

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, April 29, 2020

2:00 p.m. or upon adjournment of the JLBC meeting

JLBC

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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VICE-CHAIRMAN

LELA ALSTON
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JOINT COMMITTEE ON CAPITAL REVIEW
Wednesday, April 29, 2020
2:00 P.M. or upon adjournment of the JLBC meeting

MEETING NOTICE

- Call to Order
- [Approval of Minutes of December 11, 2019.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA DEPARTMENT OF CORRECTIONS - Review of Revised Scope of Lewis and Yuma Lock and HVAC Projects.](#)
- 2. ARIZONA STATE UNIVERSITY
 - [A. Review of Building Infrastructure Project.](#)
 - [B. Review of Classroom, Academic and Research Laboratory Renovations.](#)
- 3. [***ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Recommending FY 2020 Partial Rent Exemptions.](#)
- 4. [***ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of FY 2020 Capital Improvement Expenditures.](#)
- 5. [***ARIZONA GAME AND FISH DEPARTMENT - Review of Building Renewal Reallocation Plan and Aquatic Research Center Capital Project.](#)

6. ***DEPARTMENT OF PUBLIC SAFETY - Review of Remote Housing Replacement.

* The meeting will be held via teleconference software. Members of the public may access a livestream of the meeting [here](https://azleg.granicus.com/MediaPlayer.php?publish_id=2) (https://azleg.granicus.com/MediaPlayer.php?publish_id=2)

*** Consent Agenda - These items will be considered in one motion and no testimony will be taken.

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

04/23/2020

kp

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

December 11, 2019

Vice-Chairman Regina Cobb called the meeting to order at 10:07 a.m., Wednesday, December 11, 2019 in Senate Appropriations Room 109. The following were present:

Members:	Senator Alston	Representative Cobb, Vice-Chairman
	Senator Bowie	Representative Fernandez
	Senator Gray	Representative Fillmore
	Senator Leach	Representative Frieze
		Representative Kern
		Representative Lieberman
Absent:	Senator Gowan, Chairman	Representative Kavanagh
	Senator Bradley	Representative Petersen
	Senator Kerr	Representative Toma

APPROVAL OF MINUTES

Senator Leach moved that the Committee approve the minutes of September 25, 2019. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

UNIVERSITY OF ARIZONA (UA) - Review of Deferred Maintenance Projects.

A.R.S. § 15-1671 requires Committee review of any non-debt financed university capital project paid for with funds from the university's Capital Infrastructure Fund (CIF). UA requests Committee review of its plan to pay \$10,000,000 in cash for campus-wide deferred maintenance projects.

(Continued)

The JLBC Staff provided options and potential 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 operations and maintenance costs when the project is complete.*
- B. *On or before October 15 of each year until completion of the project, UA shall report to the JLBC Staff on the status and expenditures of the deferred maintenance projects. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2020 Partial Rent Exemptions.

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 an agency does not occupy their space or lacks the financial resources to make a payment. ADOA requests the Committee recommend partial rent exemptions for 7 agencies totaling \$109,900 as outlined in *Table 1*. The JLBC Staff provided options.

Table 1			
Rent Adjustments			
	FY 2020 Rent Charge	FY 2020 Actual Rent	FY 2020 Rent Exemption
Administrative Hearings, Office of	\$210,600	\$196,500	\$14,100
Behavioral Health Examiners, Board of	93,700	72,400	21,300
Cosmetology, State Board of	124,800	116,200	8,600
Dental Examiners, Board of	51,500	56,400	9,500 ^{1/}
Medical Board	228,500	212,600	15,900
Nursing, Board of	229,300	191,400	37,900
Veterinary Medical Examining Board	36,600	34,000	2,600
Total			\$109,900
^{1/} The FY 2020 Budget Procedures Budget Reconciliation Bill increased FY 2020 rental rates. Agencies were appropriated funding to pay for this increase in rental rates. The Dental Board did not receive adequate funding to cover the increase in rental rates.			

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Reallocation of FY 2019 Building Renewal Appropriation.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Committee favorably reviewed ADOA's FY 2019 Building Renewal Allocation Plan at its July 2018 meeting. Pursuant to a Committee provision, ADOA requests the Committee review its plan to reallocate \$400,000 from the FY 2019 plan. The JLBC Staff provided options and potential provisions:

- A. *ADOA shall report to the JLBC Staff when the State Fair Board remits its reimbursement.*

(Continued)

- B. ADOA shall report any reallocations between project categories to the JLBC Staff. If there is significant change of scope in the reallocation reported by ADOA, the JLBC Staff shall recommend ADOA request Committee review of the reallocation.*

ARIZONA STATE LOTTERY COMMISSION - Review of FY 2019 and FY 2020 Building Renewal Allocation Plans.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona State Lottery Commission requests the Committee review its FY 2019 and FY 2020 Building Renewal Allocation Plans. The FY 2019 Capital Outlay Bill and the FY 2020 Capital Outlay Bill appropriated \$126,300 and \$134,100, respectively, from the State Lottery Fund to the State Lottery Commission to fund 100% of the building renewal formula in FY 2019 and FY 2020 for capital improvement projects. The JLBC Staff provided options and a potential provision:

- A. The commission shall report any change in the building renewal spending plan to the Joint Committee on Capital Review Chairman and the JLBC Staff. If there is significant change of scope in the reallocation reported by the commission, the Chairman may require further Committee review.*

ARIZONA PIONEERS' HOME - Review of FY 2020 Capital Improvement Projects.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. The FY 2020 Capital Outlay Bill appropriated \$414,000 from the Miners' Hospital for Miners with Disabilities Land Fund for capital improvements. The Arizona Pioneers' Home is requesting review of these monies for 3 capital improvement projects. The JLBC Staff provided options and potential provisions:

- A. The Arizona Pioneers' Home shall report any reallocation between projects to the JLBC Staff. If there is a significant change of scope in the reallocation reported by the Arizona Pioneers' Home, the JLBC Staff will recommend the Arizona Pioneers' Home request Committee review of the reallocation.*
- B. If the Arizona Pioneers' Home adds a new project not listed in this request, the agency shall submit the proposed project and expenditure plan for Committee review.*
- C. The Arizona Pioneers' Home shall notify the Chairman and the JLBC Staff if they plan to spend the contingency allocation. The Chairman will notify Arizona Pioneers' Home if the contingency plan will require full Committee review.*

Senator Leach moved that the Committee give a favorable review with provisions as outlined in the JLBC Staff analysis, to the 5 consent agenda items listed above. The motion carried.

REGULAR AGENDA

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending Secretary of State Rent Exemptions.

Ms. Morgan Dorcheus, JLBC Staff, stated A.R.S. § 41-792.01D, authorizes the Director of 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 an agency does not occupy their space or lacks the financial

(Continued)

resources to make a payment. ADOA requests the Committee recommend a full exemption totaling \$407,200 for the Secretary of State in FY 2020 and FY 2021. The JLBC Staff provided options and a potential provision.

Ms. Allie Bones, Assistant Secretary of State responded to member questions.

Ms. Nola Barnes, Assistant Director, General Services Division, ADOA responded to member questions.

Senator Leach moved that the Committee recommend the full rent exemption for FY 2020 only. The recommendation included the following provision:

- A. *On or before January 31, 2020, ADOA shall report to the JLBC Staff on its long-term plans for the Records Management Center building, including the current condition of the building, any plans to renovate or sell the building, and any potential building tenants.*

The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Kingman Materials Testing Lab Project.

Mr. Jordan Johnston, JLBC Staff, stated that A.R.S. § 41-1252 requires the Committee to review expenditure plans for monies appropriated for capital projects. ADOT requested Committee review of its \$2,250,000 FY 2019 Capital Outlay Bill appropriation to construct a new materials testing lab in Kingman. The JLBC Staff provided options.

Mr. John Hetzel, Facilities Manager, ADOT, responded to member questions.

Mr. Jesse Gutierrez, Deputy State Operations Engineer, ADOT, responded to member questions.

Senator Leach moved that the Committee give a favorable review of the agency's expenditure plan of \$2,250,000 from the State Highway Fund to replace the lab in Kingman. The favorable review included the following provision:

- A. *The department shall report back to the Committee by March 31, 2020 on the results of the contracting process. The report shall address the number of bids, the dollar value of all the bids, and the dollar value of the winning bid.*

The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Seligman and Williams Maintenance Buildings Project.

Mr. Jordan Johnston, JLBC Staff, stated that A.R.S. § 41-1252 requires the Committee to review expenditure plans for monies appropriated for capital projects. ADOT requested Committee review of its \$2,300,000 FY 2020 Capital Outlay Bill appropriation to construct new maintenance buildings in Seligman and Williams. The JLBC Staff provided options.

Mr. Jesse Gutierrez, Deputy State Operations Engineer, ADOT, responded to member questions.

(Continued)

Mr. Scott Bohning, Senior Architect, ADOT, responded to member questions.

Mr. John Hetzel, Facilities Manager, ADOT, responded to member questions.

Senator Leach moved that the Committee give a favorable review of the agency's expenditure plan of \$2,300,000 from the State Highway Fund to replace the maintenance offices in Seligman and Williams. The favorable review included the following provision:

- A. The department shall report back to the Committee by March 31, 2020 on the results of the contracting process. The report shall address the number of bids, the dollar value of all the bids, and the dollar value of the winning bid.*

The motion carried.

ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of Updated Expenditures for Locking and Fire Safety Projects.

Mr. Stefan Shepherd, JLBC Staff, stated A.R.S. § 14-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. ADC and ADOA are currently working to replace locks, fire alarm and suppression systems, and HVAC systems in the Lewis and Yuma prisons. The total project is estimated to cost \$51,400,000. At the June JCCR meeting the Committee favorably reviewed \$17,700,000 in non-appropriated monies to begin Phase 1 of the project. As part of that review, the Committee also included a provision requiring ADC to submit quarterly updates on the project.

ADC submitted its second quarterly update and requested review of an additional \$6,280,000 in non-appropriated monies in FY 2020. This new funding would be used to replace locks and fire alarm systems in the Buckley Unit in Lewis and begin addressing the HVAC replacement in the Rast Unit in Lewis. The JLBC Staff provided options and potential provisions.

Mr. David Shinn, Director, ADC, responded to member questions.

Senator Leach moved that the Committee received the expenditure plan without comment. The Committee also included the following provisions:

- A. A review of the proposal does not constitute endorsement of any General Fund commitment to pay for any project costs (Phase 1, 2, or 3, in FY 2020 or FY 2021) beyond the \$24.0 million.*
- B. The department shall comply with American Correctional Association (ACA) standards for all locks purchased and installed as part of this project.*
- C. The department shall report to the Committee prior to encumbering monies for the new HVAC units. The report shall include ADC's preferred method for HVAC replacement, along with capital and ongoing cost estimates for direct evaporative cooling, indirect evaporative cooling, and air conditioning systems. The Chairman will notify ADC within a week as to whether any potential change in scope requires further Committee review before proceeding.*
- D. The department shall report to the Committee prior to any change in scope for locking systems. The Chairman will notify ADC within a week as to whether any potential change in scope requires further Committee review before proceeding.*

(Continued)

The motion carried.

Without objection, the meeting adjourned at 12:07 p.m.

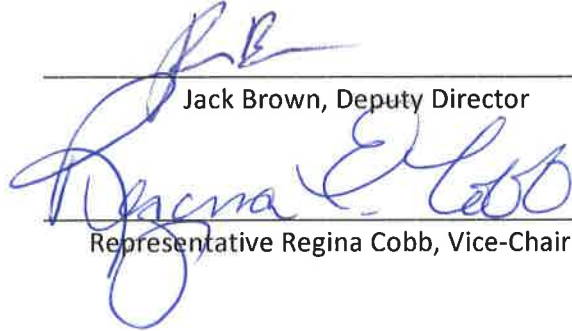
Respectfully submitted:

A handwritten signature in blue ink, appearing to read "K Paddack", written over a horizontal line.

Kristy Paddack, Secretary

A handwritten signature in blue ink, appearing to read "J Brown", written over a horizontal line.

Jack Brown, Deputy Director

A handwritten signature in blue ink, appearing to read "Regina Cobb", written over a horizontal line.

Representative Regina Cobb, Vice-Chairman



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DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Geoffrey Paulsen, Senior Fiscal Analyst

SUBJECT: Arizona Department of Corrections - Review of Revised Scope of Lewis and Yuma Lock and HVAC Projects

Request

Pursuant to a provision from the December 2019 Committee meeting, the Arizona Department of Corrections (ADC) submitted a report detailing its proposal to install air conditioning rather than indirect or direct evaporative cooling in select Lewis and Yuma prison units. Additionally, ADC proposes to further change the scope of the project to utilize a different locking system and to make additional facility upgrades to affected units.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may consider the following provisions:

- A. A favorable review of the proposal does not constitute endorsement of any General Fund commitment to pay for any project costs beyond the \$11.0 million appropriated in the FY 2021 budget.
- B. The department shall comply with American Correctional Association (ACA) standards for all locks purchased and installed as part of this project.

(Continued)

- C. The department shall report to the Committee any change in project scope or the expenditure plan as outlined in *Table 1*. The Chair will determine if the change requires further JCCR review.

Key Points

- 1) ADC had previously estimated the total cost to replace locks, HVAC systems, and fire alarm and suppression systems at affected units at the Lewis and Yuma prisons would be \$51.4 million.
- 2) The Committee favorably reviewed a total of \$24.0 million for the project at the June 2019 and December 2019 meetings. The FY 2021 budget included an additional \$30.0 million for the project, increasing total available resources to \$54.0 million.
- 3) ADC now proposes the following changes to the Lewis and Yuma projects:
 - a. Install air conditioning instead of evaporative cooling
 - b. Install a different, less expensive locking system.
 - c. Make additional facility upgrades to affected units.
- 4) The proposal would increase the total net project cost by \$8.6 million to a total of \$60.0 million and extend the project completion date from May 2021 to August 2022.
- 5) The \$60.0 million total cost includes \$5.4 million in cancellation costs from the original locking system.
- 6) ADC has not specified what sources it would use to cover the remaining \$6.0 million of unfunded costs above the current \$54.0 million of resources.

Analysis

Project Overview

ADC has identified locks, fire alarm and suppression systems and HVAC systems in Lewis and Yuma prison complexes that need replacement. In its June 2019 proposal, ADC divided the project into 3 phases. The 3 phases were:

- Phase 1 – Lewis Prison: Replace locks, fire alarm and suppression systems in 5 affected units.
- Phase 2 – Lewis Prison: Upgrade evaporative cooling in the 5 affected units.
- Phase 3 – Yuma Prison: Replace locks, fire alarm and suppression systems and upgrade evaporative cooling in 1 unit.

In December 2019, ADC estimated the total cost of the project would be \$51.4 million. The Committee favorably reviewed the use of \$17.7 million in June 2019 and an additional \$6.3 million in December 2019 from non-appropriated funds for a total of \$24.0 million.

ADC now proposes to make several changes to the original project scope. ADC's new proposal would install air conditioning rather than evaporative cooling, switch to a less expensive locking solution, and add new facility upgrades. On net, the proposal would increase the overall budget by \$8.6 million to \$60.0 million. (See *Table 1* below for a cost comparison by project phase.)

The FY 2021 budget appropriated \$30.0 million for the project, including \$11.0 million from the General Fund. In combination with the \$24.0 million of non-appropriated funds, the total project funding is \$54.0 million. With current projects costs of \$60.0 million, the unfunded cost of the project is \$6.0 million. Because of the unfunded balance, the Committee may consider Provision A, which states that a favorable review of does not constitute endorsement of future General Fund funding for project costs.

(Continued)

Table 1

Lewis and Yuma Lock, HVAC and Fire System Project Costs

	<u>Original Proposal</u>	<u>New Proposal</u>	<u>Difference</u>
Phase 1 – Lewis Locks/Fire Systems	\$ 25,890,000	\$ 5,706,700	\$ (20,183,300)
Phase 2 – Lewis HVAC	11,610,000	26,730,700	15,120,700
Phase 3 – Yuma Lock/HVAC/Fire Systems	13,900,000	14,736,600	836,600
Originally Purchased Locks - Repurposed		4,243,500	4,243,500
Potential Cancellation Penalties	-	5,311,000	5,311,000
New Upgrades ^{1/}	-	3,300,000	3,300,000
Total Project Costs	\$51,400,000	\$60,028,500	\$8,628,500

^{1/} ADC's new proposal would replace the current ceramic toilets with stainless steel, and upgrade to self-contained light fixtures less prone to tampering.

The original proposal estimated a completion date of May 2021. ADC's updated timeline anticipates completion in August 2022. However, this will depend on the inmate population level and ADC's ability to clear affected units for construction.

HVAC Plan

At the December meeting, ADC indicated they were considering installing air conditioning rather than indirect evaporative cooling at Lewis and Yuma. As part of its review, the Committee included a provision that required ADC to report on their preferred method for HVAC replacement prior to encumbering monies. The report was to include capital and ongoing cost estimates for air conditioning, indirect evaporative cooling and evaporative cooling. Between Lewis and Yuma, ADC now plans to install air conditioning at a cost of \$37.8 million, which will increase their HVAC spending by \$20.9 million. Their original indirect evaporative cooling proposal cost \$16.9 million (*See Table 2*).

According to ADC, air conditioning is the most expensive option in terms of both capital costs and annual maintenance. Despite the added cost, ADC prefers to install air conditioning because they do not introduce added moisture into the buildings thereby increasing facility longevity, and provide more reasonable temperatures, which ADC believes will benefit staff morale and inmate behavior.

Table 2

HVAC Capital and Maintenance Cost Comparison

	<u>Air Conditioning</u>	<u>Indirect Evaporative Cooling</u>	<u>Direct Evaporative Cooling</u>
<u>Capital Costs</u>			
Lewis	\$26,730,700	\$11,926,500	\$8,050,000
Yuma	<u>11,091,200</u>	<u>4,948,600</u>	<u>3,150,000</u>
Total	\$37,821,900	\$16,875,100	\$11,200,000
<u>Annual Maintenance Cost</u>			
Lewis	\$26,700	\$11,600	\$28,800
Yuma	<u>13,000</u>	<u>5,100</u>	<u>10,800</u>
Total	\$39,700	\$16,700	\$39,600

The maintenance cost for air conditioning is primarily for monthly filter changes and preventative maintenance. ADC believes that the cost of air conditioning is significantly less than the cost of building

(Continued)

infrastructure and equipment in the long run by avoiding damage due to moisture from evaporative cooling systems.

Locking Change

A total of 1,857 doors will be modified and their locks replaced. The existing locking system has a sliding door and a pneumatic 3-point lock. As part of Committee reviews in 2019, ADC had previously planned to replace these locks with a more secure 4-point rack and pinion system at a cost of \$16,400 per door. Now, ADC believes that solution would require expensive electronic upgrades and too much maintenance. Further, ADC now says the 4-point system would have the same failure points as the existing locking system.

ADC now proposes to install a simpler swing door system that requires less maintenance and has few moving parts. ADC would convert existing sliding doors to swinging doors and modify the doors to include a food trap and cuff port. The lock would be a detention grade deadbolt controlled by a key that cannot be removed unless the lock is fully engaged and the door is secure. ADC reports that this locking system is currently used by the Federal Bureau of Prisons.

ADC reports the lock mechanism would be purchased from various manufacturers and that Arizona Correctional Industries would modify the doors and install the new locking system. ADC estimates the new locking system will cost \$2,741 per door. For Phase 1, ADC projects that the lock portion of the project (along with the fire system) would now cost \$5.7 million, compared to its original estimate of \$25.9 million.

ADC reports that the lock mechanism meets the American Society for Testing and Materials standards for prison security locks. Consistent with past reviews, the Committee may consider Provision B, which would require any lock purchased as part of this project to comply with the American Correctional Association's standards.

Prior Design Commitments

ADC's revised cost estimate includes \$9.6 million in costs related to their prior commitment to purchase a different locking system. Of that amount, ADC's submission indicates \$4.2 million is for components already purchased for the original replacement system that can be repurposed across the prison system for non-cell doors.

ADC's submission did not address the source of the remaining \$5.4 million of costs related to their earlier procurement of locks. After subsequent information requests, ADC reported that the remaining cost is the estimate of potential cancellation costs from not using the installation services associated with the original lock solution. ADC hopes to continue to work with the vendor to reduce the cancellation penalties by using their services in some other capacity.

New Upgrades

In addition to the project changes, ADC proposes to make new facility upgrades to the affected units not envisioned in the original proposal at a cost of \$3.3 million. For example, ADC would replace porcelain toilets with stainless steel toilets and install new self-contained lighting fixtures. ADC believes these new fixtures would be both safer and less prone to tampering.

GP:kp



DOUGLAS A. DUCEY
GOVERNOR

Arizona Department of Corrections Rehabilitation and Reentry

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DAVID SHINN
DIRECTOR

March 24, 2020

The Honorable Regina E. Cobb
Chairman, Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007



The Honorable David M. Gowan
Vice-Chairman, Joint Committee on Capital Review
Arizona State Senate
1700 West Washington
Phoenix, AZ 85007

RE: Request for review of the Lewis and Yuma Locking, HVAC and Fire Alarm Project scope of work changes

Dear Representative Cobb and Senator Gowan:

Pursuant to the provisions adopted by the Joint Committee on Capital Review (JCCR) review of the Arizona Department of Corrections, Rehabilitation & Reentry (ADCRR) project for the Locking and Fire Safety and HVAC Projects at its December 11, 2019 meeting, the ADCRR requests review of a project scope change for the locking system solution as well as conversion from evaporative cooling to air conditioning systems.

Background

This project is essential to the safety and security of staff and inmates and represents a necessary investment in critical infrastructure at the identified locations. The scope of the project includes three phases for the repair and/or replacement of lock, HVAC, fire alarm and suppression systems at select units of ASPC-Lewis and ASPC-Yuma.

Locking System Update

The original locking plan included a sliding door locking system that required an expensive security electronics component as well as a complicated four point locking system that requires continual maintenance. The previous solution has the same failure points as the failed locking system and is susceptible to the same environmental exposures such as dust, dirt and moisture which are all inherent to the cell environment. The cost for the sliding door locking system including the required security electronic component was approximately \$16,400 per door.

The new swing door locking system is a much simpler system that involves far less moving parts and also does not require security electronics. The new door design requires very little maintenance and is not susceptible to and will not fail in the above referenced environmental conditions.

The new system will convert the existing sliding doors to swinging doors. A new door frame will be constructed, and the existing doors will be modified to include a new food trap / cuff port. The food traps and cuff ports were not included in the previous, flawed design which negated the physical security required for an appropriately effective door/lock solution. The new locking portion of the door will be a detention grade deadbolt lock utilized by the Federal Bureau of Prisons across the country. The lock is operated by a paracentric key that cannot be removed unless the lock is fully engaged, and the door is secure.

The new locking system can be completed for approximately \$2,741 per door (a savings of \$13,659 per door). There are only a few moving parts, and the system is simple to operate with less potential points of failure and minimal maintenance. In addition, this system does not require security electronic door controls which is often a point of failure requiring frequent software adjustments and upgrades. The new locking system is simple to operate and requires minimal training. The new locking system will be manufactured and installed by Arizona Correctional Industries (ACI).

While there is an estimated \$13,659 savings per door, many components for the original sliding door solution have already been purchased. These components will be repurposed across the ADCRR enterprise in non-cell environments. Additionally, ADCRR is requesting to utilize a portion of these savings for unforeseen physical plant costs totaling \$3.3 million. For example, the Department has identified necessary safety upgrades, including steel toilets instead of porcelain ones and self-contained lighting fixtures that are more resistant to tampering.

HVAC Systems update

Additionally, the ADCRR is requesting approval to change the HVAC systems original scope of work. Initially, the project scope included Direct Evaporative Cooling. Early FY 2020, ADOA and ADCRR agreed to consider Indirect Evaporative Cooling. After additional discussion and re-evaluation, ADOA and ADCRR agreed Air Conditioning is the better long term HVAC solution to replace the current evaporative cooling systems.

By installing air conditioning systems, the ADCRR will realize many benefits; elimination of the destructive nature of evaporative cooling systems and the impacts on building infrastructure and systems, an environment that has more reasonable temperatures which will benefit both staff moral and inmate behavior and increased longevity of the physical plant.

A brief cost comparison chart as requested is below:

Replacement Costs	Air Conditioning *	Indirect Evaporative Cooling	Direct Evaporative Cooling
Lewis	\$26,730,724	\$11,926,472	\$8,050,000
Yuma	\$11,091,166	\$4,948,556	\$3,150,000

* Air Conditioning costs are estimated as HVAC design components, including duct work modifications and electrical upgrades are not yet complete.

Annual Maintenance Cost Estimate	Air Conditioning *	Indirect Evaporative Cooling	Direct Evaporative Cooling
Lewis	\$26,731	\$11,601	\$28,800
Yuma	\$12,991	\$5,126	\$10,800

* In addition to the annual maintenance costs estimates, the energy utilization cost rough estimate is \$400,000.

The FY 2021 Executive Budget includes approximately \$21,000,000 for the conversion to air conditioning systems.

If you have any questions regarding this report, please contact Joseph Profiri, Deputy Director, at (602) 542-1160.

Sincerely,



David Shinn
Director

cc: Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Jacob Wingate, Budget Manager, Governor's Office of Strategic Planning and Budgeting
Ryan Vergara, Budget Manager, Governor's Office of Strategic Planning and Budgeting
Geoffrey Paulsen, Senior Fiscal Analyst, Joint Legislative Budget Committee
Rebecca Perrera, Senior Fiscal Analyst, Joint Legislative Budget Committee



STATE OF ARIZONA

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DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Morgan Dorcheus, Senior Fiscal Analyst

SUBJECT: Arizona State University - Review of Building Infrastructure Project

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requests Committee review of \$20,000,000 in system revenue bond issuances to fund building infrastructure projects.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider 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 schedule and interest rate for the project as soon as they are available.

(Continued)

- C. On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the Building Infrastructure project. The report shall include the project expenditures to date by type of building system, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Key Points

- 1) ASU plans to upgrade and replace aging building systems at a cost of \$20 million.
- 2) System revenue bonds are primarily backed by tuition.
- 3) ASU will issue \$20 million of system revenue bonds, paying annual debt service costs of approximately \$1.4 million with tuition revenues.

Analysis

ASU intends to upgrade and replace aging building systems, including mechanical, electrical, plumbing, elevators, and roofs. ASU has not provided a list of specific building projects but reports that it plans to prioritize life and safety and building code compliance projects at a cost of \$20.0 million. The projects are not planned to impact building occupancy during upgrades.

Financing

ASU intends to issue \$20.0 million in system revenue bonds in March 2022. ASU anticipates a rating of Aa2 (Moody's)/AA (S&P) and interest rates of 3.48% over a 20-year term. In addition to project costs, issuance costs are projected to be \$214,500. The annual debt service will be approximately \$1.4 million and will be funded with tuition revenues.

The debt service on this project increases ASU's current debt ratio by 0.05%, from 4.50% to 4.55%. Including other ASU projects on the agenda, the debt ratio would increase to 4.63%.

ASU provided an estimated interest rate of 3.48% for the planned bond issuance in March 2022. We have asked ASU to provide additional information on its assumptions and timing for receiving bond proceeds.

The universities have also reported concerns that the COVID-19 pandemic may have a significant impact on tuition revenues, particularly for non-resident and international students, who are charged higher tuition rates than resident students. We have also asked ASU to provide its perspective on this issuance requiring additional debt service payments from tuition revenues and whether this would impact its ability to provide services to students.

Construction Costs

Of the \$20.0 million total project cost, approximately \$14.0 million are direct construction costs.

The university reports that the various improvements may incorporate the Construction Manager at Risk (CMAR), Job Order Contracting (JOC), or Design Build (DB) methods of project delivery. The project will begin upon design completion and is scheduled for project completion by February 2023.

Since project work is beginning prior to ASU's planned debt issuance, we have asked ASU how the costs will be funded in the interim.

(Continued)

Operations and Maintenance Costs

ASU expects no increase in operation and maintenance costs as a result of the improvements.

Recent ASU Building Renewal Projects

At its December 2018 meeting, the Committee favorably reviewed \$32.0 million of bond issuances for building infrastructure, which included replacement of fire suppression systems, building transformers, electrical distribution equipment, and other life safety projects. In addition, the project included a utility mapping project. These bonds were also financed with university tuition revenues. Similar to the current proposed projects, the prior ASU building infrastructure item did not include an estimated total project cost per square foot.

Table 1

Building Infrastructure and Deferred Maintenance Financing Terms

Construction Timeframe	February 2020 – February 2023
Issuance Amount	\$20.0 million
Issuance Date	March 2022
Issuance Transaction Fees	\$214,500
Rating	Aa2 (Moody's)/AA (S&P)
Interest Rate	3.48%
Term	20 years
Total Debt Costs	\$28.6 million
Debt Service Payments	\$234,600 (FY 2022) \$1.4 million (FY 2023 – FY 2042)
Payment Source	Tuition
Debt Ratio Increase	0.05%

MD:kp



March 25, 2020

The Honorable Regina E. Cobb, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, AZ 85007

Dear Representative Cobb:

In accordance with ARS 15-1683, the Arizona Board of Regents requests that the following Arizona State University bond-financed projects be placed on the next Joint Committee on Capital Review agenda:

- Building and Infrastructure Enhancements and Modifications
- Classroom and Academic Renovations
- Research Laboratories and Faculty Startup

Enclosed is pertinent information relating to these items.

If you have any questions or desire any clarification on the enclosed material, please contact me at (480) 727-9920.

Sincerely,

A handwritten signature in black ink, appearing to read "Morgan R. Olsen".

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Enclosures

c: Richard Stavneak, Director, JLBC

John Arnold, Executive Director, Arizona Board of Regents, ABOR

Lorenzo Martinez, Chief Financial Officer and Director of Finance, ABOR

Matt Salmon, Vice President, Government Affairs, ASU

Adam C. Deguire, Associate Vice President, Government Affairs, ASU

Kendra Burton, Director, State Relations, ASU

Bruce Nevel, Vice President, Facilities Development and Management, ASU

Joanne Wamsley, Vice President for Finance and Deputy Treasurer, ASU

Morgan Dorcheus, Fiscal Analyst, JLBC

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

1. Building and Infrastructure Enhancements and Modifications

Project Description

The Building and Infrastructure Enhancements and Modifications project bundle will address the university's primary areas of concern for the built environment at all campuses, such as the upgrade and replacement of aging mechanical, electrical, plumbing and other critical building systems, the renewal of aging elevators and the repair and replacement of timeworn roofs.

Many components of the ASU built environment have exceeded their useful life and are incapable of effectively supporting the advancement of the university's mission of academic and research excellence. The planned projects will ensure the efficient, reliable and safe operation of all essential campus infrastructure and systems, including those that must continue without interruption to support the university's critical academic and research initiatives.

This project will be funded with \$20,000,000 in system revenue bond proceeds. The debt service will be funded with tuition. There are no expected increases in operations and maintenance costs associated with this project bundle.

An Arizona Board of Regents executive summary for this project bundle is attached, which outlines the project description and other relevant information. This project bundle received Capital Development Plan approval at the February 13, 2020 Arizona Board of Regents meeting, which is the final required ABOR approval.

Project Costs

Total Project Cost	\$ 20,000,000
Total Project Construction Cost	\$ 14,000,000
Total Project Cost per GSF	\$ N/A
Total Construction Cost per GSF	\$ N/A

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

Project Summary –Revenue Bonds

<u>Projects:</u>	<u>Funding Sources:</u>	<u>Amount:</u>
Building and Infrastructure Enhancements and Modifications	Tuition	\$20,000,000
Classroom and Academic Renovations	Tuition	15,000,000
Research Laboratories and Faculty Startup	Tuition	20,000,000
Total		<u>\$55,000,000</u>

Financing Information

System Revenue Bonds:

Project Costs	\$55,000,000
Estimated Costs of Issuance	\$590,000
Anticipated Bond Rating	Aa2 (Moody's) and AA (S&P)
Assumed Interest Rate	3.10% (2021), 3.48% (2022)
Term	20 years

Estimated Debt Service Information:

FY 2021	\$365,490
FY 2022	\$2,636,022
FY 2023 to FY 2041	\$3,819,363
FY 2042	\$1,422,850
Total Estimated Debt Service	\$76,992,258

Debt Ratio

Debt Ratio on Existing Debt	4.50%
Incremental Debt Ratio	.13%
Project Debt Ratio	4.63%

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

Arizona State University
Building and Infrastructure Enhancements and Modifications
System Revenue Bonds

Fiscal Year	Estimated Issuance March 2022		
	Principal	Interest	Total
2022		\$ 234,552	\$ 234,552
2023	\$ 715,000	703,656	1,418,656
2024	740,000	678,774	1,418,774
2025	770,000	653,022	1,423,022
2026	795,000	626,226	1,421,226
2027	820,000	598,560	1,418,560
2028	850,000	570,024	1,420,024
2029	880,000	540,444	1,420,444
2030	910,000	509,820	1,419,820
2031	940,000	478,152	1,418,152
2032	975,000	445,440	1,420,440
2033	1,010,000	411,510	1,421,510
2034	1,045,000	376,362	1,421,362
2035	1,080,000	339,996	1,419,996
2036	1,120,000	302,412	1,422,412
2037	1,155,000	263,436	1,418,436
2038	1,195,000	223,242	1,418,242
2039	1,240,000	181,656	1,421,656
2040	1,280,000	138,504	1,418,504
2041	1,325,000	93,960	1,418,960
2042	1,375,000	47,850	1,422,850
Total	\$20,220,000	\$8,417,598	\$28,637,598

EXECUTIVE SUMMARY

**Arizona Board of Regents
Arizona State University
Annual Capital Development Plan–Project Justification Report
Building and Infrastructure Enhancements and Modifications**

Previous Board Action

- FY 2021-2023 Capital Improvement Plan September 2019

Project Justification/Description/Scope

- This project bundle will address the university's primary areas of concern for buildings and infrastructure at all campuses, such as the upgrade and replacement of aging mechanical, electrical, plumbing and other critical building systems, the renewal of aging elevators and the repair and replacement of timeworn roofs.
- Many components of the ASU built environment have exceeded their useful life and are incapable of effectively supporting the advancement of the university's mission of academic and research excellence. The planned projects will ensure the efficient, reliable and safe operation of all essential campus infrastructure and systems, including those that must continue without interruption to support the university's critical academic and research initiatives.
- These projects not only will enhance the quality of the campus infrastructure and systems, but also will keep the university in compliance with code requirements and address ABOR directives to reduce deferred maintenance. Projects essential for life safety, code compliance and the advancement of university strategic initiatives will be given top priority.

Project Delivery Method and Process

- Depending on the nature of the work, components of this project bundle may be delivered through the Design Build (DB), Construction Manager at Risk (CMAR) or Job Order Contracting (JOC) methods.
- ASU has not yet selected a DB, CMAR, JOC contractor or design professional firm for any components of this project bundle. Contractors and design professionals will be selected according to ABOR policy and Arizona law.

EXECUTIVE SUMMARY

Project Status and Schedule

Design Professionals (DPs) will be selected after CDP approval. The project design will be completed approximately six to twelve months after the DP contract has been awarded for that component of work.

- General construction is scheduled to begin when the design is complete and after all approvals are in place. Construction on all project components is targeted for completion by February 2023.

Project Cost

- The total budget for this project bundle is \$20.0 million.
- Independent cost estimates will be provided by the DP, DB, CMAR or JOC contractor after these selections are complete.
- For projects selected to use the DB or CMAR delivery method, the construction manager will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan

- This \$20.0 million project bundle will be funded with system revenue bond proceeds. The annual debt service of approximately \$1.47 million will be funded by tuition.
- There are no expected increases in operation and maintenance costs associated with this project bundle.
- Debt Ratio Impact: The projected incremental debt ratio impact for this project bundle is 0.05 percent.

Occupancy Plan

- These projects will not affect occupancy or programs but will renew building and campus infrastructure and support the advancement of the university's academic and research initiatives.

EXECUTIVE SUMMARY

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires that all capital projects with an estimated total project cost of \$10,000,000 or more, including information technology and third-party projects shall be included in the Capital Development Plan.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University **Project Name:** Building and Infrastructure Enhancements and Modifications

Project Description and Location: This project bundle will address the university's primary building and infrastructure areas of concern at all campuses, such as the upgrade and replacement of aging mechanical, electrical, plumbing and other critical building systems, the renewal of aging elevators and the repair and replacement of timeworn roofs.

Project Schedule:

Planning	February	2020
Design Start	February	2020
Construction Start	February	2020
Construction Completion	February	2023

Project Budget:

Total Project Cost	\$	20,000,000
Total Project Construction Cost	\$	14,000,000
Total Project Cost per GSF	\$	N/A
Construction Cost per GSF	\$	N/A

Change in Annual O & M Cost:

Utilities	\$	0
Personnel		0
All Other Operating		0
Subtotal	\$	0

Funding Sources:

Capital:

A.	System Revenue Bonds	\$	20,000,000
	Debt Service Funding Sources:		Tuition

Operation/Maintenance	\$	0
Funding Sources:		Not Applicable

2B



STATE OF ARIZONA

Joint Committee on Capital Review

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BEN TOMA

DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Alexis Pagel, Fiscal Analyst

SUBJECT: Arizona State University - Review of Classroom, Academic and Research Laboratory Renovations

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requests Committee review of \$35,000,000 in system revenue bond issuances, with \$15,000,000 allocated for classroom and academic building renovations and \$20,000,000 allocated for research laboratory renovations. ASU will fund the debt service payments with tuition.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider 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 schedule and interest rate for the project as soon as they are available.

(Continued)

- C. On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the Classroom and Academic renovations and the Research Laboratory renovations projects. The report shall include the project expenditures to date by building, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Key Points

- 1) ASU would issue \$35.0 million of system revenue bonds for renovations, of which \$15.0 million will be for classroom/academic space, and \$20.0 million for labs.
- 2) System revenue bonds are primarily backed by university tuition revenue.
- 3) Building systems, such as heating and cooling, plumbing, electrical, elevators, and health and life safety systems will be upgraded as necessary.

Analysis

ASU intends to renovate approximately 50,000 gross square feet of existing classroom and academic space and 40,000 gross square feet of existing research laboratory space.

Classroom renovations will include reconfiguration of spaces to add classrooms of varying sizes and to add smaller instructional spaces in existing buildings across all campuses. Renovations to classrooms and other academic space, such as faculty offices, are intended to accommodate program growth. ASU has not provided additional information on the buildings to be renovated.

Research laboratory renovations will include upgrades to multiple wet and dry lab spaces to address increased research activity, support the university's research initiatives, and accommodate new faculty hires. The renovations will include building infrastructure upgrades, such as heating and cooling, fume hoods, gas lines, and other lab-specific needs to meet health and safety code requirements.

The total cost of the proposed renovation projects is \$35.0 million. Of this amount, \$15.0 million will fund renovations to classroom and academic space, and \$20.0 million will fund renovation to research lab space.

Financing

ASU intends to issue the \$35.0 million of system revenue bonds in March 2021 with an anticipated rating of Aa2 (Moody's)/AA (S&P) and an estimated interest rate of 3.10% over a 20-year term. In addition to project costs, issuance costs are projected to be \$375,500. The annual debt service will be approximately \$2.4 million. ASU will fund the debt service with tuition. *(See Table 1 for a summary of the bond financing terms).*

The debt service on these projects will increase ASU's current debt ratio by 0.08% from 4.5% to 4.58%. Including other ASU projects on the agenda, the debt ratio would increase to 4.63%.

ASU provided an estimated interest rate of 3.10% for the planned bond issuance in March 2021. We have asked ASU to provide additional information on its assumptions and timing for receiving bond proceeds.

The universities have also reported concerns that the COVID-19 pandemic may have a significant impact on tuition revenues, particularly for non-resident and international students, who are charged higher tuition rates than resident students. We have also asked ASU to provide its perspective on this issuance

(Continued)

requiring additional debt service payments from tuition revenues and whether this would impact its ability to provide services to students.

Construction Costs

Of the total \$15.0 million project cost for classroom and academic renovations, \$11.3 million are direct construction costs. Total project costs per gross square foot are \$300, while direct construction costs per gross square foot are \$225.

Of the total \$20.0 million project cost for research lab renovations, \$14.0 million are direct construction costs. Total project costs per gross square foot are \$500, while direct construction costs per gross square foot are \$350.

The university reports that the various improvements may incorporate the Construction Manager at Risk (CMAR) or Job Order Contracting (JOC) methods of project delivery. The project will begin upon design completion and is scheduled for project completion by February 2023.

Since project work is beginning prior to ASU's planned debt issuance, we have asked ASU how the costs will be funded in the interim.

Operations and Maintenance Costs

ASU expects no increase in operation and maintenance costs as a result of the improvements.

Recent ASU Building Renewal Projects

At its December 2018 meeting, the Committee favorably reviewed \$25.0 million of bond issuances for building renewal projects such as laboratory and classroom upgrades and HVAC, fire, life and safety improvements across the ASU campuses. These bonds were also financed with university tuition revenues. The classroom and academic renovations component had a total cost per square foot of \$200 and the research lab renovations had a total cost per square foot of \$375.

Table 1	
Classroom Renovations Financing Terms	
Construction Timeframe	February 2020 – February 2023
Issuance Amount	\$35.0 million
Issuance Date	March 2021
Issuance Transaction Fees	\$375,500
Rating	Aa2 (Moody's)/AA (S&P)
Interest Rate	3.10%
Term	20 years
Total Debt Costs	\$48.4 million
Debt Service Payments	\$365,500 (FY 2021) \$2.4 million (FY 2022 – FY 2041)
Payment Source	Tuition
Debt Ratio Increase	0.08%



March 25, 2020

The Honorable Regina E. Cobb, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, AZ 85007

Dear Representative Cobb:

In accordance with ARS 15-1683, the Arizona Board of Regents requests that the following Arizona State University bond-financed projects be placed on the next Joint Committee on Capital Review agenda:

- Building and Infrastructure Enhancements and Modifications
- Classroom and Academic Renovations
- Research Laboratories and Faculty Startup

Enclosed is pertinent information relating to these items.

If you have any questions or desire any clarification on the enclosed material, please contact me at (480) 727-9920.

Sincerely,

A handwritten signature in black ink, appearing to read "Morgan R. Olsen".

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Enclosures

- c: Richard Stavneak, Director, JLBC
John Arnold, Executive Director, Arizona Board of Regents, ABOR
Lorenzo Martinez, Chief Financial Officer and Director of Finance, ABOR
Matt Salmon, Vice President, Government Affairs, ASU
Adam C. Deguire, Associate Vice President, Government Affairs, ASU
Kendra Burton, Director, State Relations, ASU
Bruce Nevel, Vice President, Facilities Development and Management, ASU
Joanne Wamsley, Vice President for Finance and Deputy Treasurer, ASU
Morgan Dorcheus, Fiscal Analyst, JLBC

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

2. Classroom and Academic Renovations

Project Description

The Classroom and Academic Renovations project bundle will renovate existing classrooms, create new classrooms of various sizes and add smaller instructional spaces at all campuses. The planned renovation of approximately 50,000 gross square feet of university classroom and academic space will include upgrades of building components, such as heating, ventilation and air conditioning (HVAC), plumbing and electrical systems, flooring, ceilings, roofs, windows, doors, internal walls and partitions, elevators, and fire prevention equipment.

These projects will renovate worn areas that distract from teaching and learning effectiveness and create updated and growth spaces for academic programs to enable student learning and success. Project components essential for life safety, code compliance and those that support university strategic initiatives will be given top priority.

This project bundle will be funded with \$15,000,000 in system revenue bonds. The debt service will be funded with tuition. There are no expected increases in operations and maintenance costs associated with this project bundle.

An Arizona Board of Regents executive summary for this project bundle is attached, which outlines the project description and other relevant information. This project bundle received Capital Development Plan approval at the February 13, 2020 Arizona Board of Regents meeting, which is the final required ABOR approval.

Project Costs

Total Project Cost	\$ 15,000,000
Total Project Construction Cost	\$ 11,250,000
Total Project Cost per GSF	\$ 300
Total Construction Cost per GSF	\$ 225

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

3. Research Laboratories and Faculty Startup

Project Description

The Research Laboratories and Faculty Startup project bundle will include the renovation of approximately 40,000 gross square feet of laboratory spaces to meet the requirements of the university's new and current research initiatives. Multiple wet and dry laboratory spaces, as well as infrastructure and building systems, will be upgraded in these projects to maximize adaptable and flexible technologies.

Many existing university laboratories and building systems are inadequate, due to age and the requirements of emerging technologies. The poor condition of these spaces and the age of the building systems constrain the development of these strategically important areas. These projects will convert inadequate classroom and research laboratories into state-of-the-art facilities that will meet the demands of the university's research initiatives.

This project bundle will be funded with \$20,000,000 in system revenue bonds. The debt service will be funded with tuition. There are no expected increases in operations and maintenance costs associated with this project bundle.

An Arizona Board of Regents executive summary for this project bundle is attached, which outlines the project description and other relevant information. This project bundle received Capital Development Plan approval at the February 13, 2020 Arizona Board of Regents meeting, which is the final required ABOR approval.

Project Costs

Total Project Cost	\$ 20,000,000
Total Project Construction Cost	\$ 14,000,000
Total Project Cost per GSF	\$ 500
Total Construction Cost per GSF	\$ 350

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

Project Summary –Revenue Bonds

<u>Projects:</u>	<u>Funding Sources:</u>	<u>Amount:</u>
Building and Infrastructure Enhancements and Modifications	Tuition	\$20,000,000
Classroom and Academic Renovations	Tuition	15,000,000
Research Laboratories and Faculty Startup	Tuition	20,000,000
Total		<u>\$55,000,000</u>

Financing Information

<u>System Revenue Bonds:</u>	
Project Costs	\$55,000,000
Estimated Costs of Issuance	\$590,000
Anticipated Bond Rating	Aa2 (Moody's) and AA (S&P)
Assumed Interest Rate	3.10% (2021), 3.48% (2022)
Term	20 years

<u>Estimated Debt Service Information:</u>	
FY 2021	\$365,490
FY 2022	\$2,636,022
FY 2023 to FY 2041	\$3,819,363
FY 2042	\$1,422,850
Total Estimated Debt Service	\$76,992,258

Debt Ratio

Debt Ratio on Existing Debt	4.50%
Incremental Debt Ratio	.13%
Project Debt Ratio	4.63%

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

Arizona State University
Research Laboratory and Faculty Startup
System Revenue Bonds

Fiscal Year	Estimated Issuance March 2021		
	Principal	Interest	Total
2021		\$ 208,837	\$ 208,837
2022	\$ 745,000	626,510	1,371,510
2023	770,000	603,415	1,373,415
2024	790,000	579,545	1,369,545
2025	815,000	555,055	1,370,055
2026	840,000	529,790	1,369,790
2027	870,000	503,750	1,373,750
2028	895,000	476,780	1,371,780
2029	920,000	449,035	1,369,035
2030	950,000	420,515	1,370,515
2031	980,000	391,065	1,371,065
2032	1,010,000	360,685	1,370,685
2033	1,040,000	329,375	1,369,375
2034	1,075,000	297,135	1,372,135
2035	1,110,000	263,810	1,373,810
2036	1,140,000	229,400	1,369,400
2037	1,175,000	194,060	1,369,060
2038	1,215,000	157,635	1,372,635
2039	1,250,000	119,970	1,369,970
2040	1,290,000	81,220	1,371,220
2041	1,330,000	41,230	1,371,230
Total	\$20,210,000	\$7,418,817	\$27,628,817

**Joint Committee on Capital Review
Arizona State University
April 2020 JCCR Meeting**

Arizona State University
Academic and Classroom Renovations
System Revenue Bonds

Fiscal Year	Estimated Issuance March 2021		
	Principal	Interest	Total
2021		\$ 156,653	\$ 156,653
2022	\$ 560,000	469,960	1,029,960
2023	575,000	452,600	1,027,600
2024	595,000	434,775	1,029,775
2025	610,000	416,330	1,026,330
2026	630,000	397,420	1,027,420
2027	650,000	377,890	1,027,890
2028	670,000	357,740	1,027,740
2029	690,000	336,970	1,026,970
2030	715,000	315,580	1,030,580
2031	735,000	293,415	1,028,415
2032	760,000	270,630	1,030,630
2033	780,000	247,070	1,027,070
2034	805,000	222,890	1,027,890
2035	830,000	197,935	1,027,935
2036	855,000	172,205	1,027,205
2037	885,000	145,700	1,030,700
2038	910,000	118,265	1,028,265
2039	940,000	90,055	1,030,055
2040	970,000	60,915	1,030,915
2041	995,000	30,845	1,025,845
Total	\$15,160,000	\$5,565,843	\$20,725,843

EXECUTIVE SUMMARY

**Arizona Board of Regents
Arizona State University
Annual Capital Development Plan–Project Justification Report
Classroom and Academic Renovations**

Previous Board Action

- FY 2021-2023 Capital Improvement Plan September 2019

Project Justification/Description/Scope

- ASU intends to renovate existing classrooms, create new classrooms of various sizes and add smaller instructional spaces at all campuses. This project bundle will include the renovation of approximately 50,000 gross square feet of university classroom and academic space. Building components, such as heating, ventilation and air conditioning (HVAC), plumbing and electrical systems, flooring, ceilings, roofs, windows, doors, internal walls and partitions, elevators, and fire prevention equipment may be upgraded in these projects. These projects will comprise multiple components at each ASU campus.
- The ASU Strategic Enterprise Framework identifies several goals that will be supported by this project bundle, including improved retention and graduation performance, curricular reform, and improved student outcomes. The resources needed to achieve these goals include a continued investment in faculty and in space renovations that will support teaching innovations and better student and faculty interactions. These projects will renovate worn areas that distract from teaching and learning effectiveness and create updated and growth spaces for academic programs to enable student learning and success.
- The components of this project bundle will enhance the quality of the built environment, provide improved space for faculty and a better classroom experience for students, comply with code requirements for safety, and reduce deferred maintenance. Project components essential for life safety, code compliance and those that support university strategic initiatives will be given top priority.

Project Delivery Method and Process

- Depending on the nature of the work, components of this project bundle may be delivered through either the Construction Manager at Risk (CMAR) or Job Order Contracting (JOC) method.

EXECUTIVE SUMMARY

- ASU has not yet selected a CMAR, JOC contractor or design professional firm for any components of this project bundle. Contractors and design professionals will be selected according to ABOR policy and Arizona law.

Project Status and Schedule

- Design Professionals (DPs) will be selected after CDP approval. The design will be completed within approximately six to nine months after the DP contract is awarded.
- General construction for these projects is scheduled to begin when the design is complete and after all approvals are in place. Construction on all project components is targeted for completion by February 2023.

Project Cost

- The total budget for this project bundle is \$15.0 million. This budget represents an estimated construction cost of \$225 per gross square foot. The estimated total project cost is \$300 per gross square foot.
- For this CDP phase, no preliminary external cost estimates have been provided by third-party consultants. DP and CMAR or JOC contractor teams have not yet been selected for these projects. Independent cost estimates will be provided by the DP, CMAR or JOC contractor after these selections are complete.
- For projects selected to use the CMAR delivery method, the construction manager will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan

- This \$15.0 million project bundle will be funded with system revenue bond proceeds. The annual debt service of approximately \$1.1 million will be funded by tuition.
- There are no expected increases in operation and maintenance costs associated with this project bundle.
- **Debt Ratio Impact:** The projected incremental debt ratio impact for this project bundle is 0.03 percent.

EXECUTIVE SUMMARY

Occupancy Plan

- These project components will reconfigure and renew spaces for classroom and academic areas. Programs may be temporarily displaced as spaces are renovated.

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires that all capital projects with an estimated total project cost of \$10,000,000 or more, including information technology and third-party projects shall be included in the Capital Development Plan.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University **Project Name:** Classroom and Academic Renovations

Project Description and Location: This project bundle includes the renovation of approximately 50,000 gross square feet of classrooms and academic space, including faculty and student space at all campuses. Building components, such as HVAC, plumbing and electrical systems, flooring, ceilings, roofs, windows, doors, internal walls and partitions, elevators, and fire prevention equipment may be upgraded in these projects.

Project Schedule:

Planning	February	2020
Design Start	February	2020
Construction Start	February	2020
Construction Completion	February	2023

Project Budget:

Total Project Cost	\$	15,000,000
Total Project Construction Cost	\$	11,250,000
Total Project Cost per GSF	\$	300
Construction Cost per GSF	\$	225

Change in Annual O & M Cost:

Utilities	\$	0
Personnel		0
All Other Operating		0
Subtotal	\$	0

Funding Sources:

Capital

A. System Revenue Bonds	\$	15,000,000
Debt Service Funding Sources:		Tuition
Operation/Maintenance	\$	0
Funding Sources:		Not applicable

EXECUTIVE SUMMARY

**Arizona Board of Regents
Arizona State University
Annual Capital Development Plan–Project Justification Report
Research Laboratories and Faculty Startup**

Previous Board Action

- FY 2021-2023 Capital Improvement Plan September 2019

Project Justification/Description/Scope

- Approximately 40,000 gross square feet of existing laboratory spaces at all campuses will be renovated in this project bundle to meet the requirements of the university's new and current research initiatives. Multiple wet and dry lab spaces, as well as infrastructure and building systems, will be upgraded to maximize adaptable and flexible technologies. Renovation activities will involve building systems, such as heating, ventilation and air conditioning (HVAC), electrical and mechanical, as well as fume hoods, laboratory gas lines, and code-required life safety upgrades.
- Many existing university laboratories and building systems are inadequate, due to age and the requirements of emerging technologies. The poor condition of these spaces and the age of the building systems constrain the development of these strategically important areas. This project bundle will ensure the university's facility systems meet its research demands and these areas are maintained in code compliance. These projects will convert inadequate classroom laboratories, research laboratories and research building systems into state-of-the-art facilities.
- Increasing research activity and the resultant arrival of new faculty continue to make laboratory renovation projects an imperative. Spaces must be updated and renovated to address the needs of incoming researchers and support successful grant applications. These laboratories will provide the core infrastructure required to enable faculty and students to compete in the global marketplace of ideas, not only stimulating advances in science and human health, but also potentially advancing the regional economy.
- The university's 2012 Master Plan Update identified a need for additional research space totaling 350,000 gross square feet. This project bundle will contribute to meeting the need for additional research space and accomplishing the goal of establishing the university as a leading global center for interdisciplinary research, discovery and development by 2025.

EXECUTIVE SUMMARY

Project Delivery Method and Process

- Depending on the nature of the work, components of this project bundle may be delivered through either the Construction Manager at Risk (CMAR) or the Job Order Contracting (JOC) methods.
- ASU has not yet selected a CMAR, JOC contractor or design professional firm for any components of this project bundle. Contractors and design professionals will be selected according to ABOR policy and Arizona law.

Project Status and Schedule

- Design Professionals (DPs) will be selected after CDP approval. Design completion is targeted for approximately six to nine months after the DP contract is awarded.
- General project construction is scheduled to begin when the design is complete and after all approvals are in place. Construction on all project components is targeted for completion by February 2023.

Project Cost

- The total budget for this project bundle is \$20.0 million. This budget represents an estimated construction cost of \$350 per gross square foot. The estimated total project cost is \$500 per gross square foot.
- For this CDP phase, no preliminary external cost estimates have been provided by third-party consultants. DP and CMAR or JOC contractor teams have not been selected for these project components. Independent cost estimates will be provided by the DP, CMAR or JOC contractor after these selections are complete.
- For project components selected to use the CMAR delivery method, the construction manager will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan

- This \$20.0 million project bundle will be funded with system revenue bond proceeds. The annual debt service of approximately \$1.47 million will be funded by tuition.
- There are no expected increases in operation and maintenance costs associated with this project bundle.

EXECUTIVE SUMMARY

- **Debt Ratio Impact:** The projected incremental debt ratio impact for this project bundle is 0.05 percent.

Occupancy Plan

- These project components will not affect occupancy or programs but will renew research spaces and support the advancement of the university's research initiatives.

Statutory/Policy Requirements

- ABOR Policy 7-102 (B) requires that all capital projects with an estimated total project cost of \$10,000,000 or more, including information technology and third-party projects shall be included in the Capital Development Plan.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University **Project Name:** Research Laboratories and Faculty Startup

Project Description and Location: This project bundle will involve the renovation of approximately 40,000 gross square feet of existing laboratory space required to establish the university as a leading global center for interdisciplinary research and discovery. Multiple wet and dry lab spaces, as well as infrastructure and building systems, will be upgraded to maximize adaptable and flexible technologies.

Project Schedule:

Planning	February	2020
Design Start	February	2020
Construction Start	February	2020
Construction Completion	February	2023

Project Budget:

Total Project Cost	\$	20,000,000
Total Project Construction Cost	\$	14,000,000
Total Project Cost per GSF	\$	500
Total Construction Cost per GSF	\$	350

Change in Annual O & M Cost:

Utilities	\$	0
Personnel		0
All Other Operating		0
Subtotal	\$	0

Funding Sources:

Capital

A. System Revenue Bonds	\$	20,000,000
Debt Service Funding Sources:		Tuition
Operation/Maintenance	\$	0
Funding Sources:		Not Applicable



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Joint Committee on Capital Review

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DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Rebecca Perrera, Principal Fiscal Analyst

SUBJECT: Arizona Department of Administration - Consider Recommending FY 2020 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 an agency does not occupy their space or lacks the financial resources to make a payment. ADOA requests the Committee recommend partial rent exemptions for 2 agencies totaling \$3,900 in FY 2020.

Committee Options

The Committee has at least the following 2 options:

1. The Committee recommends the partial FY 2020 rent exemptions of \$(3,100) for the Board of Homeopathic Medical Examiners and \$(800) for the Naturopathic Physicians Medical Board. The Committee also recommends corresponding rent increases for ADOA and the Acupuncture Board of Examiners.
2. The Committee does not recommend the partial rent exemptions.

Key Points

- 1) Statute allows ADOA to grant rent exemptions to agencies who do not occupy their state-owned space or lack resources to make a payment.
- 2) ADOA reallocated 415 square feet of office space from the Board of Homeopathic Medical Examiners and requests a partial rent exemption of \$(3,100). ADOA will charge the ADOA ASET Office a corresponding increase for occupying the space.
- 3) ADOA reallocated 109 square feet from the Naturopathic Physicians Medical Board and requests a partial rent exemption of \$(800). ADOA will charge the Acupuncture Board of Examiners a corresponding increase.

(Continued)

Analysis

A.R.S. § 41-792.01D provides that the rental fee charged to state agencies that occupy state-owned buildings is the greater of the amount reported by the JLBC Staff or the adjusted amount based on actual occupancy. ADOA annually provides the JLBC Staff the rentable square feet space allocated to agencies that occupy ADOA owned-managed space.

Beginning in February 2020, ADOA reallocated office space at 1740 W. Adams as follows:

- The Board of Homeopathic Medical Examiners was appropriated \$11,100 in FY 2020 for its occupancy at 1740 W. Adams. ADOA reallocated 415 square feet of office space to ADOA's Arizona Strategic Enterprise Technology (ASET) Office. ADOA requests a prorated rent exemption of \$(3,100) for the board and will bill a corresponding rent increase to the ADOA ASET Office.
- The Naturopathic Physicians Medical Board was appropriated \$12,900 in FY 2020 for its occupancy at 1740 W. Adams. ADOA reallocated 109 square feet of office space to the Acupuncture Board of Examiners. ADOA requests a prorated rent exemption of \$(800) for the Naturopathic Physicians Medical Board and will bill a corresponding rent increase to the Acupuncture Board of Examiners.

RP:kp

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 403
PHOENIX, ARIZONA 85007
(602) 542-1500

March 13, 2020

The Honorable Representative Regina E. Cobb, Chairman
Joint Committee on Capital Review (JCCR)
Arizona House of Representatives
1700 West Washington Street
Phoenix, AZ 85007



The Honorable Senator David M. Gowan, Vice-Chairman
Joint Committee on Capital Review (JCCR)
Arizona State Senate
1700 West Washington Street
Phoenix, AZ 85007

Re: Capital Outlay Stabilization Fund (COSF) Rent Exemptions

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) requests the Joint Committee on Capital Review's (JCCR) favorable review and recommendation of Capital Outlay Stabilization Fund (COSF) rent exemptions for two state boards located at 1740 West Adams, Phoenix, AZ.

A.R.S. § 41-792.01(D) directs that the ADOA shall transfer the entire amount of the rental fee assessed on a state agency from the agency account into COSF promptly at the start of each fiscal year. During the remainder of the fiscal year, the ADOA shall calculate pro rata adjustments to the rental fee on a monthly basis to reflect any changes in the occupancy of state-owned buildings. The ADOA shall transfer the amount of the rental fee adjustment assessed on a state agency from the agency account into COSF. If a state agency does not occupy or vacates state-owned space after the beginning of the fiscal year, the director of ADOA, on recommendation of the JCCR, may authorize a whole or partial exemption from payment of the rental fee.

ADOA is permitted to bill agencies for increases to occupancy as a result of monthly pro rata adjustments during the fiscal year; however, exemptions (refunds) resulting from decreases to occupancy requires JCCR review and recommendation.

Effective February 1, 2020 (five months pro rata), occupancy changes at 1740 West Adams are:

Requested Rent Exemptions


Agency	Square Footage Change	Annual Rent Change	Pro Rata Rate	Prorated Rent Change
Board of Homeopathic Medical Examiners	-415	-\$7,400	5 / 12 months	-\$3,100
Naturopathic Physicians Medical Board	-109	-\$1,900		-\$800
Total Requested Exemptions				-\$3,900

Agencies Backfilling Vacated Space (for information)

Agency	Square Footage Change	Annual Rent Change	Pro Rata Rate	Prorated Rent Change
Department of Administration - ASET	415	\$7,400	5 / 12 months	\$3,100
Acupuncture Board of Examiners	109	\$1,900		\$800
Total New Charges				\$3,900

If you have any questions regarding ADOA's pro rata monthly occupancy changes at 1740 West Adams Street, please contact my office at 602-542-1623.

Sincerely,


Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Principal Fiscal Analyst, JLBC Staff
Matthew Gress, Director, OSPB
Bill Greeney, Assistant Director, OSPB
Jacob Wingate, Budget Manager, OSPB
Elizabeth Thorson, Deputy Director, ADOA
Ray DiCiccio, Deputy Director, ADOA
Derik Leavitt, Assistant Director, ADOA
Nola Barnes, Assistant Director, ADOA
Michelle Huckabay, Acting Controller, ADOA
David Geriminsky, Executive Director, Board of Homeopathic and Integrated Medicine Examiners
Gail Anthony, Executive Director, Naturopathic Physicians Medical Board



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DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Henry Furtick, Fiscal Analyst

SUBJECT: Arizona Exposition and State Fair Board - Review of FY 2020 Capital Improvement Expenditures

Request

Pursuant to A.R.S. § 41-1252 the Arizona Exposition and State Fair (AESF) Board requests Committee review of the scope, purpose, and estimated cost of 3 capital projects with a total cost of \$170,000. The FY 2020 Capital Outlay Bill appropriated \$1,300,000 from the Arizona Exposition and State Fair Fund to the AESF Board for capital improvements. The appropriation is non-lapsing through FY 2021.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. AESF shall report to the JLBC Staff if the actual cost of any project included in the expenditure plan exceeds the estimated cost by more than 20%.
- B. If an emergency arises that is not addressed by the existing expenditure plan:
 1. AESF shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. AESF can proceed without Committee review.

(Continued)

2. The Chairman can allow AESF to move forward with an emergency project of greater than \$50,000 without Committee review.
3. The Chairman will notify AESF if she does not agree that the project is an emergency and that the project will require full Committee review.

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.

- C. No monies from the FY 2019 (Laws 2018, Chapter 277) or FY 2020 (Laws 2019, Chapter 264) capital appropriation may be spent on projects related to the 1938 WPA Civic Building without prior Committee review.
- D. On or before July 31, 2020 and January 31, 2021 the Arizona Exposition and State Fair Board shall report to the JLBC Staff on the status of all capital improvement projects and capital improvement expenditures, including prior projects reviewed by the Committee.

Provisions A-D repeat existing conditions from prior JCCR review of AESF projects.

Key Points

- 1) The State Fair is requesting review of \$170,000 of their \$1.3 million FY 2020 capital appropriation.
- 2) Given that AESF is self-funded from event revenue, due to current economic conditions AESF will review its financial status before proposing additional projects from this appropriation.
- 3) The FY 2020 capital appropriation is available until the end of FY 2021.
- 4) Projects include fire alarm replacements and plumbing repairs.

Analysis

Background

As outlined in *Table 1*, The AESF requests the Committee review the following 3 projects:

1. Coliseum Fire Alarm Replacement - Phase 2

The fire alarm system in the Arizona Veterans' Memorial Coliseum building (Coliseum) is 24 years old and beyond its life expectancy. The system is no longer up to code and securing the parts to repair the system has become difficult as the system ages out.

In February 2020, the JCCR Chairman approved an emergency allocation of \$50,000 for Phase 1 of the replacement of the fire alarm system in the Coliseum. Repairs made during Phase 1 made the system functional by replacing minimum components with modernized equipment that could be used in subsequent phases. Phase 2 will consist of designing changes to the fire alarm system to be compliant with current codes and standards. Phase 3 of the project will include implementing those changes, including replacing all non-compliant equipment and wiring. AESF intends to submit Phase 3 to the Committee for review once costs have been established and AESF has board approval. The estimated cost for Phase 2 of the project is \$20,000.

2. Agriculture Center Fire Alarm

The fire alarm system in the Agriculture Center is approximately 30 years old and beyond its life expectancy. The system has begun to routinely register false alarms and is difficult to reset.

(Continued)

Additionally, the system is unreliable during rain storms forcing the agency to employ fire watch crews for events occurring during poor weather. The agency has incurred additional labor costs as a result of staffing the fire watch crews. The estimated project cost is \$100,000.

3. Plumbing Repairs

There are 2 partially collapsed sewer lines located on the fairgrounds which have caused the complete closure of one public restroom and the partial closure of another public restroom. These restrooms are heavily used during events at the fairgrounds and are often required to be operational to fulfill contractual obligations to promoters renting the facilities on the fairgrounds. The estimated project cost is \$50,000.

Table 1

<u>AESF Requested Project</u>	<u>Estimated Project Cost</u>
Coliseum Fire Alarm Replacement - Phase 2	\$ 20,000
Agriculture Center Fire Alarm	100,000
Plumbing Repairs	<u>50,000</u>
TOTAL	\$170,000

Reasonableness of Cost Estimates

The expenditure plan represents AESF's estimated cost of the proposed projects. Costs of the projects are based on contracted services and estimates for in-house construction when possible. AESF has indicated it will use ADOA General Services to identify the most expedient and least costly processes to accomplish these projects, whether through bid, state contracts, or in-house labor.

HF:kp



March 20, 2020

The Honorable Regina Cobb, Chairman
Joint Committee on Capital Review (JCCR)
Arizona House of Representatives
1700 West Washington
Phoenix, AZ 85007

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

Dear Representative Cobb:

The Arizona Exposition and State Fair (AESF) respectfully requests a favorable review for several capital improvement projects from the FY 2020 Agency Capital Improvements Appropriation budget. These projects would be funded with Agency monies, not the General Fund. Please consider this request for expenditures in the amount of \$170,000 for the following capital improvements and building renewal projects :

1. Coliseum Fire Alarm Replacement Phase 2 - \$ 20,000

This is the second phase of a State Fire Marshal approved plan to replace the emergency fire alarm in the Coliseum. The current system is beyond life expectancy and does not meet current code requirements. Phase 1 of this project was approved as an emergency capital improvement project. Phase 1, which has been completed, involved replacement of the minimum components necessary to make the fire alarm system functional, thus allowing time for completion of Phases 2 and 3.

A favorable review would allow the Agency to move forward with Phase 2 that includes designing plans to upgrade the system to a fully functional, code compliant, alarm system. Once the design plans are approved, a budget for Phase 3 will be created.

Phase 3 would include the installation of a new alarm as designed and approved in Phase 2. It is the intent of the Agency to return to the Committee after completion of Phase 2 to request approval from the Committee for the completion of Phase 3.

2. Agriculture Center Fire Alarm - \$ 100,000

The fire alarm in the Agriculture Center is beyond life expectancy. The alarm regularly reads false alarms and is becoming increasingly difficult to reset. The unit has begun to persistently malfunction during rains, resulting in the need to initiate a fire watch during events in order to occupy the building. As a result of staffing fire watch shifts, the Agency is realizing increased labor costs.



The Agency requests a favorable review to allow for repairs and or upgrades to the system in the interest of life safety and budget management.

3. Plumbing Repairs - \$50,000

Two partially collapsed and/or blocked sewer lines have been discovered on the fairgrounds. These lines are connected to or are in close proximity to two public restrooms. As a result of these blockages, one restroom is inoperable and the other is only partially operable. These restrooms are used primarily by guests of public events at the fairgrounds and are needed to fulfil contractual obligations to promoters renting the facility, as well as provide adequate sanitation facilities at public events.

The Agency requests a favorable review for this contractual and public safety repair.

In the event the April 2020 meeting of the Joint Committee on Capital Review is postponed or cancelled, the Agency would request emergency consideration of Items 1 and 2. Item 3 could become an emergency if the next JCCR meeting were to occur after May 31, 2020.

This is not a definitive list of the capital improvement projects the Agency expects to submit for approval in Budget Fiscal Year 2020. We are continuing to monitor the impact of unforeseen circumstances caused by Covid-19 on Agency reserves. As such, we are being conservative in our expectation of funds available for capital improvement projects at this time. We anticipate submitting future capital improvement requests as circumstances and Agency reserves allow.

AESF will utilize ADOA General Services to identify the most expedient and fiscally responsible processes to accomplish these projects, whether through bid, state contracts, or in-house labor.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Wanell Costello".

Wanell Costello
Executive Director

CC: Senator David Gowan, Vice-Chairman, JCCR
Richard Stavneak, Director, JLBC
Matthew Gress, Director, OSPB
Zachery Milne, Budget Analyst, OSPB
Henry Furtick, Fiscal Analyst, JLBC



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DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Alexis Pagel, Fiscal Analyst

SUBJECT: Arizona Game and Fish Department - Review of Building Renewal Reallocation Plan and Aquatic Research Center Capital Project

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal and capital projects monies. The Arizona Game and Fish Department (AGFD) is requesting review of \$302,500 for new building renewal projects, which are being funded from the reallocation of building renewal monies previously reviewed by the Committee. In addition, the AGFD is requesting Committee review of a \$678,500 capital project to construct an additional building at the Aquatic Research and Conservation Center, which will be paid with Federal Funds.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provision:

- A. The AGFD shall report any change in the building renewal spending plan to the Joint Committee on Capital Review Chairman and the JLBC Staff. If there is significant change of scope in the reallocation reported by AGFD, the Chairman may require further Committee review.

(Continued)

Key Points

- 1) The AGFD proposes reallocating \$302,500 of FY 2019 and FY 2020 building renewal monies for various new projects. These funds are available due to previously reviewed projects being completed under budget.
- 2) The AGFD also requests review of a construction project for the Aquatic Research and Conservation Center (ARCC) Building costing \$678,500 funded through the Federal Bureau of Reclamation.

Analysis

The FY 2019 Capital Outlay Bill appropriated a total of \$981,400 from the Game and Fish Fund and the FY 2020 Capital Outlay Bill appropriated a total of \$1,043,700 from the Game and Fish Fund to the AGFD for building renewal expenditures. At the September 2018 and September 2019 JCCR meetings, the Committee favorably reviewed the AGFD building renewal expenditure plans.

FY 2019 and FY 2020 Building Renewal Reallocations

The department proposes reallocating \$302,500 in FY 2019 and FY 2020 building renewal monies to new projects. These monies are being reallocated due to previously reviewed projects being under the budgeted amount. The department proposes reallocating monies to the following new projects listed in *Table 1*.

Table 1	
AGFD Building Renewal Reallocation – New Proposed Projects	
<u>Office Repairs</u>	
Flagstaff - Warehouse Roofing Repairs	\$ 28,800
Mesa - Entry Sign Replacement	29,100
Tucson - Access Road Entry Maintenance	10,000
Pinetop Field Office Repairs	<u>17,600</u>
Subtotal	\$ 85,500
<u>Wildlife Areas</u>	
Bubbling Ponds - Manager's Residence Repair	\$ 42,700
Cluff Ranch - Laundry Building Repair	13,700
Horseshoe Ranch - Roof Repairs	11,300
Horseshoe Ranch - Septic System Additional Repairs	89,300
Sipe - Generator Replacement	<u>60,000</u>
Subtotal	\$217,000
Total	\$302,500

All projects listed in *Table 1* are funded by the Game and Fish Fund. Under federal law, these monies cannot be diverted to the General Fund.

FY 2020 Proposed Capital Project

The department has requested review of the following FY 2020 project pursuant to statutory provisions requiring JCCR review of any capital project with an estimated cost over \$250,000:

(Continued)

Aquatic Research and Conservation Center (ARCC) Building Construction

AGFD proposes a \$678,500 project at the ARCC Building located in Cornville, AZ. The department reports that the current facility lacks adequate interior space of offices, feed storage, and research labs. The AGFD proposes construction of a 2,950 square feet building at the ARCC facility, resulting in a cost per square foot of \$230. The project would be funded with Federal Funds provided by the Bureau of Reclamation.

AP:kp



March 20, 2020

Senator David Gowan, Chairman
Joint Committee on Capital Review
Capitol Complex
1700 W. Washington
Phoenix, AZ 85007-2890

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

Honorable Senator Gowan:

In accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review updates to the Arizona Game and Fish Department's Building Renewal and Capital Projects Expenditure plans.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ty E. Gray".

Ty Gray
Director

cc: Representative Regina Cobb, Vice Chairman, JCCR
Richard Stavneak, Staff Director, JLBC
Matthew Gress, Director, OSPB

Arizona Game and Fish - FY20 Capital Projects Expenditure Plan (Addition to September 2019 Capital Projects)

Project: Aquatic Research and Conservation Center (ARCC) Building Construction

Funding Source: Bureau of Reclamation

Category: Capital Improvement - New Construction/Buildings

Need: The Aquatic Research and Conservation Center (ARCC), which is part of the Department's Research Branch, is located in Cornville, AZ. The ARCC's purpose is two-fold: to propagate and maintain refuge populations of endangered fish species, including loach minnow, spinedace, and woundfin; and to conduct research on native aquatic species. The ARCC was established through the Central Arizona Project (CAP) Fund Transfer Program, which was established in response to the 1994 and 2001 biological opinions on CAP water transfers to the Gila River basin for the purposes of conserving native fishes and managing against nonnative fishes.

In 2000, through the CAP Funds Transfer Program, a wetlab/quarantine building was constructed and later, in 2003, a well providing artesian water was installed. The well allowed the facility to expand, and the Funds Transfer Program provided additional funds in 2007 to build a structure to hold refuge populations of Federally endangered fish species. The facility has since become responsible for holding additional lineages of endangered fish species, and has received continued external funding to conduct research on endangered aquatic species. The original facility was built with limited grant funding and was largely built using military surplus shipping containers. Since 2015, the facility has been partially renovated to expand fish holding capacity, increase security of the facility, and expand functionality. While adequate for holding the additional demands related to husbandry and security of rare fish species, the facility lacks adequate interior space for offices, feed storage, and research lab space.

Solution: The Department proposes to construct a new 40 ft x 70 ft building at the facility. This building will contain a wet lab, feed and equipment storage, bunkhouse, and office spaces. Construction of this building has already been reviewed and approved through the Department's environmental compliance review process, with designs finalized as part of the renovation beginning in 2015, and the Bureau of Reclamation plans to provide funding for the building, with additional funding provided for furnishings.

Cost Estimate – This funding would be spent on construction of the above-mentioned building, with the following estimates:

Activity	Quantity	Unit	Cost
Construction of new ARCC building	2950 SF	\$230.00	\$678,500
Estimate based on current costing of similar structures			

Arizona Game and Fish - FY20 Capital Projects Expenditure Plan (Addition to September 2019 Capital Projects)

Impact of Not Approving this Request: The Arizona Game and Fish Department is committed to conservation of native aquatic species, and we have existing long-term collaborations with Federal agencies such as the US Fish and Wildlife Service and the Bureau of Reclamation to propagate, study, and re-establish rare native fish species into their native habitat in Arizona. Not approving this capital expenditure will compromise the Department's ability to adequately conduct this work, and may compromise the support and good working relationships that we have with our Federal partners. This in turn could have negative effects on our ability to conserve native aquatic species in Arizona.

Arizona Game and Fish Department
FY2019/FY2020 Building Renewal Reallocation Projects

Project: Wolf Reintroduction Field Office Repairs

Category: Preservation of Assets; Buildings; Health/Life Safety

Funding Source: Game and Fish Fund

Need: AGFD plays a major role in the Mexican Wolf Reintroduction Program in southeastern Arizona. As such, AGFD staff occupy a remote field office near Alpine, Arizona year round. The field office is the central staging facility for all on-going field work. During the winter months, snow builds up on the roof, often turns to ice and has pulled the gutters away from the roof. Also the awning over the front entrance is structurally unsound and needs replacing. The same goes for the entry steps which have deteriorated due to weather and heavy use. Combined these issues have created an unsafe condition during winter months and will continue to get worse as time goes by.

Solution: Work will include installing snow/ice dams on the roof, replacing the damaged gutters, renovation of entry awning and replacing the steps/porch structure.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Install snow/ice dams, replace damaged gutters, renovate entry awning, replace steps/porch structure	1	LS	\$17,600	\$17,600
TOTAL ESTIMATE:				\$17,600
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

Arizona Game and Fish Department

FY2019/FY2020 Building Renewal Reallocation Projects

Project: Sipe Wildlife Area Headquarters Generator Replacement

Category: Preservation of Assets; Health/Life Safety; Supporting Infrastructure

Funding Source: Game and Fish Fund

Need: The Sipe White Mountain Wildlife Area (Sipe) is located within the White Mountains of northeastern Arizona at an elevation of 7,800 feet, approximately ten miles south of the towns of Eagar and Springerville in Apache County. The primary purpose of the acquisition was to conserve and enhance sensitive species and habitats, including the Little Colorado spinedace, while providing compatible natural resource recreational opportunities for the public. Numerous improvements, including a manager's residence, bunkhouse, visitor center, water wells, a diesel powered backup generator, barn and outbuildings are located within the Sipe ranch headquarters area.

Due to the remote nature of this property, electrical power failures, including multi-day power outages, are common, typically occurring as a result of heavy winter snows, and summer monsoon activity. When power outages occur during freezing conditions, it is necessary to maintain heat within the residence house, bunkhouse, and visitor center, for both personnel safety, and to prevent water pipes within these structures from freezing and breaking, and causing subsequent water damage. During the summer months, power outages can result in the loss of power to a large walk-in freezer, and thus spoilage of stored wildlife carcasses that are used by the Mexican Wolf Recovery Team. In addition, the water well at Sipe, which is the only source of potable water, needs electric power to pump water.

The current diesel backup generator has reached the end of its useful life, and has become increasingly unreliable and difficult to maintain. This winter, for example, Sipe experienced a multi-day power outage, during which time the generator failed.

Solution: Replace diesel generator

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
	1	LS	\$60,000	\$60,000
TOTAL ESTIMATE:				\$60,000
*Estimate based on a local contractor's bid				

Arizona Game and Fish Department

FY2019/FY2020 Building Renewal Reallocation Projects

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

Project: Flagstaff Regional Office Warehouse Roofing

Category: Preservation of Assets; Buildings

Funding Source: Game and Fish Fund

Need: AGFD owns and operates six Regional Offices around the state (Pinetop, Flagstaff, Kingman, Yuma, Tucson and Mesa). These offices are typically occupied by 25 to 35 permanent staff and act as a base station for law enforcement officers and other field personnel. They are also AGFD's primary customer service locations throughout the state, providing hunting and fishing license sales, boating registration and a variety of information resources regarding Arizona's wildlife.

Each Regional Office facility has a warehouse building that provides weatherproof storage for field equipment, supplies, OHV's and typically includes a shop area. The foam roof on the warehouse in Flagstaff has exceeded its useful life and has required numerous repairs to keep it from leaking.

Solution: This project will repair all foam roof damage and apply two coats of elastomeric roof coating and a UV sealer

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Repair all foam roof damage and apply two coats of elastomeric roof coating and a UV sealer	1	LS	\$28,840	\$28,840
TOTAL ESTIMATE:				\$28,840
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

Arizona Game and Fish Department
FY2019/FY2020 Building Renewal Reallocation Projects

Project: Cluff Ranch Wildlife Area Headquarters Laundry Building Remodel.

Category: Preservation of Assets; Buildings; Health/Life Safety

Funding Source: Game and Fish Fund

Need: Cluff Ranch Wildlife Area operates and maintains several structures and improvements on the site. It is a multifaceted use area segregated into five subsets: Special Status Species population and habitat management, game species and wildlife population, wildlife and outdoor recreational instructions and outreach activities, preservation of cultural significance, and a meeting and event venue for other agencies and non-governmental organizations. The facility includes the area manager's residence, manager's office and two bunkhouses. A separate laundry building provides service to the manager's family and interns and staff that stay in the bunkhouses. The laundry room is in poor condition due to termite and vermin infestations, aged plumbing and out of code electrical wiring.

Solution: AGFD proposes to remodel the laundry building including remediating all termite and vermin damage, new drywall/insulation, new plumbing fixtures and correct electrical deficiencies.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Remodel laundry building including remediating termite damage, new drywall/insulation; new plumbing fixture; correct electrical deficiencies	1	LS	\$13,710	\$13,710
TOTAL ESTIMATE:				\$13,710
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

Arizona Game and Fish Department FY2019/FY2020 Building Renewal Reallocation Projects

Project: Tucson Regional Office Access Road Entry Maintenance

Category: Preservation of Assets; Supporting Infrastructure

Funding Source: Game and Fish Fund

Need: AGFD owns and operates six Regional Offices around the state (Pinetop, Flagstaff, Kingman, Yuma, Tucson and Mesa). These offices are typically occupied by 25 to 35 permanent staff and act as a base station for law enforcement officers and other field personnel. They are also AGFD's primary customer service locations throughout the state, providing hunting and fishing license sales, boating registration and a variety of information resources regarding Arizona's wildlife. The entry to the facility access road of the main arterial Greasewood Road has deteriorated. Drainage issues have eroded the embankment at one side of the road. This has created a rough, narrow entry which is problematic for both the public and AGFD staff entering and leaving the facility.

Solution: AGFD proposed to place a small culvert to control drainage and to construct a concrete entry apron to provide a durable entry surface.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Place a small culvert to control drainage and to construct a concrete entry apron to provide a durable entry surface.	1	LS	\$10,000	\$10,000
TOTAL ESTIMATE:				\$10,000
*Estimate based on AGFD staff engineering estimate				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff and the public.

Arizona Game and Fish Department FY2019/FY2020 Building Renewal Reallocation Projects

Project: Mesa Regional Office Entry Sign Replacement

Category: Preservation of Assets; Supporting Infrastructure

Funding Source: Game and Fish Fund

Need: Current entry signs at AGFD Regional Offices were installed when these facilities were first constructed. Regional Office sign installations vary from the late 80's to early 2000's. There are three problems associated with all of these signs: poor graphical design, poor sign location and no standardization among signs. This presents a less than favorable image of the Department when visitors first approach these facilities. The Department intends to replace all of its Regional Office entry signs. The entry sign at the Mesa Regional Office was installed when the complex was constructed in 1995. It was poorly placed and is not readily visible to visitors entering the facility.

Solution: AGFD proposes to replace the entry sign at the Mesa Regional Office, which is one of the busiest offices in the state. The new signage will be professionally designed, strategically located and reflect an appearance consistent with the Department's branding objectives.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Demolition and disposal of old sign structure and footing, import and compact material to raise ground elevation, construct new concrete footing, installation of new sign with new materials	1	LS	\$29,052	\$29,052
TOTAL ESTIMATE:				\$29,052
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to presenting a professional image and build on its current branding strategy. To defer this project will impede that objective.

Arizona Game and Fish Department FY2019/FY2020 Building Renewal Reallocation Projects

Project: Horseshoe Ranch Wildlife Area Headquarters Complex Septic System Additional Cost

Category: Preservation of Assets; Health/Life Safety; Supporting Infrastructure

Funding Source: Game and Fish Fund

Need: Horseshoe Ranch was acquired with several structures and improvements on the site. Horseshoe Wildlife Area is a multifaceted use area segregated into five subsets: Special Status Species population and habitat management, game species and wildlife population, wildlife and outdoor recreational instructions and outreach activities, preservation of cultural significance, and a meeting and event venue for other agencies and non-governmental organizations. Several of the septic systems are older and have shown signs of failure. With multiple independent septic systems for each building the O&M cost and time spent continues to increase. The Horseshoe Septic System will be replaced in its entirety with a single integrated system. JCCR approved \$200,000 for this project at the September 2019 meeting per AGFD's request based on the most current engineering estimate at the time (engineering estimate was \$190,000 plus contingency). The actual bid through ADOA's JOC contract came in at \$264,375. Additionally the environmental compliance process resulted in the State Historic Preservation Office requiring that a registered archaeologist be present to monitor all excavation.

Solution: AGFD is requesting approval of an additional \$89,300 to supplement the initial funding of this project due to increased base cost and the additional costs of archaeological monitoring.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Supplemental funding for base bid plus \$10,000 contingency	1	LS	\$38,300	\$64,375
Archaeological monitoring	1	LS	\$51,000	\$24,925
TOTAL ESTIMATE:				\$89,300
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

**Arizona Game and Fish Department
FY2019/FY2020 Building Renewal Reallocation Projects**

Project: Horseshoe Ranch Main House Roof Repairs

Category: Preservation of Assets; Buildings; Health/Life Safety

Funding Source: Game and Fish Fund

Need: Horseshoe Ranch was acquired with several structures and improvements on the site. Horseshoe Wildlife Area is a multifaceted use area segregated into five subsets: Special Status Species population and habitat management, game species and wildlife population, wildlife and outdoor recreational instructions and outreach activities, preservation of cultural significance, and a meeting and event venue for other agencies and non-governmental organizations. The area manager's residence has two old, roof mounted evaporative coolers. These coolers have been abandoned for use and are a constant source of roof leaks. This causes interior damage to the ceiling and has presented a mold problem which had to be remediated.

Solution: AGFD proposes to remove the evaporative coolers including all electrical wiring, repair the sub-roof as determined necessary and panel over the area with standing seam metal roofing to match the existing roofing.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Remove the evaporative coolers including all electrical wiring, repair the sub-roof as determined necessary and panel over the area with standing seam metal roofing to match the existing roofing.	1	LS	\$11,320	\$11,320
TOTAL ESTIMATE:				\$11,320
*Estimate based on a local contractor's bid				

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing health issue for AGFD staff and family.

Arizona Game and Fish Department FY2019/FY2020 Building Renewal Reallocation Projects

Project: Bubbling Ponds Fish Hatchery Manager's Residence Remodel

Category: Preservation of Assets; Buildings; Health/Life Safety

Funding Source: Game and Fish Fund

Need: Bubbling Ponds Fish Hatchery resides on Commission-owned land approximately and is managed by the the Department's Hatchery Program. This facility originally produced trout until 1980 when trout production was moved entirely to Page Springs Hatchery. Catfish production dominated for several years but was then phased into production of sunfish and bass. In addition several species of native fishes were cultivated. In the mid-1990's, the hatchery began raising razorback suckers under contract for the Bureau of Reclamation. Since this time the primary production at Bubbling Ponds Hatchery has consisted of razorback suckers and a few other native species as well as a limited number of warm water sport fish.

The property also provides habitat for rare or declining species such as northern Mexican garter snake, Page spring snail, and a rare species of caddis fly. The Audubon Society identified the habitat at the hatcheries and the riparian area along lower Oak Creek as an Important Bird Area (IBA), which draws thousands of wildlife watching enthusiasts.

The Department recently acquired the adjacent property to the west of Bubbling Ponds for native fish production which consists of 31.7 acres of land with water rights. This new native fish facility will support production ponds, a hatchery building and a visitor center. Bubbling Ponds Hatchery will be returned to warm water sport fish production focusing on rearing Florida strain largemouth bass. The acquisition included two residential structures one of which is occupied by the hatchery's manager. This building although structurally sound has a significantly dilapidated interior. Both plumbing and electrical components require upgrading due to condition or code compliance.

Solution: AGFD proposes to remodel the interior of this residence, including bathroom renovations (2), kitchen renovation, plumbing and electrical upgrades, flooring, and painting.

Cost Estimate

Activity	Quantity	Unit	Unit Cost	Cost
Bubbling Ponds Manager's Residence Remodel	1	LS	\$42,700	\$42,700
TOTAL ESTIMATE:				\$42,700

Arizona Game and Fish Department
FY2019/FY2020 Building Renewal Reallocation Projects

*Estimate based on a local contractor's bid

Impact of Not Approving this Request: AGFD is committed to preserving its administrative assets. To defer this work could result in further degradation and more costly repairs and impose an increasing safety issue for AGFD staff.

ARIZONA GAME AND FISH FY20 BUILDING RENEWAL PROJECT STATUS REPORT

LOCATION/PROJECT	ESTIMATED PROJECT COST	FY19 BUILDING RENEWAL FUNDS	FY20 BUILDING RENEWAL FUNDS	PROJECT STATUS AS OF JANUARY 2021	FY19 BUILDING RENEWAL EXPENDITURE	FY19 BALANCE TO BE REALLOCATED	FY20 BUILDING RENEWAL EXPENDITURE	FY20 BALANCE TO BE REALLOCATED
BEGINNING BALANCES		\$408,632.01	\$1,043,746.00					
REGION 1 Pinetop								
Regional Office Pavement Maintenance	\$100,000.00		\$100,000.00	Scheduled for Spring 2020		\$0.00	\$100,000.00	\$0.00
Sipe Bunkhouse Repair	\$15,000.00	\$15,000.00	\$0.00	Work completed under operational budget; BR funds to be reallocated	\$0.00	\$15,000.00	\$0.00	
Sipe Barn Repairs	\$167,500.00	\$167,500.00	\$0.00	Bids over budget, project deferred; BR funds to be reallocated	\$0.00	\$167,500.00	\$0.00	\$0.00
Regional Office Exterior Lighting Upgrade to LED	\$9,500.00	\$9,500.00	\$0.00	Scheduled for Spring 2020	\$9,500.00	\$0.00	\$0.00	\$0.00
Replace Smoke Alarm Detectors at Regional Office	\$2,500.00		\$2,500.00	Completed	\$0.00	\$0.00	\$2,500.00	\$0.00
Replace Smoke Alarm Detectors at Sipe WLA	\$2,500.00		\$2,500.00	Completed	\$0.00	\$0.00	\$2,500.00	\$0.00
Re-roof Historic Barn at Regional Office	\$10,000.00		\$10,000.00	Scheduled for Spring 2020	\$0.00	\$0.00	\$10,000.00	\$0.00
Paint Bunkhouse, garage, Barn, & Anex Building at Regional Office	\$16,000.00		\$16,000.00	Scheduled for Spring 2020	\$0.00	\$0.00	\$16,000.00	\$0.00
PS Ranch Door Repair	\$9,500.00	\$9,500.00	\$0.00	Scheduled for Spring 2020	\$9,500.00	\$0.00	\$0.00	\$0.00
REGION 2 Flagstaff								
Jacobs Lake Restroom Renovation	\$14,000.00		\$14,000.00	Scheduled for Spring 2020	\$0.00	\$0.00	\$14,000.00	\$0.00
Flagstaff Regional Office Improvements (Gutters/Screens/Downspouts, Painting, Siding Repairs, Front Entry Railing, Ext LED Lighting Upgrade, Urinal Replacement)	\$100,000.00	\$62,000.00	\$38,000.00	Completed	\$62,000.00	\$0.00	\$38,000.00	\$0.00
REGION 3 Kingman								
Regional Office Rain Gutters	\$20,000.00		\$20,000.00	Scheduled for Spring 2020	\$0.00	\$0.00	\$20,000.00	\$0.00
Regional Office Door Locks (office, storage, boat storage buildings)	\$20,000.00		\$20,000.00	Scheduled for Spring 2020	\$0.00	\$0.00	\$20,000.00	\$0.00
REGION 4 Yuma								
Regional Office Pavement Maintenance	\$90,000.00		\$90,000.00	Completed	\$0.00	\$0.00	\$87,005.00	\$2,995.00
Regional Office Bay Door Locks	\$20,000.00		\$20,000.00	Completed	\$0.00	\$0.00	\$20,000.00	\$0.00
REGION 5 Tucson								
Regional Office Pavement Maintenance	\$100,000.00		\$100,000.00	Completed	\$0.00	\$0.00	\$19,380.00	\$80,620.00
Cluff Office Renovation	\$36,000.00		\$36,000.00	Completed	\$0.00	\$0.00	\$26,157.00	\$9,843.00
Cluff Bunkhouses Restroom Renovations	\$37,000.00		\$37,000.00	Completed	\$0.00	\$0.00	\$36,772.00	\$228.00
Fire Alarm Replacement at Regional Office	\$30,000.00	\$30,000.00		Completed	\$30,000.00	\$0.00	\$0.00	\$0.00
Regional Office Drywall Repairs and Conference Rm Painting	\$15,000.00	\$15,000.00		Completed	\$3,861.00	\$11,139.00	\$0.00	\$0.00
Whitewater Draw WA Domestic Well Refurbishment	\$12,000.00		\$12,000.00	Completed	\$0.00	\$0.00	\$2,700.00	\$9,300.00
REGION 6 Mesa								
Regional Office Pavement Maintenance	\$75,000.00		\$75,000.00	Scheduled for Spring 2020		\$0.00	\$75,000.00	\$0.00
Horseshoe WA Septic System Phase 1	\$200,000.00	\$50,000.00	\$150,000.00	Scheduled for Winter 2020	\$50,000.00	\$0.00	\$150,000.00	\$0.00
HATCHERIES								
PM AND EMERGENCY Eligible						\$0.00		\$0.00
SHOOTING RANGES								
PM AND EMERGENCY Eligible						\$0.00		\$0.00
HEADQUARTERS								
Replace Employee Entry Doors	\$15,000.00	\$15,000.00		Completed	\$8,951.00	\$6,049.00	\$0.00	\$0.00
Facility Inventory and Assessment	\$125,000.00	\$35,000.00	\$90,000.00	Ongoing	\$35,000.00	\$0.00	\$90,000.00	\$0.00
AGFD State Headquarters Major Maintenance Fund	\$52,230.00		\$52,230.00	Deposited	\$0.00	\$0.00	\$52,230.00	\$0.00
Set Aside Allocations								
Preventative Maintenance (8% of Appropriation)	\$83,499.00		\$83,499.00	Ongoing	\$0.00	\$0.00	\$2,880.00	\$0.00
Emergency Allocation	\$75,000.00		\$75,000.00	Ongoing	\$0.00	\$0.00	\$4,500.00	\$0.00
Totals:	\$1,452,229.00	\$408,500.00	\$1,043,729.00		\$208,812.00	\$199,688.00	\$789,624.00	\$102,986.00
Balance		\$132.01	\$17.00					

ARIZONA GAME AND FISH FY19 BUILDING RENEWAL PROJECT STATUS REPORT

LOCATION/PROJECT	CATAGORY CODE	FACILITY TYPE	ESTIMATED PROJECT COST (May Include other funding)	JCCR APPROVED FY19 BUILDING RENEWAL FUNDS (Game & Fish Fund Appropriation)	FY19 BUILDING RENEWAL EXPENDITURE	PROJECT STATUS S OF JANUARY 31, 2020	FY19 BALANCE TO BE REALLOCATED
BEGINNING BALANCES				\$408,632.01			
REGION 1 Pinetop							
Sipe Bunkhouse Repair	2	Wildlife Area	\$15,000.00	\$15,000.00	\$0.00	Work completed under operational budget; BR funds to be reallocated	\$15,000.00
Sipe Barn Repairs	2	Wildlife Area	\$167,500.00	\$167,500.00	\$0.00	Bids over budget, project deferred; BR funds to be reallocated	\$167,500.00
Regional Office Exterior Lighting Upgrade to LED	9	Regional Office	\$9,500.00	\$9,500.00	\$9,500.00	Scheduled for Spring 2020	\$0.00
PS Ranch Door Repair	2	Administrative Site	\$9,500.00	\$9,500.00	\$9,500.00	Scheduled for Spring 2020	\$0.00
REGION 2 Flagstaff							
Flagstaff Regional Office Improvements (Gutters/Screens/Downspouts, Painting, Siding Repairs, Front Entry Railing, Ext LED Lighting Upgrade, Urinal Replacement)	2	Regional Office	\$62,000.00	\$62,000.00	\$62,000.00	Completed	\$0.00
REGION 3 Kingman							
REGION 4 Yuma							
REGION 5 Tucson							
Fire Alarm Replacement at Regional Office	1	Regional Office	\$30,000.00	\$30,000.00	\$30,000.00	Completed	\$0.00
Regional Office Drywall Repairs and Conference Rm Painting	4	Regional Office	\$15,000.00	\$15,000.00	\$3,861.00	Completed	\$11,139.00
REGION 6 Mesa							
Horseshoe WA Septic System Phase 1	8	Wildlife Area	\$200,000.00	\$50,000.00	\$22,000.00	Scheduled for Spring 2020	\$0.00
HATCHERIES							
SHOOTING RANGES							
HEADQUARTERS							
Replace Employee Entry Doors	2	Administrative Office	\$15,000.00	\$15,000.00	\$8,951.00	Completed	\$6,049.00
Facility Inventory and Assessment	3	All	\$125,000.00	\$35,000.00	\$1,000.00	Ongoing	\$0.00
Totals:			\$648,500.00	\$408,500.00	\$146,812.00		\$199,688.00
Balance				\$132.01			
CATAGORY CODES							
Fire & Life Safety	1			\$30,000.00	\$30,000		
Shell:Superstructure; Exterior Walls & Roofing	2			\$269,000.00	\$80,451		
Major Building Services	3			\$35,000.00	\$1,000		
Interiors:Interior Construction Stairs/Finishes	4			\$15,000.00	\$3,861		
Special Construction & controls; Hazardous Abatement	5			\$0.00	\$0		
ADA accessibility	6			\$0.00	\$0		
Land Acquisition	7			\$0.00	\$0		
Infrastructure & Building Sitework	8			\$50,000.00	\$22,000		
Energy Conservation	9			\$9,500.00	\$9,500		
New Construction	10			\$0.00	\$0		
Grand Totals				\$408,500.00	\$146,812.00		

ARIZONA GAME AND FISH FY20 BUILDING RENEWAL PROJECT STATUS REPORT

LOCATION/PROJECT	CATAGORY CODE	FACILITY TYPE	ESTIMATED PROJECT COST (May Include other funding)	JCCR APPROVED FY20 BUILDING RENEWAL FUNDS (Game & Fish Fund Appropriation)	FY19 BUILDING RENEWAL EXPENDITURE	PROJECT STATUS S OF JANUARY 31, 2020	FY20 BALANCE TO BE REALLOCATED
BEGINNING BALANCES				\$1,043,746.00			
REGION 1 Pinetop							
Regional Office Pavement Maintenance	8	Regional Office	\$100,000.00	\$100,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
Replace Smoke Alarm Detectors at Regional Office	1	Regional Office	\$2,500.00	\$2,500.00	\$2,500.00	Completed	\$0.00
Replace Smoke Alarm Detectors at Sipe WLA	1	Wildlife Area	\$2,500.00	\$2,500.00	\$2,500.00	Completed	\$0.00
Re-roof Historic Barn at Regional Office	2	Regional Office	\$10,000.00	\$10,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
Paint Bunkhouse, garage, Barn, & Anex Builiding at Regional Office	2	Regional Office	\$16,000.00	\$16,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
REGION 2 Flagstaff							
Jacobs Lake Restroom Renovation	4	Administrative Site	\$14,000.00	\$14,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
Flagstaff Regional Office Improvements (Gutters/Screens/Downspouts, Painting, Siding Repairs, Front Entry Railing, Ext LED Lighting Upgrade, Urinal Replacement)	2	Regional Office	\$100,000.00	\$38,000.00	\$38,000.00	Completed	\$0.00
REGION 3 Kingman							
Regional Office Rain Gutters	2	Regional Office	\$20,000.00	\$20,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
Regional Office Door Locks (office, storage, boat storage buildings)	2	Regional Office	\$20,000.00	\$20,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
REGION 4 Yuma							
Regional Office Pavement Maintenance	8	Regional Office	\$90,000.00	\$90,000.00	\$87,005.00	Completed	\$2,995.00
Regional Office Bay Door Locks	2	Regional Office	\$20,000.00	\$20,000.00	\$20,000.00	Completed	\$0.00
REGION 5 Tucson							
Regional Office Pavement Maintenance	8	Regional Office	\$100,000.00	\$100,000.00	\$19,380.00	Completed	\$80,620.00
Cluff Ranch Office Renovation	4	Wildlife Area	\$36,000.00	\$36,000.00	\$26,157.00	Completed	\$9,843.00
Cluff Ranch Bunkhouses Restroom Renovations	4	Wildlife Area	\$37,000.00	\$37,000.00	\$36,772.00	Completed	\$228.00
Whitewater Draw WA Domestic Well Refurbishment	8	Wildlife Area	\$12,000.00	\$12,000.00	\$2,700.00	Completed	\$9,300.00
REGION 6 Mesa							
Regional Office Pavement Maintenance	8	Regional Office	\$75,000.00	\$75,000.00	\$0.00	Scheduled for Spring 2020	\$0.00
Horseshoe WA Septic System Phase 1	8	Wildlife Area	\$200,000.00	\$150,000.00	\$0.00	Scheduled for Winter 2020	\$0.00
HATCHERIES							
SHOOTING RANGES							
HEADQUARTERS							
Facility Inventory and Assessment	3	Statewide Facilities	\$125,000.00	\$90,000.00	\$0.00	Ongoing	\$0.00
AGFD State Headquarters Major Maintenance Fund	2	Administrative Office	\$52,230.00	\$52,230.00	\$52,230.00	Deposited	\$0.00
Set Aside Allocations							
Preventative Maintenance (8% of Appropriation)	3	Statewide Facilities	\$83,499.00	\$83,499.00	\$2,880.00	Ongoing	\$0.00
Emergency Allocation	1	Statewide Facilities	\$75,000.00	\$75,000.00	\$4,500.00	Ongoing	\$0.00
Totals:			\$1,190,729.00	\$1,043,729.00	\$294,624.00		\$102,986.00
Balance							
CATAGORY CODES							
Fire & Life Safety	1			\$80,000.00	\$9,500		
Shell:Superstructure; Exterior Walls & Roofing	2			\$176,230.00	\$110,230		
Major Building Services	3			\$173,499.00	\$2,880		
Interiors:Interior Construction Stairs/Finishes	4			\$87,000.00	\$62,929		
Special Construction & controls; Hazardous Abatement	5						
ADA accessibility	6			\$0.00			
Land Acquisition	7			\$0.00			
Infrastructure & Building Sitework	8			\$527,000.00	\$109,085		
Energy Conservation	9			\$0.00			
New Construction	10			\$0.00			
Grand Totals				\$1,043,729.00	\$294,624.00		

AGFD FY20 REALLOCATION PLAN FOR SURPLUS BUILDING RENEWAL FUNDS

LOCATION/PROJECT	ESTIMATED PROJECT COST	FY19 BUILDING RENEWAL REALLOCATION BALANCE	FY20 BUILDING RENEWAL REALLOCATION BALANCE
BEGINNING BALANCES		\$199,688.00	\$102,986.00
REGION 1 Pinetop			
Wolf Reintroduction Field Office Gutters, Awning and Steps Replacement	\$17,600.00	\$17,600.00	
Sipe Wildlife Area Headquarters Generator Replacement	\$60,000.00		\$60,000.00
REGION 2 Flagstaff			
Flagstaff Regional Office Warehouse Roofing	\$28,840.00	\$28,840.00	
REGION 3 Kingman			
REGION 4 Yuma			
REGION 5 Tucson			
Cluff Ranch Headquarters Laundry Building Renovation	\$13,710.00	\$13,710.00	
Regional Office Entry Road Maintenance	\$10,000.00		\$10,000.00
REGION 6 Mesa			
Regional Office Entry Sign Replacement	\$29,052.00	\$29,052.00	
Additional Cost for Horseshoe Septic System (initial amount of \$200,000 previously approved)	\$89,300.00	\$56,400.00	\$32,900.00
Horseshoe Ranch Headquarters Main House Roof Repairs	\$11,320.00	\$11,320.00	
Horseshoe Ranch Headquarters Barn Door Repairs			
HATCHERIES			
Bubbling Ponds Manager's Residence Remodel	\$42,700.00	\$42,700.00	
Totals:	\$302,522.00	\$199,622.00	\$102,900.00
Balance:		\$66.00	\$86.00



STATE OF ARIZONA

Joint Committee on Capital Review

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BEN TOMA

DATE: April 22, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Fiscal Analyst

SUBJECT: Department of Public Safety - Review of Remote Housing Replacement

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Department of Public Safety (DPS) was appropriated \$2,400,000 from the Board of Fingerprinting Fund for the construction of remote housing units by the FY 2020 Capital Outlay Bill.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.
2. An unfavorable review of the request.

Under either option, the Committee may also consider the following provisions:

- A. The department shall report to the JLBC Staff on or before May 31 and November 30 of each year until the project is completed. The report shall include the status and the construction timeline of the units.
- B. Upon completion of the procurement process, the department shall report to the JLBC Staff the cost and selected location of each unit.

(Continued)

Key Points

- 1) DPS currently has 60 remote housing units for highway patrol troopers.
- 2) DPS proposes spending \$2.4 million to construct 8 new housing units across the state to replace existing units.
- 3) A single contractor has been accepted by DPS and ADOA on a 5-year contract to construct the housing units. The contractor has agreed to build these 8 housing units at an average price per home of \$282,900.

Analysis

Background

DPS currently has 60 housing units in remote locations across the state to station troopers closer to their patrol areas. These troopers, along with their immediate family, live full-time in the units. The troopers are responsible for paying rent to DPS of \$50-\$100 per month depending on the age of the unit, along with paying the full cost of utilities.

DPS reports that these units have a useful life of 20-25 years, but they believe that many exceed their useful life. According to DPS, temporary fixes are not cost effective and the units need to be replaced.

The FY 2019 budget included a \$2.0 million appropriation for DPS to construct at least 6 and up to 8 remote housing units with an anticipated cost of about \$300,000 per unit. After an initial JCCR review in July 2018, DPS worked with the Arizona Department of Administration (ADOA) on 4 procurement solicitations. Each of the solicitations resulted in an average bid per home in excess of \$350,000. At its April 2019 meeting, the Committee favorably reviewed a revised expenditure plan for the FY 2019 appropriation which proposed to purchase and install 4 modular homes and purchase 2 existing residential homes. The average cost to build a modular home under the FY 2019 appropriation was \$330,200.

The FY 2020 Capital Outlay Bill required a report from DPS to JCCR comparing the cost of building remote housing and the cost of providing a housing allowance for state troopers stationed in remote locations. In the department's submitted report, DPS assumes a housing allowance cost ranging from \$1,000 to \$2,000 per month, an average price per modular home of \$300,000, and an average useful life of 50 years for a modular home. Given these assumptions, DPS concludes that building remote housing units, in contrast to providing a housing allowance, would result in cost savings of \$300,000 to \$900,000 per trooper over 50 years.

Procurement Process

DPS has collaborated with the Arizona Department of Administration (ADOA) to implement a new, 5-year statewide contract for modular housing units. The 2 departments worked together to issue solicitations at various remote locations statewide. Subsequent to these solicitations, a single contractor applied and was accepted after vetting. The quotes listed in the table were provided by the contractor after site visits to each of the locations.

As stated in *Table 1*, the sizes of the homes will range from 1,287 square feet to 1,600 square feet. The 1,600 square foot units were determined as the standard size of a home. For some locations, like Quartzsite and Tusayan, DPS is proposing to construct smaller units to accommodate the existing lot sizes. The department anticipates the construction on all 8 housing units will be completed by June 2021.

(Continued)

DPS has informed JLBC staff that after the FY 2020 appropriation to construct modular units, the department has 19 homes remaining in need of replacement. When constructing future units, DPS plans to use the same contracted vendor, with a price per housing unit to be negotiated with the contractor after site visits to the locations.

Current Request

DPS proposes to expend their \$2.4 million appropriation to construct and install 8 remote housing units across the state. The construction of the new modular homes includes the following work: demolition and abatement of existing unit, site preparation and upgrade of utilities, foundation and masonry walls, sidewalks, fencing, stairs, 2 awnings and a double-wide carport, and landscaping. *Table 1* below lists the proposed expenditures on the 8 modular homes, including the location and proposed square footage of each home. The homes range from 1,287 square feet to 1,600 square feet and are listed at an average price of \$282,900 per unit.

Table 1		
Remote Housing Unit Expenditure Plan		
<u>Modular Homes</u>	<u>Square Feet</u>	<u>Cost Estimate</u>
Dateland	1,600	\$ 275,100
Gila Bend	1,600	301,100
Gila Bend	1,600	301,100
Gray Mountain	1,600	278,900
Gray Mountain	1,600	278,900
Quartzsite	1,477	272,500
Quartzsite	1,477	272,500
Tusayan	1,287	<u>283,200</u>
Total Cost		\$2,263,300

JJ:kp



ARIZONA DEPARTMENT OF PUBLIC SAFETY

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"Courteous Vigilance"

DOUGLAS A. DUCEY FRANK L. MILSTEAD
Governor Director

March 3, 2020

Representative Regina E. Cobb, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007



Dear Representative Cobb:

Please see the attached information for review by the JCCR at your next meeting.

If you have any questions, please contact Phil Case, DPS Budget Officer, at (602) 223-2463 or pcase@azdps.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank L. Milstead".

Frank L. Milstead, Colonel
Director

cc: Senator David M. Gowan, Vice-Chairman
Matthew Gress, OSPB
Richard Stavneak, JLBC

attachment

Arizona Department of Public Safety (DPS)
Remote Housing Replacement
Laws 2019, Chapter 264 (HB2748)
\$2,400,000

Summary

Laws 2019, Chapter 264 (HB2748) allocated \$2.4 million to the Arizona Department of Public Safety (AZDPS) for remote housing replacement. Section 15. B.2 requires the AZDPS to present the scope, purpose and estimated costs to the Joint Committee on Capital Review (JCCR) and complete a comparison study on the cost of providing housing, versus the cost of providing a housing allowance for state troopers stationed in remote areas. The comparison study was submitted in December 2019.

Purpose

To support Arizona's vast highway system (improving highway safety and providing emergency response) AZDPS Highway Patrol troopers are stationed at reasonable travel intervals throughout the State. With great distances between Arizona's populations centers, remote housing compounds are necessary. The most cost-effective solution at these remote locations is modular housing. Newer units are far more energy efficient and cost less to operate and maintain. Better living conditions offer more incentive for Highway Patrol officers and their families to relocate to rural areas of the State.

This appropriation is just a small piece of an ongoing plan to improve existing remote housing units in rural Arizona. Previously, the Laws 2018, Senate Bill 1522 allocation of \$2 million resulted in the replacement of eight aging modular replacement homes that will be completed by June 2020. With the funding allocated in Laws, 2019, House Bill 2748, the AZDPS is projected to replace eight additional houses by June 2021.

Scope

In addition to the purchase of replacement manufactured homes, the following scope of work is required from the home builder, as specified in the contract:

- Demolition/abatement of existing unit
- Site preparation/upgrade on-site utilities
- Foundation/masonry stem walls
- Sidewalks/fencing/stairs
- Two awnings/double-wide carport
- Landscaping/hardscape/grading

Dependent on available funding, after expenses and contingencies, additional landscaping such as gravel for the front and back yards will be requested to improve appearance and reduce maintenance cost. Gravel will also provide a barrier to mud and dirt that could be tracked into the new housing unit, reducing potential damage.

Arizona Department of Public Safety (DPS)
Remote Housing Replacement
Laws 2019, Chapter 264 (HB2748)
\$2,400,000

Procurement Method Pricing

With the assistance of the Arizona Department of Administration (ADOA), a new, five-year, statewide contract for modular housing was completed. Solicitations were issued at various remote locations statewide. At the end of the solicitation period, one contractor applied and was accepted after vetting.

Site visits have been completed to each of the proposed eight homes to be replaced and quotes completed. Quotes included required items listed within the project scope of the contract. The quotes resulted in an average price per home of \$282,910 and a total cost of \$2,263,281 without contingencies.

Project Costs Breakdown

Project costs include the uniqueness of each housing unit location. The standard house is specified as 1,600 square feet with three bedrooms and two bathrooms. This standard was acceptable in the locations of Dateland, Gila Bend and Gray Mountain. However, the standard size was adjusted to 1,477 square feet in Quartzsite to accommodate the existing lot size. In addition, the square footage of the Tusayan housing unit was reduced to 1,287 to also accommodate the existing footprint. The price point of the Gila Bend housing units included increases to satisfy modifications required to build within an existing federal flood plain. (Prices and housing descriptions for each site are included in the below table).

Location	House	Price	Square Feet	Bed/Bath
Dateland	P-043	\$ 275,059.74	1,600 sq/ft	3bd/2bath
Gila Bend	M-061	\$ 301,119.35	1,600 sq/ft	3bd/2bath
Gila Bend	M-063	\$ 301,119.35	1,600 sq/ft	3bd/2bath
Gray Mountain	M-068	\$ 278,921.76	1,600 sq/ft	3bd/2bath
Gray Mountain	M-069	\$ 278,921.76	1,600 sq/ft	3bd/2bath
Quartzsite	M-246	\$ 272,503.52	1,477 sq/ft	3bd/2bath
Quartzsite	M-247	\$ 272,503.52	1,477 sq/ft	3bd/2bath
Tusayan	M-274	\$ 283,132.56	1,287sq/ft	3bd/2bath
Total		\$ 2,263,281.56		

Timelines

Timelines to complete the replacement build of all eight houses will be within the two-year timeline of June 30, 2021 as prescribed by Laws 2019, House Bill 2748, Section 15. B.2. More specifically, each unit will have an approximate two-month factory build time once procurement,

Arizona Department of Public Safety (DPS)
Remote Housing Replacement
Laws 2019, Chapter 264 (HB2748)
\$2,400,000

planning and development is completed. Installation of the houses at each site is estimated to take one-month, for an overall completion time of three months per house. The housing schedule will be dependent on seasonality, with the northern locations of Tusayan and Gray Mountain being completed in the summer of calendar year 2020. The ADOA project management team and the AZDPS are prepared to begin upon a favorable review from the JCCR.