Joint Committee on Capital Review

STATE SENATE

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DAVID STEVENS

** C A N C E L L E D **

JOINT COMMITTEE ON CAPITAL REVIEW Thursday, March 26, 2015 CANCELLED - 8:30 A.M. Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- Approval of Minutes of December 17, 2014.
- DIRECTOR'S REPORT (if necessary).
- 1. ADOPTION OF COMMITTEE RULES AND REGULATIONS.
- 2. DEPARTMENT OF ECONOMIC SECURITY/DEPARTMENT OF CHILD SAFETY Review of Joint Occupancy Buildings.
- 3. STATE DEPARTMENT OF CORRECTIONS Review of Revised FY 2014 Building Renewal Allocation and Revised FY 2015 Building Renewal Allocation Plans.
- 4. ARIZONA EXPOSITION AND STATE FAIR BOARD Review of FY 2015 Capital Improvement Expenditures.
- 5. ARIZONA GAME AND FISH DEPARTMENT Review of FY 2014 Building Renewal Allocation Plan
- 6. ARIZONA DEPARTMENT OF TRANSPORTATION Review of De-Icer Buildings Project.
- 7. ARIZONA DEPARTMENT OF ADMINISTRATION Consider Recommending FY 2015 Partial Rent Exemptions.

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

3/19/15

3/25/15

kp

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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) 926-5491.



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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

December 17, 2014

The Chairman called the meeting to order at 3:12 p.m., Wednesday, December 17, 2014 in House Hearing Room 1. The following were present:

Members:

Senator Shooter, Vice-Chairman

Senator Cajero Bedford

Senator Griffin Senator McComish Senator Melvin Senator Pancrazi Senator Toyar Representative Kavanagh, Chairman

Representative Alston Representative Gray Representative Sherwood

Absent:

Representative Campbell Representative Forese Representative Gowan

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of September 30, 2014, Chairman John Kavanagh stated that the minutes would stand approved.

ARIZONA STATE LOTTERY COMMISSION - Review of FY 2015 Building Renewal Allocation Plan.

Mr. Jon Stall, JLBC Staff, stated the State Lottery Commission is requesting review of its FY 2015 Building Renewal Allocation Plan. The JLBC Staff presented options to the Committee.

Eric Borg, Director of Operations, State Lottery Commission, responded to member questions.

<u>Senator Shooter moved</u> that the Committee give a favorable review to the FY 2015 Building Renewal Allocation Plan with the following provisions:

A. The Lottery Commission report on actual expenditures for the plan by June 30, 2015.

(Continued)

B. The agency request Committee review prior to expending monies for projects outside their current request.

The motion carried.

A. ARIZONA STATE UNIVERSITY (ASU) - Review of Sun Devil Stadium Renovations.

Mr. Art Smith, JLBC Staff, stated ASU is requesting review of \$200.0 million in system revenue bond issuances over the next 2 years to fund the 3 phases of Sun Devil Stadium renovations. The Arizona Board of Regents (ABOR) has given conceptual approval of the project along with approving the issuance of a \$60.0 million bond for Phase 1 of the project. The JLBC Staff presented options to the Committee.

Morgan Olson, Vice President and Chief Financial Officer, ASU, responded to member questions.

<u>Senator Shooter moved</u> that the Committee give a favorable review to the \$60.0 million bond issuance (plus \$5.7 million of gift revenue) for Phase 1 of the project with the following standard university financing provisions:

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.
- B. ASU shall provide the final debt service schedules for the projects as soon as they are available.

The motion carried.

B. ARIZONA STATE UNIVERSITY (ASU) - Review of IT Infrastructure Projects.

Mr. Art Smith, JLBC Staff, stated ASU is requesting review of \$20.0 million in system revenue bond issuances to fund the installation of high speed broadband in over 500 classrooms and study halls at all 3 of ASU's campuses. The JLBC Staff presented options to the Committee.

<u>Senator Shooter moved</u> that the Committee give a favorable review to the \$20.0 million in system revenue bond issuances to fund the installation of high speed broadband with the following standard university financing provisions:

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.
- B. ASU shall provide the final debt service schedules for the projects as soon as they are available.

The motion carried.

ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of Revised FY 2014 Building Renewal Allocation and Revised FY 2015 Building Renewal Allocation Plans.

Ms. Micaela Larkin, JLBC Staff, stated that ADC is requesting review of a reallocation of contingency monies from the previously reviewed FY 2014 and FY 2015 building renewal allocation plans. ADC is now proposing to allocate a total of \$227,000 contingency monies to improvements to the wastewater treatment plant at Arizona State Prison Complex (ASPC)-Eyman, a telecommunications project at ASPC - Lewis, and inpatient care beds at ASPC-Tucson Rincon. The JLBC Staff presented options to the Committee.

<u>Senator Shooter moved</u> that the Committee give a favorable review to ADC's reallocation of \$227,000 contingency monies (shown below) with the provision that ADC shall report any change in the spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation. The motion carried.

Table 1 shows the reallocation of ADC's FY 2014 Building Renewal Plan.

Table 1 FY 2014 Building Renewal Reallocation			
	Previously Reviewed August 20, 2013	Revised Allocation December 17, 2014	
Wastewater Disinfection System Upgrade Eyman	(8)	\$ 95,000	
Fiber Optic Cable Upgrade Lewis	:=:	75,000	
Contingency	\$221,700	51,700	
TOTAL	\$221,700	\$221,700	

Table 2 shows the reallocation of ADC's FY 2015 Building Renewal Plan.

Table 2 FY 2015 Building Renewal Reallocation		
	Previously Reviewed June 19, 2014	Revised Allocation December 17, 2014
<u>Inpatient Care Beds - Additional Infrastructure</u> Lewis	2	\$ 57,000
Contingency	<u>\$175,800</u>	118,800
TOTAL	\$175,800	\$175,800

Without objection, the meeting adjourned at 3:31 p.m.

Respectfully submitted:

Jack Brown, Principal Fiscal Analyst

Representative John Kavanagh, Chairman

NOTE: A full video recording of this meeting is available at http://www.azleg.gov/jlbc/meeting.htm.



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DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

FROM:

Richard Stavneak, Director 29

SUBJECT:

Adoption of Committee Rules and Regulations

The Committee will consider the attached rules and regulations for adoption at its March 26 meeting. The rules are the same as in the prior session except for conforming to statutory changes.

RS:lm Attachment

JOINT COMMITTEE ON CAPITAL REVIEW RULES AND REGULATIONS

RULE 1

NAME OF COMMITTEE AND METHOD OF APPOINTMENT

The name of the Committee is the Joint Committee on Capital Review, hereinafter referred to as the Committee, consisting of fourteen members designated or appointed as follows:

- 1. The Chairman of the Senate and House of Representatives Appropriations Committees.
- 2. The Majority and Minority Leaders of the Senate and House of Representatives.
- Four members of the Senate and four members of the House of Representatives who are members of their Appropriations Committees and who are appointed to the Committee by the President of the Senate and the Speaker of the House of Representatives, respectively.

RULE 2

CHAIRMAN OF THE COMMITTEE

The Chairman of the Senate Appropriations Committee shall have a term as Chairman of the Joint Committee on Capital Review from the first day of the First Regular Session to the first day of the Second Regular Session of each legislature and the Chairman of the House of Representatives Appropriations Committee shall have a term as Chairman from the first day of the Second Regular Session to the first day of the next legislature's First Regular Session.

RULE 3

QUORUM

A majority of the members of the Committee shall constitute a quorum for the transaction of business.

RULE 4

MEETINGS OF THE COMMITTEE

The Committee shall meet as often as the members deem necessary.

RULE 5

COMMITTEE PROCEEDINGS

The Committee proceedings shall be conducted in accordance with Mason's Manual of Legislative Procedure, except as otherwise provided by these rules.

RULE 6

STATUTORY POWER AND DUTIES OF THE COMMITTEE

The Committee shall:

- 1. Develop and approve a uniform formula for computing annual building renewal funding needs and a uniform format for the collection of data for the formula.
- 2. Approve building systems for the purposes of computing and funding building renewal and for preparing capital improvement plans.
- 3. Review the state capital improvement plan and make recommendations to the Legislature concerning funding for land acquisition, capital projects and building renewal. The recommendations should give priority to funding fire and life safety projects.
- 4. Review the expenditure of all monies appropriated for land acquisition, capital projects and building renewal.
- 5. Review the scope, purpose and estimated cost of the project prior to the release of monies for construction of new capital projects.
- 6. Approve transfers within a budget unit of monies appropriated for land acquisition, capital projects or building renewal.
- 7. Review and approve the acquisition of real property or buildings by the Arizona Department of Administration and Arizona Department of Transportation.
- 8. Review the acquisition of real property or buildings by the Department of Economic Security.
- 9. APPROVE THE ACQUISITION OF REAL PROPERTY OR BUILDINGS BY THE DEPARTMENT OF CHILD SAFETY.
- 10. Determine the rental fee charged to state agencies for using space in a building leased to the state.
- 11. Approve expenditures from the Corrections Fund by the Director of the Department of Administration for major maintenance, construction, lease, purchase, renovation or conversion of Corrections facilities.
- 12. Review Arizona Board of Regents, Community College and Game and Fish bond projects.
- 13. Review of Arizona Board of Regents indirect debt financing projects.
- 13. Review School Facilities Board building renewal calculations and distributions.
- 14. Review School Facilities Board and school district lease-to-own projects.
- 15. The Committee shall have other duties and responsibilities as outlined in statute or determined by the Chairman, consistent with law.

RULE 7

STAFF

The Joint Legislative Budget Committee Staff shall provide staff assistance to the Committee as directed by the Committee.

RULE 8

AGENDA FOR MEETINGS

An agenda for each Committee Meeting shall be prepared by the Director, and, whenever possible, mailed or delivered to members of the Committee, not less than one week prior to the meeting. The Director must have at least three weeks prior notice for any state agency-requested items that appear on the agenda, unless the Chairman of the Committee approves of a later submission.

RULE 9

ORDER OF BUSINESS

The Order of Business at a committee meeting shall be determined by the Chairman of the Committee. It shall normally be as follows:

- · Call to order and roll call
- · Approval of minutes
- Director's Remarks (if any)
- Review of capital projects
- Other Business For Information Only
- Adjournment

RULE 10

ADOPTION AND AMENDMENT OF THE RULES AND REGULATIONS

These rules and regulations shall be adopted and may be amended by a majority vote of the Committee members.

JLBC Staff
2/9/15
E:\JCCR\Rules\JCCRRULES020915.doc



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DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director 25

FROM:

Benjamin Beutler, Senior Fiscal Analyst 33

SUBJECT:

Department of Child Safety/Department of Economic Security - Review of Joint Occupancy

Buildings

Request

Laws 2014, 2nd Special Session, Chapter 1 requires Committee review of the Department of Child Safety's (DCS) and the Department of Economic Security's (DES) plan for buildings where both departments reside. DCS and DES propose that DES retain ownership of the 7 joint occupancy buildings. The departments also propose amending their intergovernmental facility services agreement to ensure DCS' continued right to use the joint occupancy buildings.

Recommendation

The Committee has at least the following 2 options:

- 1. A favorable review.
- 2. An unfavorable review.

Analysis

Chapter 1 requires DES to (1) convey ownership of the building located at 1717 West Jefferson Street in Phoenix to DCS; (2) transfer ownership of other land and buildings as deemed appropriate to DCS; and (3) submit a joint report with DCS for Committee review listing all land and buildings owned by DES in which DCS is present and their recommendation as to which agency should maintain or receive ownership. Chapter 1 also requires Committee review of the report and approval of any transfers of ownership.

Pursuant to the first requirement, ownership of the 1717 West Jefferson Street building has been transferred to DCS. During spring 2014, DCS planned on remodeling the building to use as its central office. Because the 1717 West Jefferson Street building would have required significant interior remodeling, DCS has since

decided to lease private space for its central office at 3003 North Central Avenue. DCS plans to transfer ownership of the 1717 West Jefferson Street building to the Arizona Department of Administration for use as flexible office space, to be used temporarily as needed by any state agency. Other DCS relocation issues will be discussed in greater detail at the March 31, 2015 Joint Legislative Budget Committee meeting.

In accordance with the third requirement, the departments provided the list of joint occupancy buildings in *Table 1*. The departments propose that DES retain ownership of the 7 joint occupancy buildings. Since DES owns the buildings, it does not pay state rent. There are, however, costs to DES for operating the buildings, and DCS will be required to pay its proportional share of costs.

Table 1	Ioint Oc	cupancy Building	rec.	
	Joint OC			
Address	<u>City</u>	Total Gross Square Feet	DES Gross Square Feet	DCS Gross Square Feet
4635 S. Central	Phoenix	22,400	14,330	8,070
220 N. Leroux Street	Flagstaff	5,920	3,447	2,473
319-321 E. 3 rd Street	Winslow	7,522	4,968	2,554
605 S. 7 th Street	Globe	11,500	9,313	2,187
1140 F Avenue	Douglas	5,520	3,339	2,181
2981 E. Tacoma Street	Sierra Vista	8,866	4,183	4,683
480 N. Grand Avenue	Nogales	4,674	2,815	1,859

DCS and DES also propose that the current intergovernmental agreement between DCS and DES for facility services be amended with the following provisions:

- DES guarantees DCS its current space in each building, as long as desired. The allocation of space between the departments may be changed by mutual agreement should one agency vacate space and the remaining agency desire the vacated space. If DCS desires to reduce space in one of the locations and DES does not need the additional space, DCS agrees to provide a 6-month notice prior to vacating the space to allow DES to formulate a backfill plan.
- If one of the 7 joint occupancy buildings is sold, the proceeds of the sale will be divided between DCS and DES in proportion to the then current proportional occupancy.

RS/BB:kp



Janice K. Brewer Governor Clarence H. Carter Director

DEC 2 2 2014



Mr. Richard Stavneak Director, Joint Legislative Budget Committee 1717 West Adams Phoenix, Arizona 85007

Dear Mr. Stavneak:

Laws 2014, Chapter 1, Second Special Session, Section 161 requires, in part:

By January 1, 2015, the department of economic security and the department of child safety shall submit a joint report to the joint committee on capital review listing all land and buildings owned by the department of economic security in which the department of child safety is present and their recommendation as to which agency should maintain or receive ownership. The joint committee on capital review shall review the report and approve any transfers of ownership.

Pursuant to this requirement, please find below the complete listing of land and buildings that are titled to the Department of Economic Security (DES) and occupied by Department of Child Safety (DCS) staff.

Address	City	Total Gross	DES Gross Sq.	DCS Gross Sq.
		Sq. Ft	Ft.	Ft.
4635 S. Central	Phoenix	22,400	14,330	8,070
220 N. Leroux Street	Flagstaff	5,920	3,447	2,473
319-321 E. 3 rd Street	Winslow	7,522	4,968	2,554
605 S. 7 th Street	Globe	11,500	9,313	2,187
1140 F Avenue	Douglas	5,520	3,339	2,181
2981 E. Tacoma Street*	Sierra Vista	8,866	4,183	4,683
480 N. Grand Avenue	Nogales	4,674	2,815	1,859

^{*} DES owns this building. The State Land Department owns the land the building is situated on.

In light of the proportional occupancy of the two departments in each building, the residual federal equity in some buildings, and the continued availability of DES' maintenance staff to maintain these buildings, it is the recommendation of both agencies that DES retain ownership of all seven of the noted buildings and that the current intergovernmental agreement between DES and DCS for facility services be amended to ensure DCS continues to benefit from the use of these buildings. Specifically:

- 1. In operation the benefit of these properties to both agencies is the low cost of occupancy. Therefore, DES guarantees DCS its current space in each building, as long as desired. The allocation of space between the departments may be changed by mutual agreement should one agency vacate space and the remaining agency desire the vacated space. If DCS desires to reduce space in one of the noted locations and DES does not need the additional space, DCS agrees to provide a six month notice prior to vacating the space to allow DES to formulate a backfill plan.
- 2. In disposal if a listed building is sold, the proceeds of the sale will be divided between DES and DCS in proportion to the then current proportional occupancy.

We believe this approach maintains the benefits of these properties for both departments without incurring additional costs or disruption for either department.

If you have any questions, please contact Barbara Neagle, Assistant Director, Division of Business and Finance, (602) 542-6508.

Sincerely,

James Hillyard

be then so.

Deputy Director for Operations

Arizona Department of Economic Security

Sincerely,

Eric Jorgensen

Deputy Director for Administration Arizona Department of Child Safety

ce: Members of the Joint Committee on Capital Review
John Arnold, Director, Governor's Office of Strategic Planning and Budgeting



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DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director R5

FROM:

Micaela Larkin, Fiscal Analyst NL

SUBJECT:

Arizona Department of Corrections - Review of Revised FY 2014 Building Renewal Allocation

and Revised FY 2015 Building Renewal Allocation Plans

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies.

JCCR has previously reviewed Arizona Department of Corrections' (ADC's) FY 2014 and FY 2015 Building Renewal plans, including contingency allocations. This memo addresses a reallocation of savings from FY 2014 monies for new projects, and a change in the FY 2015 building renewal spending plan.

ADC is now proposing to allocate a total of \$1,702,500 savings from perimeter and locking upgrades made with the FY 2014 building renewal appropriation to other projects. ADC also proposes to allocate monies originally allotted in the FY 2015 building renewal plan for the conversion from evaporative cooling to air conditioning at APSC - Eyman to be used at ASPC - Tucson instead.

Recommendation

The Committee has at least the following 2 options:

- 1. A favorable review.
- 2. An unfavorable review.

The proposed expenditure plan is consistent with building renewal guidelines and appropriations.

Under either option, the JLBC Staff recommends the provision that ADC shall report any change in the spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. The Committee favorably reviewed the FY 2014 Building Renewal Plan on August 20, 2013 and the FY 2015 Building Renewal Plan on June 19, 2014. On December 17, 2014, the Committee reviewed reallocation of contingency monies within the plans. Per the provisions agreed upon at the respective JCCR meetings, the department is now submitting further changes in the spending plans for Committee review.

Revised FY 2014 Building Renewal Allocation

Laws 2013, 1st Special Session, Chapter 8, appropriated \$5.0 million to ADC from the Department of Corrections Building Renewal Fund in FY 2014. The Committee favorably reviewed the department's proposal at its August 20, 2013, and subsequent use of contingency monies at the December 17, 2014 meeting.

The authorized spending for control replacement at ASPC - Douglas and for perimeter security upgrades at ASPC - Florence and ASPC - Tucson in the original FY 2014 building renewal plan were completed for \$(1,415,000) less than the approved project budgets.

ADC is now requesting to reallocate the remaining project funds of \$1.4 million for 5 additional projects. Of this amount, ADC proposes allocating:

- \$500,000 for replacement of a generator at ASPC Tucson Whetstone. Currently, if there are power failures, ADC would need to rent a generator.
- \$486,000 for the replacement of the original underground natural gas lines that have reached the end of their service life at ASPC Florence East.
- \$229,000 for replacement of the main electrical switch gear, service entrance section, and distribution panels at ASPC Florence. Installed in 1960, the electrical units distribute electrical power to the Central unit housing maximum custody prisoners, health units, and administrative offices.
- \$100,000 for upgrading perimeter fencing at ASPC Perryville Lumley.
- \$100,000 for the replacement of rusted and eroded showers at ASPC Perryville Lumley.

Table 1 below shows the proposed revisions to the FY 2014 Building Renewal Plan.

Revised FY 2015 Building Renewal Allocation

Laws 2014, Chapter 15 appropriated \$8.4 million (\$3.0 million from the General Fund and \$5.4 million from Other Funds) to ADC for building renewal in FY 2015. The Committee favorably reviewed the department's proposal at its June 19, 2014 meeting, and subsequent use of contingency monies at the December 17, 2014 meeting.

ADC is now requesting to reallocate \$287,500 for the conversion from evaporative cooling to air conditioning at ASPC - Eyman Cook to be used as additional funds for the conversion already approved at ASPC - Tucson Manzanita. With this request, the conversion at Eyman Cook would not take place, and the additional funds would be used to complete the work at Tucson Manzanita.

Table 1		
FY 2014 Building Renewal Realloc	ation Request	
G	•	
	As Amended on	Revised
	Dec. 17, 2014	Allocation
Perimeter Upgrade		
Florence South	\$ 660,000	\$ 300,000
Yuma Cheyenne	308,200	308,200
Florence East	95,200	95,200
Perryville Santa Cruz	95,200	95,200
Tucson Cimarron	347,200	347,200
Perryville Lumley ¹	0	100,000
	\$1,505,800	\$1,245,800
Locking Systems and Controls		
Tucson Cimarron	\$1,132,500	\$ 587,500
Douglas CDU	840,000	330,000
Eyman SMU I	1,300,000	1,300,000
Lyman Sivio 1	\$3,272,500	\$2,217,500
	\$3,272,300	\$2,217,300
Additional Infrastructure		
Fiber Optic Cable Upgrade - Lewis Eagle Point	\$ 75,000	\$ 75,000
Wastewater Disinfection System Upgrade - Eyman	95,000	95,000
Generator Replacement - Tucson ¹ /	0	500,000
Natural Gas Line Replacement - Florence East 1/	0	486,000
Electrical Systems Replacement - Florence 1/	0	229,000
Shower Upgrade - Perryville Lumley 1/2	0	100,000
	\$ 170,000	\$1,485,000
Contingency	e 51.700	¢ £1.700
Continuedity	<u>\$ 51,700</u>	<u>\$ 51,700</u>
TOTAL	\$5,000,000	\$5,000,000
1/ A new project proposed with the reallocation of project saving	gs.	

RS/ML:kp

Arizona Pepartment of Corrections



1601 WEST JEFFERSON PHOENIX, ARIZONA 85007 (602) 542-5497 www.azcorrections.gov



February 9, 2015

The Honorable Don Shooter, Chairman Joint Committee on Capital Review 1716 West Adams Phoenix, Arizona 85007



Dear Senator Shooter:

The Arizona Department of Corrections requests placement on the next meeting agenda of the Joint Committee on Capital Review to request authorization to reallocate remaining project funds from the AY 2014 and AY 2015 building renewal appropriations.

Authorized funding at three facility units for perimeter and lock upgrades are on schedule to be completed by \$1,415,000 under the approved project budgets. The Department requests the use of these funds for five additional projects: (1) ASPC-Tucson Whetsone Unit replacement of failed generator; (2) ASPC-Florence East Unit replacement of deteriorated natural gas line; (3) ASPC-Florence replacement of malfunctioning electrical switch gear and distribution system; (4) ASPC-Perryville Lumley Unit perimeter security upgrade; and (5) ASPC-Perryville Lumley Unit shower upgrade. Additional detail about the requested changes to the building renewal reallocation and project details are included on the enclosures.

If you have any questions regarding any of the proposed items, please contact me at (602) 542-1160.

Sincerely,

Michael P. Kearns

Division Director

Enclosures

cc: The Honorable Justin Olson, Vice-Chairman, Joint Committee on Capital Review John Arnold, Director, Office of Strategic Planning and Budgeting Richard Stavneak, Director, Joint Legislative Budget Committee Charles L. Ryan, Director, Arizona Department of Corrections Scott Selin, Budget & Project Manager, Office of Strategic Planning and Budgeting Micaela Larkin, Fiscal Analyst, Joint Legislative Budget Committee Staff

ARIZONA DEPARTMENT OF CORRECTIONS AY 2014 BUILDING RENEWAL REALLOCATION REQUEST 1

AY 2014 Building Renewal Allocation

Institution	Project Name	Project Description	Approved Project Budget ²	Requested Change	Reallocation Request Budget ²
ASPC-Florence South Unit	Perimeter upgrade	Perimeter security system and fencing upgrade	660,000	(360,000)	300,000
ASPC-Yuma Cheyenne Unit	Perimeter upgrade	Perimeter security upgrade	308,200	0	308,200
ASPC-Florence East Unit	Perimeter upgrade	Perimeter security upgrade	95,200	0	95,200
ASPC-Perryville Santa Cruz Unit	Perimeter upgrade	Perimeter security upgrade	95,200	0	95,200
ASPC-Tucson Cimarron Unit	Perimeter upgrade	Perimeter security upgrade	347,200	0	347,200
ASPC-Tucson Cimarron Unit	Lock upgrades in housing unit 4	Replace obsolete locking and control systems	1,132,488	(545,000)	587,488
ASPC-Douglas CDU	Control panel replacement	Replace obsolete control panel	840,000	(510,000)	330,000
ASPC-Eyman SMU I ASPC-Lewis Eagle Point/Sunrise ASPC-Eyman ASPC-Tucson Whetstone Unit ASPC-Florence East Unit ASPC-Florence	Locking systems & controls Fiber Optic Cable Upgrade Wastewater disinfection system upgrade Generator Replacement Natural Gas Line Replacement Electrical switch gear and distribution system replacement	Phase I: Replace obsolete, non-functional locks and doors for 20 of 96 pods. Total project: \$6.24M Replace fiber optic cable running from ASPC-Lewis to satelite units Replace current UV disinfection system with Chlorine system Replace failed generator Replace deteriorated natural gas line Replace malfunctioning electrical switch gear, service entrance section, and distribution panels	1,300,000 75,000 95,000 0 0	0 0 0 500,000 486,000 229,000	1,300,000 75,000 95,000 500,000 486,000
ASPC-Perryville Lumley Unit	Perimeter upgrade	Perimeter security upgrade	0	100,000	100,000
ASPC-Perryville Lumley Unit	Shower Upgrade	Renovate showers that have reached end of service life	0	100,000	100,000
Various	Contingency	Contingency AY 2014 TOTAL	51,712 5,000,000	0	51,712 5,000,000

Laws 2012, Second Regular Session, Chapter 295 (SB 1524), Section 9 states that "Unless otherwise specified, the appropriations made in this act do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full fiscal year without an expenditure or an encumbrance."

The AY 2014 Building Renewal Plan was approved by JCCR on August 20, 2013. The plan was subsequently revised and approved by JCCR on December 17, 2014, to add a Fiber Optic Cable Upgrade for ASPC-Lewis and a Wastewater Disinfection System Upgrade for ASPC-Eyman funded from the Contigency allocation.

Arizona Department of Corrections FY 2014 Building Renewal Funds Reallocation

Due to favorable construction bids and project scope of work modifications, three of the FY 2014 ADC building renewal projects were delivered well below the project estimated budgets and have excess funds that are uncommitted. ADC requests to utilize the remaining funds from these three projects to fund five additional projects listed below.

ASPC-Tucson Whetstone Unit Generator	\$500,000
ASPC-Florence East Unit Natural Gas Line	\$486,000
ASPC Florence Electrical Switch Gear	\$229,000
ASPC-Perryville Lumley Unit Perimeter Fencing	\$100,000
ASPC-Perryville Lumley Unit Showers	<u>\$100,000</u>
Total	\$1,415,000

ASPC-Tucson Whetstone Unit Generator:

\$500,000

The ASPC-Tucson Whetstone Unit generator suffered an engine failure which has taken the generator out of service. The Whetstone unit has a population of 1,250 inmates and currently is relying on extremely expensive contingency plans of renting a generator when there are power failures. The replacement of the generator is critical to the safe and secure operation of the unit as it provides emergency power for security and lighting systems in the event of a power failure.

ASPC-Florence East Unit Natural Gas Line:

\$486,000

The natural gas lines serving the ASPC-Florence East unit have deteriorated to the point of replacement. The gas lines throughout the unit have developed leaks and must be replaced. The original underground gas lines were installed in 1982 and have reached the end of their service life. The lines continue to leak and present a hazard to inmates and staff. The complex has started replacing the worst section of these lines with their limited budget but a complete replacement of the entire underground system is required.

ASPC-Florence Complex Electrical Switch Gear:

\$229,000

The main electrical switch gear, service entrance section and distribution panels at ASPC-Florence are experiencing electrical short circuits and circuit failures and have reached the end of their service life. These units were originally installed in 1960 and distribute electrical power the Central unit which houses maximum custody inmates, multiple health units and administrative offices. The upgrade to these critical electrical systems is needed to provide continual power to the Central unit at the complex.

ASPC-Perryville Lumley Unit Perimeter Fence:

\$100,000

ASPC-Perryville Lumley Unit which houses maximum custody inmates and was constructed in 1981 is in need of a perimeter fence upgrade. This unit houses maximum custody female inmates, including death row, and its current perimeter fence system is in need of an upgrade to a double perimeter fence system. The addition of an additional perimeter fence will boost security and provide an additional resource to prevent escapes and protect the public.

Date Prepared: February 9, 2015

Arizona Department of Corrections FY 2014 Building Renewal Funds Reallocation Page 2

ASPC-Perryville Lumley Unit Showers:

\$100,000

The ASPC-Perryville Lumley Unit showers which were constructed in 1981 have reached the end of their service life and are in need of renovation. This unit houses maximum custody female inmates, including death row. Original construction method of masonry block and metal doors and frames have eroded and rusted to an extent as to render some of the showers unusable. The reduced number of available showers puts a strain on both staff and inmates in so far as scheduling and managing the inmates' ability to shower.

Available funding for reallocation came from the following projects:

ASPC-Florence South Unit Perimeter Upgrade:

(\$360,000)

The original scope of work called for a ported cable detection system and several fences to be relocated. It was determined through an engineering study conducted by Norment that a ported cable system would not function properly due to the close proximity of the two perimeter fences to each. A fence mounted detection system was installed at a reduced cost. Previously fence modifications were changed to a lesser scope of work than was originally planned for the project.

ASPC-Tucson Cimarron Unit Lock Upgrades:

(\$545,000)

The original scope of work and estimates were based on completing two similar projects at the Cimarron Unit. Housing Unit 4 did not have as many doors and lock issues that needed to be corrected during the project as previous units.

ASPC-Douglas CDU Control Panel Replacement:

(\$510,000)

The project was originally estimated with funding to correct structural issues with the building settling and causing doors to bind. Engineering confirmed during the project that the building had settled at some point but no future settling was anticipated and only minor structural issues needed to be corrected.

Date Prepared: February 9, 2015



Joint Committee on Capital Review

STATE SENATE

DON SHOOTER CHAIRMAN 2015 OLIVIA CAJERO BEDFORD STEVE FARLEY GAIL GRIFFIN KATIE HOBBS JOHN KAVANAGH STEVEN B, YARBROUGH

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ERIC MEYER, M.D.
STEVE MONTENEGRO
ANDREW C. SHERWOOD
DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director **U.S**

FROM:

Steve Grunig, Senior Fiscal Analyst & D 21

SUBJECT:

Arizona Exposition and State Fair Board - Review of FY 2015 Capital Improvement

Expenditures

Request

Pursuant to A.R.S. § 41-1252 the Arizona Exposition and State Fair Board requests Committee review of the scope, purpose and estimated cost of \$285,000 for capital improvements. The FY 2015 Capital Outlay Bill (Laws 2014, Chapter 15) appropriated \$1,000,000 from the Arizona Exposition and State Fair Fund to the Arizona Exposition and State Fair Board for capital improvements. In June 2014, the Committee gave a favorable review to the Arizona Exposition and State Fair Board's \$731,000 expenditure plan for 9 capital projects. One of these projects has been completed for \$100,000 less than the original estimate, leaving \$369,000 currently available from the agency's FY 2015 Capital Outlay Bill appropriation. The Arizona Exposition and State Fair Board is requesting Committee review of 4 capital projects with a total cost of \$285,000 in FY 2015.

Recommendation

The Committee has at least the following 2 options:

- 1. A favorable review.
- 2. An unfavorable review.

Analysis

Background

The Arizona Exposition and State Fair Board requests the Committee review the following 4 projects:

1. Home Arts Building Fire Alarm System

The State Fire Marshal's Office has determined that fire safety improvements are required. These include installation of pull station alarms, audible horns and visual flashers. Estimated project cost is \$110,000.

2. Coliseum Emergency Generator

The 50-year-old emergency generator supporting the Coliseum is no longer reliable and needs to be replaced. In September 2014, the existing system failed and required emergency repairs prior to the State Fair in October 2014. Estimated project cost is \$75,000.

3. Coliseum Boiler

The original Coliseum design (50 years ago) included 2 water boilers for heating. Since 2011, one of these heating boilers has been inoperative. In order to maintain availability of heating, a new replacement boiler will be installed, while the older system will remain for contingencies. Estimated project cost is \$50,000.

4. Home Arts Evaporative Coolers

Five evaporative coolers in the Home Arts Building (in excess of 20 years old) have become unreliable and need to be replaced. Estimated project cost is \$50,000.

RS/SG:kp





February 9, 2015

The Honorable Don Shooter Joint Committee on Capital Review Arizona Senate 1700 W. Washington, Room 200 Phoenix, AZ 85007

Re: Request for Placement on Joint Committee on Capital Review Agenda

Dear Senator Shooter:

The Arizona Exposition and State Fair (AESF) respectfully request a favorable review for the expenditure of monies on the following capital improvements or building renewal projects:

1. H	lome Arts Building Fire Alarm System	\$1	10,000
	Coliseum Emergency Generator	\$	75,000
	Coliseum Boiler	\$	50,000
	Home Arts Evaporative Coolers	\$	50,000

A brief description of the projects is as follows:

1. Home Arts Building Fire Alarm System

New detection and audible warning systems are being required by the State Fire Marshal. Project includes installation of pull station alarms, audible horns and visual flashers. This project is being sought to comply with fire safety requirements and public protection.

2. Coliseum Emergency Generator

Design and replacement of the emergency generator supporting the Coliseum. The emergency power generator in the Coliseum is 50 years old and is beginning to fail. During the Storms in September 2014, the system failed and required emergency repairs or alternate provisions before the Coliseum could be occupied for the State Fair in October. This project is being sought to comply with fire safety requirements and public protection.

3. Coliseum Boiler

Design and replace a heating boiler in the Coliseum. The Coliseum was heated by two (2) 6,000,000 BTU water boilers. The boilers are original to the building

and are 50 years old. In 2011, one boiler was deemed beyond its useful life and unrepairable. The State Boiler Inspector tagged the boiler as inoperable. The remaining boiler is temperamental and has been supported with parts from the decommissioned boiler. When renting the Coliseum during the winter, availability of heating is generally a condition and concern. A single boiler of this size is capable of heating the Coliseum; the use or availability of two allows for contingency issues in event of a failure. The current boiler still in service would be retained as the secondary heating source. This project is being sought as a business continuity need, an opportunity for energy efficiency and to allow rental opportunities within the building.

4. Home Arts Evaporative Coolers

Replace five evaporative coolers used to moisturize and circulate air in the building. The current coolers are in excess of 20years old, require continual maintenance and are undependable. This project is being sought to improve the rental opportunities of the building and improve the guest experience.

Costs of the above projects are based on contracted services and estimates for inhouse construction, as possible. AESF will utilize ADOA General Services to identify the most expedient and fiscally responsible process to accomplish these projects, whether through bid, state contracts or in-house labor. ADOA General Services will also be sought to administer these constructions projects as appropriate.

If you have any questions or require additional information concerning the requests, please contact me at 602-252-6771.

Sincerely,

Wanell Costello Executive Director

CC: The Honorable Justin Olson

Illya Riske, OSPB Steve Grunig, JLBC



Joint Committee on Capital Review

STATE SENATE

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STEVE MONTENEGRO
ANDREW C. SHERWOOD
DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director 25

FROM:

Krista MacGahan, Fiscal Analyst

SUBJECT:

Arizona Game and Fish Department - Review of FY 2014 Building Renewal Allocation

Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Game and Fish Department (AGFD) requests the Committee review its FY 2014 Building Renewal Allocation Plan for \$297,100. The FY 2014 Capital Outlay Bill (Laws 2013, 1st Special Session, Chapter 8) appropriated a total of \$547,600 from the Game and Fish Fund for building renewal. The bill specified the appropriation in FY 2014 is available through the end of FY 2015.

Recommendation

The Committee has at least the following 2 options:

- 1. A favorable review.
- 2. An unfavorable review.

The proposed building renewal expenditure plan is consistent with building renewal guidelines and appropriations.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. A total of \$547,600 is appropriated to AGFD for building renewal in FY 2014.

AGFD expects to allocate \$297,100 between 4 projects: \$166,100 for the Tucson Regional Office remodel, \$35,000 for the Tonto Creek Hatchery Septic System renovation, \$52,200 for an AGFD State Headquarters Major Maintenance Fund deposit, and \$43,800 for preventative maintenance.

(Continued)

Tucson Regional Office Project

AGFD has identified concerns related to the outdated design and layout of the Tucson Regional office that affect employee safety, customer service, and compliance with the Americans with Disabilities Act. The remodel includes installing new walls, flooring, work stations, customer service counters, and rolling security shutters. The cost to remodel 1,120 square feet is \$148 per square foot.

Tonto Creek Fish Hatchery Project

The Tonto Creek Fish Hatchery sees increased recreational use in the summer and has an inadequate septic/leach field system. The system serves 2 public buildings and 1 public restroom facility and the septic system fails during peak use of the restroom in the summer and when the ground gets saturated with snow in the winter. AGFD plans to construct an independent septic system for 1 building and renovate and expand the capacity of the current system for a total cost of \$35,000. This includes \$5,000 for engineering and permitting, \$18,000 for the new septic system, and \$12,000 for renovating and expanding the current system.

Major Maintenance Fund Deposit

AGFD committed to depositing a portion of its annual building renewal allocation into a sinking fund as part of the lease-purchase agreement for the AGFD Headquarters facility. This deposit is expected to be \$52,200 for FY 2014. The fund covers future capital expenses associated with major cyclic maintenance and includes administration building roof maintenance, interior floors and walls replacement and painting, building systems upgrades, HVAC replacement, and asphalt maintenance along a 25-year schedule.

Preventative Maintenance

A.R.S § 41-793.01 allows AGFD to allocate up to 8% of building renewal appropriations for routine preventative maintenance. The \$43,800 allocation includes preventative maintenance and testing of the following systems: HVAC systems, building systems pavement, back-up power generator systems, fire detection alarm and suppression systems, sewer lift stations, and fire and potable water system backflow protection.

Table 1	
FY 2014 Building Renewal Projects	
Tucson Regional Office Remodel	\$166,100
Tonto Creek Fish Hatchery Septic System	35,000
State Headquarters Major Maintenance Fund Deposit	52,200
Preventative Maintenance	43,800
Total	\$297,100

RS/KM:kp



THE STATE OF ARIZONA

GAME AND FISH DEPARTMENT

5000 W. CAREFREE HIGHWAY PHOENIX, AZ 85086-5000 (602) 942-3000 • WWW.AZGFD.GOV GOVERNOR DOUGLAS A. DUCEY

COMMISSIONERS

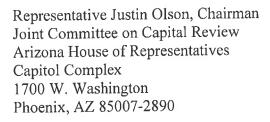
CHAIRMAN. ROBERT E. MANSELL, WINSLOW KURT R. DAVIS, PHOENIX EDWARD "PAT" MADDEN, FLAGSTAFF JAMES R. AMMONS, YUMA J.W. HARRIS, TUCSON

DIRECTOR LARRY D. VOYLES

DEPUTY DIRECTOR
TY E. GRAY



January 30, 2015



Re: Request for Placement on Joint Committee on Capital Review Agenda

Honorable Representative Olson:

The Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review the following:

1. The Arizona Game and Fish Building Renewal Expenditure Plan (FY14 Appropriated Funds)

The following information for this review is attached:

• Arizona Game and Fish Building Renewal Expenditure Plan

Sincerely, Con (far)

Larry D. Voyles

Director

Arizona Game and Fish Building Renewal Expenditure Plan - FY15

Project: Tucson Regional Office Security and ADA Upgrades
Objectives: Improve employee security; improve customer service functionality

Need: The Department's Region 5 (Tucson) staff has identified several significant concerns related to the aged design and layout of their business office and front lobby that effect employee safety, customer service and efficiency, compliance with ADA guidelines and ensuring compliance with appropriate internal controls related to cash handling. The Tucson office is one of the busiest of the Department's six Regional Offices, yet has the smallest lobby, service counter and business office area. The office has had no significant upgrades since 1997. Specific concerns are as follows:

Security

- Tucson has a history of political demonstration and activism that has presented a security threat to the facility and personnel
- Current workstations are situated in a way that impedes lobby surveillance; customers may go unnoticed, increasing wait times and providing opportunity for theft or vandalism
- The partition between the front lobby and customer service representatives is inadequate to protect employees. The height of the counter is low and could easily be jumped by an assailant. The close approximation to customers creates a situation where a customer can reach across and grab the employee
- The swing gate that provides employee access is difficult to keep closed and is lower than the counter; this is an inadequate barrier
- Renovation will enhance the security of accountable inventory

Functionality

- Currently there are only three cash registers of which two are fully functional. This is inadequate
 to keep up with peak demand periods resulting in excessive wait times for customers. The lobby is
 small and can only accommodate a few customers at a time, further exacerbating the problem
- During peak business demand, lines form and extend into the parking lot creating an unsafe situation for customers and employees
- There is only a "makeshift" ADA customer service station that is not fully compliant. The main lobby entry door is problematic in it requires excessive pull pressure.
- Access to regulatory information, Department brochures and interactive opportunity is very limited
- Lobby appearance is dated and unappealing affecting the customers' experience and perception of the Department
- Due to limited availability of functional workstations, compliance with Department accounting
 policy is challenging; compliance with internal control policies is difficult as multiple customer
 service representatives must access the same cash drawer

Solution: The remodel will focus on improved security and ADA accessibility. With the exception of the new ADA station, three new customer service bays will be standing height and will reduce exposure to the business office area. Security shutters will be installed for off-hours security. Passage from the lobby to the business office will be through an access controlled doorway. Additionally, the design will provide added waiting and browsing space for visitors with special consideration for disabled customers. The additional space will be added to the lobby by removing two volunteer stations and a partition wall in the business area and moving

the customer service counter back from the lobby. The new configuration will include new entry doors with an ADA compliant power door operator.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
	"A TO SEE A		Bill a life n	
Mobilization/Temporary Business Services	1	LS	\$15,375.00	\$15,375
Setup	=			
Demolition - Walls/Floors/Reception Area	1	LS	\$7,674.00	\$7,674
New Wall Partition-	1300	SF	\$11.00	\$14,300
Framing/Drywall/Texture			,	
New Reception Area Counters/AV	1	LS	\$36,114.00	\$36,114
Cabinetry/Millwork	_		700/	, ,
Framing/Bracing/Ceiling Soffit for Rolling	1	LS	\$33,560.00	\$33,560
Shutters/New Security Shutters	-	10		
Flooring	850	SF	\$12.45	\$10,583
Frames/Doors/Hardware	1	LS	\$6,803.00	\$6,803
Painting	1600	SF	\$4.20	\$6,720
New CS Work Stations/Volunteer Work	1	LS	\$22,114.00	\$22,114
Stations/Lobby Mill and Case Work	1		\$22,11 4 .00	722,114
TOTAL ESTIMATE:				\$166,123

Impact of Not Approving this Request: AGFD is committed to providing a safe work environment to its employees while presenting a positive image at its Regional facilities, as well as superior customer service. Continued deferred maintenance will result in dilapidated facilities, poor customer experience, and in some cases, health and safety implications.

Project: Tonto Creek Hatchery Septic System Remediation
Objectives: Remediate health concerns; maintain facilities for on-station staff and visiting public

Need: The Tonto Creek Hatchery is a popular destination spot for summer travelers in the rim country. Currently there are two buildings and a public restroom facility on a single septic/leach field system. The leach field currently fails during high public use of the restroom or when the ground becomes saturated from snow in the winter.

Solution: The system is under designed for the wastewater that is being generated. The plan is to construct an independent septic system for the most northerly building and renovate and expand the capacity of the current system.

Cost Estimate

Activity	Unit Cost (Lump Sum)		
Series de la Companya	\$ 5,000		
Engineering/ADEQ Permitting North Residence Septic System (New)	\$18,000		
Renovate/Expand Existing Leach Field System	\$12,000		
TOTAL ESTIMATE:	\$35,000		

Arizona Game and Fish State Headquarters – Major Maintenance Fund

Background: As part of the lease purchase agreement for the AGFD Headquarters facility, the Department committed to depositing a portion of its annual building renewal allocation into a sinking fund established through an indenture agreement with Wells Fargo Corporate Trust. This fund will cover future capital expenses associated with major cyclic maintenance items based on the following:

- Administration Building Roof Maintenance Foam Roof Sealant every 7 years; new roof in year 25
- Interior Floors, Walls Replace carpet flooring every 7 years; paint interior walls every 5 years; other flooring every 10 – 15 years
- Building Systems Assumes ongoing upgrades to lighting, HVAC (energy management), telecommunication and information systems; security/access control system; fire detection and alarm system
- HVAC Anticipated replacement of chiller in year 25; air handler unit replacements in years 20 -25; independent heat pump systems every 12 years
- Asphalt Maintenance Crack seal every 3 years; seal coat parking lots every 5 years; slurry seal main entry road every 5 years; mill and overlay parking lot and main entry road in year 20

Estimated Annual Sinking Fund Requirement: \$52,230

FY 2014 Building Renewal Appropriation Expenditure Summary

Original Appropriation Amount	\$547,600
Tucson Regional Office Security/ADA Upgrades	\$166,123
Tonto Creek Hatchery Septic System	\$35,000
State Headquarters Major Maintenance Fund	\$ 52,230
Balance Remaining:	\$294,247

Per statutory requirement, for future projects exceeding \$25,000, AGFD will submit a detailed Expenditure Plan to the Joint Committee on Capital Review for review and approval. Per statute, AGFD may spend up to 8% of the total appropriation amount on preventive maintenance.



Joint Committee on Capital Review

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HOUSE OF REPRESENTATIVES

JUSTIN OLSON CHAIRMAN 2016 LELA ALSTON RICK GRAY ERIC MEYER, M.D. STEVE MONTENEGRO ANDREW C. SHERWOOD DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director (25)

FROM:

Benjamin Beutler, Senior Fiscal Analyst 33

SUBJECT:

Arizona Department of Transportation - Review of De-Icer Buildings Project

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for capital projects with costs greater than \$250,000. The Arizona Department of Transportation (ADOT) is requesting Committee review of \$2,280,000 from the State Highway Fund for the construction of 5 de-icer buildings.

Recommendation

The Committee has at least the following 2 options:

- 1. A favorable review.
- 2. An unfavorable review.

The cost projections are consistent with the low bid and are within the proposed budget for the project.

Under either option, the JLBC Staff recommends the provision that ADOT report any project reallocations above \$100,000.

Analysis

The FY 2015 Capital Outlay Bill appropriated \$2,280,000 from the State Highway Fund in FY 2015 to the department to construct 5 new buildings to house de-icer chemicals, bulk sand, and cinders used during winter months to de-ice highways.

ADOT estimates a total cost of \$2,280,000 to construct new de-icer buildings at 5 locations (Camp Verde, Fredonia, Kayenta, St. John, and Three Way), as shown in the following table:

ADOT's Estimated Cost for 5 De-Icer Buildings				
	Estimated Cost			
5 De-Icer Buildings	\$ 2,212,600 1/			
Contingency	67,400			
Total	\$2,280,000			
	32,200,000			
1/ Low bid				

ADOT's estimated cost for the 5 proposed locations averages \$456,000 per location. This is the same cost per location as favorably reviewed by the Committee on April 8, 2014, the last time the Committee reviewed these types of projects. The \$456,000 per location is consistent with the low bid and is within the proposed budget for the project.

The new de-icer buildings would replace existing outside storage, and would help ADOT comply with an environmental agreement with the Arizona Department of Environmental Quality regarding storm water/waste water.

RS/BB:kp



Douglas A. Ducey, Governor
John S. Halikowski, Director
Scott Omer, Deputy Director for Operations
Floyd Roehrich, Jr., Deputy Director for Policy
Dallas Hammit, Deputy Director for Transportation

March 19, 2015

The Honorable Don Shooter Chairman Joint Committee on Capital Review 1716 West Adams St. Phoenix, AZ 85007



Dear Senator Shooter:

We respectfully request an agenda item be placed on the next meeting of the JCCR for review of projects related to ADOT's FY2015 Capital Outlay Appropriation.

ADOT was appropriated \$2,280,000 for the construction of de-icer material storage buildings as part of a comprehensive containment designed to keep chemicals and materials from entering and contaminating the state's water system. Funds will be used to build two (2) 60 ft. x 80 ft. and three (3) 60 ft. x 60 ft. membrane-covered, steel-frame buildings at the following maintenance yards: Camp Verde, Fredonia, Kayenta, St. Johns, and Three Way.

The current bid amount is \$2,212,577 with the remaining \$67,423 to be used for contingency.

We appreciate your consideration and approval of this request. If you have any questions or need additional information, please contact Melissa Wynn, ADOT Budget Director, at 602-712-8981.

Sincerely,

John S. Halikowski

Enclosure

c: Richard Stavneak, JLBC Director

Ben Beutler, JLBC Analyst

Charles Martin, OSPB Analyst John Hetzel, ADOT

John Hetzel, ADO1

ADOT15-00004861

Construction of De-Icer Storage Buildings at Camp Verde, Fredonia, Kayenta, St. John, and Three Way Maintenance Yards in Arizona

Primary Locations					
	Quantity	UoM	Unit Price	Unit Price	Unit Price
Camp Verde Maintenance Yard	1	EA	\$349,000.00	\$536,580.00	\$376,830.00
Fredonia Maintenance Yard	1	EA	\$456,000.00	\$606,870.00	\$490,930.00
Kayenta Maintenance Yard	1	EA	\$447,000.00	\$563,310.00	\$487,660.00
St. John Maintenance Yard	1	EA	\$436,000.00	\$583,110.00	\$490,480.00
Three Way Maintenance Yard	1	EA	\$418,000.00	\$528,660.00	\$387,690.00
			\$0.00	\$0.00	\$0.00
Subtotal			\$2,106,000.00	\$2,818,530.00	\$2,233,590.00
Lump Sum Taxes 5 locations:			\$106,577.25	\$126,585.91	\$79,635.00
Total			\$2,212,577,25	\$2,945,115.91	\$2,313,225.00
			1	3	2
RECOMMEND AWARD TO:		UB (1)		Series in the series	The same of the sa



Joint Committee on Capital Review

STATE SENATE

DON SHOOTER CHAIRMAN 2015 OLIVIA CAJERO BEDFORD STEVE FARLEY GAIL GRIFFIN KATIE HOBBS JOHN KAVANAGH STEVEN B. YARBROUGH

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JUSTIN OLSON CHAIRMAN 2016 LELA ALSTON RICK GRAY ERIC MEYER, M.D. STEVE MONTENEGRO ANDREW C. SHERWOOD DAVID STEVENS

DATE:

March 19, 2015

TO:

Senator Don Shooter, Chairman

Members, Joint Committee on Capital Review

THRU:

Richard Stavneak, Director 25

FROM:

Rebecca Perrera, Fiscal Analyst

SUBJECT:

Arizona Department of Administration - Consider Recommending FY 2015 Partial Rent

Exemptions

Request

A.R.S. § 41-792.01D authorizes the Director of the Arizona Department of Administration (ADOA), on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of state-owned rental fees if the agency has vacated its space. ADOA requests the Committee recommend partial rent exemptions for ADOA, the Department of Public Safety (DPS), and the Registrar of Contractors (ROC) totaling \$100,100 and a corresponding \$20,000 increase for the Governor's Office of Faith and Community Partnerships in FY 2015.

Recommendation

The JLBC Staff recommends that the Committee recommend the proposed partial rent exemption totaling \$80,100 in FY 2015 for ADOA and DPS. The JLBC Staff also recommends that the Committee recommend the proposed \$20,000 partial rent exemption for ROC and the corresponding rent payment to the Governor's Office of Faith and Community Partnerships in FY 2015.

Analysis

ADOA and DPS at 1937 West Jefferson Street

The FY 2015 Budget Procedures BRB (Laws 2014, Chapter 14) allowed ADOA to use funds appropriated in FY 2015 for building renewal for demolition. In November 2014, ADOA completed the demolition of 3 deteriorated and vacant state-owned buildings located at 1937 West Jefferson Street. The vacant buildings housed the former ADOA Child Development Center and the DPS Capital Policy Emergency Operations Center. Although these buildings were vacant, ADOA was appropriated \$114,600 and DPS was appropriated \$22,700 for Capital Outlay Stabilization Fund (COSF) rent in FY 2015. ADOA requests a pro rata rent exemption for \$66,900 for ADOA and \$13,200 for DPS, which reflects an exemption for 7 months of the fiscal year as the building was demolished in November.

ROC and the Governor's Office at 1700 West Washington
The ROC was appropriated \$448,800 for its FY 2015 occupancy at 1700 West Washington. Beginning in
November 2014, ADOA reallocated approximately 2,290 square feet of ROC office space to the Governor's
Office of Faith and Community Partnerships. ADOA will bill the Governor's Office of Faith and Community Partnerships for the FY 2015 pro rata share of the COSF rent.

RS/RP:kp





ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 NORTH FIFTEENTH AVENUE • SUITE 401 PHOENIX, ARIZONA 85007 (602) 542-1500

December 18, 2014

The Honorable John Kavanagh, Chairman Joint Committee on Capital Review (JCCR) Arizona House of Representatives 1700 West Washington Street Phoenix, Arizona 85007

The Honorable Don Shooter, Vice-Chairman Joint Committee on Capital Review (JCCR) Arizona State Senate 1700 West Washington Street Phoenix, Arizona 85007

Dear Representative Kavanagh and Senator Shooter:

The Arizona Department of Administration (ADOA) requests the JCCR favorably review our recommendation of a partial Capital Outlay Stabilization Fund (COSF) rent exemption for the ADOA Human Resources Division (HRD) and the Arizona Department of Public Safety (DPS). A.R.S. § 41-791(D) provides that the ADOA Director, on recommendation of the JCCR, may authorize a whole or partial exemption of COSF rent if the agency does not occupy or vacates space after the beginning of the fiscal year. Agencies that occupy State-owned buildings shall pay the higher of the amount reported by Joint Legislative Budget Committee (JLBC) Staff or the pro rata share based on actual occupancy.

In November 2014, ADOA completed the demolition of three aging and deteriorating vacant State-owned buildings located at 1937 West Jefferson Street in Phoenix, Arizona. The buildings included the former ADOA Child Development Center (CDC) and two modular buildings, one previously occupied by the DPS Capitol Police Emergency Operations Center (EOC). ADOA closed the CDC in FY 2009 subsequent to budget reductions and DPS closed the EOC in FY 2012; however, since then both agencies are appropriated COSF rents and continue to pay ADOA for the vacant buildings.



The Honorable John Kavanagh The Honorable Don Shooter December 18, 2014 Page 2 of 2

For FY 2015 ADOA HRD was appropriated \$114,600 and DPS was appropriated \$22,700 for COSF rent. ADOA requests JCCR favorably review the following FY 2015 seven (7) months (December 2014 – June 2015) pro rata rent exemptions:

ADOA HRD: \$66,900

DPS:

\$13,200

If you have any questions regarding the proposed COSF rent exemptions, please contact William Hernandez, Assistant Director, ADOA General Services Division (GSD), at 602-364-2872.

Sincerely,

Kathy Peckardt

Interim Director

Richard Stavneak, Director, JLBC Staff

Rebecca Perrera, Fiscal Analyst, JLBC Staff

John Arnold, Director, OSPB

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Will Palmisano, Fiscal Analyst, OSPB

Robert Halliday, Director, DPS

Jeff Grant, Deputy Director, ADOA

Paul Shannon, Assistant Director, ADOA

Marie Isaacson, Assistant Director, ADOA/HRD

William Hernandez, Assistant Director, ADOA/GSD

Nola Barnes, General Manager, ADOA/GSD

Douglas A. Ducey Governor



Kathy Peckardt Interim Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 NORTH FIFTEENTH AVENUE • SUITE 401 PHOENIX, ARIZONA 85007 (602) 542-1500

January 13, 2015

The Honorable Don Shooter, Chairman Joint Committee on Capital Review (JCCR) Arizona State Senate 1700 West Washington Street Phoenix, Arizona 85007

The Honorable Justin Olson, Vice-Chairman Joint Committee on Capital Review (JCCR) Arizona House of Representatives 1700 West Washington Street Phoenix, Arizona 85007

Dear Senator Shooter and Representative Olson:

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The Arizona Department of Administration (ADOA) requests the JCCR favorably review our recommendation of a partial Capital Outlay Stabilization Fund (COSF) rent exemption for the Arizona Registrar of Contractors (ROC) of \$20,000. A.R.S. § 41-791(D) provides that the ADOA Director, on recommendation of the JCCR, may authorize a whole or partial exemption of COSF rent if the agency does not occupy or vacates space after the beginning of the fiscal year. Agencies that occupy State-owned buildings shall pay the higher of the amount reported by Joint Legislative Budget Committee (JLBC) Staff or the pro rata share based on actual occupancy.

The ROC was appropriated \$448,800 for its FY 2015 occupancy of the State-owned space at 1700 West Washington, Phoenix, Arizona. Beginning November 2014 ADOA reallocated approximately 2,293 Rentable Square Feet (RSF) of ROC office space to the Governor's Office of Faith and Community Partnerships. ADOA will bill the Governor's Office of Faith and Community Partnerships for the FY 2015 pro rata share (\$20,000) of COSF rent.

If you have any questions regarding the proposed COSF rent exemption, please contact William Hernandez, Assistant Director, ADOA General Services Division (GSD), at 602-364-2872.

Sincerely,

Kathy Peckardt Interim Director The Honorable Don Shooter The Honorable Justin Olson January 13, 2015 Page 2 of 2

Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Fiscal Analyst, JLBC Staff
John Arnold, Director, OSPB
Chris Olvey, Fiscal Analyst, OSPB
William Mundell, Director, Registrar of Contractors
John McCleve, Governor's Office
Jeff Grant, Deputy Director, ADOA
Paul Shannon, Assistant Director, ADOA
William Hernandez, Assistant Director, ADOA/GSD
Nola Barnes, General Manager, ADOA/GSD