Project</u>	<u>Allocation</u>
North Campus 20 Megawatt Electrical Substation	\$ 332,933
McAllister Sanitary Sewer (30 inch)	520,053
Forest Sanitary Sewer (24 inch)	950,591
New Electrical/Data Infrastructure	6,018,500
New Emergency Power Infrastructure	460,400
New Chilled Water Infrastructure	880,800
New Steam Infrastructure	693,500
New Chillers/Boilers/Safety Monitoring Equipment	2,189,800
New 4,000 Ton Cooling Tower	954,600
New Central Plant Infrastructure	878,000
Utility Tunnel Restoration	2,506,355
North Loop Utility Extension	4,084,268
New Campus Service Road and Drainage	1,123,000
Thermal Storage Liner Replacement	1,207,200
TOTAL	\$22,800,000

The debt service on the \$22,800,000 issuance will be paid from academic and auxiliary revenues. Academic revenues are generated from tuition. Auxiliary revenues are generated from the operations of various "enterprise" activities, such as residence halls and parking services. The issuance will be repaid within 25 years. At an estimated 5.5% interest rate, the total annual debt service will be approximately \$1,699,800. Of the total debt service, 69% or \$1,165,400 will be paid from tuition collections and the remaining 31% or \$534,400 will be paid with auxiliary funds. As noted earlier, any increases in debt service requirements from issuing academic revenue bonds could have a potential impact on the amount of tuition revenues available to offset the General Fund appropriations for operating costs.

The attached ASU submissions contain more information on the MCSS building and infrastructure improvement projects.

RS/LM:jb



February 5, 2002

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Linda J. Blessing

Honorable Laura Knaperek, Chair
Joint Committee on Capital Review
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Knaperek:

The Arizona Board of Regents (ABOR) requests that the following Arizona State University (ASU) items be placed on the next agenda for the Joint Committee on Capital Review (JCCR):

- Bond Issuance Project Approval, for (1) Mediated Classroom/Social Sciences Project (\$58.7 million) and (2) Infrastructure Improvement Projects (\$22.8 million); and
- Certificates of Participation (COPs) Project Review, for (1) University Services Building and Campus Backfill Projects, and (2) Remote Library Storage Facility.

Enclosed is a synopsis for each of the above items along with more detailed accompanying information.

To the extent necessary, we also request that projects described below be placed on the next JCCR meeting agenda. Bond Counsel has advised that with the enactment of HB 2014, which became effective upon signature of the governor, the JCCR now needs to reconstitute its previous informational receipt of the projects presented to the JCCR at its August 30, 2001 meeting to that of review, since financing has not yet been completed. The projects previously submitted that are yet to be lease purchase financed are:

	Total Cost (in millions)
August 30, 2001 Meeting (informational submission):	
Memorial Union Expansion and Renovation	\$38.8
Intercollegiate Athletics Building Expansion and Renovation	19.1
Packard Stadium Clubhouse and Playing Field and Renovations	2.0

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Arizona State University

Northern Arizona University

University of Arizona

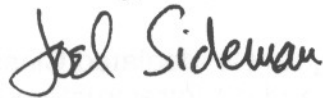


Representative Knaperek
Page 2

The Wells Fargo Arena Field House Addition and Renovation Project for \$9.0 million previously submitted as an informational item will not be constructed at this time and will be submitted to the JCCR for project review at such time that this project is re-instituted.

We appreciate your consideration of our requests. If you have any questions, or desire any clarification, on the enclosed material, please contact me at (602) 229-2510.

Sincerely,



Joel Sideman
Deputy Executive Director & Legal Counsel

cc: Lorenzo Martinez, Senior Fiscal Analyst, JCCR
Mernoy Harrison, Vice Provost for Administrative Services, ASU



ARIZONA STATE UNIVERSITY

February 1, 2002

Dr. Linda J. Blessing
Executive Director
Arizona Board of Regents
2020 N. Central, Suite 230
Phoenix, AZ 85004-4593

Subject: Submission to JCCR

Dear Dr. Blessing:

Arizona State University (ASU) wishes at this time to submit the following items to the Joint Committee on Capital Review (JCCR) for the JCCR's next meeting:

- Bond Issuance Project Approval; and
- Certificates of Participation (COPs) Project Review.

Enclosed is a draft letter from you addressed to the JCCR with copies of the above noted items for enclosure with the letter to JCCR.

In addition and as a result of the recently enacted HB 2014, we need to have the JCCR reconstitute its previous informational receipt for several Main Campus COPs projects to that of review since financing has not yet been completed. This needed JCCR action is also covered in the enclosed draft letter.

No further JCCR action is needed for the ASU East and West projects since we had previously received a favorable JCCR review for these projects.

We would be happy to supply any additional information that the JCCR may request. We appreciate your assistance.

Sincerely,

Mernoy E. Harrison
Vice Provost for Administrative Services

Enclosures

xc: Dave Harris, Arizona Board of Regents
Milton Glick, Senior Vice President and Provost
Ben Forsyth, Senior Executive Assistant to the President
Steve Miller, Associate Vice President, Institutional Advancement
LeEtta L. Overmyer, Assistant Vice Provost for Administrative Services
Scott Cole, Assistant Vice Provost for Facilities Management
Alan Carroll, Director, University Fiscal Planning and Analysis
Gerald Snyder, Comptroller and Treasurer
Gebe Ejigu, Executive Vice Provost, ASU West
Terry Isaacson, Director, Administrative Services, ASU East

VICE PROVOST FOR ADMINISTRATIVE SERVICES

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(480) 965-3201 FAX: (480) 965-8388

Synopsis

Bond Issuance Approval

ASU was granted in 1996 bonding authority of \$100.0 million. The status of this bonding authority is enclosed.

The JCCR gave a favorable review to the revised ASU multi-year bonding plan at its June 28, 2001 meeting.

As shown on the attached schedule, the following projects need JCCR approval and are being submitted at this time for this approval:

	<u>Total Cost (In Millions)</u>
Mediated Classroom/Social Sciences Project (JCCR previously approved \$32.3 million)	\$58.7
Infrastructure Improvement Projects (JCCR previously approved \$17.7 million)	<u>22.8</u>
	<u>\$81.5</u>

The Mediated Classroom and Social Sciences Building adds 276,000 gross square feet of "learner-centered" academic space to the ASU Main Campus by providing advanced, state-of-the-art instructional and research facilities. Included in the project is replacement of classroom space being lost with the demolition of the Social Sciences Building.

The Infrastructure Improvements Projects provide extensive infrastructure upgrades to improve and expand utility services for current and future development of the ASU Main Campus. ASU has reached its maximum infrastructure capacity due to growth and increased utility demands. There have been no improvements in infrastructure capacity since the last major new building program began in the late 1980's.

Enclosed are the project justifications and Arizona Board of Regents' approved documents related to these two projects.

Arizona State University
Revenue Bonding Authority Status
Dollars in Thousands

	<u>Total Project Cost</u>	<u>Already Issued</u>	<u>To Be Issued</u>	
			<u>JCCR Approved</u>	<u>Approval Needed</u>
<u>Fiscal Year 2000 Bond Sales</u>				
On-Campus Student Housing Development	<u>\$ 15,000</u> (B)	<u>\$ 15,000</u> (C)		
TOTAL OF FISCAL YEAR 2000 BOND SALES	<u>\$ 15,000</u>	<u>\$ 15,000</u>		
<u>Fiscal Year 2002 Bond Sale</u>				
Mediated Classroom/Social Sciences Building	\$ 58,700 (A)		\$ 32,335 (D)	\$26,365
Infrastructure Improvements	22,800 (A)		17,700 (E)	5,100
Parking Structure	<u>3,500</u> (B)		<u>3,500</u> (D)	
TOTAL OF FISCAL YEAR 2002 BOND SALES	<u>\$ 85,000</u>		<u>\$ 53,535</u>	<u>\$ 31,465</u>
Total	<u>\$100,000</u>	<u>\$ 15,000</u>	<u>\$ 53,535</u>	<u>\$ 31,465</u>

(A) TOTAL BOND SALES FROM ACADEMIC BONDING SOURCE \$ 81,500

(B) TOTAL BOND SALES FROM AUXILIARY BONDING SOURCE 18,500

GRAND TOTAL OF BONDING AUTHORITY \$100,000

(C) Approved at the JCCR March 22, 2000 meeting

(D) Approved at the JCCR December 19, 2000 meeting

(E) Approved at the JCCR June 22, 2000 meeting

ARIZONA STATE UNIVERSITY
ASU MAIN CAMPUS BOND ISSUANCE

	Project Costs				Debt Service (1)				Operating Costs (Presently Estimated)			
	General Fund	Tuition	Auxiliary/Other	Total	General Fund	Tuition	Auxiliary/Other	Total	General Fund	Tuition	Auxiliary/Other	Total
Mediated Classroom/Social Science Building	\$ -	\$ 58,700,000	\$ -	\$ 58,700,000	\$ -	\$ 4,376,000	\$ -	\$ 4,376,000	\$ 2,093,400	\$ -	\$ -	\$ 2,093,400
Infrastructure Improvements	-	15,632,000	7,168,000	22,800,000	-	1,165,000	534,000	1,699,000	-	-	-	-
Parking Structure	-	-	3,500,000	3,500,000	-	-	261,000	261,000	-	-	- (2)	-
TOTAL	\$ -	\$ 74,332,000	\$ 10,668,000	\$ 85,000,000	\$ -	\$ 5,541,000	\$ 795,000	\$ 6,336,000	\$ 2,093,400	\$ -	\$ -	\$ 2,093,400

(1) Payback period for the bonds is 25 years. The debt service calculation is based on an assumed 5.5% interest rate. For the Mediated Classroom/Social Science Building, there will be a two series bond issue: Series A (Computer and Mediated Equipment) with a 5 year final maturity, \$5.7 million; and Series B (Balance of Project) with a 25 year final maturity, \$53.0 million.

(2) There will be only minimal operating costs for the Parking Structure, which will be funded from Auxiliary revenue.

**ARIZONA STATE UNIVERSITY MAIN
MULTI YEAR BONDING PLAN
PROJECT JUSTIFICATION**

Project Name: Mediated Classroom/Social Sciences Building

Year: 2002

Project Justification:

Nature and Purpose of the Project

For several years Facilities Management has been monitoring structural deficiencies in the Social Sciences building, through their Building Condition Audits and third party structural Engineering analysis. In March of 2001, a more in-depth independent Engineering analysis confirmed findings that were seen in the December 2000 engineering report. The findings indicated that the deterioration has progressed to a point that some remedial structural work will be required. In addition to the remedial work, reducing the occupancy load of the facility will be necessary just to maintain the building in service for another two (2) to three (3) years. Demolition of this approximately 81,000 Gross Square Feet (GSF) in the future will be required. The structural deterioration will be stabilized with these measures but not eliminated.

The University and the College of Liberal Arts and Sciences (CLAS) are now faced with an immediate need to recapture departmental, administrative and classroom space that will be lost with the impending demolition of the Social Sciences building, approximately 54,000 NASF. Increasing the Mediated Classroom and Social Sciences Building (MC/SSB) NASF to accommodate the CLAS Dean's Office, the Department of History, the Center for Latin American Studies, the Center for Medieval and Renaissance Studies and general purpose mediated classrooms will accomplish this in the most timely and cost effective way.

Additionally, the University desires to consolidate the mediated classroom spaces that were relocated to the Bookstore in the last Board approval back into the MC/SSB program. The mediated classroom spaces were previously justified and approved for the MC/SSB, but ended up being reprogrammed and relocated to the vacant Bookstore. The University, with diligent consideration and planning, has determined that redirecting Bonding allocations planned for Academic Renovations in other facilities, including the renovation of the Bookstore for Mediated Classrooms, will assist this emergency issue and will allow the campus to achieve a net consolidation of mediated classroom space within the revised MC/SSB program, achieving efficiency and cost effective operational conditions for this highly technological facility. The campus will also be freeing up the former Bookstore, approximately 43,000 GSF, for Academic use. This will provide the University with much needed shift space to assist with transitioning while implementing future facility improvements.

The MC/SSB will house departments from the College of Liberal Arts and Sciences, primarily the Social Sciences, including an expanded Survey Research Laboratory. Additional components of the facility will be general purpose highly mediated classrooms, necessary support space and an open computing site. Use of special purpose spaces will be joint use, used to support survey research, and will support a methodology that is common to all the departments that will be housed in this facility.

This project will bring social science departments that have heavy instructional loads into the proximity of high quality mediated instructional space. This will allow for more efficient use of space, because many of the activities of these units can take place in common space configured specifically for the social sciences. It will also bring together researchers from different departments that collaborate on research projects of an interdisciplinary nature within the social sciences.

The location of the building near the western boundary of the campus will provide an opportunity to develop one of the major entries to the campus and bring critical classroom space and computing facilities to a quadrant of campus deficient in these resources. A very important aspect of this project is the addition to the critical mass of advanced, state-of-the-art research and instructional facilities necessary in keeping nationally recognized programs on the cutting-edge of educational delivery systems and methods.

Most aspects of the building will be prototypical and designed to actively engage the teacher and learner in the learning process in the highly mediated classrooms. The classrooms will feature state-of-the-art microcomputer learning stations. Electronic classrooms will be important not only for coursework related to quantitative skills development, but to instruction generally. They will also function as open learning laboratories, the use of which is becoming more common in the social sciences. These laboratories typically provide an opportunity for students to do additional individual or collaborative work on their own time between regularly scheduled class sessions and are an important component of the instructional process in both undergraduate and graduate education.

The proposed building program will provide 169,000 NASF in approximately 276,500 GSF. The space efficiency factor of 62% is comparable to other ASU facilities of similar use.

Primary Goals and Objectives:

The University's Mission and Scope Statement and Strategic Plan calls for ASU to provide... "comprehensive undergraduate, graduate, research and service programs to an expanding and increasing diverse citizenry." The College of Liberal Arts and Sciences and the disciplines represented in this project are essential components of the University intellectual experience, and their strength is vital to Arizona State University's (ASU's) aspiration of becoming one of the finest public institutions in the country. The departments benefiting from this new building are central to the University's General Studies program and, in general, to the undergraduate experience. The need for adequate and appropriately appointed space for these programs is a prerequisite for achieving that goal.

The quality of education and research in the core disciplines featured in this plan is essential for ASU to achieve its strategic goals. This new facility will help alleviate existing space deficiencies across multiple disciplines that artificially restrict the learning environment for undergraduate and graduate students.

Projected Growth:

The demand for additional space and the quality of that space has been driven by previous enrollment increases at the undergraduate level, by growth in existing graduate programs, by steady advances in the scholarship and creativity of the faculty, and the introduction of new instructional technologies during the past 24 years continued in the Liberal Arts and Sciences. The headcount growth for the College of Liberal Arts and Sciences has increased 19.9% for undergraduate majors and 13.9% for graduate majors.

The social sciences and humanities departments impacted by this enrollment demand include: English, Political Science, Languages and Literatures, Psychology, History, Mathematics, Sociology, Philosophy, and Speech and Hearing Science. Other interdisciplinary programs such as the Interdisciplinary Humanities Program and Chicana/Chicano Studies have also contributed to the growth.

Funding:

<u>Estimated Project Cost:</u>	\$58,700,000
<u>Funding Source:</u>	2002 Revenue Bond Proceeds
<u>General Fund Impact:</u>	\$2,100,000 (estimated)

Alternatives to Project:

There are no known viable alternatives to the construction of new space. Current facilities are overcrowded, outdated, and inadequate to serve more faculty and students than originally intended. Other space on campus is not available or suitable. Growth has been accommodated by temporarily locating units off campus and by fragmenting departments. This solution is undesirable because the quality of the university experience is jeopardized and the expenses, leasing and renting costs, are lost without gain to the university.

The General Studies requirements, which emphasize a core curriculum, will continue to place instructional demands on the disciplines featured in this facility and on the indirect beneficiaries. Without additional space, it will become increasingly difficult for the University to meet its commitment to offer a high quality undergraduate experience. Without this facility, survey research will continue to be fragmented among multiple departments with inadequate capabilities; the desired quality of student training will not be achieved; and the social sciences will be unable to compete for major grants and contracts or adequately serve the public.

The University's ability to offer high quality, technologically advanced learning experiences in the classroom will be greatly hindered and students will continue to experience delays in gaining access to open computing resources. Quality will be compromised because of constraints on the levels and modes of instruction that can occur under conditions where space is limited. There will continue to be enrollment limits in core General Studies classes that will keep students from accessing curriculum in a normal cycle, subsequently graduation of undergraduates may be delayed due to their inability to enroll in required courses when they should.

There are no known viable alternatives to the project. Vacant space for expansion does not exist. Continuation in existing space will clearly reduce the quality of education and limit opportunities for undergraduate students.

Board Approved Documents:

The Arizona Board of Regents granted Project Initiation Approval in February 1989 and Conceptual Approval in September 1994, with revised Conceptual Approval requested for March 21, 1997 and a revised Conceptual Approval in November 1999. Revised Project Initiation is a May 2001 request. The University anticipates returning to the Board for Revised Conceptual Approval in June 2001. Pertinent documents attached.

EXECUTIVE SUMMARY

ACTION ITEM: Arizona State University-Main (ASUM), Mediated Classroom and Social Sciences Building. Project No. 94-097. Revised Conceptual Approval/Project Implementation Approval.

ISSUE: ASUM requests Board approval of the Revised Conceptual Approval/Project Implementation Approval for the Mediated Classroom and Social Sciences Building.

BACKGROUND:

- In November 1999, the Board granted a Revised Conceptual Approval that addressed Program, Justification and Site Selection for the Mediated Classroom and Social Sciences Building (MC/SSB).
 - The revised program for the project (Building) was reduced from 114,500 NASF to 104,690 NASF, a reduction of 10%.
 - The university completed a new site study for the MC/SSB and proposed Parking Lot # 8 for the building site. This site will provide the opportunity to develop one of the major entries to the campus and provide a cluster of classrooms and an open computer site to a quadrant of campus that is deficient in these resources.
- In May 2001, the Board granted the University Revised Project Initiation that addressed:
 - An increase to the project budget from \$35,500,000 to \$58,700,000 to accommodate the emergency expansion of the program and square footage in the facility resulting from the impending loss of the Social Sciences building on the ASUM campus.
 - An 11,000 NASF increase in mediated classroom space over the NASF total approved in November 1999. This budget will allow the reintroduction of mediated classrooms space to the project.
 - An increase of 103,500 GSF (from 173,000 GSF to 276,500 GSF) and 64,310 NASF (from 104,690 NASF to 169,000 NASF).
- The design team, Gensler and Jones Studio, Inc., concurrent with Board approval of the Revised Project Initiation in May 2001, immediately began programming the requested expansion of the building. During July and August 2001, the design team completed work on the Schematic Design for the newly programmed space and the necessary revisions warranted by the expansion of the building scope and program.
- This project will utilize the Construction Manager at Risk (CMAR) Alternative Delivery Method recently legislated into law and subsequently approved within the ABOR procurement policy.
- Sundt Construction, Inc. has been selected to be the Construction Manager at Risk contractor.

CONTACTS: Mernoy Harrison, (480) 965-3201
Vice Provost Administrative Services
email: mernoy.harrison@asu.edu

EXECUTIVE SUMMARY

PROJECT DESCRIPTION:

- The project program for the MC/SSB increased approximately 64,300 NASF as reported in the May 2001 revised Project Initiation submission. The increase is necessary due to the immediate need to vacate the fourth floor and eventually demolish the Social Sciences building and move the lost space and functions to the MC/SSB (see the May, 2001 agenda for details). The current program design is for approximately 169,000 NASF and a building efficiency of about 62%, NASF to GSF. With this building efficiency, the total building will approximate 276,500 gross square feet (GSF). The table below summarizes the current program by Space Type for the MC/SSB. Additionally, refer to the attached **Capital Project Information Summary** in this document.

Program Units for MC/SSB	Classrooms	Class Labs	Research Lab	Office	Other	Departmental Totals
Speech & Hearing Science		3,150	5,500	13,415	7,275	29,340
Political Science		1,000	400	11,360	500	13,260
Sociology		0	1,250	11,285	500	13,035
Social Science Research Facility		0	3,795	3,280	0	7,075
Philosophy		450	900	6,480	150	7,980
History				15,035		15,035
Chicano/Chicana Studies				3,220		3,220
Latin American Studies				1,220		1,220
Asian Studies				1,480		1,480
Southeast Asian Studies				1,660		1,660
Medieval Studies				1,695		1,695
Subtotals CLAS	0	4,600	11,845	70,130	8,425	95,000
Open Computing Site					10,000	10,000
Mediated Classrooms	54,000					54,000
Support Space				10,000		10,000
Subtotals General University	54,000	0	0	10,000	10,000	74,000
Total NASF	54,000	4,600	11,845	80,130	18,425	169,000

- The approximately 4,500 NASF shift from office to other is necessary to accommodate technical and academic support space that was more clearly identified during schematic design. Refer to Capital Project Information Summary for details.
- The Board previously approved a total capital cost for the Project of \$35,500,000. To accommodate the emergency issues and subsequent expansion of the program and square footage in the facility, the Project Budget was increased to \$58,700,000 (Board Approval May 2001). This budget will allow for the entire program of the Social Sciences building, as well as the previously relocated mediated classrooms, to be consolidated into the previously approved project.

EXECUTIVE SUMMARY

PROJECT JUSTIFICATION:

- The ASUM faces two essential issues 1) to maintain sufficient academic facilities and 2) to address the need for classroom space. This Revised Conceptual Approval/Project Implementation Approval request addresses these two issues by:
 - Replacing the classroom space being lost with the demolition of the Social Sciences building and
 - Consolidating the previously justified and approved mediated classroom spaces back into the new Mediated Classroom/Social Sciences Building program. The 11,000 NASF of mediated classroom space previously deleted from the MC/SSB (and planned for the current Bookstore space) are added back in the revised building program.
- The location of the Mediated Classroom/Social Sciences Building creates a “learner-centered” facility near the western boundary of the campus that will benefit a significant population beyond the College of Liberal Arts and Sciences. In addition to providing an opportunity to develop one of the major entries into the campus, the Mediated Classroom/Social Sciences Building brings critical classroom space and computing facilities to a quadrant of campus deficient in these resources. A very important aspect of this project is the addition to the critical mass of advanced, state-of-the-art research and instructional facilities necessary in keeping nationally recognized programs on the cutting-edge of educational delivery systems and methods. Direct beneficiaries of the Mediated Classroom/Social Sciences Building, beyond the College of Liberal Arts and Sciences, are the Colleges of Education, Public Programs, Fine Arts and Architecture with their adjacencies along Forest Mall. Student accessibility from the adjacent campus residence halls will also be greatly facilitated by the addition of this “learner-centered” complex as it is currently planned.

RECOMMENDATION/CONCLUSION:

Arizona State University recommends that the Arizona Board of Regents grant Revised Conceptual Approval/Project Implementation Approval for the Mediated Classroom and Social Sciences Building.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University-Main

Project Name: Mediated Classroom and
Social Sciences Building - Revised

Project Description/Location: The proposed 276,500 GSF building will provide 169,000 NASF that includes the Social Sciences program, mediated classrooms, support spaces and an open computer site. ASU will construct the MC/SSB on the site of Parking Lot #8. Parking lost from Lot #8 will move to the planned adjacent Tempe Center parking garage.

	Revised Conceptual Approval	Revised Project Initiation	Revised Conceptual/Project Implementation Approval
<u>Date of Board Action:</u>	11/23-24/99	05/24-25/01	09/25-26/01
<u>Project Scope:</u>			
Gross Square Feet	173,000	276,500	276,500
Net Assignable Square Feet	104,690	169,000	169,000
Efficiency Ratio [NASF/GSF]	60%	62%	62%
NASF by Space Type			
Classroom	28,500	53,500	54,000
Class Laboratories	4,600	4,600	4,600
Research Laboratories	11,845	11,845	11,845
Library	0	0	0
Office	45,820	85,155	80,130
Other	13,925	13,900	18,425
<u>Project Schedule (Begins- Month/Year):</u>			
Planning & Schematics	02/1999	05/2001	05/2001
Design	10/1999	06/2001	09/2001
Construction	05/2001	01/2002	04/2002
Occupancy	05/2003	08/2003 (26 mos.) 05/2004 (36 mos.)	11/2003
<u>Project Budget:</u>			
Total Project Cost	\$35,500,000	\$58,700,000	\$58,700,000
Direct Construction Cost	\$24,300,000	\$38,200,000	\$38,200,000
Computer and Mediated Equip Cost	\$ 2,680,000	\$ 5,700,000	\$ 5,700,000
Total Project Cost per GSF	\$ 205	\$ 212	\$ 212
Construction Cost per GSF	\$ 141	\$ 138	\$ 138
Change in Annual Oper./Main. Cost			
Utilities	\$ 330,100	\$ 693,500	\$ 693,500
Personnel (Salaries + ERE)	\$ 634,100 (17.3 FTE)	\$ 1,034,200 (28.1 FTE)	\$ 1,034,200 (28.1 FTE)
Other	\$ 222,700	\$ 365,700	\$ 365,700
<u>Funding Sources:</u>			
Capital			
A. Academic Revenue Bonds	\$35,500,000	\$58,700,000	\$58,700,000
(Series A - Computer and Mediated Equipment supported by Tuition revenues)			\$ 5,700,000
(Series B - Balance of Project supported by tuition revenues)			\$53,000,000
Operation/Maintenance			
A. General Fund	\$ 1,186,900	\$ 2,093,400	\$ 2,093,400

Funding Sources:

Capital

A. Academic Revenue Bonds	\$35,500,000	\$58,700,000	\$58,700,000
(Series A - Computer and Mediated Equipment supported by Tuition revenues)			\$ 5,700,000
(Series B - Balance of Project supported by tuition revenues)			\$53,000,000

Operation/Maintenance

A. General Fund	\$ 1,186,900	\$ 2,093,400	\$ 2,093,400
-----------------	--------------	--------------	--------------

Note: ASUM expects that the data and figures presented in this summary will change as the project evolves.

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University-Main **Project Name:** Mediated Classroom & Social Sciences Bldg. - Revised

Date of Budget Estimate: August 2001

	Revised Conceptual/ Implementation Approval Estimate	Project Approval Estimate	Final Budget/ Substantial Completion
1. Land Acquisition			
2. Construction Cost			
A. New Construction	\$ 33,250,000.00	\$ -	\$ -
B. Renovation	\$ -	\$ -	\$ -
C. Fixed Equipment	\$ 1,400,000.00	\$ -	\$ -
D. Site Development (excl.2.E.)	\$ 650,000.00	\$ -	\$ -
E. Parking and Landscaping	\$ 200,000.00	\$ -	\$ -
F. Utilities Extensions	\$ 1,500,000.00	\$ -	\$ -
G. On Site Storm Water Retention	\$ 200,000.00	\$ -	\$ -
H. Inflation Adj. (construction midpoint)	\$ 1,000,000.00	\$ -	\$ -
Subtotal Construction Cost	\$ 38,200,000.00	\$ -	\$ -
3. Consultant Fees (% of Construction Cost)			
A. CMAR (Design Phase)	\$ 382,000.00	\$ -	\$ -
B. A/E (8.0%)	\$ 3,056,000.00	\$ -	\$ -
C. Other*	\$ -	\$ -	\$ -
Subtotal Consultant Fees	\$ 3,438,000.00	\$ -	\$ -
4. FF&E Movable	\$ 3,564,750.00	\$ -	\$ -
5. Contingency, Design Phase (4%)	\$ 1,528,000.00	\$ -	\$ -
6. Contingency, Construction Phase (5%)	\$ 1,910,000.00	\$ -	\$ -
7. Parking Reserve 180 x 1500	\$ 270,000.00	\$ -	\$ -
8. Telecommunications Equipment	\$ 1,150,000.00	\$ -	\$ -
Subtotal Items 4-8	\$ 8,422,750.00	\$ -	\$ -
9. Additional University Costs			
A. Surveys and Tests	\$ 250,000.00	\$ -	\$ -
B. Move-In Costs	\$ 170,000.00	\$ -	\$ -
C. Public Art (<or=0.005xsubtotal construction)	\$ 191,000.00	\$ -	\$ -
D. University Printing/Publication Allowance	\$ 42,250.00	\$ -	\$ -
E. Other-Keying, Signage, SWO, etc.	\$ 690,000.00	\$ -	\$ -
F. Computer and Mediated Equip	5,700,000.00	\$ -	\$ -
G. Building Commissioning Allowance	\$ 764,000.00	\$ -	\$ -
H. Project Management Expense	\$ 573,000.00	\$ -	\$ -
I. State Risk Management Insurance (.006)**	\$ 259,000.00	\$ -	\$ -
Subtotal Additional University Costs	\$ 8,639,250.00	\$ -	\$ -
TOTAL CAPITAL COST	\$ 58,700,000.00	\$ -	\$ -

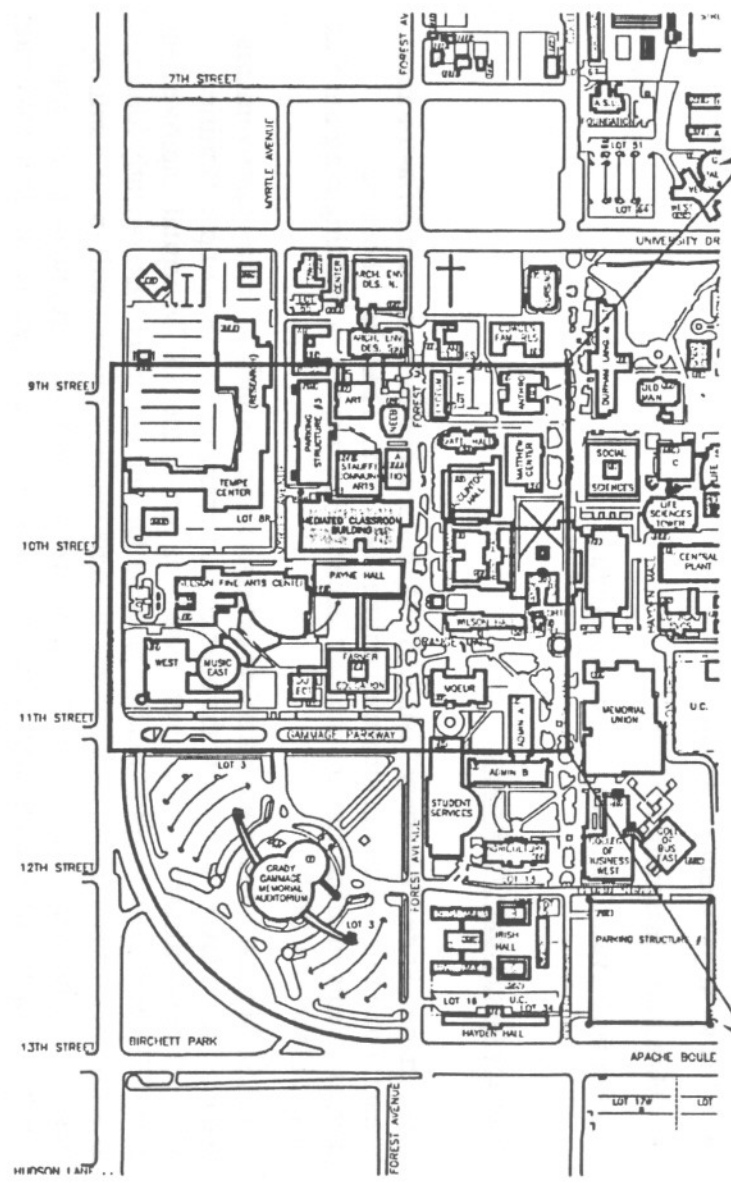
"New Construction Cost" estimated using Regent's Cost Guidelines (if applicable)*** \$ 38,500,000

* Universities shall identify items included in this category

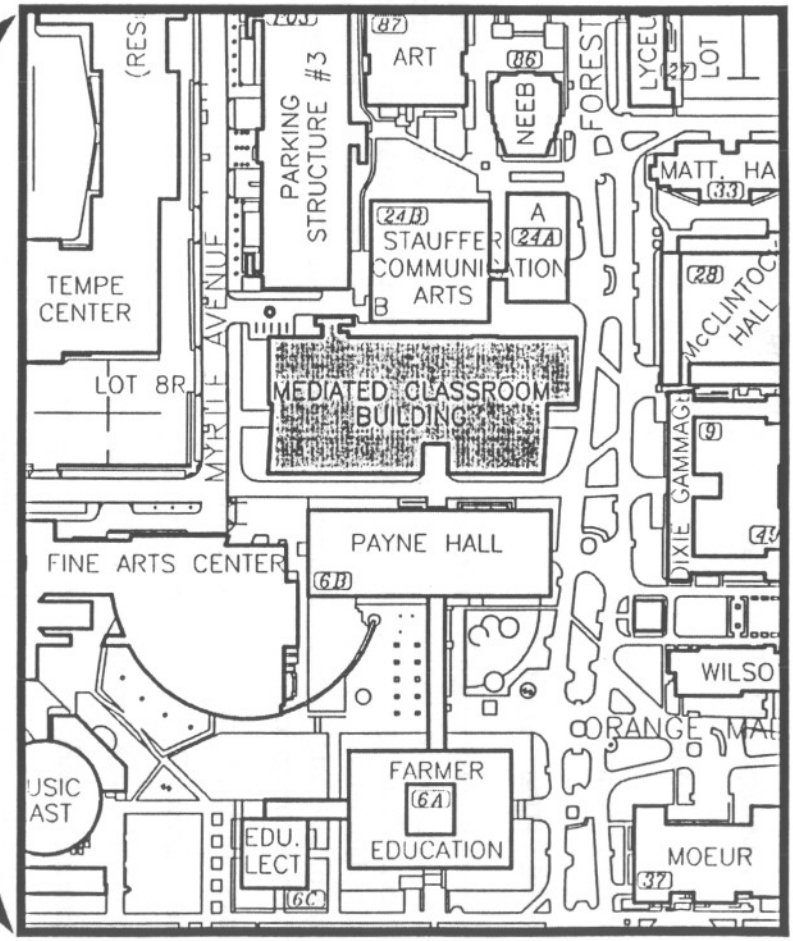
** State Risk Management Insurance factor (.006) is calculated on construction contract and architect/engineer fees

*** If the "New Construction Cost" on line 2.A. exceeds the Guidelines cost by five percent, explain the difference

GENERAL LOCATION MAP



MEDIATED CLASSROOM & SOCIAL SCIENCES BUILDING



AREA IN DETAIL

ARIZONA STATE UNIVERSITY MAIN
MULTI YEAR BONDING PLAN
PROJECT JUSTIFICATION

Project Name: INFRASTRUCTURE IMPROVEMENTS

Year: 2002

Project Justification:

Nature and Purpose of the Project

Improvements are planned for infrastructure elements including the central plant, electrical distribution system, steam distribution system, chilled water distribution system and sewers. These improvements are required to service new buildings and building additions planned to be under construction within the next few years. The following new buildings or building expansions cannot receive campus utilities without the infrastructure Improvements:

- Bookstore/Memorial Union Expansion
- North Campus Residence Hall Expansion
- Center Campus Residence Halls Expansions
- Engineering/Science Research Buildings, nos. 1 and 2
- Intercollegiate Athletics Facility Expansion
- Wells Fargo Arena expansion
- Mediated Classroom Building
- Public/Private Dormitory at South Campus

Primary Goals and Objectives:

The Arizona State University Main (ASUM) has reached its maximum Infrastructure capacity due to growth and increased utilities demands. There have been no improvements in infrastructure capacity since the last major new building program that began in the late 1980's.

The ASUM must initiate and complete extensive campus Infrastructure improvements and expansion projects to allow the opening and operation of new campus facilities. Many of these infrastructure projects have been part of the ASUM capital improvement plan (CIP) and annual capital funding requests for years. Others were recently identified as additional infrastructure requirements for new building projects still in the planning stages or under construction. All of these infrastructure projects are required to support new building projects either now in design or soon to be in design, or under construction.

Infrastructure Improvements planned for the FY 2002 bond sale include:

Central Plant

- Chilled water improvements
- Two new chillers
- New cooling tower
- Electrical upgrades
- Steam improvements
- Boiler Replacement
- Controls
- Safety Monitoring

North Campus (Student Residential Building, ICA Building Addition, Wells Fargo Arena Addition)

- Chilled water and steam distribution improvements
- Electrical Feeds and Emergency Power

Core Campus (Residential Life New Building Additions, College of Business, Mediated Classroom Building, MU Expansion, Public/Private Small Group Housing Residence Hall, Research Buildings, Tempe Center, Goldwater Center)

- Chilled water and steam distribution improvements
- Electrical/data feeds and emergency electrical
- Sewer line construction
- Tunnel restoration
- Thermal storage liner replacement
- Road - McAllister to Engineering

Infrastructure Projects.

The infrastructure projects comprising the \$22.8 million are shown in the attached schedule. This schedule shows the \$17.7 million previously approved by JCCR and the revised listing of projects comprising the \$22.8 million.

Funding:

Estimated Project Cost:	\$22,800,000
Funding Source:	2002 Revenue Bond Proceeds
General Fund Impact:	Not Applicable

Board Approved Documents:

The Arizona Board of Regents granted Conceptual Approval in May 2000. Pertinent documents are attached.

ARIZONA STATE UNIVERSITY
INFRASTRUCTURE PROJECTS
FY2002 BOND FINANCING

<u>Project</u>	<u>Previously Approved by JCCR</u>	<u>Revised Financing Amount</u>
New 20 Megawatt/Electrical Substation at N. Campus	561,500	332,933
30 Inch McAllister Sanitary Sewer	593,000	520,053
24 Inch Forest Sanitary Sewer	1,500,000	950,591
New Electrical/Data Infrastructure	3,500,000	6,018,500
New Emergency Power Infrastructure	960,400	460,400
New Chilled Water Infrastructure	2,593,800	880,800
New Steam Infrastructure	2,316,900	693,500
New Chillers/Boilers/Safety Monitoring Equipment	2,189,800	2,189,800
New 4,000 Ton Cooling Tower	954,600	954,600
New Central Plant Infrastructure	1,130,000	878,000
Utility Tunnel Restoration	1,400,000	2,506,355
North Loop Utility Extension	-	4,084,268
New Campus Service Road & ERC Drainage	-	1,123,000
Thermal Storage Liner Replacement	-	1,207,200
	<u>17,700,000</u>	<u>22,800,000</u>

STATE OF ARIZONA

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CHRISTINE WEASON

DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY – REVIEW OF
LEASE-PURCHASE PROJECTS

Request

The Arizona Board of Regents (ABOR) on behalf of Arizona State University (ASU) requests Committee review of the University Services Building and Campus Backfill, Remote Library Storage Facility, Memorial Union Expansion and Renovation, Intercollegiate Athletics Building Expansion and Renovation, and Packard Stadium Clubhouse and Playing Field Renovation lease-purchase projects.

Recommendation

The JLBC Staff recommends a favorable review of the request with the following stipulations:

- ASU report the estimated costs for the Remote Library Storage Facility, the Memorial Union Expansion and Renovation, the Intercollegiate Athletics Building Expansion and Renovation, and the Packard Stadium Clubhouse and Playing Field Renovations to the Committee after the design for each project is completed.
- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any tuition collections that may be required for debt service on the repayment of the Certificates of Participation (COPs) or for operational costs when the projects are complete. These costs have historically been considered by the entire Legislature through the budget development process.

The 5 projects combined represent COP issuances totaling \$77,137,000. The repayment over a 25-year period at an estimated interest rate of 5.5% will equate to approximately \$67,256,800 in interest payments. Total payment over the 25-year period will total \$144,393,800.

(Continued)

Analysis

Prior to Laws 2001, Chapter 2, 2nd Special Session, the issuance of COPs by the university system did not require any legislative oversight. Chapter 2 amended A.R.S. § 15-1682.01 to require JCCR review of university related lease-purchase projects. In compliance with a Committee request, the universities had been submitting lease-purchase projects to the Committee as informational items.

The Memorial Union Expansion and Renovation, Intercollegiate Athletics Building Expansion and Renovation, and Packard Stadium Clubhouse and Playing Field Renovations described below were submitted to the Committee as informational items in August 2001. Given that the COPs have not been issued, the projects now require formal Committee review.

Table 1 lists the capital project costs and annual debt service for each project.

ASU MAIN CAMPUS LEASE-PURCHASE PROJECTS						
	<u>Capital Project Costs</u>			<u>Annual Debt Service</u>		
	Tuition Collections	Auxiliary/ Other	Total	Tuition Collections	Auxiliary/ Other	Total
University Services Building & Campus Backfill		\$14,400,000	\$14,400,000		\$1,095,000	\$ 1,095,000
Remote Library Storage Facility	\$ 2,800,000		2,800,000	\$ 213,000		\$213,000
Memorial Union Expansion and Renovation	9,327,700	29,502,300	38,830,000	695,375	2,199,375	2,894,750
Intercollegiate Athletics Building Expansion and Renovation	--	19,107,000	19,107,000	--	1,423,900	1,423,900
Packard Stadium Clubhouse and Playing Field Renovations	--	2,000,000	2,000,000	--	149,100	149,100
TOTAL	\$12,127,700	\$65,009,300	\$77,137,000	\$ 908,375	\$4,867,375	\$ 5,775,750

Table 2 shows the estimated operating costs for the facilities when they become available for occupancy.

ASU MAIN CAMPUS LEASE-PURCHASE PROJECTS			
	<u>Operating Costs (Presently Estimated)</u>		
	General Fund	Auxiliary/Other	Total
University Services Building & Campus Backfill	756,100		\$756,100
Remote Library Storage Facility	182,000		182,000
Memorial Union Expansion and Renovation	750,100	423,400	1,173,500
Intercollegiate Athletics Building Expansion and Renovation	335,600	--	335,600
Packard Stadium Clubhouse and Playing Field Renovations	--	--	--
TOTAL	\$2,023,800	\$423,400	\$2,111,600

University Services Building and Campus Backfill

ASU plans to construct a 120,000 gross square foot (GSF) building to consolidate administrative services and facilities shops. The plan would consolidate 8 administrative offices and 9 facilities shops. The estimated cost of the new building is \$11,200,000. The direct construction costs are estimated to be \$8,500,000, or \$71 per square foot. R.S. Means, a noted construction cost index, reports the national average costs for college space range between \$112 to \$164 per square foot. Vacated facilities shops space of 126,000 GSF would be renovated at a cost of \$3,200,000, or \$25 per square foot. This cost is consistent with standard renovation costs for most state projects. The vacated space would be used for academic research facilities and support space. ASU estimates the project will be completed by January 2003.

(Continued)

The estimated annual debt service of \$1,095,000 would be funded from university local fund sources (overhead/administrative charges). Annual operating and maintenance costs are estimated to be \$756,100 from the General Fund. These additional costs have historically been considered by the entire Legislature through the budget development process.

Remote Library Storage Facility

ASU plans to construct a 15,000 GSF high-density, environmentally controlled storage facility. The facility would house lesser-used library materials and free up 22,500 square feet of space in the existing Hayden Library for support space and student use. The estimated COP issuance is \$2,800,000. The direct construction cost is estimated to be \$2,143,000, or \$143 per square foot. R.S. Means reports the national average square foot costs for libraries to be \$103. Given that this facility would provide high-density storage, costs are expected to be slightly higher. *JLBC Staff recommends that ASU report the estimated costs for the project to the Committee after the design is completed.*

The estimated annual debt service of \$213,000 would be funded from tuition collections. Annual operating and maintenance costs are estimated to be \$182,000 from the General Fund. These additional costs have historically been considered by the entire Legislature through the budget development process. ASU estimates the project will be completed by April 2003.

Memorial Union Expansion and Renovation

ASU plans to construct a new 4-level 154,400 gross square foot (GSF) building adjoining the existing Memorial Union. The expansion will address current space deficiencies and future space needs. The expansion will house retail, meeting, and office space, as well as a new bookstore. The estimated COP issuance is \$38,830,000. The direct construction costs for new space is estimated to be \$22,613,000, or \$146 per square foot. R.S. Means reports the national average square foot costs for college memorial unions to be \$125. Direct renovation costs for the renovation of 71,400 square feet is estimated to be \$4,030,700, or \$54 per square foot. The project also includes loading dock modifications and expansions at an estimated cost of \$5,196,000. *JLBC Staff recommends that ASU report the estimated costs for the project to the Committee after the design is completed.*

The estimated annual debt service is \$2,894,750 (\$695,375 from Tuition Collections and \$2,199,375 from Auxiliary and Other Funds). Annual operating and maintenance costs are estimated to be \$1,173,500 (\$750,100 from the General Fund and \$423,400 from Auxiliary and Other Funds). The amount paid by each funding source is based on the amount of space allocated for each purpose (24% for academic space and 76% for auxiliary space). These additional costs have historically been considered by the entire Legislature through the budget development process. ASU estimates this to be a 2-year project.

Intercollegiate Athletics (ICA) Building Expansion and Renovation

ASU plans to construct a 50,000 GSF addition to the ICA Building. The addition will include space for a weight room, football locker room, ticket purchase area, hall of fame space, athletic student theatre, academic services area, stadium club/dining area, and other ancillary space. Approximately 72,000 square feet of existing space will also be renovated. The estimated COP issuance is \$19,107,000. The direct construction cost for the addition is estimated to be \$8,904,800, or \$179 per square foot. R.S. Means reports the national average square foot costs for sports arenas to be \$70. Direct renovation costs are estimated to be \$885,100, or \$12 per square foot. The project also includes utility extensions at an estimated cost of \$4,000,000. *JLBC Staff recommends that ASU report the estimated costs for the project to the Committee after the design is completed.*

The debt service on the COPs will be funded from ICA (non-General Fund) revenues. The annual operating and maintenance costs are estimated to be \$335,600 from the General Fund. These additional costs have historically been considered by the entire Legislature through the budget development process. ASU estimates this to be a 12-month project.

(Continued)

Packard Stadium Clubhouse and Playing Field Renovations

ASU plans to renovate 8,160 GSF at Packard Stadium. The renovations include remodeling the clubhouse, locker room, entrance and concourse areas, as well as extensive field improvements. The stadium was originally built in 1974. The estimated COP issuance is \$2,000,000. Direct renovation costs are estimated to be \$1,520,000, or \$186 per square foot. *JLBC Staff recommends that ASU report the estimated costs for the project to the Committee after the design is completed.*

The debt service on the COPs will be funded from ICA Capital Fund Raising Campaign proceeds. No additional operating and maintenance costs are anticipated. ASU estimates this to be a 10-month project.

RS/LM:jb



February 5, 2002

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Honorable Laura Knaperek, Chair
Joint Committee on Capital Review
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Knaperek:

The Arizona Board of Regents (ABOR) requests that the following Arizona State University (ASU) items be placed on the next agenda for the Joint Committee on Capital Review (JCCR):

- Bond Issuance Project Approval, for (1) Mediated Classroom/Social Sciences Project (\$58.7 million) and (2) Infrastructure Improvement Projects (\$22.8 million); and
- Certificates of Participation (COPs) Project Review, for (1) University Services Building and Campus Backfill Projects, and (2) Remote Library Storage Facility.

Enclosed is a synopsis for each of the above items along with more detailed accompanying information.

To the extent necessary, we also request that projects described below be placed on the next JCCR meeting agenda. Bond Counsel has advised that with the enactment of HB 2014, which became effective upon signature of the governor, the JCCR now needs to reconstitute its previous informational receipt of the projects presented to the JCCR at its August 30, 2001 meeting to that of review, since financing has not yet been completed. The projects previously submitted that are yet to be lease purchase financed are:

	Total Cost (in millions)
August 30, 2001 Meeting (informational submission):	
Memorial Union Expansion and Renovation	\$38.8
Intercollegiate Athletics Building Expansion and Renovation	19.1
Packard Stadium Clubhouse and Playing Field and Renovations	2.0

Representative Knaperek
Page 2

The Wells Fargo Arena Field House Addition and Renovation Project for \$9.0 million previously submitted as an informational item will not be constructed at this time and will be submitted to the JCCR for project review at such time that this project is re-instituted.

We appreciate your consideration of our requests. If you have any questions, or desire any clarification, on the enclosed material, please contact me at (602) 229-2510.

Sincerely,

A handwritten signature in black ink that reads "Joel Sideman". The signature is written in a cursive, flowing style.

Joel Sideman
Deputy Executive Director & Legal Counsel

cc: Lorenzo Martinez, Senior Fiscal Analyst, JCCR
Mernoy Harrison, Vice Provost for Administrative Services, ASU

EXECUTIVE SUMMARY

NARRATIVE

- Relationship of Project to Strategic Initiative

The project will support the overall mission of the University by providing a high quality environment to assist the student athletes in reaching their potential, both academically and athletically. To that end, these improvements will also enable the department to recruit and attract the best student-athletes.

- Project Justification

The project is needed to ensure success for our student-athletes, both on and off the field. At the core of this project's objective is the intent to ultimately benefit the welfare of the student-athletes.

- Specific Project Description

The project will consist of a facility expansion that remodels both the current player clubhouse and locker room. In addition, the entrance to Packard Stadium and the concourse areas will also be improved as well as the playing field to enhance the baseball experience and celebrate the tradition of Sun Devil Baseball.

The areas to be remodeled total approximately 8,000 square feet at a construction cost of \$1.52 million.



EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University Main **Project Name:** Packard Stadium Clubhouse/Entrance Renovation

Project Description/Location: Renovate Packard Stadium on the Main Campus. The renovation includes a clubhouse and shared entrance to Packard Stadium and Sun Angel track.

	<u>Project Initiation</u>	<u>Conceptual Approval</u> April 2001	<u>Project Approval</u>
<u>Date of Board Action:</u>			
<u>Project Scope:</u>			
Gross Square Feet		8,160	
Net Assignable Square Feet		6,800	
Efficiency Ratio (NASF/GSF)		80%	
NASF by Space Type			
Concession		1,400	
Clubhouse/Locker Room		5,000	
Entry		400	
<u>Project Schedule (Beginning Month/Year):</u>			
Planning		1/98	
Design		6/01	
Construction		1/02	
Occupancy		10/02	
<u>Project Budget:</u>			
Total Project Cost		\$2,000,000	
Direct Construction Cost		\$1,520,000	
Total Project Cost per GSF		245	
Construction Cost per GSF		186	
Change in Annual Operation/Maintenance Cost		N/A	
		Renovation only	
<u>Utilities</u>			
Personnel			
Other			
<u>Funding Sources:</u>			
Certificates of Participation		\$2,000,000	
To be repaid by Gift Revenue			
Operation/Maintenance			
A. Auxiliary Enterprises Fund		N/A	
		Renovation only	

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University Main Name: Packard Stadium Clubhouse/Entrance Renovation

	<u>Conceptual Approval Estimate</u>	<u>Project Approval Estimate</u>	<u>Final Budget at Substantial Completion</u>
Date of Budget Estimate			
1. Land Acquisition			
2. Construction Cost			
A. New Construction	\$ -		
B. Renovation	\$ 600,000		
C. Fixed Equipment	\$ -		
D. Site Development (excl.2.E.)	\$ 660,000		
E. Parking and Landscaping	\$ -		
F. Utilities Extensions	\$ 40,000		
G. Other*	\$ -		
H. Inflation Adj. (construction midpoint)	\$ 220,000		
Subtotal Construction Cost	\$ 1,520,000		
3. Consultant Fees (% of Construction Cost)			
A. Construction Manager	\$ -		
B. Architect/Engineer (10%)	\$ 152,000		
C. Other* (Addl Services)	\$ -		
Subtotal Consultant Fees	\$ 152,000		
4. FF&E Movable	\$ -		
5. Contingency, Design Phase (10%)	\$ 152,000		
6. Contingency, Construction Phase (5%)	\$ 76,000		
7. Parking Reserve	\$ -		
8. Telecommunications Equipment	\$ -		
Subtotal Items 4-8	\$ 228,000		
9. Additional University Costs			
A. Surveys and Tests	\$ 30,000		
B. Move-In/Relocation Costs	\$ -		
C. Public Art ($<r=0.005 \times \text{subtotal construction}$)	\$ 7,600		
D. Printing/Advertisement	\$ 20,000		
E. Other* (University Work Orders)	\$ 42,400		
F. State Risk Management Insurance (.006)**	\$ -		
G. Asbestos Abatement	\$ -		
Subtotal Additional University Costs	\$ 100,000		
TOTAL CAPITAL COST	\$ 2,000,000		

Projected Cash Flow Needs for Total Project Cost: FY 01 FY02 FY03
 in millions; updated at each submission) 0.05 1.5 0.45

"New Construction Cost" estimated using Regent's Cost Guidelines (if applicable)*** \$ _____

* Universities shall identify items included in this category (Project Management Services)

** State Risk Management Insurance factor (.006) is calculated on construction contract and architect/engineer fees

***If the "New Construction Cost" on line 2.A exceeds the Guidelines cost by five percent, explain the difference

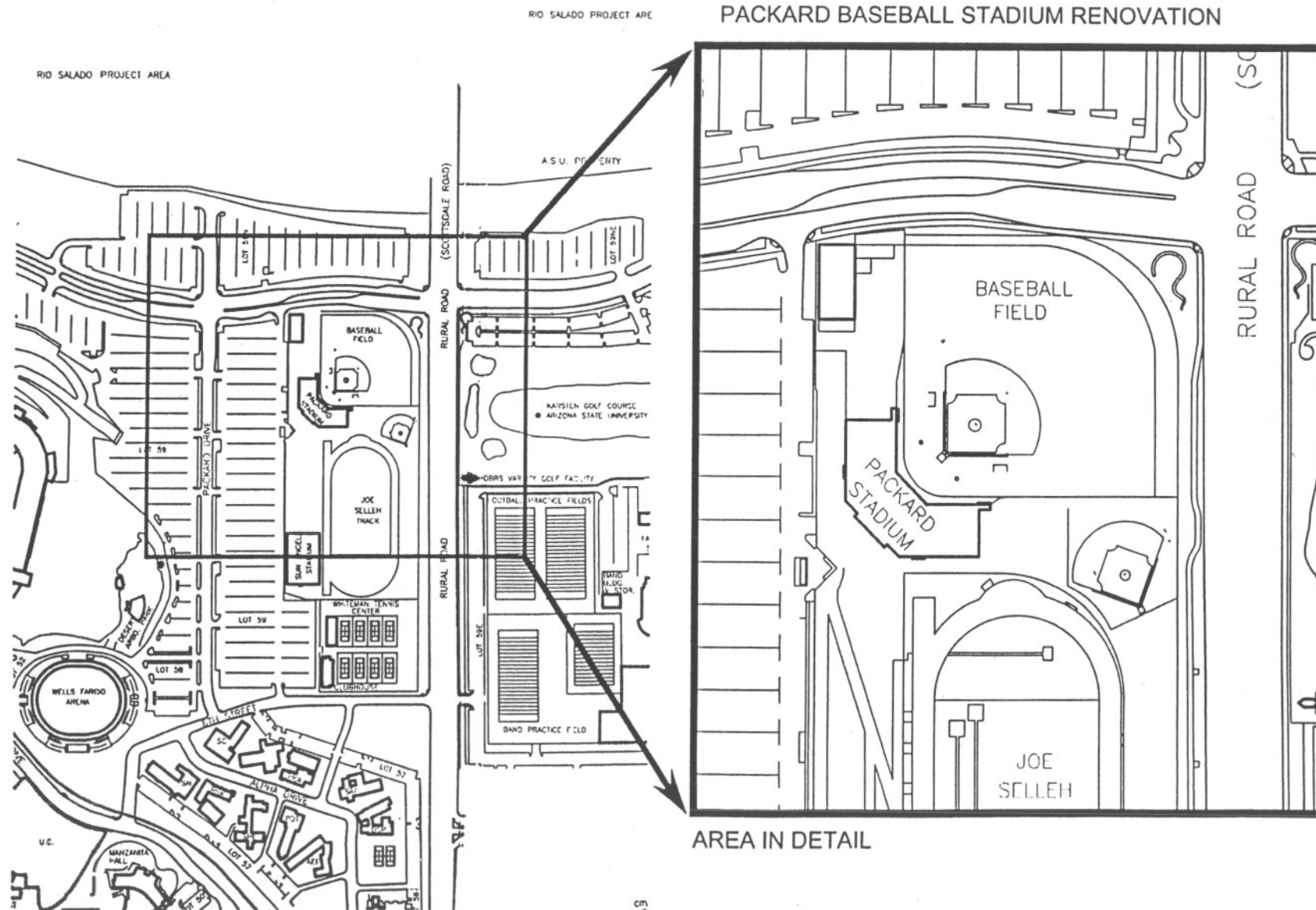


GENERAL LOCATION MAP



EXECUTIVE SUMMARY

Board of Regents Meeting
April 11, 2001
Agenda Item # 7
Arizona State University
Page 6 of 6



AREA IN DETAIL

Synopsis

ASU Certificates of Participation

In accordance with HB 2014, capital projects to be lease purchased financed need to be reviewed and approved by the JCCR. ASU is in the process of financing by COPs the following ASU Main Campus projects:

	<u>Total Cost (In Millions)</u>
University Services Building and Campus Backfill Projects	\$14.4
Remote Library Storage Facility	<u>2.8</u>
	<u>\$17.2</u>

The University Services Building and Campus Backfill Projects will address critical space shortages, especially for academic and student use, and for research. These pressures force ASU Main to construct an administrative services and facilities shops building. This facility will consolidate most of the Administrative Services units into a more efficient operational environment and focus service deliveries at a one-stop location.

The Remote Library Storage Facility allows ASU to preserve lesser-used library materials currently housed in Hayden Library and store them off-site. This new remote facility will allow ASU Main to recapture and more efficiently use central campus space currently used for storage so that this space can now be used for enhanced library services and student use.

Annual funding of the debt service on the COPs will be from (1) general university local fund sources for the University Services Building and (2) ASU Main Campus locally retained tuition for the Remote Library Storage Facility.

All of the above listed projects have received Arizona Board of Regents' (ABOR) project implementation approval. Pertinent ABOR agenda items are enclosed.

In entering into the lease purchase agreement, the following provisions will be included:

- The obligation of this State to make any payment under the agreement is a current expense of the Board and is not a general obligation indebtedness of this State or the Board; and
- If the Legislature fails to appropriate monies or the Board fails to allocate monies for any periodic payment or renewal term of the agreement, the agreement terminates at the end of the current term and this State and the Board are relieved of any subsequent obligation under the agreement.

12/21/2001

ARIZONA STATE UNIVERSITY
ASU MAIN CAMPUS CERTIFICATES OF PARTICIPATION (COPs)

	Project Costs				Debt Service (1)				Operating Costs (Presently Estimated)			
	General Fund	Tuition	Auxiliary/Other	Total	General Fund	Tuition	Auxiliary/Other	Total	General Fund	Tuition	Auxiliary/Other	Total
University Services Building and Campus Backfill Projects	-	-	14,400,000	14,400,000	-	-	1,095,000	1,095,000	756,100	-	-	756,100
Remote Library Storage Facility	-	2,800,000	-	2,800,000	-	213,000	-	213,000	182,000	-	-	182,000
TOTAL	\$ -	\$ 2,800,000	\$ 14,400,000	\$ 17,200,000	\$ -	\$ 213,000	\$ 1,095,000	\$ 1,308,000	\$ 938,100	\$ -	\$ -	\$ 938,100

(1) Payback period for the COPs is 25 years. The debt service calculation is based on an assumed 5.5% interest rate.

EXECUTIVE SUMMARY

ACTION ITEM: Project Approval. University Services Building.

ISSUE: ASU Main requests Project Approval for the Construction Phase for the proposed University Services Building. (Project Approval for renovation of vacated space for program relocation is not part of this action item.)

PROJECT DESCRIPTION:

- Previous Board Action:
 - 2001 Capital Development Plan (CDP) Approval – June 2001.
 - The University requested that the Board make an exception on the allowable 3% or \$500,000 expenditure limitation prior to Project Implementation approval. In June 2001, the Board granted authorization to spend \$1,080,000 to demolish an existing structure and for site preparation and utility work.
 - 2001 Project Implementation Approval – September 2001.
- The proposed building will be located in Tempe, Arizona on the site bounded by Rural Road to the west and the Southern Pacific Railroad to the south.
- Caliente Construction, Inc completed demolition of the existing building, which stood on the Penn-Mor site, on October 11, 2001.
- Butler Design Group, Inc., has been selected and retained as the architect to provide full services for this project. The design development phase is complete and the Guaranteed Maximum Price (GMP) is within the approved construction budget. The site diagram has received preliminary approval from PADRC.
- Alternative Delivery Contract, Construction Manager at Risk (CMAR) approach will be used for project delivery. Wespac Construction, Inc., has been selected and retained to provide CMAR services for this project.
- The current program for the new USB is a 120,000 GSF, \$11.2 million two story administrative services and maintenance shops building. The design for the building shell will provide approximately 90,000 GSF flexible space for office and 30,000 GSF for shop functions utilizing a tilt-slab method of construction. The basis for this type of construction is efficiency of cost, schedule, and ability to phase the construction in multiple packages for fast tracking. Open landscape offices with system furnishings will be used, with few exceptions for enclosed offices, determined by program, for privacy, security, and confidentiality.
- The individual administrative units moving into the USB are summarized in the table below. The unit titles have been revised to reflect the new management structure of Facilities Planning and Construction.

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Vice Provost, Administrative Services
E-mail address: mernoy.harrison@asu.edu

EXECUTIVE SUMMARY

Program Summary	
Department	GSF
Facilities Management	
Administration	8,163
Facilities Services	8,384
Carpentry Shop	12,790
Electrical Shop	4,601
HVAC/ Sheet Metal/ Welding	8,164
Mechanical Shop	6,950
Paint Shop	5,067
Plumbing Shop	4,207
Lock Shop	1,393
Sign Shop	1,807
Facilities Planning and Space Management	2,844
Capital Programs Management Group	4,520
Risk Management	3,093
Comptroller	13,114
Human Resources	12,289
Purchasing	12,190
Internal Audit and Management Services	1,851
Shared Conference/Training	6,430
Food Service/Lunch Room	2,143
USB Total	120,000

- Program relocation includes the renovation of approximately 126,000 GSF vacated space for academic, research and student support use in previously refurbished buildings on campus. The summary of program relocation is listed in the table below.

Program Relocation Summary		
Vacated Space:	GSF	Proposed Relocated Program
Facilities Management	73,535	CEAS/CLAS Research
Human Resources	10,793	Various University Administrative
Academic Facilities	2,280	FR&HD – Family Clinic
HR Training	2,219	Vacated Tempe Center
Comptroller	12,074	Consolidate VPR
Purchasing and Internal Audit and Management Services	18,899	College of Extended Education
Agriculture Building	6,200	Various University Administrative
TOTAL	126,000	

EXECUTIVE SUMMARY

PROJECT JUSTIFICATION:

- The growth in the College of Liberal Arts and Sciences, College of Public Programs, and the College of Engineering and Applied Sciences continues to put pressure on the current amount of space available for academic and student support purposes. This is further exacerbated by deficiencies in research space in the College of Liberal Arts and Sciences and the College of Engineering and Applied Sciences. These pressures have led Arizona State University – Main to propose the construction of an administrative services and facilities shops building. This facility will consolidate most of the Administrative Services units into a more efficient operational environment and focus service delivery in a one-stop location.
- The construction of this facility will make available 126,000 GSF of space in seven core campus university buildings. The facilities are: Facilities Management Complex (73,000 GSF); Administration Building A (13,600 GSF); Administration Building B (15,400 GSF); Agriculture Building (6,200 GSF); and Ritter Building (17,800 GSF).
- Construction/renovation of vacated space for program relocation will start after separate Board approval and completion of the USB project. \$3,200,000 of the total project budget of \$14,400,000 has been earmarked for physical renovations to existing space.

RECOMMENDATION:

That the Board of Regents grant Project Approval to Arizona State University Main Campus for construction of the proposed University Services Building.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University Main Campus

Project Name: University Services Building

Project Description/Location

Construction of a new 120,000 GSF facility to house Facilities Management, including Planning and Space Management, Capital Programs Management Group, Risk Management; Human Resources; Comptroller's Office; Purchasing and Business Services; and Internal Audit and Management Services. The new building will be constructed on the Penn-Mor site near the main campus, Tempe, Arizona.

Project Schedule (Beginning Month/Year):

Capital Development Plan Approval	Jun./2001
Project Implementation Approval	Sep./2001
Design	Nov./2001
Project Approval	Jan./2002
Construction	Mar./2002
Occupancy	Jan./2003

Project Budget:

Total Project Cost	\$14,400,000	(1)
Total New Project Cost	\$11,200,000	
Total Backfill Cost	\$ 3,200,000	
Direct New Construction Cost	\$ 8,010,000	
Total New Project Cost per GSF	\$ 93	
New Construction Cost per GSF	\$ 67	
Total Backfill Cost per GSF	\$ 25	
Change in Annual Oper. /Main. Cost		
Utilities	\$ 262,500	
Personnel	\$ 361,400	
Other	\$ 132,200	
Subtotal	\$ 756,100	

Funding Sources:

Capital	
A. Certificates of Participation (supported by general university local fund sources)	\$14,400,000
Operation/Maintenance	
A. General Fund	\$ 756,100

(1) \$3.2 million for backfill cost.

Note: It is expected that the data and figures presented in this summary may change as the project evolves.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University Main

Project Name: University Services Building

	Project Implementation Estimate	Project Approval Building Design & Construction	Project Approval Backfill Renovation
Date of Budget Estimate			
1. Land Acquisition			
2. Construction Cost			
A. New Construction	\$ 6,900,000	\$ 6,850,000	\$ -
B. Renovation	\$ 2,000,000	\$ -	\$ -
C. Fixed Equipment	\$ 400,000	\$ -	\$ -
D. Site Development (excl. 2.E.)	\$ 300,000	\$ 510,000	\$ -
E. Parking and Landscaping	\$ 200,000	\$ 300,000	\$ -
F. Utilities Extensions	\$ 200,000	\$ 150,000	\$ -
G. Other* (Demolition; Asbestos)	\$ 300,000	\$ -	\$ -
H. Inflation Adj. (construction midpoint)	\$ 200,000	\$ 200,000	\$ -
Subtotal Construction Cost	\$ 10,500,000	\$ 8,010,000	\$ -
3. Consultant Fees (% of Construction Cost)			
A. Construction Manager	\$ 100,000	\$ 87,230	\$ -
B. Architect/Engineer	\$ 840,000	\$ 469,700	\$ -
C. Other* (Interior Design; Special Consultant)	\$ 100,000	\$ 100,000	\$ -
Subtotal Consultant Fees	\$ 1,040,000	\$ 656,930	\$ -
4. FF&E Movable	\$ 1,200,000	\$ 600,000	\$ -
5. Contingency, Design Phase	\$ 300,000	\$ 277,500	\$ -
6. Contingency, Construction Phase	\$ 500,600	\$ 671,000	\$ -
7. Parking Reserve	\$ -	\$ -	\$ -
8. Telecommunications Equipment	\$ 299,400	\$ 400,000	\$ -
Subtotal Items 4-8	\$ 2,300,000	\$ 1,948,500	\$ -
9. Additional University Costs			
A. Surveys and Tests	\$ 50,000	\$ 25,000	\$ -
B. Move-In Costs	\$ 50,000	\$ 50,000	\$ -
C. Public Art ($\leq 0.005 \times$ subtotal const.)	\$ 52,000	\$ 33,550	\$ -
D. Printing/Advertisement	\$ 28,000	\$ 10,000	\$ -
E. Building Commissioning Allowance	\$ 50,000	\$ 45,760	\$ -
F. Project Management Expense	\$ 157,000	\$ 168,000	\$ -
G. State Risk Management Insurance (.006)**	\$ 70,000	\$ 48,060	\$ -
H. Other*	\$ 103,000	\$ 204,200	\$ -
Subtotal Additional University Costs	\$ 560,000	\$ 584,570	\$ -
TOTAL CAPITAL COST	\$ ****14,400,000	\$ 11,200,000	\$ *****3,200,000

* Line item 9H "Other" includes asbestos assessment and abatement, programming services, planning and construction project management services, and facilities management services.

** State Risk Management Insurance factor (.006) is calculated on construction contract and architect/engineer fees if applicable.

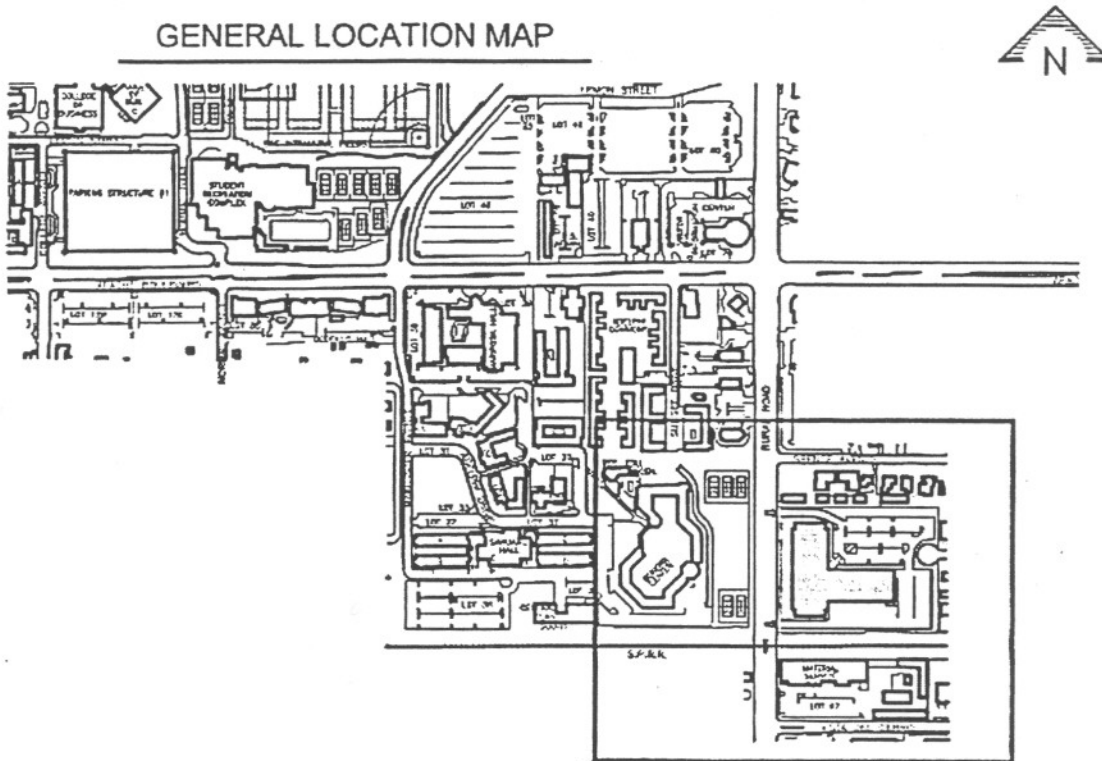
*** If the "New Construction Cost" on line 2.A exceeds the Guidelines cost by five percent, explain the difference.

**** Previous submission including \$3.2 million for backfill.

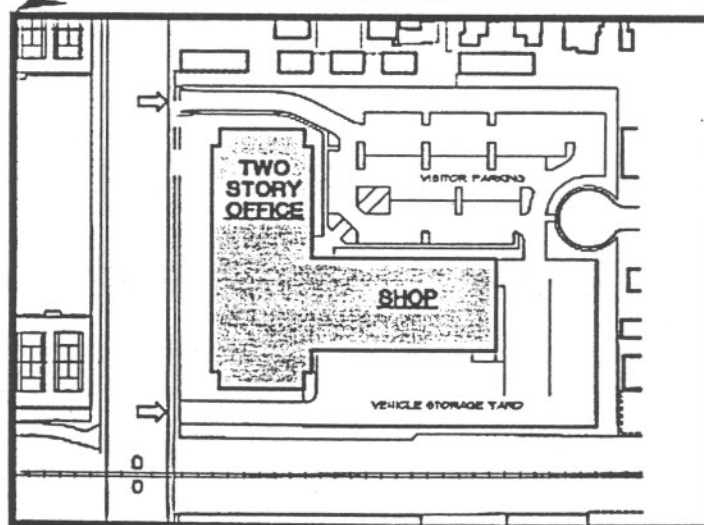
*****To be submitted for Project Approval in the future.

EXECUTIVE SUMMARY

GENERAL LOCATION MAP



UNIVERSITY SERVICES BUILDING



AREA IN DETAIL

EXECUTIVE SUMMARY

ACTION ITEM: Packard Stadium Clubhouse and Playing Field Renovations
Conceptual Approval (Arizona State University Main)
ASU Project No. 2001-013947

ISSUE: Arizona State University requests Conceptual Approval for the Renovation of Packard Stadium on the Main Campus. The renovation includes a clubhouse, shared entrance to Packard Stadium and Sun Angel track, and extensive playing field upgrades.

PROJECT DESCRIPTION:

- Previous Board Action: None required.
- The existing Packard Stadium, built in 1974 is deficient in many areas.
- In an attempt to remedy the deficient areas, ICA hired an architectural firm to provide a feasibility study.
- As a result of the feasibility study, ICA prioritized and short listed the architect's recommendations to include: a celebrated entry including a new ticket booth, novelty sales area and a "walk of champions" to celebrate ASU's baseball crowning achievements; in addition to a new locker room, team room, coaching facilities and extensive upgrading of the field.
- The estimated project cost is \$2 million. Funding will be provided through Certificates of Participation to be repaid from the multi-million dollar ICA capital fund raising campaign.
- Proposed Schedule
 - Conceptual Approval April 2001
 - Project Approval November 2001
 - Construction Start January 2002
 - Occupancy October 2002

RECOMMENDATION:

RESOLVED: That the Arizona Board of Regents grant Conceptual Approval to Arizona State University for the Renovation of Packard Stadium on the Main Campus.

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Director, Athletics
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EXECUTIVE SUMMARY

PROJECT JUSTIFICATION REPORT

PACKARD STADIUM ASU MAIN CAMPUS
CLUBHOUSE/ENTRANCE RENOVATION
ASU PROJECT NO. 2001-012947

PROJECT DESCRIPTION:

- Background

The Arizona State University (ASU) Department of Intercollegiate Athletics (ICA) has endeavored to provide the finest athletic facilities in the country for its student-athletes. Due to ICA's desire to create the best student-athlete experience possible, ASU-ICA proposes a renovation for the Packard Baseball Stadium.

This renovation will allow ASU-ICA to provide a higher quality service and improved experience for the student athletes and staff who utilize Packard Stadium for practice and competition.

- Nature and Purpose of Project

Packard Stadium was built in 1974 and a clubhouse and locker room area were added in the mid-1980s. Whereas the Stadium and interior spaces have been suitable for use over the past decades, it is now becoming apparent that improvements need to be made in order to continue to provide the highest level of service to our student athletes.

- Planning Perspectives

The Packard Stadium renovation will consist of: 1) construction of a new players' clubhouse, 2) locker room, 3) remodeling the entrance and concourse areas, and 4) extensive field improvements.

The intent, with the appropriate approvals from the Arizona Board of Regents (ABOR) and upon approval of all plans and specifications, is to begin construction as quickly as possible.

The total project cost of \$2.0 million is to be funded by Certificates of Participation and repaid by the Department of Intercollegiate Athletics Capital Fund Raising Campaign. The goal of this Campaign, initially set at \$20 million, has now been raised to \$35 million. To date, \$25 million of that goal has been reached.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University-Main

Project Name: ASUM High Density Remote
Library Storage

Project Description/Location

Construction of an ASUM high density Library storage facility at ASU East.

Project Schedule (Beginning Month/Year):

Planning	Jun 2001
Design	Jul 2001
Construction	Mar 2002
Occupancy	Apr 2003

Project Budget:

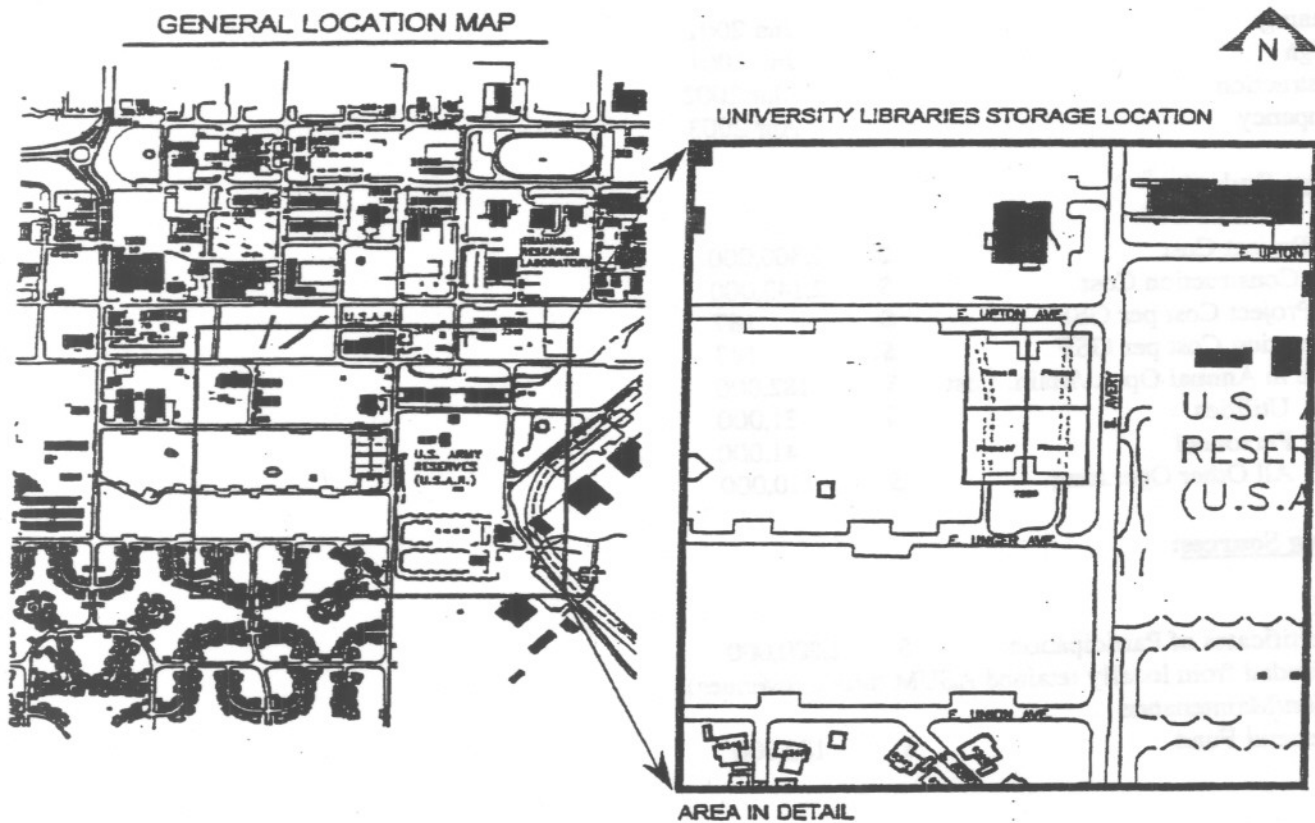
Total Project Cost	\$	2,800,000
Direct Construction Cost	\$	2,143,000
Total Project Cost per GSF	\$	187
Construction Cost per GSF	\$	143
Change in Annual Oper. /Main. Cost	\$	182,000
Utilities	\$	31,000
Personnel		41,000
All Other Operating	\$	110,000

Funding Sources:

Capital	
A. Certificates of Participation	\$ 2,800,000
(funded from locally retained ASUM tuition revenues)	
Operation/Maintenance	
A. General Fund	\$ 182,000

Note: ASUM expects that the data and figures presented in this summary will change as the project evolves.

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

ACTION ITEM: Memorial Union Expansion: Conceptual Approval
Arizona State University - Main

ISSUE: Arizona State University - Main requests conceptual approval for the construction of a new building and major renovation of existing space to provide additional Memorial Union program space and a new Arizona State University Bookstore. This project will address the current space deficiencies and future needs for Memorial Union programs and the Bookstore on the Arizona State University Main campus. The total estimated project cost is \$38.83M. The project will be funded by Certificates of Participation supported by auxiliary funds and other University sources.

PROJECT DESCRIPTION:

Previous Board Actions:	Project Initiation	April 15, 1999
	Revised Project Initiation	April 11, 2001

The project will include:

- Construction of a new four level (basement and three floors) 154,400 GSF building adjoining the existing Memorial Union to provide retail and office space for additional Memorial Union student activity, meeting room and the Bookstore. This will include common areas linking the new building to the existing Memorial Union. The fourth level functions as office space for University academic and student programs to alleviate space deficiencies.
- Construction of a 3,000 GSF addition on the north side of the Memorial Union improves the existing facility's accessibility for students with disabilities and visibility of services. Note: this is included in the overall project GSF/NASF.

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Vice President for Student Affairs
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EXECUTIVE SUMMARY

Proposed Schedule

ABOR Project Initiation	April 1999
ABOR Revised Project Initiation	April 2001
ABOR Conceptual Approval	May 2001
ABOR Project Approval	January 2002
Construction (Lockers/Demo)	May 2001
Construction (Addition)	February 2002
Occupancy	February 2004

PROJECT JUSTIFICATION:

- The Arizona State University Main Campus strategic plan calls for increased student success/retention. As a result of meeting our strategic goal regarding new freshmen, we also want to provide an appropriate setting for their overall living/learning environment. With the increased number of freshmen and those who are residential, we have a much higher need for places where students can become connected to the University, to become involved in co-curricular activities etc. These opportunities are an important part of the overall retention strategies. We are considering extending services and programs in the later evening hours to accommodate this changing profile.
- The Memorial Union is a campus hub, more accessible to the entire campus community and members of the public than most other university facilities. The doors of the Memorial Union are open to everyone. As such, they need to be showcases for Arizona State University. The proposed project, in addition to relieving the current Memorial Union space shortages and eliminating existing security/safety deficiencies, will provide the opportunity to implement new programs that will increase the level of service the Memorial Union provides to the University.
- The Memorial Union is the place for students to work, think, engage, dine and commune. It provides an important setting for the formal and informal exchange of ideas. Further, while serving over nine million patrons annually, the Memorial Union has become the site to gather for conferences, to study, to work and to engage in leisure activities. It is the place to bridge the academic disciplines and provide an environment for lifelong learning which enhances the quality of a student's experience at the university.
- The Arizona State University Bookstore does more than provide course materials that university faculty need to teach, and sell them to students at the lowest possible cost. From freshmen orientation/text reservation programs to the custom printing of dissertations and graduation announcements, Bookstore services span the student's academic experience.
- Graduation is not the end of the Bookstore's role. In addition to being a source for general and academic books for lifelong learning and extended education, insignia products allow alumni and others to display their ongoing support of Arizona State University.

EXECUTIVE SUMMARY

- The Bookstore is a revenue source for other important University programs. Over the past ten years, the Bookstore has provided nearly \$8 million for other Arizona State University programs. The Bookstore has provided this revenue support and built the financial foundation that makes this project possible while maintaining its position as the low price leader for textbooks, academic materials, and collegiate products.
- The addition of the underground loading dock reduces the risks of pedestrian and service traffic conflicts within the most heavily traveled part of the campus.
- This project will be completed utilizing the Construction Manager at Risk Alternative Delivery Method recently legislated into law and subsequently approved within the Arizona Board of Regents procurement policy. The University will release Request for Qualifications to facilitate the hiring process for the Construction Manager at Risk.

ADDITIONAL CONSIDERATIONS:

A Bookstore Site and Feasibility Study was performed by Smith, Hinchman & Grylls (SHG) during 1996. This study evaluated four potential sites for the Arizona State University Bookstore. These sites included the Physical Education West building site, the tennis courts south of Physical Education West, the existing Bookstore building site, and Parking Lot 42. The Physical Education West site and the adjacent tennis court site received the highest evaluation due to their central location and greater access to pedestrian traffic, public transportation, and parking. During 1998, the Memorial Union engaged the services of Seder and Associates to explore the feasibility of expansion and remodeling of the current facility. This study endorsed the concept of joining the Bookstore program to the Memorial Union using the proposed site. A study performed by SmithGroup (formerly SHG) in September of 1999 evaluated and endorsed the feasibility of incorporating an underground loading dock adjacent to the Memorial Union addition to improve student pedestrian safety and improve the Memorial Union's image from the campus' main entry point.

RECOMMENDATION:

RESOLVED: That the Board grant Conceptual Approval to Arizona State University for the Memorial Union Expansion.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University Main

Project Name: Memorial Union Expansion
Arizona State University
Project No. 98194

Project Description/Location:

Construction of a new building and renovation for the ASU Memorial Union and Bookstore program space.

	Rev PI MU Addition	CA MU Addition	Rev PI Bookstore Addition	CA Bookstore Addition	Rev PI MU /PEW, E Renovation	CA MU /PEW, E Renovation	Rev PI Loading Dock	CA Loading Dock
Dates of Board Action:	April 01	May 01	April 01	May 01	April 01	May 01	April 01	May 01
Project Scope:								
Gross Square Feet	99,000	99,000	55,400	55,400	71,400	71,400	26,500	26,500
Net Assignable Square Feet	69,300	69,300	38,800	38,800				
Efficiency Ratio NASF/GSF]	70	70	70	70				
NASF by Space Type								
MU Addition	69,300	69,300						
Bookstore Addition			38,800	38,800				

Project Schedule (Beginning Month/Year):

Planning	04/1999
Design	09/1999
Construction (Lockers/Demo Annex)	05/2001
Construction (Addition)	02/2002
Occupancy	02/2004

Project Budget:

Total Project Cost	\$17,775,000	\$17,775,000	\$9,269,000	\$9,269,000	\$5,116,000	\$4,756,793	\$6,670,000	\$6,670,000
Direct Construction Cost	\$14,863,000	\$14,863,000	\$7,750,000	\$7,750,000	\$4,278,000	\$4,030,693	\$5,196,000	\$5,196,000
Total Project Cost per GSF	\$179.55	\$179.55	\$167.31	\$167.31	\$71.65	\$66.62	\$251.70	\$251.70
Construction Cost per GSF	\$150.13	\$150.13	\$139.89	\$139.89	\$59.92	\$56.45	\$196.08	\$196.08
Change in Annual Oper./Main.								
Utilities	\$ 32,000	\$ 32,000	\$ 55	\$ 55				
Personnel	\$ 112,000	\$ 112,000	\$ 200	\$ 200				
Other	\$ 12,000	\$ 12,000	\$ 65	\$ 65				

Funding Sources:

Capital:

- A. Certificates of Participation (COPS) \$ 38,830,000
(Auxiliary and Other University Sources)

Operation/Maintenance:

- A. General Fund/Auxiliary Funds \$ 476,000

Note: It is expected that the data and figures presented in this summary change as the project evolves.

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University

Project Name: Memorial Union Expansion ASU Project No. 98194

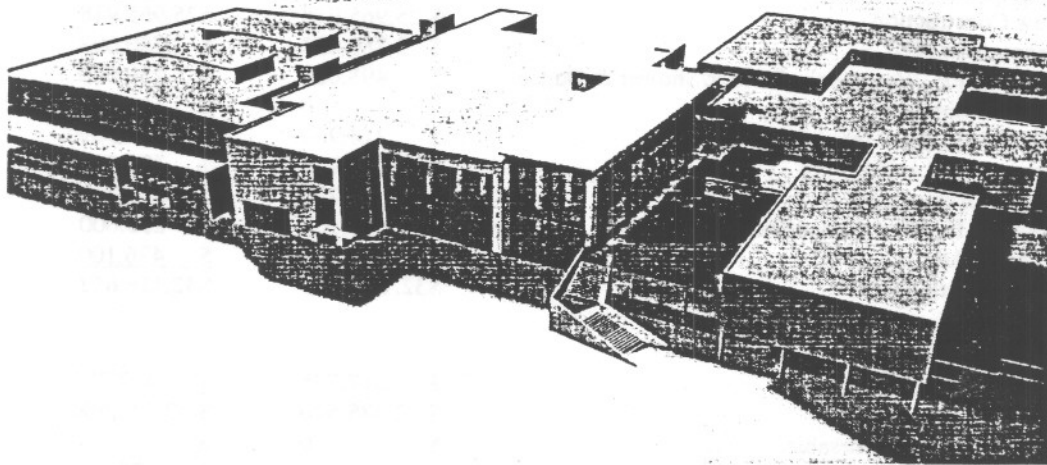
	Revised Project Initiation Estimate	Conceptual Approval Estimate
Date of Budget Estimate		
1. Land Acquisition	\$ 0	\$ 0
2. Construction Cost		
A. New Construction	\$ 25,965,918	\$25,965,918
B. Renovation MU	\$ 3,780,693	\$ 3,780,693
C. Relocate PE. West Annex Locker/Shower & Dance	\$ 498,000	\$ 250,000
D. Fixed Equipment	\$ 0	\$ 0
E. Site Development (excl.2.E.)	\$ 214,969	\$ 214,969
F. Parking and Landscaping	\$ 321,272	\$ 321,272
G. Utilities Extensions	\$ 857,700	\$ 857,700
H. Other* P.E., West Annex Demo.	\$ 478,100	\$ 250,000
I. Inflation Adj.	\$ 0	\$ 476,100
Subtotal Construction Cost	\$32,116,652	\$32,116,652
3. Consultant Fees		
A. Construction Manager	\$ 317,795	\$ 317,795
B. A/E	\$ 2,475,500	\$ 2,475,500
C. Other* IDC Reimbursable	\$ 0	\$ 0
D. Asbestos Consultant	\$ 25,000	\$ 25,000
Subtotal Consultant Fees	\$ 2,818,295	\$ 2,818,295
4. FF&E Movable	\$ 2,050,000	\$ 2,050,000
5. Contingency, Design Phase	\$ 0	\$ 0
6. Contingency, Construction Phase	\$ 1,000,000	\$ 1,000,000
7. Telecommunications Equipment	\$ 255,000	\$ 255,000
Subtotal Items 4-8	\$ 3,305,000	\$ 3,305,000
8. Additional University Costs		
A. Surveys and Tests	\$ 35,000	\$ 35,000
B. Move-In Costs	\$ 72,000	\$ 72,000
C. Public Art (<or=0.005xsubtotal construction)	\$ 103,853	\$ 103,853
D. Printing/Advertisement	\$ 25,000	\$ 25,000
E. Other* SWO's, Asbestos, Key	\$ 254,200	\$ 254,200
F. State Risk Management Insurance (.006)**	\$ 100,000	\$ 100,000
Subtotal Additional University Costs	\$ 590,053	\$ 590,053
TOTAL CAPITAL COST	\$38,830,000	\$38,830,000
Projected Cash Flow Needs for Total Project Cost: (in millions; updated at each submission)	FY99 FY00 \$.05 \$2	FY01 FY02 FY03 \$.4 \$18.18 \$20.0

*Universities shall identify items included in this category

**State Risk Management Insurance factor (.006) is calculated on construction contract and architect/engineer fees

EXECUTIVE SUMMARY

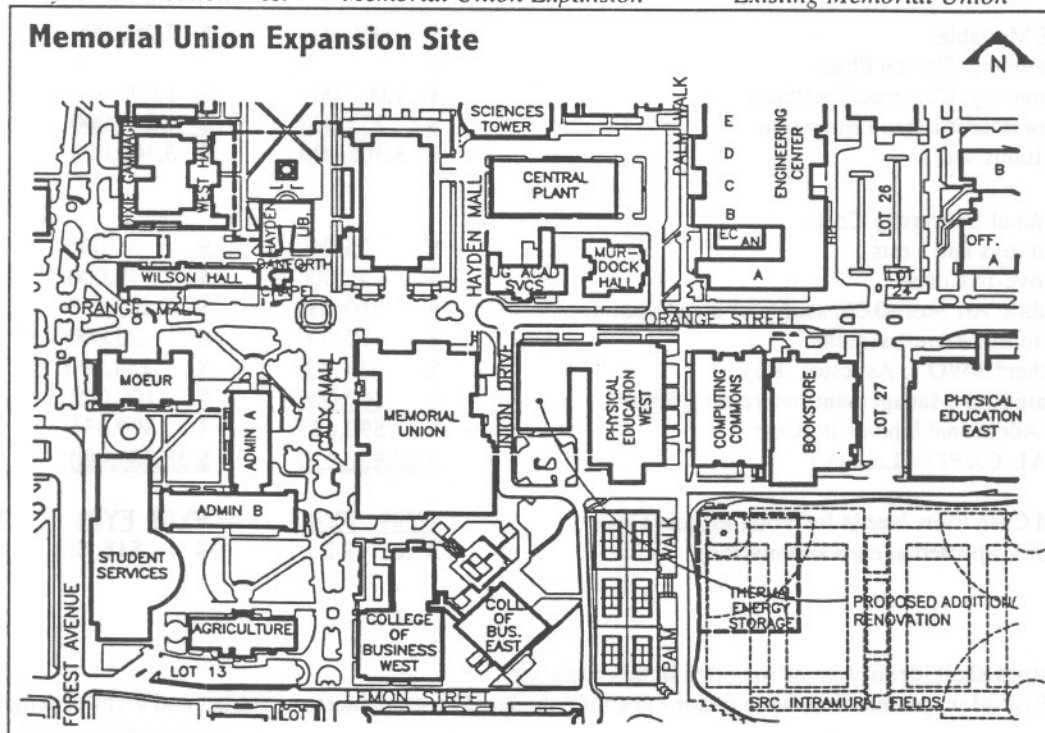
Memorial Union Expansion Conceptual Approval Conceptual Project Massing



Physical Education West

Memorial Union Expansion

Existing Memorial Union



EXECUTIVE SUMMARY

ACTION ITEM: Conceptual Approval with a Scope of Work and budget increase (ASU Main Campus) for an Addition to and Substantial Renovation of the Existing Intercollegiate Athletic Building (ICA)
ASU Project #98022

ISSUE: ASU requests Conceptual Approval with a scope of work and budget increase for an athletic outreach and program development addition and renovation of its existing ICA facility at the ASU Main Campus.

PROJECT DESCRIPTION:

- **Previous Board Action:** Project Initiation June 1998
- As a significant part of its capital campaign fund raising efforts, ICA currently proposes to build a new 50,000 GSF building addition, which will house all sports and administrative support under one roof. Areas included are an expanded 15,000 SF weight room; an expanded 6,000 SF football locker room; a 3,000 SF climate-controlled ticket purchase area; a multi-level 5,000 SF hall-of-fame; a 2,500 SF athletic student theatre; an expanded 5,700 SF academic services area; a 4,600 SF stadium club/dining and several ancillary functions.
- To support and compliment this expansion, the scope of work also includes renovating approximately 72,000 SF of existing space. Six floors of the existing seven story building, including the below grade level, will be substantially renovated.
- ICA has enjoyed significant success in the athletic arena by striving to keep pace with providing facilities, which meet student athlete needs and PAC-10 conference expectations. However, due to program growth, ICA has outgrown its existing facility.
- To enhance its competitive edge, ICA desires to provide a student athlete facility, which rivals any comparable collegiate sports facility in the country. The recruitment of quality student athletes is predicated upon several factors, one of which is providing facilities that accommodate the needs and opportunities to develop the skills and potential to succeed. ICA's vision is to develop their current facility into an outstanding collegiate athletic complex housing all essential student athlete needs in one all inclusive facility.

Contacts: Mernoy Harrison, (480) 965-3201
Vice Provost, Administrative Services

EXECUTIVE SUMMARY

- **Funding:** The anticipated project cost for the new addition and renovation has increased from \$6 million to the current \$19.1 million. Financing will be a Certificate of Participation Lease-Purchase arrangement. Funding of the annual lease payments will be primarily provided by ICA's capital fund raising campaign, which has generated in excess of \$30 million in multi-year pledges.
- **Schedule:** To satisfy schedule requirements and accommodate ongoing operations at ICA, the project will be constructed in two phases. The project approval notification, construction start and occupancy dates are proposed as follows:
 1. Renovation: (5th & 6th Floors-Phase I)

Approval Notification	August, 2000
Construction Start	October, 2000
Occupancy	January, 2001
 2. New Addition and Renovation (Lower Level, 1st, 2nd & 3rd Floors-Phase II)

Approval Notification	August, 2000
Construction Start	January, 2001
Partial Occupancy	August, 2001
100% Occupancy	January, 2002

PROJECT JUSTIFICATION:

In an increasingly competitive world of collegiate sports, the proposed ICA addition and comprehensive renovation will increase ASU's competitive advantage in recruiting the best student athletes. The proposed addition and renovation is essential to keep pace with other collegiate athletic programs.

This project supports the overall mission of the University by adding almost 6,000 SF of new study hall space; a significant increase in computer lab spaces; a new theatre/auditorium; a much needed training table; and expanded weight and football locker rooms to name a few. All of these areas are necessary for the current and future success of the student athlete.

The proposed expansion compliments the recently approved ICA master plan, by extending the current building toward Stadium Drive.

The new addition will consist of a three-story above grade structure and lower level expansion. There will be a new ticket plaza embracing spectators and students from Stadium Drive and the main campus beyond. The new multi-story hall-of-fame space will be the unifying element, which ties the new addition to the existing building. Furthermore, it will act as the nucleus for all the new student activity areas, which embrace it at the first three levels.

EXECUTIVE SUMMARY

ADDITIONAL CONSIDERATIONS:

Upon receiving Project Initiation approval in June 1998, the University hired an architectural consultant (A/E) to provide a feasibility study and confirm its programming and cost estimates. As a result of this effort, the program requirements increased substantially, adding 42,000 SF of renovation work to the project. This renovation in turn resulted in a need for temporary off-site office space, thereby increasing the project budget further.

Additional cost increases can be attributed to two (2) years of inflation in a very strong building market and an unanticipated \$4.0 million infrastructure upgrade cost (included in the \$36.2 million Infrastructure Improvements requested in latter part of the agenda) was added to the project due to inadequate infrastructure to support this facility.

In developing the schematic design, the program requirements were expanded further, increasing academic services, reflecting the importance of academics to the ICA program. Sports medicine and treatment was also expanded to provide a more comprehensive range of rehabilitation services for injured ASU athletes, as well as the football locker room to provide for an adequate team meeting space. Furthermore, existing space previously noted as non-renovated space was revised to include cosmetic renovation to provide continuity between existing spaces and the new work. The program was also expanded by 15,000 SF to house a variety of administrative functions, including stadium management, thereby freeing up much needed concourse space at the Wells Fargo Arena.

The culmination of these program revisions resulted in a revised project cost estimate of \$19.1 million.

RECOMMENDATION:

That the Board grant Conceptual Approval to ASU for an ICA Addition and Renovation Project with a program and associated budget increase to \$19.1 million.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University Main **Project Name:** ICA Addition/Renovation

Project Description/Location:

Intercollegiate Athletic Building (ICA) addition and renovation at Sun Devil Stadium and Stadium Drive, Tempe, AZ.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	June 1998		
<u>Project Scope:</u>			
Gross Square Feet		130,904	
Net Assignable Square Feet		91,776	
Efficiency Ratio (NASF/GSF)		69.8%	
NASF by Space Type			
Academic		6,587	
Theatre		2,955	
Hall of Fame		5,604	
Office		37,862	
Sport Conditioning		27,010	
Other		11,758	
<u>Project Schedule (Beginning Month/Year):</u>			
Planning		9/99	
Design		10/99	
Construction Phase I		10/2000	
Construction Phase II		01/2001	
Occupancy		01/2002	
<u>Project Budget:</u>			
Total Project Cost		\$19,107,000	
Direct Construction Cost		\$13,834,930	
Total Project Cost per GSF		\$146	
Construction Cost per GSF		\$106	
Change in Annual Operation/Maintenance Cost			
Utilities (based on 50,000 SF new construction)		\$100,000/yr	
Personnel (based on 50,000 SF new construction)		\$175,000/yr	
Other (based on 50,000 SF new construction)		\$60,600/yr	
<u>Funding Sources:</u>			
Capital			
A. Certificates of Participation Lease-Purchase (with annual lease payments funded from ICA Capital Campaign and other ICA revenues)		\$ 19,107,000	
Operation/Maintenance			
A. General Fund		\$335,600/yr	

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University Main

Project Name: ICA Addition/Renovation

	<u>Conceptual Approval Estimate</u>	<u>Project Approval Estimate</u>	<u>Final Budget at Substantial Completion</u>
Date of Budget Estimate			
1. Land Acquisition			
2. Construction Cost			
A. New Construction/Renovation--Phase II	\$ 7,670,512		
B. Renovation--Phase I	\$ 731,140		
C. Fixed Equipment	\$ -		
D. Site Development (excl.2.E.)	\$ 590,369		
E. Parking and Landscaping	\$ 66,819		
F. Utilities Extensions	\$ 4,000,000		
G. Other*	\$ -		
H. Inflation Adj. (construction midpoint)	\$ 776,090		
Subtotal Construction Cost	\$ 13,834,930	\$ -	\$ -
3. Consultant Fees (% of Construction Cost)			
A. Construction Manager (3.1%)	\$ 479,200		
B. Architect/Engineer (5.6%)	\$ 881,267		
C. Other* (Interior Design)	\$ 250,000		
Subtotal Consultant Fees	\$ 1,610,467	\$ -	\$ -
4. FF&E Movable	\$ 280,095		
5. Contingency, Design Phase (7%)	\$ 1,174,529		
6. Contingency, Construction Phase (5%)	\$ 776,090		
7. Parking Reserve	\$ -		
8. Telecommunications Equipment	\$ 67,945		
Subtotal Items 4-8	\$ 2,298,659	\$ -	\$ -
9. Additional University Costs			
A. Surveys and Tests	\$ 42,000		
B. Move-In/Relocation Costs	\$ 1,057,000		
C. Public Art ($\leq 0.005 \times$ subtotal construction)	\$ 86,480		
D. Printing/Advertisement	\$ 22,688		
E. Other* (University Work Orders)	\$ 51,000		
F. State Risk Management Insurance (.006)**	\$ 103,776		
Subtotal Additional University Costs	\$ 1,362,944	\$ -	\$ -
TOTAL CAPITAL COST	\$ 19,107,000	\$ -	\$ -
Projected Cash Flow Needs for Total Project Cost: in millions; updated at each submission)	<u>FY 00</u> \$1.0	<u>FY01</u> \$15.8	<u>FY02</u> \$2.307

New Construction Cost estimated using Regent's Cost Guidelines (if applicable)*** \$N/A

* Universities shall identify items included in this category (Project Management Services)

** State Risk Management Insurance factor (.006) is calculated on construction contract and architect/engineer fees

***If the "New Construction Cost" on line 2.A exceeds the Guidelines cost by five percent, explain the difference



EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University-Main

Project Name: ASUM High Density Remote
Library Storage

Project Description/Location

Construction of an ASUM high density Library storage facility at ASU East.

Project Schedule (Beginning Month/Year):

Planning	Jun 2001
Design	Jul 2001
Construction	Mar 2002
Occupancy	Apr 2003

Project Budget:

Total Project Cost	\$	2,800,000
Direct Construction Cost	\$	2,143,000
Total Project Cost per GSF	\$	187
Construction Cost per GSF	\$	143
Change in Annual Oper. /Main. Cost	\$	182,000
Utilities	\$	31,000
Personnel		41,000
All Other Operating	\$	110,000

Funding Sources:

Capital

A. Certificates of Participation \$ 2,800,000
(funded from locally retained ASUM tuition revenues)

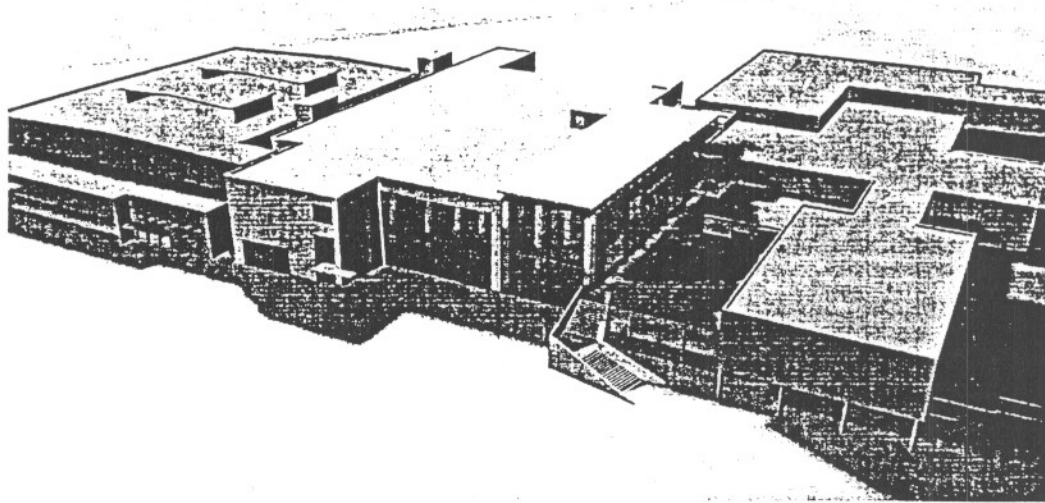
Operation/Maintenance

A. General Fund \$ 182,000

Note: ASUM expects that the data and figures presented in this summary will change as the project evolves.

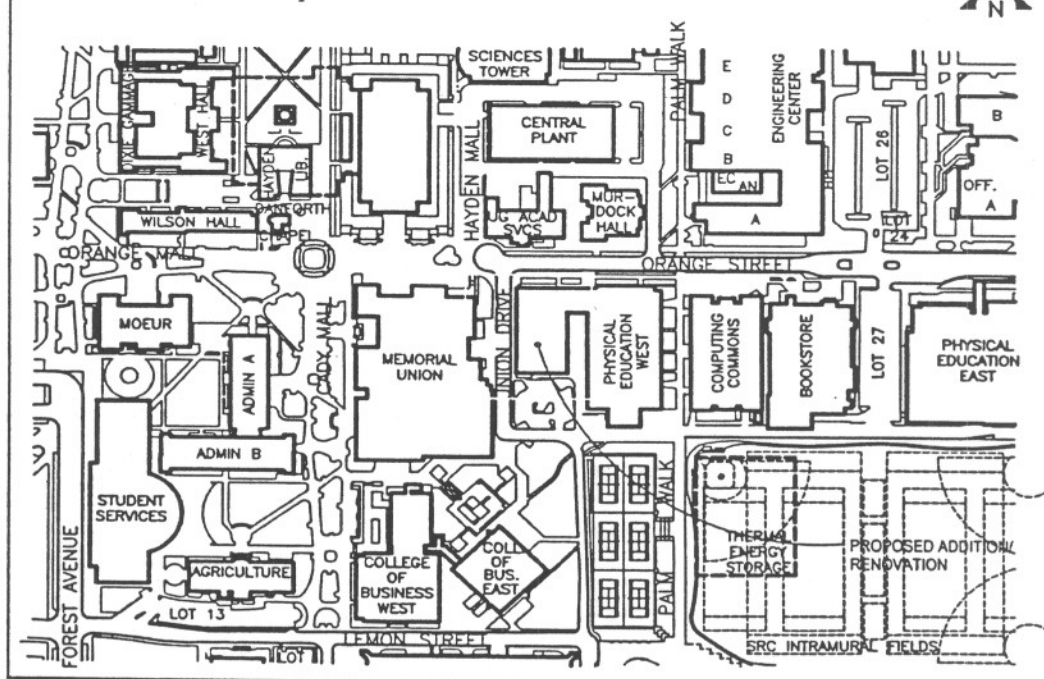
EXECUTIVE SUMMARY

Memorial Union Expansion Conceptual Approval Conceptual Project Massing



Physical Education West Memorial Union Expansion Existing Memorial Union

Memorial Union Expansion Site



EXECUTIVE SUMMARY

ACTION ITEM: Conceptual Approval with a Scope of Work and budget increase (ASU Main Campus) for an Addition to and Substantial Renovation of the Existing Intercollegiate Athletic Building (ICA)
ASU Project #98022

ISSUE: ASU requests Conceptual Approval with a scope of work and budget increase for an athletic outreach and program development addition and renovation of its existing ICA facility at the ASU Main Campus.

PROJECT DESCRIPTION:

- Previous Board Action: Project Initiation June 1998
- As a significant part of its capital campaign fund raising efforts, ICA currently proposes to build a new 50,000 GSF building addition, which will house all sports and administrative support under one roof. Areas included are an expanded 15,000 SF weight room; an expanded 6,000 SF football locker room; a 3,000 SF climate-controlled ticket purchase area; a multi-level 5,000 SF hall-of-fame; a 2,500 SF athletic student theatre; an expanded 5,700 SF academic services area; a 4,600 SF stadium club/dining and several ancillary functions.
- To support and compliment this expansion, the scope of work also includes renovating approximately 72,000 SF of existing space. Six floors of the existing seven story building, including the below grade level, will be substantially renovated.
- ICA has enjoyed significant success in the athletic arena by striving to keep pace with providing facilities, which meet student athlete needs and PAC-10 conference expectations. However, due to program growth, ICA has outgrown its existing facility.
- To enhance its competitive edge, ICA desires to provide a student athlete facility, which rivals any comparable collegiate sports facility in the country. The recruitment of quality student athletes is predicated upon several factors, one of which is providing facilities that accommodate the needs and opportunities to develop the skills and potential to succeed. ICA's vision is to develop their current facility into an outstanding collegiate athletic complex housing all essential student athlete needs in one all inclusive facility.

Contacts: Mernoy Harrison, (480) 965-3201
Vice Provost, Administrative Services

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/UNIVERSITY OF ARIZONA – REVIEW OF
LEASE-PURCHASE PROJECTS

Request

The Arizona Board of Regents (ABOR) on behalf of the University of Arizona (UofA) requests Committee review of the UofA North Campus, Highland Commons Health Services/Disability Resource Center, and Highland District Housing lease-purchase projects.

Recommendation

The JLBC Staff recommends a favorable review of the request with the following stipulation:

- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any tuition collections that may be required for debt service on the repayment of the Certificates of Participation (COPs) or for operational costs when the projects are complete. These costs have historically been considered by the entire Legislature through the budget development process.

The 3 projects combined represent COP issuances totaling \$62,730,000. The repayment over a 20-year period at an estimated interest rate of 6% will equate to approximately \$46,650,000 in interest payments. Total payment over the 20-year period will total \$109,380,000

Analysis

Prior to Laws 2001, Chapter 2, 2nd Special Session, the issuance of COPs by the university system did not require any legislative oversight. Chapter 2 amended A.R.S. § 15-1682.01 to require JCCR review of university related lease-purchase projects. In compliance with a Committee request, the universities had been submitting lease-purchase projects to the Committee as informational items.

(Continued)

ABOR has provided approval for UofA to proceed with the issuance of COPs to finance the UofA North Campus, Highland Commons Health Services/Disability Resource Center, and Highland District Housing projects. The following table shows the COP issuance, estimated annual debt service, and fund sources for each project.

UofA Lease-Purchase Projects			
	<u>COP Issuance</u>	<u>Annual Debt Service</u>	<u>Debt Service Fund Source</u>
North Campus	\$ 5,400,000	\$ 470,800	Tuition Collections
Highland Commons Health Services/Disabilities Resource Center ^{1/}	17,630,000	1,537,000	Tuition Collections (77%) and Health Auxiliary (23%)
Highland District Housing	<u>39,700,000</u>	<u>3,461,200</u>	Residence Life Auxiliary
TOTAL	\$62,730,000	\$5,469,000	

1/ Total project cost is \$19,130,000. Additional \$1,500,000 will be funded from Health Auxiliary.

UofA North Campus

As part of a joint agreement with the Pima Community College District (PCCD), UofA will construct a 22,000 square foot facility on the PCCD campus. The original intent was to relocate the Arizona International College (AIC) from the UofA main campus to the north campus. Given that AIC is being phased out by UofA, the new building will be used for joint academic programs with Pima Community College, as well as 4-year undergraduate programs in professional and liberal arts disciplines. PCCD is overseeing construction of the project. UofA will use the \$5,400,000 in COP proceeds to reimburse PCCD for the UofA share of the project. Based on other UofA construction projects, JLBC Staff estimates 71% of the total cost is for direct construction costs. This equates to \$3,834,000, or \$174 per square foot. R.S. Means, a noted construction cost index, reports the national average square foot costs for college classroom space to be \$126, and \$180 for college laboratory space.

The repayment of the COPs will come from tuition collections. Annual operating costs were originally estimated to be \$500,000, and were to be funded with decision package appropriations in FY 2003. UofA now plans to allocate a portion of savings from discontinuing AIC to the programs to be established with Pima Community College. Consideration of offsetting the loss of tuition collections for debt service, or operating costs for new buildings have historically been considered by the entire Legislature through the budget development process. UofA estimates the building will be ready for occupancy in the fall of 2002.

This project was submitted to the Committee as an informational item in October 2001. Given the passage of Laws 2001, Chapter 2, 2nd Special Session, and that the COPs have not been issued, the project requires formal Committee review.

Highland Commons Health Services/Disabilities Resource Center

UofA will construct an 83,800 square foot facility to house both Campus Health Services and the Disability Resource Center. Vacated space of approximately 28,000 square feet will be used by the university for its academic mission. The estimated cost of the project is \$19,130,000 (\$17,630,000 from COPs and \$1,500,000 from Campus Health Fund balance). The direct construction cost is estimated to be \$13,022,000, or \$155 per square foot. R.S. Means reports the national average square foot costs for medical clinics to be \$98, and \$157 for hospitals.

Of the \$1,537,000 estimated annual debt payment, approximately \$1,188,300 will be paid from tuition collections and the remaining \$348,700 will be paid from Campus Health Auxiliary funds. The Campus Health Auxiliary Fund will also contribute an additional \$1,500,000 from the fund balance for construction of the facility. Auxiliary funds represent revenue from programs that are required to be self-supporting. Annual operating costs are estimated to be \$646,400 (\$460,900 from the General Fund and

(Continued)

\$185,500 from the Health Auxiliary Fund). The amount paid by each funding source is based on the amount of space allocated for each purpose (academic vs. health auxiliary). Consideration of offsetting the loss of tuition collections for debt service, or operating costs for new buildings have historically been considered by the entire Legislature through the budget development process. UofA estimates this to be an 18-month project.

Highland District Housing

UofA will construct new residence housing that will provide 740 beds along with support space. The university has been experiencing a shortage of beds relative to requests for on-campus housing. The estimated cost of the project is \$39,700,000. The direct construction cost is estimated to be \$29,000,000, or \$135 per square foot. R.S. Means reports the national average square foot cost for mid-rise dormitories to be \$120.

The repayment of the COPs will come from Residence Life Auxiliary funds. Auxiliary funds represent revenue from programs that are required to be self-supporting. Annual operating costs are estimated to be \$817,800. UofA estimates this to be a 24-month project.

RS/LM:jb



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Public Instruction

Executive Director
Linda J. Blessing

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www.abor.asu.edu

February 5, 2002

Honorable Laura Knaperek, Chair
Joint Committee on Capital Review
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Knaperek:

The Arizona Board of Regents requests that the following items be placed on the agenda of the next meeting of the Joint Committee on Capital Review.

The Arizona Board of Regents has approved three projects to be financed through Certificates of Participation. One project, UA North, formerly the Arizona International Relocation, was reviewed by the Joint Legislative Committee in October 2001. No objections were raised. However, new legislation requires a return to the Joint Committee on Capital Review for a formal review. A description of the project is contained on page three of the Executive Summary dated September 25-26, 2001.

Executive Summaries on the two other projects are enclosed: (1) Highland District Housing; and (2) Highland Commons. If you require additional information, please call Joel D. Valdez at (520) 621-5799.

Sincerely,

Joel Sideman

Deputy Executive Director & Legal Counsel

Cc: Lorenzo Martinez
Greg Fahey
Peter Likins

Senior Vice President
for Business Affairs

THE UNIVERSITY OF
ARIZONA
TUCSON ARIZONA

Administration Building
Tucson, Arizona 85721
Tel (520) 621-5977
Fax (520) 621-7714

January 25, 2002



Linda Blessing
Executive Director,
Arizona Board of Regents
2020 N. Central, Suite 230
Phoenix, AZ 85004

Subject: Agenda Items - Joint Committee on Capital Review

Dear Linda:

On behalf of the University of Arizona I respectfully request that the University of Arizona be placed on the next available Joint Committee on Capital Review agenda for the following three Arizona Board of Regents approved projects:

1. University of Arizona North

The issuance of \$5,400,000 in Certificates of Participation (COP) was on the Joint Committee on Capital Review October 25, 2001 agenda. At that time, the existing law did not require a formal vote. We advised the Joint Legislative Budget Committee of the proposed COP projects and never received a negative response. A point in fact is that the Legislature provided the debt service in our 2001-2002 budget. We feel that the more prudent course is to return to Joint Committee on Capital Review for a formal review in accordance with the new legislation. Your staff has been most helpful in trying to resolve the dilemma we face.

Pima Community College is constructing their portion of the new Campus and we need to sell the Certificates of Participation in March in order to include the University of Arizona North facility. Previous information is attached.

2. Highland District Housing

The Arizona Board of Regents approved the Highland District Housing project at the June 2001 meeting. This project calls for the issuance of \$39,700,000 in Certificates of Participation. The details are explained in the attached Executive Summary.

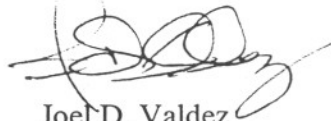


3. Highland Commons

The Arizona Board of Regents approved the Highland Commons project at the January 2001 meeting. This project will provide a new facility in the Highland District for the Campus Health Services and the Disability Resources Center. The Highland Commons project will be funded by \$19,130,000 in Certificates of Participation and the Health Services Fund Balance. The details are provided in the attached Executive Summary.

If you require any more information please call me (520) 621-5977. Thank you for your assistance. We will meet with the Joint Legislative Budget Committee staff as soon as possible.

Sincerely,



Joel D. Valdez
Senior Vice President

JDV:dk

cc: President Likins
Greg Fahey
Dick Roberts

attachments (3)

EXECUTIVE SUMMARY

ACTION ITEM: The University of Arizona (UA) requests authority to (i) sell Certificates of Participation (COPs) not to exceed \$26.4 million for the purpose of financing all or a portion of the Gittings Expansion Project, the Highland District Planning and Sight Preparation Project, the Finish Shell Space II and Replace Plaza Deck Project and the Arizona International College Relocation Project and pay the costs of issuance of the COPs and (ii) to take related actions, to enter into necessary agreements and to execute necessary documents.

ISSUE

The University of Arizona seeks Board authorization to sell one or more series of Certificates of Participation sufficient to finance all or a portion of (a) the Gittings Expansion Project, (b) the Highland District Infrastructure Project, (c) the Shell Space II and Replace Plaza Deck Project, (d) the Arizona International College Project and (e) the costs of issuance related to the COPs. In connection with this financing, the University seeks authorization to take all related actions and to enter into all necessary agreements related to the COPs or the projects, including certificate insurance, reserve fund surety bonds, and certificate purchase, and continuing disclosure agreements.

BACKGROUND

The Gittings Expansion Project. The project is comprised of an expansion to the present Ina E. Gittings Facility on the University's main campus, which would provide 25,600 gross square feet of new space necessary for the School of Music and Dance to improve the quality of this nationally recognized dance program. The expansion includes instructional laboratory (studio) space, performance (theatre) space designed specifically for dance, and associated support spaces. The University expects to finance \$6,000,000 of the total cost of \$9,000,000 through the issuance of COPs, with the remaining \$3,000,000 coming from gifts. The debt service will be paid from gifts and appropriated State General Fund.

Previous Board Actions:

Project Initiation	November 1999
Conceptual Approval	January 2001

CONTACT: Joel D. Valdez , (520) 621-5977
Senior Vice President for Business Affairs
E-mail: jdvaldez@u.arizona.edu

EXECUTIVE SUMMARY

The Arizona International Relocation Project. The project consists of the acquisition and construction of a 2 story, 22,000 gross square foot building and related facilities on the new campus of Pima County Community College District (PCCD) located in the northwest portion of the metropolitan Tucson area. The new facilities would be used as the new home for AIC, which would relocate from its current site on the University's main campus. The University and PCCD would enter into necessary use agreements providing for shared use of common and other facilities. The University's building and related facilities would be situated on land owned by PCCD under a long-term ground lease (20 years). In connection with COPs financing, the University would sublease the site to a bank serving as trustee, and lease back the site and building for the term of the COPs. Upon retirement of the COPs, the sublease would terminate without further payments by the University. The University expects to finance the \$5.4 million total cost through the issuance of COPs. The State has appropriated funds to cover the anticipated debt service.

Previous Board Actions:

Preliminary Justification June 2000
Capital Improvement Plan September 2000

FINANCING PLAN

The University intends to finance the projects described above by selling one or more series of COPs in an amount not to exceed \$26.4 million for the projects, or portions thereof, described above and to pay the costs of issuance of the COPs. The University expects that the COPs of each series would mature over a period of not more than 25 years from their date. The University expects that the COPs will be issued under common or similar financing documents. Projects would be combined into financing packages, to the extent practicable, both to achieve size efficiencies in issuance costs and to provide diversified collateral, which is often more attractive to COPs investors.

The COPs would be issued as conventional fixed-rate instruments with debt retirement adapted to the funding sources for the projects being financed.

The University will be called upon to enter into various agreements in connection with the COPs, such as certificate insurance for the COPs, reserve fund surety bonds, and certificate purchase agreements.

CONTACT: Joel D. Valdez , (520) 621-5977
Senior Vice President for Business Affairs
E-mail: jdvaldez@u.arizona.edu

EXECUTIVE SUMMARY

Marketing of COPs; Timing. All COPs would be sold at current market rates at the time of pricing, at yields not exceeding 7.5% per annum. The University expects that the first COPs series will be marketed and sold during the fourth quarter of calendar year 2001, in order to meet the construction and acquisition schedules.

The University intends to utilize its current bond counsel, Snell & Wilmer, and its current financial advisor, Dain Rauscher Incorporated, in conjunction with the proposed financing. The COPs would be marketed and sold through a negotiated basis to one or more of the investment banking firms previously selected by the University through a competitive process.

The action being requested would authorize the University to execute these financings within the parameters set by the Board.

RECOMMENDATION/CONCLUSION

RESOLVED: That The University of Arizona be, and hereby is, authorized to sell one or more series of Certificates of Participation not to exceed \$26.4 million to produce sufficient proceeds to finance the acquisition, construction and improvement budgets for the Gittings Expansion Project, the Highland District Planning and Sight Preparation Project, the Finish Shell Space Phase II and Replace Plaza Deck Project and the Arizona International College Project, and to pay costs of issuance of the COPs, to take related actions and to enter into all necessary agreements, as provided in a resolution approved by Board counsel and staff.

CONTACT: Joel D. Valdez , (520) 621-5977
Senior Vice President for Business Affairs
E-mail: jdvaldez@u.arizona.edu

EXECUTIVE SUMMARY

ACTION ITEM: **Authorization to Enter into an Intergovernmental Agreement, Ground Lease and Related Agreements with Pima Community College for the Construction of an Academic Facility**

ISSUE

The University requests authorization to enter into agreements for the development of an academic facility at the Northwest Campus of Pima Community College.

BACKGROUND

- The State Board of Directors for Community Colleges and Pima County Community College District ("Pima") are constructing a new campus at Shannon and Magee Roads in northwest Tucson.
- The University has negotiated the co-location of a university academic facility at the Pima campus. The co-location will provide efficiencies of scale and linkages between the Pima curriculum and upper division University courses of study.
- In the 2001 legislative session, the Legislature approved ongoing funding of \$450,000 per year to pay debt service for this project. At its September 2001 meeting, the Board authorized financing of the project with \$5.4 million in certificates of participation, subject to subsequent Board authorization of the ground lease and related agreements.

TERMS

- Under the terms of the Intergovernmental Agreement, Pima will cause the university academic facility to be constructed as part of Pima's Northwest Campus Project. The architect and contractor are being selected through Pima's procurement process, and will be in contract with Pima. The University will reimburse Pima

Contact: Joel D. Valdez, 520/621-5977
 Senior Vice President for Business Affairs
 jdvaldez@u.arizona.edu

EXECUTIVE SUMMARY

for the share of the construction cost attributable to the building and its proportional share of infrastructure and common facilities, using the proceeds of the certificates of participation financing. The building will be owned by the University.

- Pima will Ground Lease the building site to the University for twenty years at \$1.00 per year. Thereafter, the Ground Lease will automatically renew for consecutive ten-year terms, with market ground rents to be determined by appraisal. The Ground Lease will contain terms for early termination and other contingencies that will assure the University and its financing agencies against forfeiture of their interests.
- The University, its faculty, staff and students will have equal rights with Pima to use the common areas of the campus and the shared-use facilities (library, computer commons, bookstore and dining facilities). The University will be responsible for a proportional share of the operating costs of the infrastructure, common and shared-use facilities, and for all costs of maintaining the University Building, under the terms of an Operating Agreement.
- The University will Sublease four classrooms of the University Building back to Pima, to offset Pima's added capital costs of constructing shared-use facilities with the capacity to accommodate university as well as Pima users.
- It is presently anticipated that the financing will be included in a multiple project certificates of participation issue in the spring of 2002. The University's obligation to proceed will be contingent on the following events:
 - a. Budgetary authorization for the debt service is not revoked in the current legislative special session.
 - b. Construction cost for the University Building does not exceed the amount that can be financed with the budgetary authorization of \$450,000.
 - c. The terms and form of the Ground Lease and related transaction documents are acceptable to the bond insurers and other parties whose approval is required for certificates of participation financing.
 - d. The terms and form of the Ground Lease and related transaction documents are acceptable to counsel for the University and the Board.

EXECUTIVE SUMMARY

RECOMMENDATION/CONCLUSION:

RESOLVED: That the University of Arizona be, and hereby is, authorized to enter into an Intergovernmental Agreement, Ground Lease and related documents with Pima Community College for the construction of a University Building, according to the terms and conditions set forth in this executive summary. Approval is contingent upon final agreement between the University and Pima Community College on the terms and forms of agreement, and upon the following events: (a) budgetary authorization for the debt service is not revoked in the current legislative special session; (b) construction cost for the University Building does not exceed the amount that can be financed with the budgetary authorization of \$450,000; (c) the terms and form of the Ground Lease and related transaction documents are acceptable to the bond insurers and other parties whose approval is required for certificates of participation financing; and (d) the terms and form of the Ground Lease and related transaction documents are acceptable to counsel for the University and the Board. Because the construction will be part of Pima Community College's construction contract, with the architect and contractor selected under the procurement rules of the State Board of Directors for Community Colleges, compliance with Board of Regents procurement rules is waived.

EXECUTIVE SUMMARY

ACTION ITEM: Highland Commons: Conceptual Approval

ISSUE: The University of Arizona requests Conceptual Approval for the Highland Commons project. This project is a new facility in the Highland District for Campus Health Services and the Disability Resource Center.

PREVIOUS BOARD ACTION:

Project Initiation May 1998

PROJECT DESCRIPTION:

- Highland Commons is a new facility of approximately 83,800 GSF that combines Campus Health Services and the Disability Resource Center. The building will be three stories in height with a central courtyard. The gross building area has increased approximately 8,800 square feet since Project Initiation. This increase in gross area reflects additional circulation space requirements to serve examination rooms and offices, separate circulation for staff and public, and the combination of two programs within one facility. The project budget has increased by \$4.6 million due to the increased building area, and the more than 15% bid market increase that has occurred over the last couple of years.
- The project budget is \$19,130,000 and will be funded by Certificates of Participation and Campus Health Services Fund Balance.
- The site for the Highland Commons is the northeast corner of Santa Rita Avenue and Sixth Street in the Highland District. This location is close to new and existing residence halls, the science concourse, Student Recreation Center, and the planned Sixth Street Parking and Office Structure. The new facility supports the redevelopment of the area to increase density and student related uses.
- The integration of multiple departments in one facility is in concert with the University of Arizona administration aspiration to encourage a more collaborative campus community.
- The existing Campus Health Services building is functionally obsolete for the provision of health care. The Highland Commons will respond to current concepts in health care delivery, while integrating flexibility to accommodate future trends. In addition to improved service delivery aspects, the facility will be designed around a wellness model program, rather than a strictly clinical model. It is an opportunity to offer the latest in technology while promoting wellness through a welcoming and comfortable environment.
- A new facility for the Campus Health Services will also allow the further development of a vigorous model training/teaching facility which would enrich the academic experience of health professions students enrolled at the University.

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EXECUTIVE SUMMARY

- Since the Disability Resource Center (previously Center for Disability Related Resources) was implemented in 1970, the program has grown tremendously in staff and student base. The program has long expanded beyond one facility and is currently housed in multiple facilities throughout campus. The program will benefit from a new central location as many programs share resources, and the proximity will enhance communications. Students will have a central location for services. Also, several programs use the Student Recreation Center, which is across the street from the site of the new facility.
- Proposed Schedule

Project Approval review	09/01
Construction start	12/01
Construction complete	06/03

PROJECT JUSTIFICATION:

- Highland Commons provides a centralized location for the programs of both Campus Health Services and Disability Resource Center, which currently are housed in multiple locations. Also, existing facilities are outdated and inadequate in size to serve current populations.

ADDITIONAL CONSIDERATIONS:

- As both departments currently occupy space on campus, release space will be returned to the University upon completion of the Highland Commons. Campus Health Services release space includes the current Campus Health building and space in Old Main. The Disability Resource Center release space includes the two small buildings (64 and 129) and a room in the Education Building. Total release space of approximately 25,000 to 28,000 net assignable square feet will be released in central campus locations for reassignment to support the University's academic mission.
- This project is currently planned to proceed with the traditional Design/Bid/Build delivery method.

RECOMMENDATION:

- That the Board grant Conceptual Approval to the University of Arizona for the Highland Commons project.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: The University of Arizona

Project Name: Highland Commons

Project Description/Location:

Highland Commons is located in the Highland District on the campus of the University of Arizona on the north side of Sixth Street. Campus Health Services and Disability Resource Center will occupy this new facility.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	05/98	01/01	
<u>Project Scope:</u>			
Gross Square Feet	75,800	83,800	
Net Assignable Square Feet	47,000	46,000	
Efficiency Ratio [NASF/GSF]	62%	55%	
NASF by Space Type			
Campus Health Services	32,000	32,000	
Disability Resource Center	15,000	14,000	
<u>Project Schedule (Beginning Month/Year):</u>			
Planning	1998	1998	
Design	1998	12/00	
Construction	1999	12/01	
Occupancy	2001	06/03	
<u>Project Budget:</u>			
Total Project Cost	\$14,500,000	\$19,130,000	
Direct Construction Cost	N/A	\$13,022,000	
Total Project Cost per GSF	\$191.29	\$228.28	
Construction Cost per GSF	N/A	\$155.39	
Change in Annual Oper./Main. Cost	N/A	\$646,400	
Utilities		\$272,200	
Personnel		\$282,400	
Other		\$91,800	
<u>Funding Sources:</u>			
Capital:			
A. Cash			
Campus Health Fund Balance	\$1,500,000	\$1,500,000	
B. Certificates of Participation			
Auxiliary		\$4,000,000	
Tuition – Retained Fees	\$13,000,000	\$13,630,000	
Total	\$14,500,000	\$19,130,000	
Operation/Maintenance:	N/A		
A. Campus Health Auxiliary		\$185,500	
B. General Fund		\$460,900	
Total		\$646,400	

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: The University of Arizona

Project Name: Highland Commons

Date of Budget Estimate	Conceptual Approval Estimate 01/01	Project Approval Estimate	Final Budget At Substantial Completion
1. Land Acquisition	0	0	0
2. Construction Cost			
A. New Construction	11,032,000	0	0
B. Renovation	0	0	0
C. Fixed Equipment	0	0	0
D. Site Development (exclude 2.E.)	0	0	0
E. Parking & Landscaping	882,000	0	0
F. Utilities Extensions	250,000	0	0
G. Other	0	0	0
H. Inflation Adjustment	858,000	0	0
Subtotal Construction Cost	\$ 13,022,000	\$ 0	\$ 0
3. Consultant Fees			
A. Construction Manager (3.0%)	390,000	0	0
B. Architect/Engineering Fees (11.0%)	1,434,000	0	0
C. Other: Interior Design, Cost Estimating, etc.	340,000	0	0
Subtotal Consultant Fees	\$ 2,164,000	\$ 0	\$ 0
4. FF& E Movable	1,502,000	0	0
5. Contingency, Design Phase (6.0%)	782,000	0	0
6. Contingency, Construction Phase (5.0%)	652,000	0	0
7. Parking Reserve	0	0	0
8. Telecommunications Equipment	80,000	0	0
Subtotal Items 4-8	\$ 3,016,000	\$ 0	\$ 0
9. Additional University Costs			
A. Surveys and Tests	138,000	0	0
B. Move-in Costs	138,000	0	0
C. Public Art	65,000	0	0
D. Printing/Advertisement	69,000	0	0
E. Other*	422,000	0	0
F. State Risk Mgt. Ins.	96,000	0	0
Subtotal Additional University Costs	\$ 928,000	\$ 0	\$ 0
TOTAL CAPITAL COST	\$ 19,130,000	\$ 0	\$ 0

	FY00	FY01	FY02	FY03	FY04
Projected Cash Flow (in millions):	\$0.1	\$1.5	\$6.4	\$9.13	\$2.0

*University Project Management and Facilities Management costs.

EXECUTIVE SUMMARY

ACTION ITEM: Highland District Housing: Revised Conceptual Approval

ISSUE: The University of Arizona requests Revised Conceptual Approval for the Highland District Housing project to increase the project scope and budget. The increased scope includes approximately 40 additional student beds and Residence Life administrative offices.

PREVIOUS BOARD ACTIONS:

Project Initiation	June 1998
Conceptual Approval	January 2001

PROJECT DESCRIPTION:

- The current demand for student housing exceeds capacity available in existing facilities. Highland District Housing will increase student housing on campus and allow the University to reduce the amount of less desirable off campus leased facilities. The project is being planned for the west side of Highland Avenue between Sixth and Fourth Streets. The design includes three 'houses' of residence halls with student rooms on all levels and shared spaces distributed throughout. Residence Life offices and conference rooms will be located in a fourth building at the corner of Sixth and Highland.
- The previous submittal included 700 beds and support spaces that will be increased to include an additional 40 beds and add Residence Life administrative offices.
 - Additional student beds will be incorporated within the previously designed building footprint at upper levels of the project.
 - Residence Life administrative offices had been included at Project Initiation, but deleted prior to Conceptual Approval due to project site area and budget limitations. During the subsequent planning process, the site area was re-configured, providing an opportunity for increased site utilization.
- Total project cost for the proposed new facility is estimated at \$39.7 million, an increase of \$6.0 million, and will be funded by Certificates of Participation. The budget increase is the result of several factors:
 - A Construction Manager at Risk has prepared refined construction cost estimates. The cost projection originally submitted for Conceptual Approval was based on preliminary information and the refined estimate indicates construction costs are higher.
 - With the increased site utilization, the site area has expanded, increasing site development costs.
 - The construction start date has been extended one year to accommodate the relocation of current areas occupants and the demolition of existing buildings, adding escalation to the project.
 - The number of beds has increased in response to the growing student housing need.
 - Administrative offices have been incorporated into the project.

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EXECUTIVE SUMMARY

➤ Proposed Schedule

Project Approval review	03/02
Construction start	04/02
Construction complete Phase 1	07/03
Construction complete Phase 2	03/04

PROJECT JUSTIFICATION:

- The Highland District Housing project will provide much needed and improved residence hall facilities for students. The additional 40 beds will further address the increasing demand and make optimal use of the project site area.
- Residence halls in the Highland District support the University's goal to redevelop this centrally located underutilized area of the campus for student related activities.
- The incorporation of Residence Life administrative offices also serves to support campus planning goals by increasing land use density and enhancing activity in the Highland District. Additionally, the administrative offices would be more conveniently located for a majority of the population they serve. The current space they occupy within an active student housing complex, could be renovated into additional student beds.
- Residence Life administrative offices are desperately needed. Residence Hall staff members have been located in temporary, inefficient space for several years. The building they occupy was originally designed as a hotel, which functionally does not serve the needs of the department, or the students they serve. Constructing the administrative offices as part of the Highland District Housing project would provide a cost effective opportunity to develop an improved working environment.

RECOMMENDATION:

- That the Board grant a Revised Conceptual Approval to the University of Arizona for the Highland District Housing project.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: The University of Arizona

Project Name: Highland District Housing

Project Description/Location:

Highland District Housing is located in the Highland District on the campus of the University of Arizona along the west side of Highland Avenue. The project is a new residence hall project to be built in multiple structures to house a total of 740 students.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Revised Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	06/98	01/01	06/01	
<u>Project Scope:</u>				
Gross Square Feet	209,500	190,000	215,000	
Net Assignable Square Feet	145,400	127,000	143,000	
Efficiency Ratio [NASF/GSF]	69%	67%	67%	
NASF by Space Type				
Student Housing	132,600	127,000	133,000	
Administrative Offices	12,800	0	10,000	
<u>Project Schedule (Beginning Month/Year):</u>				
Planning	1998	06/98	06/98	
Design	1999	10/00	10/00	
Construction	2000	05/01	04/02	
Occupancy	2001	07/02 & 07/03	07/03 & 07/04	
<u>Project Budget:</u>				
Total Project Cost	\$29-\$34 million	\$33,700,000	\$39,700,000	
Direct Construction Cost	N/A	\$23,209,000	\$29,000,000	
Total Project Cost per GSF	\$138-\$162	\$177	\$185	
Construction Cost per GSF		\$122	\$135	
Change in Annual Oper./Main. Cost	N/A	<u>\$722,700</u>	<u>\$817,800</u>	
Utilities		\$200,000	\$226,300	
Personnel		\$317,500	\$359,200	
Other		\$205,200	\$232,300	
<u>Funding Sources:</u>				
<u>Capital:</u>				
Certificates of Participation (Debt Service: Residence Life)	\$29-\$34 million	\$33,700,000	\$39,700,000	
<u>Operation/Maintenance:</u>				
Auxiliary Enterprise – Residence Life	N/A	\$722,700	\$817,800	

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: The University of Arizona

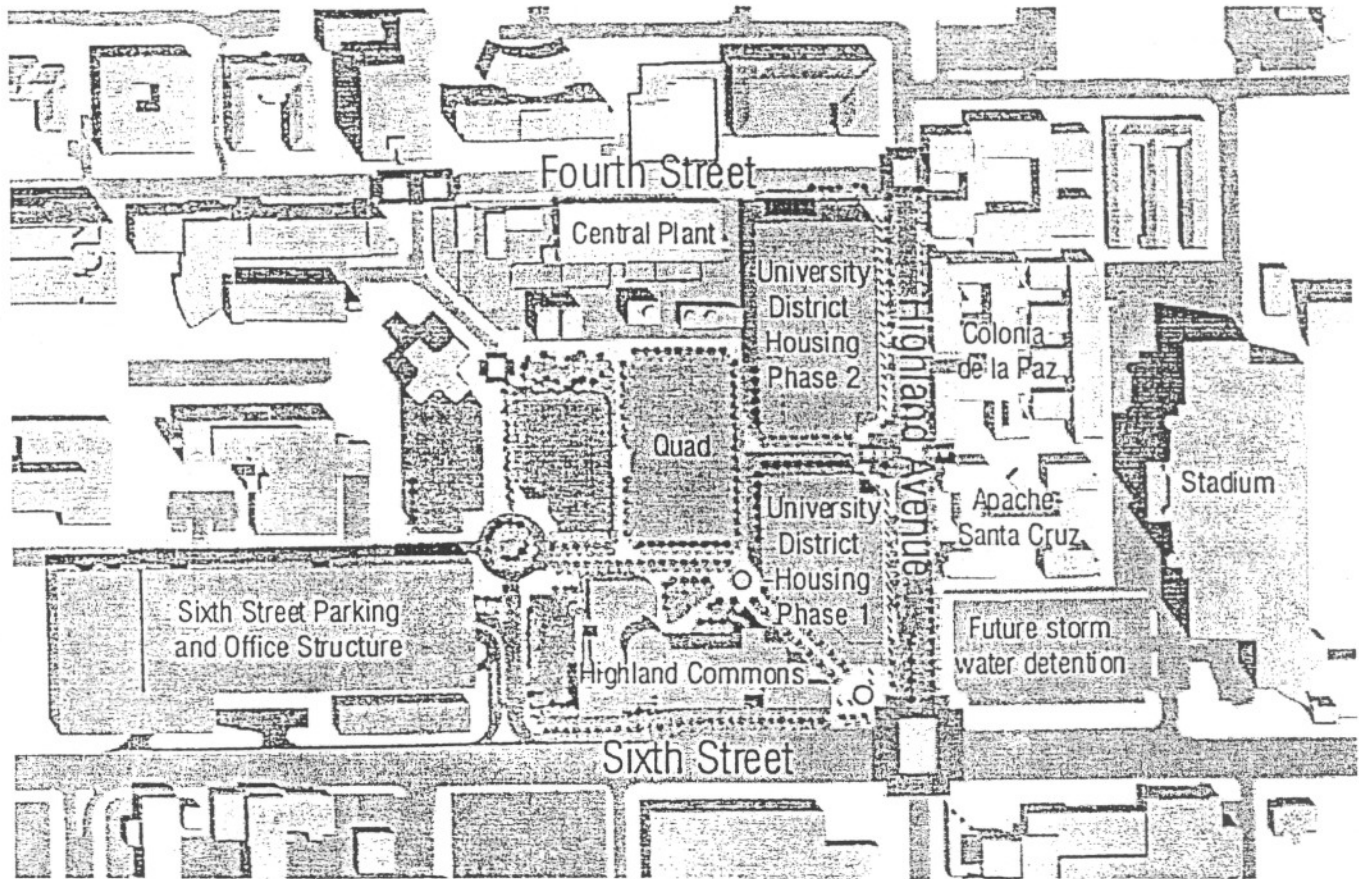
Project Name: Highland District Housing

	Conceptual Approval <u>Estimate</u> 01/01	Revised Conceptual Approval <u>Estimate</u> 06/01	Project Approval <u>Estimate</u>
Date of Budget Estimate			
1. Land Acquisition	0	0	0
2. Construction Cost			
A. New Construction	21,329,000	26,000,000	0
B. Renovation	0	0	0
C. Fixed Equipment	50,000	50,000	
D. Site Development	300,000	300,000	0
E. Parking & Landscaping	200,000	800,000	0
F. Utilities Extensions	200,000	250,000	0
G. Other	0	0	0
H. Inflation Adjustment	1,130,000	1,600,000	0
Subtotal Construction Cost	\$ 23,209,000	\$ 29,000,000	\$ 0
3. Consultant Fees			
A. Construction Manager (1.3%)	696,000	375,000	0
B. Architect/Engineering Fees (9.3%)	2,200,000	2,700,000	0
C. Other: Interior Design, Cost Estimating, etc.	624,000	525,000	0
Subtotal Consultant Fees	\$ 3,520,000	\$ 3,600,000	\$ 0
4. FF& E Movable	3,017,000	3,225,000	0
5. Contingency, Design Phase (3.2%)	1,398,000	925,000	0
6. Contingency, Construction Phase (5.0%)	1,160,000	1,450,000	0
7. Parking Reserve	0	0	0
8. Telecommunications Equipment	375,000	310,000	0
Subtotal Items 4-8	\$ 5,950,000	\$ 5,910,000	\$ 5,873,000
9. Additional University Costs			
A. Surveys and Tests	232,000	235,000	0
B. Move-in Costs	58,000	75,000	0
C. Public Art	116,000	146,000	0
D. Printing/Advertisement	35,000	34,000	0
E. Other*	412,000	500,000	0
F. State Risk Mgt. Ins.	168,000	200,000	0
Subtotal Additional University Costs	\$ 1,021,000	\$ 1,190,000	\$ 0
TOTAL CAPITAL COST	\$ 33,700,000	\$ 39,700,000	\$ 0

	FY01	FY02	FY03	FY04	FY05
Projected Cash Flow (in millions):	\$1.2	\$7.0	\$17.5	\$13.5	\$5

*University Project Management and Facilities Management costs

EXECUTIVE SUMMARY



The University of Arizona
Highland District Master Plan

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: March 5, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Tony Vidale, Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF
CORRECTIONS/DEPARTMENT OF JUVENILE CORRECTIONS/ARIZONA
DEPARTMENT OF TRANSPORTATION – REVIEW OF REVISIONS TO
DEPARTMENT OF CORRECTIONS, DEPARTMENT OF JUVENILE
CORRECTIONS, AND ARIZONA DEPARTMENT OF TRANSPORTATION FY 2002
BUILDING RENEWAL ALLOCATION PLANS

Request

The Arizona Department of Administration (ADOA), for the Department of Corrections (DOC) and Department of Juvenile Corrections (DJC), and the Department of Transportation (ADOT) have submitted revised FY 2002 building renewal allocation plans for Committee review.

Recommendation

The JLBC Staff recommends a favorable review of the revised building renewal allocation plans. ADOA has allocated \$2,544,300 and a contingency of \$215,100 to DOC and \$220,000 and a contingency of \$400,000 to DJC. ADOT has allocated \$1,527,500 among 117 projects leaving a contingency of \$48,900. The JLBC Staff further recommends that funding for any new projects not listed in the allocation plans, reallocations between projects, and allocations from the contingency amounts be reported to JLBC Staff prior to expenditure. JLBC Staff would report to the Committee on significant changes, typically above \$50,000.

Analysis

Laws 1986, Chapter 85 established the Joint Committee on Capital Review and charged it with developing a Building Renewal Formula to guide the Legislature in appropriating monies for the maintenance and repair of state buildings. Pursuant to A.R.S. § 41-1252, the JCCR shall review the expenditure of Building Renewal monies.

(Continued)

ADOA and ADOT submitted revised building renewal plans as a result of revised appropriations for FY 2002 building renewal.

Laws 2001, Chapter 3, 2nd Special Session reduced appropriations for DOC, DJC, and ADOT building renewal. Chapter 3 appropriated \$2,759,400 for DOC and \$220,400 for DJC from the Corrections Fund, and \$1,576,400 for ADOT from the State Highway Fund in FY 2002 for building renewal. The following tables show original and revised allocations of building renewal appropriations for DOC, DJC, and ADOT for FY 2002:

Department of Corrections

The following table shows the original and revised allocations of FY 2002 Building Renewal monies for DOC from the Corrections Fund:

Department of Corrections		
FY 2002 Building Renewal Allocation		
<u>Project</u>	<u>Original Allocation</u>	<u>Revised Allocation</u>
Door and lock replacement, ASPC-Douglas Mohave unit	\$ 498,000	\$ 498,000
Supplement funding to replace fire alarm system, ASPC-Winslow	431,000	431,000
Replace air handler, SMU-1	600,000	600,000
Install emergency generator, Aspen and Flamenco units	162,000	18,700 ^{1/}
Renovate kitchen, ASPC-Douglas Mohave unit	205,000	2,600 ^{1/}
Re-roof CB 3 and 4, ASPC-Florence Central unit	196,800	196,800
Replace furnaces with cooler heater combo units, ASPC-Douglas Mohave unit	216,000	10,300 ^{1/}
Replace fire alarm system, ASPC-Safford, Ft. Grant unit	822,500	0
Shingle Cocopah dorms and reseal administration roof, ASPC-Yuma	54,000	54,000
Relocate main gate, ASPC-Tucson	200,000	345,800
Replace roofs, CB 5 and 7, ASPC-Florence Central unit	137,100	137,100
Replace emergency generator and transfer switch, ASPC-Florence Central unit	150,000	150,000
Construction project management	181,000	100,000
Contingency	1,665,400	215,100
Total Building Renewal	\$5,518,800	\$2,759,400

^{1/} These projects are on hold. The revised allocation monies are for architectural and engineering fees that have already been expended.

Department of Juvenile Corrections

The following table shows the original and revised allocations of FY 2002 Building Renewal monies for DJC from the Corrections Fund:

Department of Juvenile Corrections		
FY 2002 Building Renewal Allocation		
<u>Project</u>	<u>Original Allocation</u>	<u>Revised Allocation</u>
Electrical system repairs to prevent groundfaults, Black Canyon Institution	\$ 75,000	\$120,000
Replace fire alarm system, Catalina Mt. Institution	300,000	0
Replace kitchen floor, Catalina Mt. Institution	50,000	50,000
Upgrade fire booster pump, Adobe Mt. School	0	50,000
Contingency	15,800	400
Total Building Renewal	\$440,800	\$220,400

(Continued)

Department of Transportation

The following table shows the original and revised allocations of FY 2002 Building Renewal monies for ADOT from the State Highway Fund:

Department of Transportation FY 2002 Building Renewal Allocation				
<u>Category</u>	<u>Projects</u>	<u>Original Allocation</u>	<u>Projects</u>	<u>Revised Allocation</u>
Fire/Life Safety	11	\$ 136,500	8	\$ 70,300
Roofing	35	430,300	30	351,100
Building System (HVAC, Utility)	33	942,800	26	533,900
Exterior Building Finishes	23	237,700	17	104,900
Interior Building Finishes	19	250,800	13	71,600
Remodeling	6	158,500	5	187,000
ADA	4	46,000	3	33,900
Infrastructure	11	185,500	15	174,800
Contingencies	<u>N/A</u>	<u>352,800</u>	<u>N/A</u>	<u>48,900</u>
Total	142	\$2,740,900	117	\$1,576,400

ADOT reports the decrease in allocation to the Fire/Life Safety projects is due mainly to postponing the upgrade of electrical service for Little Antelope residence housing, which the department believes can wait a year, and removal and replacement of loose window screens on the Phoenix engineering building. The reduction in allocation to ADA projects is due to not installing automatic door openers at some locations, which ADOT reports are an optional ADA item. The increase in allocation to Remodeling projects is for remodeling the 3rd floor of the Phoenix engineering building to better house engineering staff.

For the Committee's information, the following 6 projects in ADOT's revised allocation require \$50,000 or more:

<u>Project</u>	<u>Allocation</u>
New roof – Arizona Highways Magazine	\$105,400
Electrical upgrade – Holbrook District Office and Lab	100,000
Electrical upgrade – Tucson Equipment Shop	60,000
Elevator upgrade – MVD 1801 W. Jefferson	100,000
Renovate unused space into conference room – Safford District Office	62,000
Renovate 3 rd Floor – Phoenix Engineering Building	<u>80,000</u>
Total	\$507,400

The JLBC Staff recommends a favorable review of the ADOA and ADOT FY 2002 expenditure plans. The attached materials submitted by ADOA and ADOT lists each project and estimated costs. The projects are consistent with Building Renewal guidelines and appropriations.

RS/TV:jb



JANE DEE HULL
GOVERNOR

J. ELLIO HIBBS
DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION • 15 S. 15th Ave., Suite 101
PHOENIX, ARIZONA 85007
(602) 542-1920

February 20, 2002

Lorenzo Martinez, Capital Analyst
Joint Legislative Budget Committee
1716 West Adams
Phoenix, Arizona 85007

FEB 22 2002

Re: Adjusted FY 2002 Building Renewal Allocation for the Correction's Fund

Dear Mr. Martinez:

The following tables show the original projects and allocations to the Department of Corrections and the Department of Juvenile Corrections:

Department of Corrections

<u>Project No</u>	<u>Project</u>	<u>Original Allocation</u>
912001	ASPC Douglas Mohave Unit, Door and Lock Replacement	\$ 498,000.00
912002	Supplement funding to replace fire alarm system, ASPC-Winslow	\$ 431,000.00
912003	Replace air handler, SMU-1	\$ 600,000.00
912004	Install emergency generator, Aspen & Flamenco units	\$ 162,000.00
912005	Renovate kitchen, ASPC Douglas Mohave Unit	\$ 205,000.00
912006	Reroof CB 3 & 4, ASPC-Florence Central Unit	\$ 196,800.00
912007	Replace furnaces w/cooler heater combo units, ASPC-Douglas Mohave unit	\$ 216,000.00
912008	Replace fire alarm system, ASPC-Safford, Ft. Grant unit	\$ 822,500.00
912009	Shingle Cocopah dorms & reseal Administration roof, ASPC-Yuma	\$ 54,000.00
912010	Relocate main gate, ASPC-Tucson	\$ 200,000.00
912011	Replace roofs, CB-5 & 7, ASPC-Florence Central Unit	\$ 137,055.00
912012	Replace emergency generator & transfer switch, ASPC-Florence Central Unit	\$ 150,000.00
912200	Construction Project Management	\$ 181,000.00
	Total	\$ 3,853,355.00
	Contingency	\$ 1,665,445.00

Department of Juvenile Corrections

<u>Project No</u>	<u>Project</u>	<u>Original Allocation</u>
912015	Electrical system repairs to prevent groundfaults, Black Canyon Institution	\$ 75,000.00
912016	Replace fire alarm system, Catalina Mt. Institution	\$ 300,000.00
912017	Replace kitchen floor, Catalina Mt. Institution	\$ 50,000.00
	Total	\$ 425,000.00
	Contingency	\$ 15,800.00

The Both departments, after the special legislative session, requested that the Department of Administration revise the schedule of projects because the Corrections Fund Building Renewal allocation had been cut in half. In response to these requests, ADOA provided you with a revised Correction's Department FY 2002 Building Renewal plan. Several projects which had already been started were cancelled and any design contracts were put on hold.

On December 14, 2001, the Department of Juvenile Corrections revised their plan. The Department of Juvenile Corrections had not started the fire alarm system at Catalina Mt.; thus, this project was put on hold. The revised plan included the 4th priority project, Upgrading the fire booster pump, Adobe Mountain School. This project would only be undertaken if the remaining projects were within the planned budget. Consequently, ADOA allocated \$50,000 for this project on January 3, 2002. This project will not begin until the budgets for the remaining two projects' budgets are finalized.

The revised allocation plans for FY 2002 are as follows

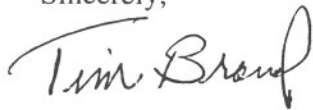
Department of Corrections		
<u>Project No</u>	<u>Project</u>	<u>Current Allocation</u>
912001	ASPC Douglas Mohave Unit, Door and Lock Replacement	\$498,000.00
912002	Supplement funding to replace fire alarm system, ASPC-Winslow	\$431,000.00
912003	Replace air handler, SMU-1	\$600,000.00
912004	Install emergency generator, Aspen & Flamenco units - on hold	\$18,660.00
912005	Renovate kitchen, ASPC Douglas Mohave Unit - put on hold	\$2,620.50
912006	Reroof CB 3 & 4, ASPC-Florence Central Unit	\$196,800.00
912007	Furnaces w/cooler heater combo units, ASPC-Douglas Mohave unit - on hold	\$10,300.00
912008	Replace fire alarm system, ASPC-Safford, Ft. Grant unit - on hold	\$0.00
912009	Shingle Cocopah dorms & reseal Administration roof, ASPC-Yuma	\$54,000.00
912010	Relocate main gate, ASPC-Tucson	\$345,832.00
912011	Replace roofs, CB-5 & 7, ASPC-Florence Central Unit	\$137,055.00
912012	Replace emergency generator & transfer switch, ASPC-Florence Central Unit	\$150,000.00
912200	Construction Project Management	<u>\$100,000.00</u>
	Total	\$ 2,544,267.50
	Contingency	\$ 215,132.50

Department of Juvenile Corrections

<u>Project No.</u>	<u>Project</u>	<u>Current Allocation</u>
912015	Electrical system repairs to prevent groundfaults, Black Canyon Institution	\$120,000.00
912016	Replace fire alarm system, Catalina Mt. Institution – on hold	\$0.00
912017	Replace kitchen floor, Catalina Mt. Institution	\$50,000.00
912018	Upgrade fire booster pump, Adobe Mt. School	<u>\$50,000.00</u>
	Total	\$ 220,000.00
	Contingency	\$ 400.00

Thus, both agencies Building Renewal programs for FY 2002 are consistent with plans submitted to the Joint Committee on Capital Review. However, the project funding allocations have been reduced in accordance with the revised Corrections Fund budget.

Sincerely,



Tim Brand, General Manager
Building and Planning Services

c. Deannie Leader
Bruce Ringwald
Roger Berna
Pat Cruse
Mike Smarik
BR-File Folder
BPS-Building Renewal



Arizona Department of Transportation

Office of the Director
206 South 17th Avenue Mail Drop 100A
Phoenix, Arizona 85007-3213
Phone 602.712.7227 FAX 602.712.6941

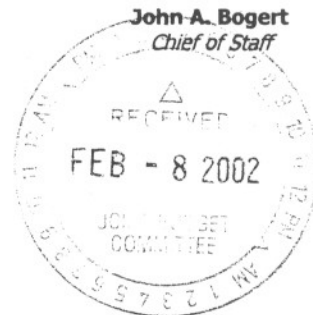


Jane Dee Hull
Governor

Victor M. Mendez
Director

February 7, 2002

John A. Bogert
Chief of Staff



Mr. Lorenzo Martinez, Senior Fiscal Analyst
Joint Committee on Capital Review Staff
1716 West Adams
Phoenix, Arizona 85007

Dear Lorenzo;

Pursuant to the August 22, 2001 minutes of the Joint Committee on Capital Review, the Committee gave a favorable review to the Arizona Department of Transportation's Building Renewal Plan for FY 2002 with the proviso that "...any new projects not listed in the allocation plan, reallocations between projects, and allocations from the contingency amount be reported to JLBC Staff...." The minutes further indicated that the Staff would report to the Committee on significant changes.

In that a part of the Arizona Department of Transportation's FY 2002 Budget Reduction Plan, enacted into law by the Legislature and signed by the Governor during the recent Special Session contained a significant overall reduction in ADOT's Building Renewal Plan from \$ 2,740,900 to \$ 1,576,463, we are submitting a copy of the original and amended Plans to you, along with a summary of how much is spent in each category.

Thank you for your consideration. If you need additional information, please do not hesitate to call either Bob Harris (712-7829) or Robert Melore (712-8981).

Sincerely,

Victor M. Mendez

cc: Representative Laura Knaperek, JCCR
Senator Ruth Solomon, JCCR
Bret Cloninger, OSPB
Bob Hull, JLBC
Joe O'Neill, ADOT
Tom Kirk, ADOT

Tom Betlach, OSPB
Richard Stavneak, JLBC
David Jankofsky, ADOT
Bob Harris, ADOT
Robert Melore, ADOT



Arizona Department of Transportation

Transportation Services Group

206 S. 17th Ave. Phoenix, Arizona 85007-3213

Phone 602.712.7228 FAX 602.712.6941

Jane Dee Hull
Governor

Mary E. Peters
Director

John A. Bogert
Chief of Staff

August 8, 2001

The Honorable Ruth Solomon, Chairman
Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Solomon:

We respectfully submit the following request for review and approval of planned Building Renewal projects. The Building Renewal funds were appropriated for fiscal year 2002, from the Highway Fund. Please schedule the review for the August 2001 JCCR meeting.

The outline of this scope of work is as follows:

PROJECT: HIGHWAYS FUNDED BUILDING RENEWAL FORECAST

Category 1 - Fire/Life/Safety	\$ 136,500
Category 2 - Roof repairs/replacements	\$ 430,300
Category 3 - Major Building Systems	\$ 942,800
Category 4 - Exterior Building Finishes	\$ 240,200
Category 5 - Interior Building Finishes	\$ 248,300
Category 6 - Major Renovations	\$ 158,500
Category 7 - ADA Accessibility	\$ 46,000
Category 8 - Infrastructure	\$ 185,500
Contingencies	\$ 352,800
Total	\$ 2,740,900

Your review and approval of this request is greatly appreciated.

Sincerely,

Mary Peters

cc: Representative Laura Knaperek, JCCR
Bret Cloninger, OSPB
Bob Hull, JLBC
Charles Haverstick, ADOT

Tom Betlach, OSPB
Richard Stavneak, JLBC
David Jankofsky, ADOT
Bob Harris, ADOT

MEP/cdh

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Agency: Arizona Department of Transportation

Project Description	Allocated
FIRE/SAFETY	
Flagstaff Maintenance Office - Install snow deflection canopy over front door.	\$ 2,500
Flagstaff S&S Office - Install snow deflection canopy over front door.	\$ 2,500
Little Antelope Resident housing - Consultant Design upgrade electrical to meet Code in all housing	\$ 5,000
Little Antelope Resident housing - Upgrade electrical to meet Code in all housing	\$ 55,000
Little Antelope Ramada - Replace rotten support posts	\$ 1,000
Little Antelope old office - Replace front landing and support posts	\$ 1,000
Tucson Equipment Shop - Resurface floor with 3" lift of concrete to cover rail road rail in existing floor	\$ 5,000
Show Low Equipment Shop - Replace 2 failed overhead door	\$ 6,500
TOC Fire Alarm System upgrade Consultant Design	\$ 3,000
TOC Fire Alarm System upgrade	\$ 15,000
Replace exterior window shading screens where missing. Tint where shades missing.	\$ 40,000
TOTAL	\$ 136,500

ROOFS	
Little Antelope Ramada - Re-roof and replace fascia	\$ 1,500
Page TIR office - Re-roof building	\$ 2,000
St. Johns Maintenance Yard - Truck Barn - Foam roof	\$ 31,300
St. Johns Maintenance Yard - Portable Building/Sign storage - New shingle roof	\$ 4,400
Springerville Maintenance Yard - Sign Storage - New shingle roof	\$ 7,200
Show Low Maintenance Yard - Natural Resource Mobile Office - Foam roof	\$ 7,300
Show Low Maintenance Yard - Construction Complex - Mobile Office - Foam roof	\$ 8,800
Indian Pine Maintenance Yard - Truck Barn/Office/Repair Shop - Repaint roof	\$ 4,000
Holbrook Nat Rec shed - Replace roof and siding	\$ 3,000
Kingman Maintenance office - Re-roof canopy - 700 SF	\$ 3,000
Fort Rock - Re-roof well house	\$ 4,000
Fort Rock - Mobile office foam roof	\$ 3,000
Colcord Resident Housing - Re-Shingle roof	\$ 6,000
Colcord Resident Housing Double wide - Repair ceiling and re-roof	\$ 7,000
Payson Maintenance office - Re-roof office and canopy	\$ 6,000
St. David Maintenance Office/Truck Shop - Recoat foam overlay roof	\$ 5,400
Benson Construction Complex - Recoat 4 foam roofs for UV protection to foam	\$ 2,500
Tucson Construction Mobile Office - Polyurethane foam / elastomeric overlay roof system	\$ 8,200
Tucson Construction Survey Mobile Office - Polyurethane foam / elastomeric overlay roof system	\$ 7,700
Tucson District Office Mobile Office (Old Permits) - Recoat foam overlay roof	\$ 4,000
Tucson District Office Mobile Office (Statewide) - Recoat foam overlay roof	\$ 4,000
Tucson District Storage Building (Morgue) - Recoat foam overlay roof	\$ 8,300
Coolidge Maintenance Yard Truck Shed - Recoat foam overlay roof	\$ 12,000
Oracle Maintenance Yard Truck Shed / Office - Recoat foam overlay roof	\$ 10,000
Yuma Maintenance Crew Ready Room - Replace siding and weather damaged insulation	\$ 5,000
Arizona Highways Magazine - install new Dura-Last Roof	\$ 105,400
Springerville Equipment Shop - new roof	\$ 26,800
Flagstaff Building maintenance office - Foam coat roof	\$ 31,900
Tucson North MVD - Replace roof on old section	\$ 35,500
Nogales DPS Modular - Foam Roof 24' x 47'	\$ 8,900
Coolidge DPS Modular - Foam Roof 12' x 57'	\$ 6,000

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Agency: Arizona Department of Transportation

Project Description	Allocated
Ehrenburg Port of Entry - Reroof EB Agriculture dock area	\$ 3,700
Ehrenburg Port of Entry - Reroof WB Scale Building	\$ 7,700
Kingman MVD - Foam roof	\$ 33,800
Yuma B-8 POE - Recoat roof	\$ 5,000
TOTAL	\$ 430,300

MAJOR BUILDING SYSTEMS (HVAC, WATER LINES, ELECTRICAL)	
Fredonia Maintenance office - Re-Insulate building	\$ 25,000
Fredonia Shop- Replace 6 heaters with cracks in exchangers	\$ 8,000
Page Resident Housing 142120 - replace HVAC	\$ 5,000
Superior Maintenance Yard - Office - HVAC	\$ 20,000
Holbrook District Office and Lab - Electrical up grade - Consultant Design.	\$ 20,000
Holbrook District Office and Lab - Electrical up grade	\$ 100,000
Winslow truck barn - Heating replacement	\$ 7,000
Replace ceiling tiles, lighting upgrades - Procurement Building	\$ 20,000
Replace outdated, inefficient lighting fixtures with energy efficient devices (Audit & HR)	\$ 10,000
Wikieup - Replace heaters	\$ 3,500
Kingman District office- Replace HVAC units	\$ 15,000
Needle Mountain Truck barn - Replace lighting with brighter, energy efficient fixtures	\$ 2,500
Needle Mountain Truck barn - Replace heaters	\$ 5,000
St. David Maintenance Office/Truck Shop - Replace failing Shop Heaters w/energy efficient types	\$ 5,900
St. David Maintenance Office/Truck Shop - Replace failing HVAC in Office/crew room, include ductwork	\$ 12,300
Tucson District office - Replace HVAC	\$ 28,000
Tucson Traffic Ops - Replace HVAC on lower level	\$ 5,600
Douglas Equipment Shop - Upgrade electrical service -design consultant	\$ 7,000
Douglas Equipment Shop - Upgrade electrical service from 200 amp to 400 amp 240 volt 3 Ph including upgrading interior systems	\$ 20,000
Tucson Equipment Shop - design consultant for electrical upgrade	\$ 15,000
Tucson Equipment Shop - Upgrade electrical service from 600 amp to 1000 amp 208 volt 3 Phase including distribution panels	\$ 60,000
Yuma Equipment Shop - Install 4 natural gas heaters to replace used oil burning heating equipment	\$ 9,000
Durango Yard - Rebuild vibration isolators for all eight air washers	\$ 45,000
Admin. Bldg. - Roadrunner Café Kitchen - replace 2 - 12,000 CFM Evap Coolers	\$ 8,000
Consultant Study - Replacement and reconfigure vents and duct system to maximize energy efficiency of heating and air-conditioning control in Engineering Bldg.	\$ 15,000
Replacement and reconfigure vents and duct system to maximize efficiency of heating and air-conditioning control in Engineering Bldg.	\$ 60,000
Consultant Design chilled water system enhancements Engineering Bldg.	\$ 25,000
Enhancement of Chilled Water System to Primary/Secondary energy efficient system	\$ 200,000
Tucson CDL - Replace HVAC	\$ 17,000
San Simon POE - Replace HVAC (Gas Packs - 3 1/2 Ton and 2 Ton Units)	\$ 9,000
Forms Warehouse - replace 2 - 30,000 CFM Evap Coolers	\$ 20,000
1801 Elevator upgrade	\$ 100,000
1801 HVAC Upgrades	\$ 40,000
TOTAL	\$ 942,800

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Agency: Arizona Department of Transportation

Project Description	Allocated
EXTERIOR BUILDING FINISH (SIDING, WINDOWS, DOORS, PAINT)	
Flagstaff Truck Wash - Replace doors	\$ 16,000
Little Antelope Resident # 141526 and 141524 - Replace back windows with duel pane windows	\$ 2,500
Fredonia Yard - Repaint sign Shop and Fuel house	\$ 4,500
Globe District Office - Paint exterior	\$ 32,000
Parker Creek Maintenance Yard - Paint exterior of all structures	\$ 4,100
Young Maintenance Yard - Paint exterior of all structures	\$ 1,600
Snowflake Maintenance Yard - Paint exterior of all stuctures	\$ 1,600
Wikieup - Repaint truck barn	\$ 3,500
Colcord Resident Housing - Replace steps and porch	\$ 1,200
Sunset Point rest area - Paint interior and exterior of rest rooms	\$ 5,000
Camp Verde Truck barn - Replace 3 old roll up doors	\$ 18,000
Matazel rest area - Re apply graffiti sealant on block walls	\$ 7,000
Payson Maintenance office - Re-paint exterior	\$ 4,500
Payson sign shed - Repaint exterior	\$ 5,000
Sonoita Truck Barn/Office - Paint exterior	\$ 1,700
Holbrook Facilities Maintenance office - Replace siding and repaint	\$ 7,000
Yuma POE - Replace front door and window system in drivers entrance	\$ 5,000
Ajo MVD - Paint interior and exterior	\$ 3,500
Nogales MVD - Paint interior and exterior	\$ 4,000
Scottsdale MVD - repair & seal porous wall system and install downspouts.	\$ 80,000
Quality Assurance trailer, 99th Ave. - paint exterior	\$ 2,500
Tempe MVD 1703 E. Larkspur - paint lobby, interior	\$ 2,500
Tempe MVD Inspection Bay - concrete repairs	\$ 7,500
Chandler MVD, 50 S. Beck - Paint exterior	\$ 20,000
TOTAL	\$ 240,200

INTERIOR BUILDING FINISH (PAINT, FLOOR COVERING, CEILING TILE)	
Flagstaff District office - Replace carpet in reception area	\$ 4,000
Holbrook S&S office - Replace old carpet with vct	\$ 3,000
Kingman District office - Replace carpet	\$ 5,000
Kingman District office - Repaint interior	\$ 3,000
State Engineers Office - Carpet, Paint & replace ceiling tiles.	\$ 20,000
Phx. Maint. District Bldgs. - Paint interiors	\$ 37,800
Colcord resident housing - Replace carpet both houses	\$ 8,000
Payson Maintenance office - Replace carpet	\$ 5,500
Safford District Office - Fire alarm system - design consultant	\$ 6,000
Safford District Office - Fire alarm system	\$ 16,000
Tucson District Office Mobile Office (Statewide) - Replace carpet	\$ 5,000
Arizona Highways Magazine - replace raised floor coverings in computer room	\$ 1,500
Repaint interior of Engineering Building.	\$ 75,000
Replacement of Carpet for remaining departments (Bridge Group, Statewide and Valleywide Project Management Groups) and hallways on second floor in Engineering Bldg.	\$ 40,000
Ehrenburg Port of Entry - Paint interior	\$ 5,000
Topock POE - Replace ceiling tiles	\$ 3,000
Winslow MVD - Replace carpet	\$ 4,500

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Agency: Arizona Department of Transportation

Project Description	Allocated
Bullhead MVD - Repaint interior	\$ 6,000
TOTAL	\$ 248,300

MAJOR RENOVATION	
Jacob Lake Maintenance Camp - Remodel ready room	\$ 4,500
Safford District Office - Design Consultant for Renovatation	\$ 15,000
Safford District Office - Renovate existing unused office space into new conference room	\$ 103,000
Evaluate parking lot lighting for Engineering Bldg and Facilities/C&S. Consultant study.	\$ 5,000
Bullhead City MVD - Install divider wall for meeting room	\$ 6,000
Remodel entrances at 1801 W. Jefferson to increase security	\$ 25,000
TOTAL	\$ 158,500

ADA ACCESSIBILITY	
Tucson North MVD - 2 new ADA workstations	\$ 10,000
Install ADA compliant ramp at 1801 W. Jefferson	\$ 25,000
Quality Assurance , 99th Ave. - handicap signs and striping	\$ 1,000
Install automatic door openers to accommodate Americans with Disabilities at various locations	\$ 10,000
TOTAL	\$ 46,000

INFRASTRUCTURE	
Page well house - upgrade/relocate electrical panel	\$ 4,000
Page yard - Replace leaking valves in water system	\$ 6,000
Chambers - Replace water storage tank & related plumbing - 35,000 gallon	\$ 45,000
Wikieup - Replace water storage tank & related plumbing - 35,000 gallon	\$ 45,000
Kingman Yard - Replace 10 isolation valves in water system and relocate 2 lines	\$ 9,000
Seligman - Replace waterline for oil house	\$ 1,500
Replace fencing in Headquarters area - E. side Procurement parking lot	\$ 2,000
Claypool MVD - replace failed septic tank and leach lines	\$ 14,000
Show Low MVD - Pave Motorcycle test track / concrete 3-Point parking slab	\$ 15,000
East Mesa - Parking lot restriping and curbs.	\$ 4,000
Mesa Dr. North Bldg. - parking lot resurface and striping	\$ 40,000
TOTAL	\$ 185,500

Fire/Safety	\$ 136,500
Roofs	\$ 430,300
Major Building Systems (HVAC, water lines, electrical)	\$ 942,800
Exterior Building Finish (siding, windows, doors, paint)	\$ 240,200
Interior Building Finish (paint, floor covering, ceiling tile)	\$ 248,300
Major Renovation	\$ 158,500
ADA Accessibility	\$ 46,000
Infrastructure	\$ 185,500
Contingencies	\$ 352,800
TOTAL	\$ 2,740,900

TOTAL APPROPRIATION - \$2,740,900

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Arizona Department of Transportation

Project Description	Allocation
Flagstaff Maintenance Office - Install snow deflection canopy over front door.	\$ 15,870
Flagstaff S&S Office - Install snow deflection canopy over front door.	\$ 2,960
Tucson Equipment Shop - Resurface floor with 3" lift of concrete to cover rail road rail in existing floor	\$ 5,000
Show Low Equipment Shop - Replace 2 failed overhead door	\$ 6,500
TOC Fire Alarm System upgrade Consultant Design	\$ 3,000
TOC Fire Alarm System upgrade	\$ 15,000
Tucson District Office - Install fire alarm system	\$ 20,000
Prescott Valley EQS - install 16 O/H door safety stops	\$ 2,000
TOTAL	\$ 70,330
Page TIR office - Re-roof building	\$ 2,000
St. Johns Maintenance Yard - Truck Barn - Foam roof	\$ 31,273
St. Johns Maintenance Yard - Portable Building/Sign storage - New shingle roof	\$ 4,313
Springerville Maintenance Yard - Sign Storage - New shingle roof	\$ 7,198
Springerville Maintenance Yard - Sign Storage - New shingle roof	\$ 684
Show Low Maintenance Yard - Natural Resource Mobile Office - Foam roof	\$ 7,268
Show Low Maintenance Yard - Construction Complex - Mobile Office - Foam roof	\$ 8,736
Indian Pine Maintenance Yard - Truck Barn/Office/Repair Shop - Repaint roof	\$ 4,000
Holbrook Nat Rec shed - Replace roof and siding	\$ 2,990
Colcord Resident Housing - Re-Shingle roof	\$ 6,000
Colcord Resident Housing Double wide - Repair celing and re-roof	\$ 7,000
St. David Maintenance Office/Truck Shop - Recoat foam overlay roof	\$ 4,038
Benson Construction Complex - Recoat 4 foam roofs for UV protection to foam	\$ 2,258
Tucson Construction Mobile Office - Polyurethane foam / elastomeric overlay roof system	\$ 8,104
Tucson Construction Survey Mobile Office - Polyurethane foam / elastomeric overlay roof system	\$ 7,652
Tucson District Office Mobile Office (Old Permits) - Recoat foam overlay roof	\$ 3,876
Coolidge Maintenance Yard Truck Shed - Recoat foam overlay roof	\$ 3,396
Oracle Maintenance Yard Truck Shed / Office - Recoat foam overlay roof	\$ 2,296
Yuma Maintenance Crew Ready Room - Replace siding and weather damaged insulation	\$ 5,000
Arizona Highways Magazine - install new Dura-Last Roof	\$ 105,366
Springerville Equipment Shop - new roof	\$ 26,798
Flagstaff Building maintenance office - Foam coat roof	\$ 31,817
Tucson North MVD - Replace roof on old section	\$ 35,039
Nogales DPS Modular - Foam Roof 24' x 47'	\$ 8,898
Coolidge DPS Modular - Foam Roof 12' x 57'	\$ 5,993
Ehrenburg Port of Entry - Reroof EB Agriculture dock area	\$ 3,617
Ehrenburg Port of Entry - Reroof WB Scale Building	\$ 7,675
Yuma B-8 POE - Recoat roof	\$ 2,116
Tuba City MVD - replace 400 sq ft roof	\$ 1,200
Sunset Point rest area - replace 1800 sq ft resident housing roofing	\$ 4,500
TOTAL	\$ 351,101
Fredonia Shop- Replace 6 heaters with cracks in exchangers	\$ 4,254
Page Resident Housing 142120 - replace HVAC	\$ 5,000
Parks R/A Housing replace heater	\$ 1,735
Superior Maintenance Yard - Office - HVAC	\$ 15,000
Holbrook District Office and Lab - Electrical up grade - Consultant Design.	\$ 20,000
Holbrook District Office and Lab - Electrical up grade	\$ 100,000
Winslow truck barn - Heating replacement	\$ 7,202
Wikieup - Replace heaters	\$ 3,500

STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS

Arizona Department of Transportation

Project Description	Allocation
Kingman District office- Replace HVAC units	\$ 15,000
Kingman District Office/Truck Shop - Replace failing HVAC in Office/crew room, include ductwork	\$ 4,000
Tucson District office - Replace HVAC	\$ 23,000
Tucson Traffic Ops - Replace HVAC on lower level	\$ 5,600
Douglas Equipment Shop - Upgrade electrical service - design consultant	\$ 7,000
Douglas Equipment Shop - Upgrade electrical service from 200 amp to 400 amp 240 volt 3 Ph include interior systems	\$ 20,000
Tucson Equipment Shop - design consultant for electrical upgrade	\$ 15,000
Tucson Equipment Shop - Upgrade electrical service from 600 amp to 1000 amp 208 volt 3 Phase include distribution panels	\$ 60,000
Admin. Bldg. - Roadrunner Café Kitchen - replace 2 - 12,000 CFM Evap Coolers	\$ 6,158
Consultant Study - mechanical needs capital complex	\$ 25,130
Replace ceiling tiles, lighting upgrades - Procurement Building	\$ 24,934
Replace outdated, inefficient lighting fixtures with energy efficient devices (Audit & HR)	\$ 10,000
Tucson CDL - Replace HVAC	\$ 17,000
San Simon POE - Replace HVAC (Gas Packs - 3 1/2 Ton and 2 Ton Units)	\$ 9,000
Tucson East MVD - Replace computer room AC	\$ 3,551
* 801 Elevator upgrade specs. - consultant	\$ 15,000
801 Elevator upgrade	\$ 100,000
Remove and Replace 3 Expansion Tanks and 6 evaporator valves for the Cool Water system in Eng'r Bldg	\$ 16,847
TOTAL	\$ 533,911
Flagstaff Truck Wash - Replace doors	\$ 5,310
Globe District Office - Paint exterior	\$ 5,926
Marker Creek Maintenance Yard - Paint exterior of all structures	\$ 7,845
Young Maintenance Yard - Paint exterior of all structures	\$ 2,365
Snowflake Maintenance Yard - Paint exterior of all structures	\$ 2,582
Polcort Resident Housing - Replace steps and porch	\$ 1,200
Unsett Point rest area - Paint interior and exterior of rest rooms	\$ 5,000
Camp Verde Truck barn - Replace 3 old roll up doors	\$ 2,300
Matazel rest area - Re apply graffiti sealant on block walls	\$ 7,000
Payson Maintenance office - Re-paint exterior	\$ 3,545
Sonoita Truck Barn/Office - Paint exterior	\$ 1,700
Holbrook Facilities Maintenance office - Replace siding and repaint	\$ 7,000
Summa POE - Replace front door and window system in drivers entrance	\$ 5,000
Go MVD - Paint interior and exterior	\$ 3,500
Nogales MVD - Paint interior and exterior	\$ 4,000
Cottsdale MVD - repair & seal porous wall system and install downspouts.	\$ 40,000
Handler MVD, 50 S. Beck - Paint exterior	\$ 592
TOTAL	\$ 104,864
Holbrook S&S office - Replace old carpet with vct	\$ 3,481
Kingman District office - Replace carpet	\$ 5,000
Kingman District office - Repaint interior	\$ 3,000
Polcort resident housing - Replace carpet both houses	\$ 5,000
Payson Maintenance office - Replace carpet	\$ 3,904
Safford District Office - Fire alarm system - design consultant	\$ 6,000
Safford District Office - Fire alarm system	\$ 16,000
Arizona Highways Magazine - replace raised floor coverings in computer room	\$ 1,417
Topock POE - Replace ceiling tiles	\$ 3,000

**STATE OF ARIZONA
FY 2002 CAPITAL IMPROVEMENT PLAN
SUMMARY - BUILDING RENEWAL PROJECTS**

Arizona Department of Transportation

Project Description	Allocation
Winslow MVD - Replace carpet	\$ 4,500
Bullhead MVD - Repaint interior	\$ 6,000
Purchase ceiling Tiles - Procurement Building	\$ 11,467
Replace ceiling tiles and lights in S. Lobby - Admin Building	\$ 2,790
TOTAL	\$ 71,559
Safford District Office - Design Consultant for Renovation	\$ 15,000
Safford District Office - Renovate existing unused office space into new conference room	\$ 62,000
Evaluate parking lot lighting for Engineering Bldg and Facilities/C&S. Consultant study.	\$ 5,000
Remodel entrances at 1801 W. Jefferson to increase security	\$ 25,000
Engineering Bldg. - renovate 3rd floor - Utilities, Railroads & Project Mgmt. Areas.	\$ 80,000
TOTAL	\$ 187,000
Tucson North MVD - 2 new ADA workstations	\$ 9,220
Install ADA compliant ramp at 1801 W. Jefferson	\$ 20,000
1801 W. Jefferson ADA Ramp Design	\$ 4,700
TOTAL	\$ 33,920
Page well house - upgrade/relocate electrical panel	\$ 4,964
Page yard - Replace leaking valves in water system	\$ 6,000
Chambers - Replace water storage tank & related plumbing - 35,000 gallon	\$ 45,000
Wikieup - Replace water storage tank & related plumbing - 35,000 gallon	\$ 45,000
Kingman Yard - Replace 10 isolation valves in water system and relocate 2 lines	\$ 9,000
Seligman - Replace waterline for oil house	\$ 1,500
Replace fencing in Headquarters area - E. side Procurement parking lot	\$ 3,618
Claypool MVD - replace failed septic tank and leach lines	\$ 14,000
Claypool MVD - replace failed septic tank and leach lines	\$ 950
Claypool MVD - replace failed septic tank and leach lines	\$ 9,094
Claypool MVD - replace failed septic tank and leach lines	\$ 1,570
Show Low MVD - Pave Motorcycle test track / concrete 3-Point parking slab	\$ 15,000
Ehrenburg Port of Entry - Submersible Pump replacement	\$ 5,077
East Mesa - Parking lot restriping and curbs.	\$ 4,000
Engineering Bldg. - parking lot control, signing & striping	\$ 10,000
TOTAL	\$ 174,773
Category 1 - Fire/Life/Safety	\$ 70,330
Category 2 - Roof repairs/replacements	\$ 351,101
Category 3 - Major Building Systems	\$ 533,911
Category 4 - Exterior Building Finishes	\$ 104,864
Category 5 - Interior Building Finishes	\$ 71,559
Category 6 - Major Renovations	\$ 187,000
Category 7 - ADA Accessibility	\$ 33,920
Category 8 - Infrastructure	\$ 174,773
Contingencies	\$ 49,005
TOTAL	\$ 1,576,463

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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CHAIRMAN 2001
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JOHN VERKAMP

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

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<http://www.azleg.state.az.us/jlbc.htm>

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KEN CHEUVRONT
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: March 4, 2002

TO: Representative Laura Knaperek, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Jake Corey, Fiscal Analyst

SUBJECT: ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND – REPORT
ON 10-YEAR FACILITIES MASTER PLAN

The Arizona State Schools for the Deaf and Blind (ASDB) is reporting on the agency's 10-year Facilities Master Plan. The presentation by ASDB will focus on plans to 1) make existing facilities consistent with School Facilities Board standards, and 2) develop new facilities at school district and charter school sites that are closer to students' homes.

RS/JC:jb



January 28, 2002

Representative Laura Knaperek
Chair, Joint Committee for Capital Review
Arizona House of Representatives
1700 W. Washington St.
Phoenix, Arizona 85007

Dear Representative Knaperek,

The Arizona State Schools for the Deaf and the Blind is in the final stage of completing a 10 year, agency wide Facilities Master Plan (FMP). The proposed plan focuses on bringing existing ASDB facilities up to SFB standards and developing new facilities on school district and/or charter school sites to partner with schools and serve students closer to home. The FMP will become the basis of proposed legislation to include ASDB under the School Facilities Board.

We believe it's important to share the proposal with JCCR. Consequently, we request to be placed on the next JCCR agenda to share a 20-minute PowerPoint presentation on the FMP.

Sincerely,

Ken Proksa
Assistant Superintendent for Operations

cc: Richard Stavneak
Lorenzo Martinez



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Phoenix, AZ 85754
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Office of Directors
Assistant Superintendent

Resources
Information Technology
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Programs
Residential Programs
School for the Deaf-Tucson
School for the Blind
Day School Day

Phoenix
1. Hayward Avenue
Phoenix, AZ 85021
38.6804 V/TDD
38.6944 FAX

Program
School for the Deaf-Phoenix
(Day School for Deaf)

Statewide
Box 87010
Phoenix, AZ 85754
38.6800 V/TDD
38.6811 FAX

Services (C-3)
Programs
Cooperatives
Community and
Education
Assistance to Schools