

STATE OF ARIZONA

# Joint Committee on Capital Review

STATE  
SENATE

RANDALL GNANT  
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RUSSELL W. "RUSTY" BOWERS  
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1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

HOUSE OF  
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BOB BURNS  
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ANDY NICHOLS  
CHRISTINE WEASON

## JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, May 16, 2000

1:30 p.m.

House Hearing Room 4

## AGENDA

- Call to Order
- [Approval of Minutes of March 22, 2000.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. DEPARTMENT OF HEALTH SERVICES/ARIZONA DEPARTMENT OF ADMINISTRATION -
  - A. [Reports on Arizona State Hospital Construction Project.](#)
  - B. [Report on FY 2000 and FY 2001 Southern Arizona Mental Health Center Building Renewal Allocation Plans.](#)
- 2. [DEPARTMENT OF CORRECTIONS/ARIZONA DEPARTMENT OF ADMINISTRATION - Review Infrastructure Construction for New Southern Regional Prison Complex at Tucson.](#)
- 3. [ARIZONA BOARD OF REGENTS - Review Revised Multi-Year Bonding Plan for Arizona State University.](#)
- 4. [ARIZONA STATE PARKS - Consider Approval of Additional FY 2000 Enhancement Fund Monies for the Continued Development of Kartchner Caverns State Park and Report on the Status of the Park.](#)

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

May 10, 2000

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

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

Wednesday, March 22, 2000

The Chairman called the meeting to order at 8:05 a.m. Wednesday, March 22, 2000, in House Hearing Room 4 and attendance was noted.

Members:	Representative Burns, Vice-Chairman	Senator Gnant, Vice-Chairman
	Representative Cooley	Senator Arzberger
	Representative Daniels	Senator Brown
	Representative Johnson	Senator Smith
	Representative McLendon	Senator Solomon
	Representative Nichols	Senator Wettaw
	Representative Weason	
Absent:		Senator Bowers
Staff:	Richard Stavneak	Jan Belisle, Secretary
	Brad Regens	Steve Grunig
	Rebecca Hecksel	Chris Earnest
Others:	Bruce Ringwald, ADOA	Terry Stewart, DOC
	Alex Turner, ADOA	Mark Siegwarth, Parks
	Tom Betlach, OSPB	Jay Ziemann, Parks
	Bill Greeney, OSPB	Bill Roller, State Fair
		Grant Pearson, State Fair

### **APPROVAL OF MINUTES**

Representative Burns asked for corrections or additions to the minutes of February 21, 2000. Hearing none, the minutes were approved as presented.

### **EXECUTIVE SESSION**

Senator Gnant moved that the Committee go into Executive Session. The motion carried.

At 8:06 a.m. the Joint Committee on Capital Review went into Executive Session.

Senator Gnant moved that the Committee reconvene into open session. The motion carried.

At 9:25 a.m. the Committee reconvened into open session.

Representative Daniels moved that the Committee adopt the Executive recommendation to approve condemnation of the former State Trust Lands sited for the new State Prison Complex in Tucson and a transfer of \$500,000 from the construction appropriation for anticipated expenses relating to condemnation. With a roll call vote of 7 ayes, 6 nays and 1 absent. The motion carried.

(Continued)

**ARIZONA DEPARTMENT OF ADMINISTRATION — Review Scope, Purpose and Estimated Cost of Additional ASPC-Perryville Safety Improvements.**

Brad Regens, JLBC Staff, gave a brief overview of the Arizona Department of Administration's request for the ASPC-Perryville safety improvements projects.

*Senator Gnant moved the Committee give a favorable review to the scope, purpose, and estimated cost of additional ASPC-Perryville safety improvements.* The motion carried.

**ARIZONA STATE UNIVERSITY — Approval of Arizona State University Residence Hall Bond Projects.**

Richard Stavneak, JLBC Staff, presented the ASU request to issue bonds for construction of additional dormitories on the Main Campus.

*Senator Gnant moved the Committee approve the issuance of \$15,000,000 in auxiliary revenue bonds for construction of additional residential housing on the Main Campus. Any transfers among the submitted cost categories in excess of \$100,000 shall be reported to the JLBC Staff prior to expenditure.* The motion carried.

In reply to Representative Cooley, Mr. Regens stated that the monies discussed in Item #1 for Perryville safety improvements come from FY 1997 and FY 1998 appropriations. These appropriations were a mixture of General Fund and Corrections Fund monies. For the ASU bond projects, monies for debt service and a portion of construction costs will come from dormitory fees.

**ARIZONA EXPOSITION AND STATE FAIR BOARD — Report on FY 2000 Building Renewal Allocation Plan.**

Rebecca Hecksel, JLBC Staff, provided an overview of the FY 2000 building renewal allocation plan.

In reply to Representative Weason, Ms. Hecksel stated that the buildings are very large, 50,000 square feet or more. Rather than going forward and installing air-conditioning, the agency will conduct a study to determine if it is more cost effective to obtain evaporative coolers or to install the air-conditioning.

Bill Roller, State Fair Board, mentioned that the idea is to try to establish the feasibility of air-conditioning and evaporative cooler systems. They have had consultants evaluating the electrical components that are available. This would be an expense that would have to be incurred even if they went ahead and installed the air-conditioning systems immediately.

Representative Nichols asked if the appropriation of \$1,000,000 to improve and upgrade the buildings at the current Exposition and State Fair site indicates that the facility will not move to another site. Ms. Hecksel stated that this is a yearly appropriation from their own capital improvement fund. A decision has not been made on whether to move the facility.

Representative Cooley mentioned that we have the State Fair in the fall and the County Fair in the spring, so why is there a need for air-conditioning? Ms. Hecksel responded that the buildings are used for trade shows and different activities throughout the year. They are not able to rent the buildings during the summer months because the evaporative coolers are unable to satisfactorily cool the buildings. If air-conditioning is installed, they will be able to rent buildings for the entire year.

In reply to Representative Johnson, Ms. Hecksel stated the agency will conduct an analysis and comparison between the inability to rent during the summer months as a result of retaining the existing evaporative cooling system and the ability to rent as a result of installing an air-conditioning system. The analysis will also look at the option of retaining the existing evaporative system and installing a new system.

No Committee action was required.

**ARIZONA STATE PARKS — Kartchner Caverns State Park Quarterly Status Report.**

Chris Earnest, JLBC Staff, presented the Kartchner Caverns State Park Quarterly Status Report. The agency is in the process of reviewing a report done by the University of Arizona on how developing the cave affects the bats that roost in the cave during the summer months. Once the report is reviewed, a decision will be made on how to proceed with construction. Once decided, JLBC Staff recommends the agency provide a construction timeline to the Committee.

(Continued)

Representative Nichols asked if we had an estimate on the loss of tourism traffic resulting from accommodating the bats? Mr. Earnest stated the report should give an indication on how the tourism traffic could be affected. The Upper Caverns tour charges \$14 and the plan is to charge \$14 for the Big Throne Room as well.

Jay Ziemann, State Parks, stated that there will not be a loss of revenue because they are not currently generating any revenue from the Big Room. Any touring will increase revenues. They are studying on how best to operate the cave given the bats. The thing that is most critical, and the thing that is drawing people to this place is that we have a pristine living cave, and we want to make sure we have a pristine living cave, for thousands of years. The agency is looking at operating options that may be available to generate the most revenue.

Representative Nichols mentioned he felt Kartchner Caverns has been an outstanding success.

No Committee action was required.

The Chairman adjourned the meeting at 9:45 a.m.

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Jan Belisle, Secretary

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Brad Regens, Senior Fiscal Analyst

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Representative Robert "Bob" Burns, Chairman

NOTE: A full tape recording of this meeting is on file in the JLBC Staff office at 1716 W. Adams.



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DATE: May 10, 2000

TO: Representative Robert "Bob" Burns, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Gina Guarascio, Fiscal Analyst  
Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: REPORTS ON ARIZONA STATE HOSPITAL CONSTRUCTION PROJECT

### Request

Pursuant to Laws 2000, Chapter 1 the Arizona Department of Administration (ADOA) and the Department of Health Services (DHS) are providing a quarterly status report on the Arizona State Hospital demolition and construction project. Further, ADOA is reporting on Phase I of a design-build procurement method for the Arizona State Hospital (ASH) project.

### Recommendation

This report is for information only, and no Committee action is required. Chapter 1 requires ADOA to report to JCCR on exceptions from the procurement code. The design-build procurement method was an exception from the code when Chapter 1 was enacted. Laws 2000, Chapter 135, however, changed the law and now design-build is an allowable option for all construction contracts. Phase I of the design-build procurement method is a no cost activity and would not obligate the state.

### Analysis

#### Background

Laws 2000, Chapter 1 appropriated \$20,000,000 a year over 4 years from the Budget Stabilization Fund (BSF) for the demolition, renovation, and construction of the Arizona State Hospital. Chapter 1 requires that the BSF be repaid from any upfront tobacco settlement monies received by the state. The project is subject to review by the JCCR, including review of the request for proposals and proposals of buildings, review of the entire plan before construction is started and quarterly updates of the project. ADOA is to use the appropriations to provide at least 176 new civil beds at ASH, and to renovate and expand ASH facilities to address physical plant needs for civil and forensic populations, an adolescent unit, and sexually violent offenders.

(Continued)

May 10, 2000

ADOA and DHS are required to report at the end of each quarter to the Committee on the status of the Arizona State Hospital project. Chapter 1 further required the creation of an Arizona State Hospital Capital Construction Commission to review and make recommendations on the project. The Commission was appointed May 1. Attachment 1 provides a list of members that have been appointed to the ASH Construction Commission. The Commission has scheduled its first meeting for May 25, 2000. Given that the Commission is required to be involved in the planning for the new facility, ADOA and DHS were not able to start some phases of the project. Since the Commission has been appointed, we would expect project planning to move forward more rapidly.

#### Planning

ADOA and DHS are developing a comprehensive plan for the demolition and construction process. The agencies will present this plan to the Arizona State Hospital Capital Construction Commission at its initial meeting. Contracts have been negotiated for design of plans to demolish existing buildings, re-route utilities and abandon tunnels. An asbestos survey, a required step before asbestos abatement can begin, is currently underway. Both ADOA and DHS have been meeting with ASH staff, residents and family members of residents to develop design requirements for the new hospital.

#### Procurement

Laws 2000, Chapter 1 exempts ADOA from the procurement code for the project, but requires ADOA to report any variances from the procurement code to JCCR and the Arizona State Hospital Capital Construction Commission.

ADOA is proposing the use of a design-build procurement method. According to ADOA, the use of design-build will help attract top quality bidders with proven records for similar projects. It is unlikely the time savings usually associated with design-build would be realized given that the appropriations are spread over 4 years. In order to expedite construction, most capital projects require the majority of funding to be available in the early stages of construction.

At the time of the ADOA submission, the procurement code required the architectural and engineering (design) component of a construction project to be bid separate from the construction component. However, under Chapter 135, the design-build procurement method is an allowable option for all construction contracts. Chapter 135 was enacted with an emergency clause. Design-build allows the design and construction components of a project to be combined and bid together by design-build teams. Phase I of the ADOA proposal would request submissions detailing qualifications from design-build teams. If qualified submissions are received, ADOA will develop a list of the 3 most qualified teams. This phase is a no cost activity for the state.

Phase II of the ADOA proposal would include the Request for Proposal (based on fixed price/best quality criteria) and bidding process. Only the 3 teams selected from Phase I would be involved in this phase. The proposal would remain consistent with Laws 1998, Chapter 278, by paying a stipend of 0.02% of the contract price (industry standard) to the 2 teams not selected. Given that the total project funding is \$80,000,000, a 0.02% stipend would equate to \$16,000. Chapter 135 allows the stipend to be higher than the proposed 0.02%. Phase II would require formal JCCR review before any activity is started.

RS:GG:LM:jb  
Attachment

Jane Dee Hull  
Governor



J. Elliott Hibbs  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**  
GENERAL SERVICES DIVISION • 15 SOUTH 15<sup>TH</sup> AVENUE, SUITE 101  
PHOENIX, ARIZONA 85007  
(602) 542-1920

April 20, 2000

The Honorable Robert Burns, Chairman  
Joint Committee on Capital Review  
1700 West Washington  
Phoenix, Arizona 85007

APR 24 2000  
JOINT BUDGET  
COMMITTEE

RE: Arizona State Hospital Quarterly Report

**Dear Representative Burns:**

In accordance with Laws 2000, Chapter 1, First Regular Session, ADOA and ADHS are required to report to the JCCR regarding procurement procedures for design and construction of the Arizona State Hospital. Information on the progress of abatement and demolition is provided along with other related activities:

- 1 ADOA and ADHS are presently assembling a capital construction plan for review by the Arizona State Hospital Capital Construction Commission, which by law is to be appointed by May 1, 2000.
- 2 An asbestos abatement consultant is presently engaged in surveying the site for the civil facility, which will be the basis for the comprehensive abatement report.
- 3 ADOA and ADHS are evaluating space, treatment, and design requirements. There have been a total of 21 meetings with focus groups to date.
- 4 The State Historical Preservation Office of Arizona State Parks and the Arizona Historical Society have been contacted and will collect historical building artifacts and documentation.
- 5 The contracts for the following items have been negotiated and the purchase orders are being drafted:
  - a. Design of tunnel abandonment and utility rerouting and the evaluation of the central power plant.
  - b. Design of the demolition plan at the site for the new civil hospital.
- 6 ADOA and ADHS are developing a request proposal for the most effective, cost efficient procurement method to be reviewed by JCCR and the ASH Capital Construction Commission.
- 7 Arizona Community Protection Treatment Center Phase 2, Laws 1999 Chapter 2, is on schedule for occupancy in late July 2000.

Sincerely,

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

Robert Teel, Assistant Director ADOA GSD

cc: The Honorable Randall Gnant, Arizona State Senate  
Tom Betlach, Director, OSPB  
Richard Stavneak, Staff Director, JLBC  
Lorenzo Martinez, JLBC  
Elliott Hibbs Director, ADOA  
Bruce Ringwald, General Manager ADOA Construction Services  
Dr. James L. Shamadan, Director, ADHS  
Leslie Schwalbe, Deputy Director, ADHS  
Randy Warren, Deputy Director, ADHS  
Jack Silver, Superintendent, ASH  
Walter Scott, Chief Operating Officer, ASH  
Gene Messer, Director, Arizona Community Protection Treatment Center  
Maria Black, Administrator, DHS

JANE DEE HULL  
Governor



J. ELLIOTT HIBBS  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

OFFICE OF THE DIRECTOR

1700 WEST WASHINGTON • ROOM 601  
PHOENIX, ARIZONA 85007

(602) 542-1500



April 20, 2000

APR 24 2000  
JOINT BUDGET  
COMMITTEE

The Honorable Robert Burns, Chairman  
Joint Committee on Capitol Review  
1700 West Washington  
Phoenix, Arizona 85007

RE: Request for Placement on Joint Committee on Capitol Review Agenda – April 2000

Dear Representative Burns:

The Department of Administration requests placement in the April 2000 agenda of the Joint Committee on Capitol Review to review the following item:

Design Build method for the design and construction of the Civil Behavior Health  
Portion of the Arizona State Hospital.

The information for this project is attached.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Elliott Hibbs".

J. Elliott Hibbs  
Director

**Attachment**

Cc: The Honorable Randall Gnant, Arizona State Senate  
Tom Betlach, Director, OSPB  
Richard Stavneak, Staff Director, JLBC  
Lorenzo Martinez, JLBC  
Robert Teel, Assistant Director, ADOA  
Bruce Ringwald, General Manager, ADOA Construction Services  
Dr. James L. Schamadan, Acting Director, ADHS  
Leslie Schwalbe, Deputy Director, ADHS  
Randy Warren, Deputy Director, ADHS  
Jack Silver, Superintendent, ASH  
Walter Scott, Chief Operating Officer, ASH  
Gene Messer, Director, Arizona Community Protection Treatment Center  
Maria Black, Adminsitrator

## ARIZONA STATE HOSPITAL

### BACKGROUND

Laws 2000, Chapter 1, signed by Governor Hull January 19, 2000, appropriated the following sums for the following fiscal years 2000-2003 from the monies in the Arizona state hospital capital construction fund to the Department of Administration for the demolition, renovation and construction of the Arizona state hospital. The Department of Administration is exempt from the provisions of title 41, chapter 23, Arizona Revised Statutes, relating to procurement procedures for the purposes of this project but shall report to the Joint Committee on Capital Review and the Arizona State Hospital Capital Construction Commission as to any procurement procedures that vary from those specified in title 41, chapter 23, Arizona Revised Statutes:

1. \$20,000,000 in fiscal year 1999-2000.
2. \$20,000,000 in fiscal year 2000-2001.
3. \$20,000,000 in fiscal year 2001-2002.
4. \$20,000,000 in fiscal year 2002-2003.

The newly created Arizona State Hospital Capital Construction Commission shall review capital construction and renovation plans at the Arizona State Hospital for Forensic, Civil, and Sexually Violent Persons facilities, the design of the facilities, and future use of the facilities and make recommendations to the Department of Administration and the Joint Committee on Capital Review.

**SCOPE: Request approval for Civil Hospital alternate procurement**

### STATUS

At the proposed site for the Civil Hospital a number of buildings are vacant at this time. Within these buildings abatement of hazardous materials, primarily asbestos, can begin with demolition to follow. An abatement consultant has been contracted and is testing for hazardous materials in the vacant buildings. A comprehensive abatement report, which is required by regulations before abatement can, also begin.

### REQUEST

ADOA is requesting a review of a design-build procurement method for the design and Construction of the Civil portion of the Arizona State Hospital as follows:

- The Request for Proposals would be a two-phase process.
- There will be 5 members of the selection team. Two will be registered architects or engineers; one will be a licensed contractor not involved with the project being evaluated.
- Phase 1 will be a request for qualifications short listing 3 qualified design-build teams. This phase is a no cost activity.
- Phase 2 will be a Request for Proposals based on a fixed price/best quality.
- In the phase 2 request for proposals will include the form of contract, civil hospital programming based on interviews with hospital staff, patients, and families, a performance specification, project duration, and fixed budget price
- The two proposing teams not selected in phase 2 will be paid a stipend of .02% of the fixed budge price. (The stipend is an industry standard and is also in existing legislation: Laws 1998, Chapter 278)
- Phase 2 will not be issued until after review from JCCR and the Arizona State Hospital Capital Construction Commission.

# Arizona State Hospital Capital Construction Commission

## MEMBERSHIP:

House Two members of the House of Representatives, each from a different political party, appointed by the Speaker of the House of Representatives:  
**Representative Gerard, Representative Rios**

Senate Two members of the Senate, each from a different political party, appointed by the President of the Senate:  
**Senator Grace, Senator Richardson**

Other One family member of a person with a serious mental illness, appointed by the Speaker of the House of Representatives:  
**Mr. Jim Bush, Fennemore Craig**

One Chairman of a Board of Supervisors of a county with a population of less than 500,000 persons, appointed by the President of the Senate:  
**The Honorable Chip Davis, Yavapai County Board of Supervisors**

One representative of the business community, appointed by the President of the Senate:  
**Mr. Gary Gum, Healthcare Decisions L.L.C**

One mental health advocate who represents an organization that represents Arizona State Hospital patients, appointed by the Speaker of the House of Representatives:  
**Mr. Jack Harvey, Mental Health Advocates Coalition of Arizona**

The Chief Executive Officer of the Maricopa County Integrated Health System or the Chief Executive Officer's designee:  
**Mr. Mark Hillard, Maricopa County Integrated Health System**

One current or former patient of the Arizona State Hospital, appointed by the Speaker of the House of Representatives:  
**Mr. Raymond Jacobs**

The Maricopa County Sheriff or the Sheriff's designee:  
**Mr. Jack MacIntyre, Maricopa County Sheriff's Office**

One representative of the business community with experience in public and private sector financial management, appointed by the President of the Senate:  
**Mr. Alan Maguire**

The Director of the Department of Health Services or the Director's designee:  
**Ms. Leslie Schwalbe, Department of Health Services**

## Arizona State Hospital Capital Construction Commission

One representative of the business community with experience in facility construction management, appointed by the President of the Senate:

**Mr. Jim Warne**

One psychiatrist who is not employed by or under contract with this state, appointed by the Governor:

**Dr. Lauro Amezcua-Patino, and**

One member of the Arizona State Hospital advisory board, appointed by the Governor:

**Dr. Charles Harrison.**

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DATE: May 10, 2000

TO: Representative Robert "Bob" Burns, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Gina Guarascio, Fiscal Analyst

SUBJECT: REPORT ON FY 2000 AND FY 2001 SOUTHERN ARIZONA MENTAL HEALTH CENTER  
(SAMHC) BUILDING RENEWAL ALLOCATION PLANS

## Request

The Department of Health Services, Southern Arizona Mental Health Center (SAMHC) submits its FY 2000 and FY 2001 Building Renewal allocation plans.

## Recommendation

The JLBC Staff recommends a favorable review for the FY 2001 building renewal allocation plan. The FY 2000 report is for information only and no Committee action is required. The JLBC Staff notes, however, that the proposed plan appears reasonable and complies with legislative intent.

## Analysis

Laws 1986, Chapter 85 established the Joint Committee on Capital Review (JCCR) and charged it with developing a Building Renewal formula to guide the Legislature in appropriating monies for maintenance and repair of state buildings. A.R.S. § 41-1252 requires JCCR review of the expenditure plan for Building Renewal monies. JCCR has not consistently reviewed these plans in the past. Given that portions of the FY 2000 plan have already been implemented, the FY 2000 expenditure plan is submitted for informational purposes only. The FY 2001 expenditure plan is submitted for formal review.

### FY 2000 Building Renewal Allocation

Laws 1999, Chapter 2, 1<sup>st</sup> Special Session appropriated \$68,800 in FY 2000 from the Southern Arizona Mental Health Center Building Fund to DHS. SAMHC, located in Tucson, is a mental health facility originally owned and operated by the State of Arizona. In FY 1996, the center's operations were privatized and the facilities are now leased to a private provider. The lease payments are deposited in the SAMHC Fund for building renewal costs. While the DHS plan shows they originally estimated a higher amount, the appropriated amount represents 100% funding of the building renewal formula. SAMHC plans to use its FY 2000 allocation on the following projects:

Unanticipated Emergency Repairs, Replacements and Expenses	\$15,000
Upgrade Fire Alarm System to Meet Building Codes	\$41,800
Re-roof section of Administration and Clinic Buildings	<u>\$12,000</u>
	\$68,800

(Continued)



FY 2001 Building Renewal Allocation Plan

Laws 1999, Chapter 2, 1<sup>st</sup> Special Session appropriates \$71,700 in FY 2001 from the Southern Arizona Mental Health Center Building Fund to SAMHC. The appropriated amount represents 100% funding of the building renewal formula. SAMHC plans to use its FY 2001 allocation on the following projects:

Unanticipated Emergency Repairs, Replacements, and Expenses	\$15,000
ADA Compliance/Accessibility	\$18,700
Upgrade Fire Alarm System to Meet Building Codes	<u>\$38,000</u>
	\$71,000

Both the FY 2000 and FY 2001 appear reasonable and are consistent with legislative intent.

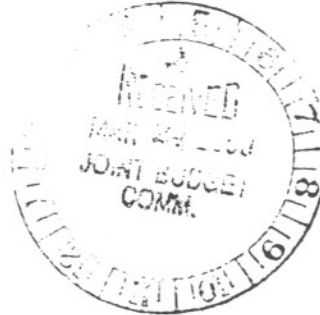
RS:GG:jb  
Attachment

**Arizona  
Department of  
Health Services**

*Office of the Director*

1740 W. Adams Street  
Phoenix, Arizona 85007-2670  
(602) 542-1025  
(602) 542-1062 FAX

JANE DEE HULL, GOVERNOR  
JAMES L. SCHAMADAN, M.D., ACTING DIRECTOR



MAR 23 2000

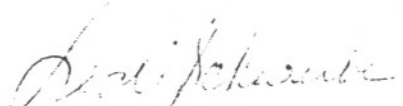
Mr. Richard Stavneak  
Director  
Joint Legislative Budget Committee  
1716 West Adams  
Phoenix, Arizona 85007

Dear Mr. Stavneak:

In response to your letter dated February 29, 2000, I am enclosing a copy of the Arizona Department of Health Services, Southern Arizona Mental Health Center (SAMHC) Building Renewal Forecast for FY2000 & FY2001 and the SAMHC Building Renewal Allocation Plan for FY2000.

Should you have any questions or need additional information, please contact me at (602) 542-1025 or Craig Dunlap, Assistant Director, B&FS at (602) 542-1034.

Sincerely,

  
James B. Griffith  
Deputy Director

JBG:dph

c: Craig Dunlap, Assistant Director, B&FS

**STATE OF ARIZONA  
FY 2000 & FY2001 BUILDING RENEWAL FORECAST**

Agency: **ARIZONA DEPARTMENT OF HEALTH SERVICES**  
**SAMHC BUILDING RENEWAL**

Primary Category	FY2000	FY2001
Fire Life Safety	\$55,200	\$38,000
Roof	\$36,000	
Major Building Systems		
Exterior Building Finishes		
Interior Building Finishes		
Major Renovations		
ADA Accessibility		\$18,700
Infrastructure		
Unanticipated Emergencies	\$15,000	\$15,000
Totals	\$106,200	\$71,700

**FISCAL YEAR 2000  
SAMHC BUILDING RENEWAL ALLOCATION PLAN**

Project Name	FY2000 Request	FY2000 Allocation	FY2000 Unfunded Request
Unanticipated Emergency Repairs Replacements and Expenses	\$15,000	\$15,000	
Upgrade Fire Alarm System to ADA & UBC Codes	\$55,200	\$41,800	\$13,400
Reroof Section of Adm. & Clinic Bldg. Roof - Bldg.# 0010			
Reroof Recreation Building - Bldg. # 0160	\$36,000	\$12,000	\$24,000

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CHRISTINE WEASON

DATE: May 10, 2000

TO: Representative Robert "Bob" Burns, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Brad Regens, Senior Fiscal Analyst

SUBJECT: REVIEW INFRASTRUCTURE CONSTRUCTION FOR NEW SOUTHERN REGIONAL  
PRISON COMPLEX AT TUCSON

### Request

The Arizona Department of Administration (ADOA) requests the Committee give a favorable review of the scope, purpose and estimated cost of infrastructure construction at the New Southern Regional Prison Complex at Tucson (Tucson II). In addition, ADOA requests the Committee approve the release of \$17,000,000 from the prison construction appropriation (Laws 1999, Chapter 2, 1<sup>st</sup> Special Session) for infrastructure construction.

### Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request. The JLBC Staff also recommends that the Committee request ADOA not to begin construction of any permanent buildings and that ADOA return for Committee review before proceeding beyond infrastructure construction. While we recommend a favorable review, the JLBC Staff does have some concerns regarding the timing of this review. Statutorily, ADOA is permitted to request Committee review of the new prison project after extensive architectural design has been completed.

In retrospect, the legislation should have required ADOA to receive Committee input on the new complex prior to ADOA expending \$9,000,000 for design. ADOA has already contracted to design Tucson II differently than the Lewis Complex at Buckeye. As a result, the cost of architectural fees are higher than if we had re-used the Lewis plans. The Executive believes, however, that we will recoup that cost through lower construction and operational expenses. Nonetheless, it would have been useful to receive Committee input on the issue at an earlier stage of the process.

### Analysis

#### Background

During the 1999 legislative session, state trust lands south of Tucson, next to the current Arizona State Prison Complex (ASPC) - Tucson, were designated as the site for a new state prison complex. ADOA was directed to purchase the land and construct the new prison. However, when the state trust land was auctioned, as required by the

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state Constitution, a private party outbid ADOA and acquired the property. ADOA's negotiations with the new property owner to acquire the site were unsuccessful. As a result, the Executive requested the Committee approve the initiation of condemnation proceedings. The Committee approved the Executive's request at the March 22, 2000 meeting.

ADOA and the Office of the Attorney General have initiated condemnation. The state has taken possession of the property but the final acquisition price has not yet been determined. At this time, it is still unknown what the final price will be or when the proceedings will be completed.

#### ADOA Request

The 1999 Capital Outlay Bill (Laws 1999, Chapter 2, 1<sup>st</sup> Special Session) requires ADOA to submit a bid plan (by security level) and the scope, purpose and estimated cost of the new state prison complex to JCCR before any expenditures for construction. Based on the winning bid, the complex will include infrastructure, complex buildings, 3 1,100-bed Adult Male Level III units with 100 lockup beds for each unit and 1 1,100-bed Adult Male Level IV unit also with 100 lockup beds. The plan also includes the option to accommodate a fifth unit in the future. Based on the winning bid, ADOA's planned expenditures for the project are as follows:

<b>SOUTHERN REGIONAL PRISON COMPLEX AT TUCSON COST ESTIMATE</b>	
<u>Item</u>	<u>Estimated Cost</u>
Land Acquisition	\$676,500
Architectural/Engineering Fees	12,600,000
General Contractor	107,373,200
Inmate Construction Program	25,534,900
Infrastructure/Sitework	27,091,200
Project Support	9,241,900
Contingency	10,420,300
<b>Total</b>	<b>\$192,938,000</b>

The following table details the total capital appropriation for Tucson II, by fiscal year and fund source.

<b>SOUTHERN REGIONAL PRISON COMPLEX AT TUCSON CAPITAL APPROPRIATIONS</b>					
<u>Fund Source</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>Total</u>
General Fund	\$ 0	\$ 0	\$64,980,800	\$ 8,119,700	<b>\$ 73,100,500</b>
Corrections Fund	21,980,800	21,957,400	21,950,000	21,950,000	<b>87,838,200</b>
Federal Funds	1,100,000	28,900,000	0	0	<b>30,000,000</b>
Special Services Fund	0	0	1,000,000	0	<b>1,000,000</b>
ACI Fund <sup>1/</sup>	0	0	1,000,000	0	<b>1,000,000</b>
<b>Total</b>	<b>\$23,080,800</b>	<b>\$50,857,400</b>	<b>\$88,930,800</b>	<b>\$30,069,700</b>	<b>\$192,938,700</b>

<sup>1/</sup> Arizona Correctional Industries Fund

ADOA does not currently have a schedule for when construction of the actual prison complex would begin. At this time ADOA requests the Committee review the department's infrastructure plan. ADOA is proposing to:

- Extend the road from ASPC-Tucson to Tucson II (includes bridging a wash);
- Extend the utilities;
- Extend the water system and drilling wells;
- Grade the site;
- Construct area fencing.

ADOA's request is based on the need to initiate infrastructure construction to enable the project to proceed even if federal environmental regulations change. In January 2000, the federal guidelines were changed regarding environmental studies required by landowners to determine potential impacts on pygmy-owls. Landowners are now

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required to conduct owl surveys for two consecutive springs prior to initiating any construction. If the federal regulations were to change again prior to the state initiating construction of the new prison, the state would be required to meet the new guideline before construction could begin. The department believes that if the state meets the current regulations and begins construction at the site, the state would be grandfathered under the current guidelines.

To complete the infrastructure construction detailed above, ADOA estimates the following costs (none of the project's construction components have been bid):

INFRASTRUCTURE CONSTRUCTION COSTS	
<u>Item</u>	<u>Estimated Cost</u>
Architect/Engineer Fee	\$9,000,000
Offsite Road, Grading, Wells and Utilities	7,000,000
Project Support	<u>1,000,000</u>
<b>Total Cost</b>	<b>\$17,000,000</b>

Funding for the infrastructure construction would come from the prison construction appropriation in the 1999 Capital Outlay Bill (Laws 1999, Chapter 2, 1<sup>st</sup> Special Session).

The Executive has indicated that prison construction beyond the infrastructure is dependent on the prison population. The Department of Corrections' FY 2000 and FY 2001 budgets are based on a growth of 132 new inmates per month, however, actual monthly growth thorough April 2000 has been 12 inmates per month. In addition, while the bed capacity deficit at the end of April was (1,709) beds there are over 2,000 funded but non-operational beds at the Lewis Complex (Buckeye). Also, 400 privately-operated DWI beds are scheduled to come on-line in June 2000 and an additional 1,000 privately-operated beds are scheduled for June 2001. As a result, there is not a pressing need to immediately begin construction of the prison facility beyond infrastructure construction to maintain federal environmental permits.

#### JLBC Staff Recommendation

Based on the information provided by ADOA, the project components are consistent with the intended scope and purpose of the appropriation. The project's components (architect/engineering, construction, sitework and support) appear comparable relative to the cost estimates for the Lewis Complex. While the \$10,000,000 cost estimate for architectural/engineering fees and project support appears high for the scope of the infrastructure construction project, approximately \$9,000,000 has already been obligated for the overall complex design and project oversight. ADOA has already bid and awarded the architectural design of the new facility. In addition, the architect/engineer has provided the state with detailed complex and infrastructure design specifications. ADOA has included the cost to date for complex design in the estimated infrastructure construction cost.

Although statutorily ADOA could award the architectural design contract for the new prison prior to JCCR review, we feel Committee input would have been beneficial. Previously, the Committee has encouraged the use of prototype designs to reduce the construction cost. ADOA has chosen not to use the prototype units developed for the Lewis Complex. While contracting for new complex designs generated additional architectural costs, ADOA believes the monies will be recouped in construction and operation savings. Nonetheless, we believe Committee input would have been useful at an earlier stage in the project development.

While the JLBC Staff recommends a favorable review of ADOA's request, we also recommend that the Committee request ADOA not to begin construction of any permanent buildings without further JCCR review. We include this as part of our recommendation as the ADOA submission letter includes reference to constructing Arizona Correctional Industries buildings and a wastewater treatment facility. ADOA has stated in follow-up discussions with JLBC Staff that no permanent buildings will be constructed as part of the infrastructure construction phase. However, because ADOA's request refers to building construction, we recommend the Committee request ADOA to limit the level of construction to the amount necessary to maintain the federal environmental permits and that ADOA return for Committee review before proceeding beyond the infrastructure construction.



Jane Dee Hull  
Governor

Governor's Office of  
Strategic Planning and Budgeting

1700 West Washington, Suite 500, Phoenix, Arizona 85007  
(602) 542-5381 • FAX: (602) 542-0868

Thomas Betlach  
Director

MEMORANDUM

TO: JCCR Committee Members  
FROM: Thomas Betlach  
DATE: May 15, 2000  
SUBJECT: JCCR Review of Site Work for the New Prison Complex



I am writing to provide you with some additional details regarding the ADOA prison design project on the JCCR agenda. The JLBC staff memo expressed concerns over the prudence of pursuing a new design for the prison complex in Tucson. I wanted to provide some additional financial data that demonstrates the significant savings that we believe will be realized as a result of the new design.

During the earliest stages of design, ADOA surveyed recent prison construction completed in other states or by private prison companies. This was done to determine if any designs or techniques could be incorporated into the new complex. The new plans presented by ADOA are similar to a design used at a private facility in Oklahoma and require the construction of fewer buildings and fewer FTE positions to operate (at least 75 fewer).

As you can see detailed below, we believe the Executive Branch has proceeded in a responsible manner that will result in a significant savings for the taxpayers of this State.

One-Time Design Costs	\$3,000,000
One-Time Construction-Cost Savings	(\$7,500,000)
Operating Savings for the Life of the Complex (\$2.2 million x 50 years)	<u>(\$110,000,000)</u>
Total Savings Associated with the New Design	<u>(\$114,500,000)</u>

If you have any further questions, we will be happy to provide additional information.

C: Terry Stewart, DOC Director  
Elliott Hibbs, ADOA Director  
Richard Stavneak, JLBC Director

Jane Dee Hull  
Governor



J. Elliott Hibbs  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**  
GENERAL SERVICES DIVISION • 15 SOUTH 15<sup>TH</sup> AVENUE, SUITE 101  
PHOENIX, ARIZONA 85007  
(602) 542-1920

April 21, 2000

The Honorable Robert Burns, Chairman  
Joint Committee on Capital Review  
Arizona State Senate  
1700 West Washington  
Phoenix, AZ 85007

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

Dear Representative Burns:

The Department of Administration requests placement on the May 2000 agenda of the Joint Committee on Capital Review for review of infrastructure construction to begin at the New Southern Regional Prison Complex at Tucson.

Phases of infrastructure must be completed before actual construction of the New Southern Regional Prison Complex at Tucson can commence. The Arizona Department of Administration respectfully requests approval to begin the following items:

- Upgrade Wilmot Road from the existing prison and construct a bridge over the wash,
- Extend the water system from the existing Tucson prison facility and drill the wells,
- Equip the wells with temporary pumps for construction water,
- Mass grading of the site,
- Install fencing around intended Preserve, washes and property including placement of identifying signs,
  - Relocate native plants,
  - Set up yard and offices, and
  - Install temporary utilities.



The Honorable Robert Burns, Chairman  
Page Two  
April 21, 2000

The information for this project is attached.

Sincerely,



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

Attachment

c: Senator Randall Gnant, Arizona Senate  
J. Elliott Hibbs, Director, ADOA  
Tom Betlach, Director, OSPB  
Bret Cloninger, Capital Analyst, OSPB  
Richard Stavneak, Staff Director, JLBC  
Lorenzo Martinez, JLBC  
Scott Smith, ADOA  
William E. Greeney, OSPB  
Terry L. Stewart, Director, ADC  
Charles L. Ryan, Jr., Deputy Director, ADC  
Michael J. Smarik, Assistant Director, ADC

**ARIZONA DEPARTMENT OF ADMINISTRATION  
15 SOUTH 15TH AVENUE, SUITE 101  
PHOENIX, ARIZONA 85007**

**General Services Division/Construction Services**

**New Southern Regional Prison Complex at Tucson**

**History**

The Southern Regional Prison Complex at Tucson was authorized by Laws 1998, First Special Session.

**Project Description**

The capital expenditure project consists of the construction of a prison complex located 1.5 miles south of the existing Tucson Prison complex on the West Side of Wilmot Road. The new Southern Regional Prison Complex – Tucson 2 (yet to be formally named) is planned to consist of 4 prison units with infrastructure to accommodate a fifth unit in the future. Security levels include three 1100 bed level 3 adult male units and one 1100 bed level 4 adult male unit. Also planned are a number of buildings that will support the entire complex. Associated site and offsite work includes two wells and a wastewater treatment plant.

*Building design:*

The Departments of Administration and Corrections reviewed plans and visited several prisons to develop a new prison. Existing ASPC facilities were visited. Officers, Wardens and maintenance personnel employed by the ADC were consulted. Critical feedback was received and wherever feasible, incorporated into the new design.

The revised unit includes 1,100 beds plus 100 lockup beds. The level-3 housing unit has been increased to house 300 inmates and level-4 increased to 300, compared to the Lewis designs of 133 and 200, respectively. Additional revisions to the Lewis prototype are defined in the attached Executive Summary prepared by Arrington Watkins Architects. Comprehensive studies are available upon request.

As a result of our preliminary efforts, savings are expected to be between \$5 and \$10 million. The general contractor's final bid price will provide verification. Operational savings and a reduction in staffing requirements are also anticipated. Some of the savings will be attributed to using the Inmate Construction Program for construction of much of the infrastructure, mass grading, and some of the buildings.

### *Construction phasing:*

1. Bid, drill and construct two water wells.
2. Offsite improvements including County road and bridge as well as extension of utilities.
3. Onsite improvements including mass grading and infrastructure required to facilitate construction of the project.
4. Complex buildings for common use by all parts of the prison complex, Arizona Correctional Industries buildings, most of the fencing and related work, grading, relocate native plants, site sidewalks, and the infrastructure related to infrastructure.
5. Wastewater treatment facility, water wells and water storage.
6. Finish grading areas previously graded by the mass excavation contractor, site work, site utilities, building construction and coordination with the Inmate Construction Program work.

### *Proposed Completion Dates*

Wells	12/31/2000
GC Bid Date	dependent on inmate population
Mass Excavation	06/30/2001
Offsite Improvements	08/31/2001
ICP Complex	dependent on inmate population
Housing Units	dependent on inmate population

### *DOC Inmate Population:*

Through the early stages of this project, the population estimates for future growth at the Department of Corrections were clear. For more than ten years the inmate population has been growing at a predictable rate of about 110 inmates per month, and there was no reason to expect it to change. However, the inmate population declined from May 1999 through January 2000. The average monthly growth in the last year is about 16 inmates per month. The Department of Corrections believes that the slow down has been due to a reduced number of court filings in Maricopa County during early 1999. Court filings picked up to previous levels by the end of the summer and the DOC inmate population may resume its growth pattern.

This fluctuation in population growth has delayed scheduling until late fall 2000.

### ***Proposed Budget***

Land Acquisition Transfer	\$ 176,479
Land Condemnation Transfer	500,000
Architectural/Engineer Fees	12,600,000
Construction Services (GC)	107,373,186
Inmate Construction Program	25,534,897
Offsite Road, Utilities, Grading and Wells	27,091,204
Project Support	9,241,929
Contingency	10,420,305
<i>Total</i>	<i>\$192,938,000</i>

### **Status**

#### ***Land:***

JCCR at its May 27, 1999 meeting approved the land acquisition and its expenditure plan. JCCR gave a favorable review to condemnation of the land at its March 22, 2000 meeting. The Attorney General's office has begun condemnation proceedings and the Department of Administration has possession.

#### ***Environmental Issues:***

Two major requirements have been added since January 1, 2000. The pygmy owl survey protocol changed from a one year survey to a two year survey. The second requirement is a National Environmental Policy Act document required for the VOI/TIS grant funds.

#### **Endangered Species-**

- Cactus ferruginous pygmy-owl (CFPO): Two surveys have been conducted resulting in zero detection. Two additional surveys will be conducted before June 15, 2000 to meet current protocol.
- Pima pineapple cactus (PPC): One survey has been performed under current protocol siting 66 plants on the property. A Biological Assessment has been written and submitted to EPA to establish mitigation measures. A 586 acre preserve is part of the PPC mitigation plan. The intent is to relocate the effected endangered plants to this preserve, monitor them for a five year period and never disturb any portion of this property. A portion of this preserve occurs within the Waters of the U.S., so designated by the U.S. Army Corps of Engineers.

#### **Native Plants-**

- Numerous native plants will require salvaging.

***Environmental Issues (continued):***

**Dark Sky Ordinance-**

- The project is located at a 25 mile radius of the Mount Hopkins Observatory. As such a lumens per acre formula developed by the International Dark Sky Association requires lighting be limited by the number of acres used. A smaller acreage site would allow fewer lumens and prohibit practical use of the site as a prison.

**Archaeological Data Recovery-**

- Data recovery is complete. A final report is being prepared for submission to the State Historic Preservation Office

**Clean Water Act-**

- All measures to maintain clean water will be addressed.

**Tucson's Active Water Management Area-**

- Currently, we are permitted to expand the existing prison's water service management area. The prison facility is outside Tucson's AMA and therefore considered to be its own service area. The prison is delineated as an institutional user under the Groundwater Code Plan for the Third Management Period in the Tucson AMA. Furthermore, the existing and proposed wells will eventually be incorporated within Tucson's water management plans.

**Pima County Riparian Delineation-**

- One riparian wash will be redirected and an additional riparian area will be created at the effluent discharge. The effluent will be compliant with ADEQ's proposed new rules of A+ quality. Currently, there are no environmental issues.

**U.S. Army Corps of Engineers designated Waters of the U.S.-**

- There are two washes delineated as U.S. Waters. One of the washes will necessitate building a bridge on Wilmot Road

***Monetary-***

- Cost of construction delays is estimated at 5% per year, about \$8 million to \$10 million per year.
- Any costs associated with changes in environmental issues at either the State or Federal level.
- The \$30,000,000 Federal VOITIS Grant must be used by the end of calendar year 2004.

## Request

The Department of Administration, Construction Services requests that the Joint Committee on Capital Review approve releasing funds as noted:

Complete the waters of the US crossing with the County road and bridge to preclude future requirements of the Corps of Engineers.

Extend the water system from the existing Tucson prison facility and drill the permanent wells. Equip the wells with pumps for construction water.

Relocate native plants.

Fence property, wash areas and preserve areas to minimize the potential of damage to endangered species.

Start clearing and grading of the site to secure permits for the first year. Any new Federal requirements that take effect prior to starting construction may void the permits until the new requirements are satisfied.

• Architect/Engineer Preliminary Fees	\$9,000,000
• Offsite road, grading, wells and utilities	\$7,000,000
• Project Support	<u>\$1,000,000</u>
Total Funds	<u>\$17,000,000</u>

Prepared by: Bruce Ringwald, General Manager  
General Services Division  
April 14, 2000

## **ASPC - Tucson II Executive Summary**

Early in the project discussions between Arrington Watkins Architects and ADOA, GSD, Construction Services, it was agreed that the Architectural / Engineering Services contract for the ASPC - Tucson II project would be divided into two phases. Phase I or Masterplanning was to be primarily to investigate the site and establish the scope of the project. Phase II was to be the design, documentation and construction administration of the project. Masterplanning is now complete. Following is a summary of what is been complete and what the scope of Phase II will be.

### **A. MASTERPLANNING SCOPE and RESULTS**

#### **1. Investigate the many aspect of the site in preparation for design and eventual construction, including:**

- **Develop preliminary geotechnical information.** The results of an investigation by AGRA Earth and Environmental are presented in a letter from AGRA dated August 18, 1999.
- **Review existing floodplain information.** Completed by Wilson and Co. resulting in a recommendation that Wilson proceed with their own detailed assessment of the floodplain. Wilson subsequently established the 100 year floodplain of the on-site washes, based on their topographic survey and research.
- **Develop boundary and topographies of the site.** Wilson and Co. have completed the boundary and topographic survey and have provided the team with the graphic files of the results of survey.
- **Explore water system alternatives.** The team explored the feasibility of providing the water to the site via a number of alternative and sub-alternatives. These are presented in detail, along with recommendations and costs, in Section 6 of Wilson & Company's *"Alternative Analysis Study for Site Drainage, Site Access Road, Water Supply and Wastewater Treatment"*, dated September, 1999 ( *"Wilson's Alternative Analysis Study"* )
- **Explore wastewater system alternatives and opportunities for reuse of effluent.** The team explored a number of alternative and sub-alternatives for dealing with the wastewater and reuse of effluent. These are presented in detail, along with recommendations and costs, in Section 7 of *Wilson's Alternative Analysis Study*

- **Investigate water system demand criteria.** The team researched the water flow data at ASPC - Eyman and ASPC - Lewis and used that information to establish a water supply design criteria for this project. This information is contained in Section 6 of *Wilson's Alternative Analysis Study*.
- **Research availability of utilities including power and natural gas.** LSW engineers have initiated conversations and negotiations with Tucson Electric Power and Southwest Gas to determine the availability and cost of providing utilities to the site.
- **Research effects of the "Dark Sky" ordinances.** The design team has had a number of contacts and meetings with the International Dark Sky Association. The goal was to determine if existing or proposed ordinances would have any effect on the lighting of this project. The verbal information from the association indicates that the prototypical lighting scheme can meet the Dark Sky requirements with a couple of minor modifications. These modifications will have no effect on the security requirements of ADOC. LSW has submitted plans to the Association reflective of these early discussions and the team is awaiting a written response. Again, verbal indications are that the design is not a problem to the Association.
- **Explore site drainage concept alternatives.** The team explored a number of alternative site drainage concepts. These are presented in detail, along with recommendations and costs, in Section 4 of *Wilson's Alternative Analysis Study*.
- **Research the requirements for the development of Wilmot Road.** The team researched the requirements for the development of Wilmot Road from the existing ASPC - Tucson to the new facility. These are presented in detail, along with costs, in Section 5 of *Wilson's Alternative Analysis Study*.
- Assist ADOA with determining the requirements of a variety of permitting agencies, including the Corp of Engineers, the State of Arizona Game and Fish, Pima County and the City of Tucson. : Led by ADOA, Construction Services team, the design team has contacted and is having ongoing conversations and negotiations with the permitting agencies listed above. The design team continues to provide data and drawings to support this effort.



**2. Develop a masterplan for the development of the entire new prison complex on the subject site.**

The design team has developed a masterplan for the development of the entire site that has been approved by ADOA and ADC. The development consists of four prison units within a complex configuration similar to ASPC - Lewis; complex facilities outside of the complex perimeter including complex buildings, perimeter roads and parking; a future prison unit that would be incorporated into this complex; sites for two future units that would stand alone north of the complex; a wastewater treatment plant and wetlands / riparian area, water wells and water storage / distribution facilities; site drainage features; site utility distribution concepts; and construction yards for the various contractors that will require space on the site.

**3. Study, in detail, the idea of combining the individual unit kitchens together into one large central kitchen with smaller rethermalization kitchens in each unit.**

The design team performed an in-depth study of the options for providing food service to the complex the results of this effort is contained in the *"Report to The Arizona of Administration and The Department of Corrections, ASPC Tucson II, Foodservice System Options (Redmond's Study)"*. After review of the study and a trip to view the Cook / Chill, Central Kitchen concept in use at the San Diego (CA) County Jail, the Department of Corrections approved the use of the concept in this facility.

**4. Study, in detail, various alternatives for handling the laundry needs of the new complex.**

The original budget for this project contained funds to construct the space and utilities necessary to house a 10,000 square foot laundry within one of the ACI buildings, with an estimated cost of \$100,000. In addition, ADC would have to equip the laundry with more than \$525,000 in laundry equipment. In an effort to eliminate at least some of these costs, the design team studied the existing ASPC Tucson laundry to determine if it had any additional capacity. It was determined that by buying one additional small washer and one additional small dryer and by running the laundry for two shifts a day, the existing laundry could handle all of the laundry created by the new complex.

**5. Explore and study the cost - saving measures brought to the table by ADC, ADOA and Arrington Watkins Architects, primarily the concept of converting from the current 800 bed unit to a unit containing 1000-1500 beds, thereby reducing the number of units required to house the inmates.**

During Phase I, Arrington Watkins developed a prison unit design that utilized 300 bed cell units in lieu of 200 bed cell units, 300 bed dormitory units in lieu of 134 bed dormitories and 1150 general population beds per unit in lieu of 800 general population beds per unit. This design utilized approximately 200 acres inside the prison perimeter in lieu of 285 acres utilized at Lewis. In addition, this design eliminated one administration building, one support building, one yard control building and reduced the total building area of housing units. The total building area was reduced by 76,677 square feet because of this change. This proposal was accepted by ADC.

6. **Analyze the existing prototypes that are to be built by the Inmate Construction Program (ICP) for cost saving opportunities and program improvements. It is the desire of ADOA to begin construction on these buildings, using inmate labor, far out ahead of the award of the contract for General Construction. The scheduled construction start will be dependent on inmate population.**

The design team reviewed the program requirements and design of each of the buildings proposed to be built by the ICP in the first phase of construction, including the "N" Warehouse, "Q" Visitor Processing, "S" Staff Training, "V" Complex Administration, "W" Vehicle Maintenance and "X" Complex Maintenance. Changes were made in each of the buildings both to reduce the costs and to improve the function.

7. **Review the overall project budget**

A preliminary budget review suggests a potential savings of between \$5 and \$10 million from the prototypical Lewis design.

8. **Establish an overall project schedule**

A graphic project schedule was produced incorporating the major design and construction elements of the project, including the various anticipated bid packages: Well Drilling Package, ICP Bid Package, Mass Excavation Bid Package, Wastewater Treatment Bid Package and General Construction Package. A detailed schedule is included later in the Executive Summary.

9. **Organize and facilitate weekly design meetings throughout Phase I.**

Throughout Phase I, Arrington Watkins Architects conducted weekly design meetings for the purpose of presenting work to date, decision making and project monitoring. Attendees and participants have included representatives of ADOA Construction Services, ADC Facilities Activation Bureau, ADC Health Services, ICP, Arizona Construction Industries, ADC Information Technologies, along with Arrington Watkins Architects and its consultant firms.

## **ASPC - Tucson II Executive Summary**

### **B. DESIGN MODIFICATIONS**

The ASPC-Lewis building and infrastructure designs were used as a starting point for the budget estimate and design of the Tucson II facility. Throughout the Masterplanning phase, modifications have been made from the original ASPC-Lewis designs. Following is a summary of these modifications to design, bed capacity and budget costs from the ASPC-Lewis project.

#### **1. Building "V" Complex Administration and Building "S" Staff Training**

**Lewis Design:** An administration building of 13,776 square feet and a staff training building of 3,199 square feet for a total of 16,975 square feet.

**Modifications:** One combined building totaling 18,474 square feet. This building contains the complex administration functions from the Lewis "V", the staff training functions from the Lewis "S" and the education offices.

**Rationale:**

1. There are cost savings in combining two structures (the "V" and the "S ") into one structure.
2. The education office space must be provided, either by ADOA or by ADC later. It is less expensive and more functional to plan it into this structure than to build a separate structure in the future.

**Cost Analysis:** Phase II Task

#### **2. Kitchens**

**Lewis Design:** Five "B" Support Buildings, each with a full service kitchen to serve the inmates of an individual unit.

**Modifications:** One Central Cook / Chill kitchen in the complex warehouse and one rethermalization kitchen in each of the prison units.

**Rationale:** From FRA study.

**Cost Analysis:** Phase II Task

### 3. Number of Prison Units

Lewis Design: Six individual prison units, each with its own housing units, administration building, support building with kitchen, ACI building, sally ports and secure perimeter. Total inmate population of 4,200 plus 400 lock-up beds.

Eighteen (18) Dormitory units housing 134 inmates each; eight (8) Cell units housing 200 inmates each and four (4) Lock-Up units housing 80 inmates each. Total of 569,580 square feet to house 4,200 general population inmates plus 200 lock-ups. 129 square feet per inmate.

Modifications: Four units with a total inmate capacity of 4,400 plus 400 lock-up beds. Each of the four higher-capacity units will have the same land area as, but more building area than, the approved unit.

Larger housing units and less buildings. Six (6) Dormitory units housing 300 inmates each; six (6) Dormitory units with a Lock-Up wing in lieu of a separate building, housing 300 inmates each; two (2) Cell units housing 300 inmates each and two (2) Cell units with a Lock-Up wing in lieu of a separate building. Total of 550,880 square feet to house 4400 general population inmates and 400 lock-ups. 115 square feet per inmate.

- Rationale:
1. Reduction in site development costs including grading, paving, utilities, fencing and security systems.
  2. Reduction in land area used. Sixteen (16) structures in lieu of thirty (30) structures. Less expense per square foot by building fewer structures.
  3. 20,000 less square feet in square feet of housing units. Reduction in size will result in less maintenance expenses in future years.
  4. 200 more inmates in less building area.
  5. Reduction in "A" Unit Administration Buildings from five (5) to four (4), reducing total building area by 12,930 square feet.
  6. Reduction in "B" Unit Kitchen Dining Buildings from five (5) to four (4), reducing total building area by 4,000 square feet

7. Reduction in "H" Yard Towers from five (5) to four (4).
8. Reduction in "K" sallyport buildings from (8) to five (5).
9. Reduction in staff.
10. Allowed addition of site for future level 5 unit.

Cost Analysis: Phase II Task

#### 4. **ACI Buildings**

Lewis Design: One 30,000 square foot ACI building per 800 bed unit. Total of four (4), 30,000 square foot ACI buildings and one (1), 30,000 square foot ACI building containing a 10,000 square foot complex laundry. 150,000 square feet total. 36 square feet per inmate.

Modifications: Two 20,000 square foot ACI buildings per 1100 bed unit. Total of eight (8), 20,000 square foot ACI buildings. No complex laundry in this complex. 160,000 square feet total. 36 square feet per inmate.

- Rationale:
1. Maintains ACI space per inmate.
  2. Two ACI buildings per prison units. One ACI building for each prison yard, eliminating inmates crossing other yards to access an ACI building.
  3. Eliminated the need to enlarge the yard for additional inmates in each unit.

Cost Analysis: Phase II Task

#### 5. **Central Pharmacy**

Lewis Design: 800 square foot Pharmacy in the "V" Complex Administration Building to service the complex.

Modifications: 2700 square foot Regional Pharmacy in the "N" Warehouse Building to service the entire southern region of the prison system.

Rationale: To be provided by ADC Health Services

Cost Analysis: To be provided by ADC Health Services

**6. Laundry**

- Lewis Design: "Fit-up" of 10,000 square feet of ACI building into a Laundry to meet the needs of the inmates in this complex. ADC purchases equipment.
- Modifications: Make relatively minor modifications to the existing laundry at ASPC - Tucson and run the laundry for two shifts each day to absorb the additional laundry created by this new complex.
- Rationale:
1. Eliminate the need to "fit-up" and utilize 10,000 square feet of space in an ACI Building.
  2. Less expensive option to build.
  3. Existing laundry is capable of operating two shifts per day and inmate laborers are available.
  4. Reduction in amount of equipment for ADC to purchase and operate.
- Cost Analysis: Phase II Task

**7. "W" Vehicle Maintenance Building**

- Lewis Design: One 10,620 square foot building consisting of 9,500 square feet on the ground floor, a 1120 square foot mezzanine and one covered exterior vehicle maintenance bay.
- Modifications: One 10,620 square foot building, all on the ground floor, with one covered and one uncovered exterior maintenance bays.
- Rationale:
- Cost Analysis: Phase II Task

**8. "X" Maintenance Building**

- Lewis Design: One 10,647 square foot building with an exterior covered storage area of 2,000 square feet.
- Modifications: One 10,647 square foot building with an exterior covered storage area of 4,000 square feet.
- Rationale:
- Cost Analysis: Phase II Task

**9. "Q" Visitor / Staff Processing**

Lewis Design: One 6,088 square foot building for processing visitors and staff into the complex.

Modifications: In addition to visitor and staff in-processing, a 5,500 square foot enclosed locker, change, toilet and physical training area for staff.

Rationale: 1. This area is needed in order for staff to comply with the Directors staff safety policy of not wearing uniforms on the way to and from work.

Cost Analysis: Phase II Task

**10. Utility Distribution within Units**

Lewis Design: Distribution of electrical, gas, domestic water and fire water looped around the exterior of the buildings within each unit

Modifications: Distribution of electrical, gas, domestic water and fire water looped inside the ring of the buildings within each unit.

Rationale: Substantially reduces the length of utilities required to service each unit.

Cost Analysis: Phase II Task

**11. Telecommunications**

Lewis Design: ADC contracted telecommunications to separate contractor after the buildings were designed.

Modifications: Cable Plant contract and coordination of all telecommunications work included in the prime design contract.

Rationale: 1. Single source of responsibility for coordination.  
2. Buildings are designed with knowledge of telecommunications requirements.  
3. Cable Plant included in large contract should cost less than a separate, smaller contract.

Cost Analysis: Phase II Task

## **12. Energy Management System**

Lewis Design: Standard thermostats located within zone that it controls.

Modifications: Electronic energy management system.

Rationale: 

1. Better control of temperature within a space
2. Savings in maintenance costs.

Cost Analysis: Phase II Task



STATE OF ARIZONA

# Joint Committee on Capital Review

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CHAIRMAN 1999  
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RUSSELL W. "RUSTY" BOWERS  
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HOUSE OF  
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ANDY NICHOLS  
CHRISTINE WEASON

DATE: May 10, 2000

TO: Representative Robert "Bob" Burns, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: REVIEW REVISED MULTI-YEAR BONDING PLAN FOR ARIZONA STATE UNIVERSITY

## Request

Pursuant to Laws 1996, Chapter 334, the Arizona Board of Regents (ABOR) requests Committee review of revisions to the Multi-Year Bonding Plan for Arizona State University (ASU).

## Recommendation

The JLBC Staff recommends a favorable review of the revisions to the plan. Consistent with Chapter 334, any future revisions to the bonding plan shall be reviewed by the Committee prior to the approval of subsequent bonding projects. The JLBC Staff has requested that any university projects financed through the issuance of Certificates of Participation (COP) be submitted to the Committee as informational items.

## Analysis

Laws 1996, Chapter 334 authorized ABOR to issue up to \$245,400,000 in revenue bonds for the universities under its jurisdiction. The Committee gave a favorable review to the initial plan in May 1997. In December 1999, the Committee gave a favorable review to revisions in the University of Arizona plan. The current distribution of bonding authority from Chapter 334 is listed in Table 1.

**Table 1**

		Planned Annual Bond Issues					
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Totals</u>
ASU	\$ --	\$45,000,000	--	\$40,000,000	\$15,000,000	\$ --	\$100,000,000
NAU	30,900,000	--	--	23,900,000	--	--	54,800,000
U of A	--	--	--	23,683,000	30,000,000	36,900,000	90,583,000
<b>TOTAL</b>	<b>\$30,900,000</b>	<b>\$45,000,000</b>	<b>--</b>	<b>\$87,583,000</b>	<b>\$45,000,000</b>	<b>\$36,900,000</b>	<b>\$245,383,000</b>

(Continued)

Table 2 lists the requested ASU revised annual bond issues.

**Table 2**

<b>Revised ASU Bond Issues</b>				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Total</u>
ASU	\$15,000,000	\$75,000,000	\$10,000,000	\$100,000,000

ASU is requesting changes to the projects listed in its original plan. ASU chose not to issue any bonds in 1998 as was submitted in the original plan. Instead, ASU has revised its project list and has not issued bonds until FY 2000 (the Committee approved a student housing bond project at its March 2000 meeting). Table 3 lists the projects that were included in the original plan and the projects being requested under the revised plan.

**Table 3**

	<u>Project Total</u>	<u>Bonds to be Issued</u>		<u>Project Total</u>	<u>Bonds to be Issued</u>
<u>Reviewed May 1997</u>			<u>Requested May 2000</u>		
On-Campus Student Housing Dev.	15,000,000	15,000,000	On-Campus Student Housing Dev.	16,200,000	15,000,000
Mediated Classroom/Social Sciences Bldg	35,500,000	35,500,000	Mediated Classroom/Social Sciences Bldg	35,500,000	35,500,000
Parking Structure VII	15,000,000	15,000,000	Parking Structure VII	4,000,000	4,000,000
Academic Renovations Phase I	3,000,000	3,000,000	Academic Renovations	8,000,000	8,000,000
Academic Renovations Phase II	5,000,000	5,000,000			
Major Bldg Maintenance/Infrastructure Phase I	5,000,000	5,000,000	Infrastructure Improvements Phase I	17,700,000	17,700,000
Major Bldg Maintenance/Infrastructure Phase II	5,000,000	5,000,000	Infrastructure Improvements Phase II	10,000,000	10,000,000
			Major Building Maintenance	9,800,000	9,800,000
Learning Commons Building	15,000,000	15,000,000			
Old Main Restoration	4,500,000	1,500,000			
<b>TOTAL</b>	<b>103,000,000</b>	<b>100,000,000</b>	<b>TOTAL</b>	<b>101,200,000</b>	<b>100,000,000</b>

Bond issuances for three projects have been scaled back or eliminated from the original plan in order to increase the allocation for Infrastructure Improvements and Major Building Maintenance by \$27,500,000. Table 4 lists the revisions to these projects.

**Table 4**

<b>ASU Revised Bond Issues</b>			
	<u>Revised</u>	<u>Original</u>	<u>Difference</u>
Parking Structure VII	\$4,000,000	\$15,000,000	\$(11,000,000)
Learning Commons Building	0	15,000,000	(15,000,000)
Old Main Restoration	0	1,500,000	(1,500,000)
Major Bldg Maintenance/Infrastructure Improvements	37,500,000	10,000,000	27,500,000
<b>TOTAL</b>	<b>\$41,500,000</b>	<b>\$41,500,000</b>	<b>\$ 0</b>

ASU plans to finance the reduced bond amounts for the Parking Structure VII and the Learning Commons Building with COPs. The Old Main Restoration project is being funded with gifts and a FY 1999 Building Renewal allocation.

The debt service on the bond issuances will be paid from academic and auxiliary revenues. Academic revenues are generated from tuition. Auxiliary revenues are generated from the operations of various "enterprise" activities, such as residence halls and parking services. Of the \$100,000,000 in bonding authority for ASU, \$81,000,000 is classified as academic and \$19,000,000 is classified as auxiliary.

ASU estimates an additional on-going General Fund requirement of approximately \$1,200,000 per year for the Mediated Classroom/Social Science Building when fully operational in FY 2004. This estimate is based on full-year operating costs and includes new building renewal requirements. The remainder of the projects do not have a

(Continued)

May 10, 2000

General Fund impact. However, tuition revenues not set aside by ABOR for debt service may be available to offset General Fund appropriations for university operating budgets. Therefore, any increases in debt service requirements from issuing academic revenue bonds or COPs could have a potential impact on the amount of tuition revenues available to offset General Fund appropriations for operating costs.

Under current statutes, JCCR has review and approval authority for university bonding projects and capital projects funded with state appropriations. However, there is no legislative oversight required for university projects financed with COPs. Given that some of the projects in the original ASU bonding plan will now be financed partially or wholly with COPs and that these (and possibly future) projects could have General Fund impacts, the JLBC Staff has requested that any university projects financed with COPs be submitted to the Committee as informational items.

Excerpts from the multi-year bonding plan on background, strategic directions, and debt service schedules for individual projects are attached. The entire plan is available for review upon request.

RS:LM:jb



## ARIZONA BOARD OF REGENTS

2020 NORTH CENTRAL, SUITE 230  
PHOENIX, ARIZONA 85004-4593  
(602) 229-2500  
FAX (602) 229-2555

April 24, 2000

The Honorable Bob Burns  
Chair  
Joint Committee on Capital Review  
1700 West Washington  
Phoenix, AZ 85007

Dear Representative Burns:

The Arizona Board of Regents (ABOR) requests to be on the next Joint Committee on Capital Review (JCCR) agenda for review of the revised Multi-Year Bonding Plan for Arizona State University (ASU).

ASU's Multi-Year Bonding Plan is being revised since its approval in 1997 in order to reflect current priorities and timing for the issuing of bonds that are required for critically needed capital projects. Highlights of the revisions to the ASU Multi-Year Bonding Plan as previously approved by the Arizona Board of Regents in March 1997 are as follows:

- \$15.0 million for the Learning Research Complex and \$11.0 million for the parking structures have been reallocated to infrastructure improvements. The Learning Research Center and parking structure costs, other than a parking structure on the Tempe Center site, will now be primarily funded from Certificates of Participation (COPs), not bonds; and
- Infrastructure improvements of \$27.7 million have been added so that new main campus facilities can be constructed and operated. ASU's infrastructure is reaching capacity and there have been no improvements in infrastructure capacity since the last major new building program began in the late 1980's. These infrastructure improvements and expansions are needed for the new CIP projects.

The Board of Regents approved ASU's plan revisions at its meeting on April 7, 2000. Submission of the revised plan to the JCCR is the beginning of the process. Each individual project will be again submitted to JCCR for specific approval prior to debt issuance. The plan is also being submitted at this time to the Governor's Office of Strategic Planning and Budgeting for comments.

Enclosed is the April 2000 revised Multi-Year Bonding Plan. We appreciate your consideration of this request. If you have any questions or desire any clarification on the enclosed material, please contact me at (602) 229-2505.

Sincerely,

*Linda J. Blessing*  
Linda J. Blessing  
Executive Director

Enclosure

xc: Thomas Betlach, Director, Governor's Office of Strategic Planning and Budgeting  
Lorenzo Martinez, Senior Fiscal Analyst, JCCR  
Mernoy Harrison, Vice Provost for Administrative Services

**ASU**  
ARIZONA STATE UNIVERSITY

April 18, 2000

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

Dear Dr. Blessing:

Subject: Revised Multi-Year Bonding Plan submission to JCCR and OSPB

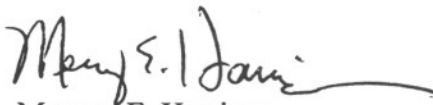
Arizona State University (ASU) wishes at this time to submit its revised Multi-Year Bonding Plan, approved at the ABOR's April 7, 2000 meeting, to the Joint Committee on Capital Review (JCCR) for review and Governor's Office of Strategic Planning and Budgeting (OSPB) for comment.

Arizona law, Chapter 334, 1996 second regular session, requires the Arizona Board of Regents (ABOR) and universities to issue revenue bonds only for projects included in a Multi-Year Bonding Plan that has been submitted to the JCCR for review and the Governor for comments. Such projects must then be subsequently approved by the JCCR for bond sale.

Enclosed is a draft letter from you addressed to the JCCR with copy to OSPB, along with three copies of the Plan itself for enclosure with the letter. We would be happy to supply any additional information that the JCCR or OSPB may request.

We appreciate your assistance.

Sincerely,



Mernoy E. Harrison  
Vice Provost for Administrative Services

Enclosure

xc: Dave Harris, Arizona Board of Regents  
Milton Glick, Senior Vice President and Provost  
LeEtta L. Overmyer, Assistant Vice Provost for Administrative Services  
Steve Miller, Assistant Vice President, Institutional Advancement  
Alan Carroll, Director, University Fiscal Planning and Analysis  
Gerald Snyder, Comptroller and Treasurer

VICE PROVOST FOR ADMINISTRATIVE SERVICES

PO Box 872303, TEMPE, AZ 85287-2303  
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# **MULTI YEAR BONDING PLAN**



**Arizona Board of Regents**

**ARIZONA STATE UNIVERSITY**

**APRIL 2000**

## **EXECUTIVE SUMMARY**

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**ACTION ITEM:** Arizona State University requests review and approval of its Revised Multi-Year Bonding Plan.

**ISSUE:** The Board is requested to review and approve the Arizona State University Revised Multi-Year Bonding Plan. The revised plan updates Arizona State University's portion of the Regents' Multi-Year Bonding Plan approved by the Board on March 1997. The revised plan will be submitted to the Legislature's Joint Committee on Capital Review (JCCR) and the Governor in accordance with the Arizona Revised Statutes.

### **BACKGROUND:**

- In November 1995, the Board approved the universities' request to seek \$245.4 million in bonding authority from the Legislature to support capital projects. Arizona State University was allocated \$100 million of this authority.
- In 1996, the Legislature enacted House Bill 2334 granting the \$245.4 million authority to issue bonds for capital projects (Chapter 334). The enabling legislation for the bonding authority states:

... The Arizona Board of Regents shall provide a comprehensive, Multi-Year bonding plan to the Joint Committee on Capital Review and the Governor, prior to the issuance of revenue bonds pursuant to this section. The Joint Committee on Capital Review shall review the bonding plan and any revisions thereto that are submitted by the Arizona Board of Regents, and shall invite comment on the bonding plan from the Governor or her representative. No revenue bonds shall be issued for a project that does not appear in the plan....

- In August 1996, the Board approved the universities' Multi-Year Bonding Plans.
- In October 1996, JCCR deferred review of the Arizona University System's Multi-Year Bonding Plan.
- In February 1997, the Board's executive director and university representatives met with the directors of the Governor's Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee to resolve the status of the bonding plan prior to resubmission to JCCR. The universities revised their plans based on this discussion.
- In March 1997, the Board approved the Arizona University System revised plan and authorized the universities to present the plan to JCCR for review and the Governor's Office for comment. JCCR reviewed the plan in May 1997

**CONTACT:** Memoy E. Harrison, (480) 965-3201

## **EXECUTIVE SUMMARY**

- ASU has updated its Multi-Year Bonding Plan to reflect current priorities and timing for issuing bonds for capital projects.
- The annual bond issues included in the plan are summarized as follows:

### **PLANNED ANNUAL BOND ISSUES (in thousands)**

<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Total</b>
<b>\$15,000</b>	<b>\$75,000</b>	<b>\$10,000</b>	<b>\$100,000</b>

- Submission of the bonding plan to JCCR and the Governor is only the beginning point for building facilities with revenue bonds. The Board and JCCR must still approve each capital project prior to debt issuance. In addition, projects of \$1million or more must pass through the board's extensive capital development process (project initiation, conceptual approval, project approval, construction and close out). Any material changes to the original plans must be approved by the Board and transmitted to JCCR and the Governor for review and comment.
- The debt on the Revenue Bonds is serviced from unrestricted revenues of ASU. State appropriations are not pledged or assigned to service revenue bond debt. ASU categorizes the debt as academic or auxiliary to signal the primary source of funds to extinguish the bond debt. The respective primary funding sources are the following: for academic bonds--tuition and for auxiliary bonds--revenues from self-supporting activities, such as Residential Life and Parking and Transit Services, which pay for their own facilities.
- Highlights of the changes for the bond financed portion of ASU's Capital Improvement Plan (CIP) approved by the Board in September 1999 are as follows:
  - The \$30.0 million for the Learning Research Complex, and \$11.0 million for parking structures have been reallocated to other projects, primarily infrastructure improvements and secondarily, major building maintenance and academic renovations. The Learning Research Center and most of the parking structure costs are now being financed with Certificates of Participation (COPs) and not bonds.
  - Infrastructure improvements of \$27.7 million have been added so that new main campus facilities can be constructed and operated. ASU's infrastructure is reaching capacity and there has been no improvements in infrastructure capacity since the last major new building program began in the late 1980's.
  - Building major maintenance of \$9.8 million has been added to the bonding plan along with an increase of \$3.5 million for academic renovations.



## EXECUTIVE SUMMARY

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- In regards to financing of the parking structures, only the parking structure to be constructed on the Tempe Center site is now planned for bond financing. Future parking structures will now be financed with Certificates of Participation (COPs) and not bonds.
- Several of the infrastructure improvement projects are included as part of the Residential Life, ICA Addition, Wells Fargo Arena Expansion, Building Major Maintenance and other projects identified in the CIP. However, the magnitude and scope of the infrastructure projects was not fully realized at the time the CIP was last updated. The CIP will be updated in September 2000 to reflect the need for this comprehensive infrastructure improvement.
- The revised Multi-Year Bonding Plan has three components:
  - Strategic directions, that identify how the plan supports the university's strategic plan.
  - Financial assumptions, that include a capital project cost summary for revenue bond sales and a schedule of existing and projected bond debt service through the year 2021.
  - Justifications for projects proposed to be financed by bonds during fiscal years 2000 to 2002.
- Highlights of the revisions to the ASU Multi-Year Bonding Plan as previously approved by the Board in March 1997 are as follows:
  - The \$15.0 million for the Learning Research Complex and \$11.0 million for the parking structures have been reallocated to infrastructure improvements. The Learning Research Center and parking structure costs, other than a parking structure on the Tempe Center site, will now be primarily funded from Certificates of Participation (COPs), not bonds.
  - Infrastructure improvements of \$27.7 million have been added so that new main campus facilities can be constructed and operated. ASU's infrastructure is reaching capacity and there have been no improvements in infrastructure capacity since the last major new building program began in the late 1980's. These infrastructure improvements and expansions are needed for the new CIP projects.
- A listing of ASU's planned bond sales is provided as Exhibit A.
- The complete ASU Revised Multi-Year Bonding Plan is available from the central office.

## RECOMMENDATION/CONCLUSION

**RESOLVED: The Board review and approve the Arizona State University's revised Multi-Year Bonding Plan and authorize Arizona State University to present the plan to the Joint Committee on Capital Review for review and the Governor's Office for comment.**

EXECUTIVE SUMMARY

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EXHIBIT A

Arizona State University  
Planned Revenue Bond Sales  
Capital Project Cost Summary  
Dollars in Thousands

<u>2000 Bond Sale</u>	<u>Total Project Cost</u>
On-Campus Student Housing Development	<u>\$ 15,000</u> (B)
TOTAL OF YEAR 2000 BOND SALES	<u>\$ 15,000</u>
 <u>2001 Bond Sale</u>	
Infrastructure Improvements	\$ 17,700 (A)
Academic Renovations	8,000 (A)
Building Major Maintenance	9,800 (A)
Parking Structure	4,000 (B)
Mediated Classroom/Social Sciences Building	<u>35,500</u> (A)
TOTAL OF YEAR 2001 BOND SALES	<u>\$ 75,000</u>
 <u>2002 Bond Sale</u>	
Infrastructure Improvements	<u>\$ 10,000</u> (A)
TOTAL OF YEAR 2002 BOND SALES	<u>\$ 10,000</u>
 (A) TOTAL BOND SALES FROM ACADEMIC BONDING SOURCE	\$ 81,000
(B) TOTAL BOND SALES FROM AUXILIARY BONDING SOURCE	<u>19,000</u>
GRAND TOTAL OF BONDING AUTHORITY	<u>\$100,000</u>

All of the bond sales are from the 1996 Legislative Authority.

**ARIZONA STATE UNIVERSITY**

**MULTIYEAR BONDING  
PLAN**

**STRATEGIC DIRECTIONS**

Arizona State University  
**MULTI YEAR BONDING PLAN**  
STRATEGIC DIRECTIONS

The Arizona State University Multi Year Bonding Plan was developed to address current capital facilities needs that are essential to meeting the strategic mission as expressed in the University's Strategic Plan. It describes plans for the expenditure of \$100,000,000 as authorized for bonded capital projects by the Arizona Board of Regents on August 21, 1996. Capital projects included in the Multi Year Bonding Plan are a key part of the University's Four Year Capital Improvement Plan. Completing the capital projects included in the Multi Year Bonding Plan will resolve many of the existing critical space shortages and move the University toward creating a physical environment supportive of its commitment to high quality teaching, research and learning.

#### **A. Strategic Plan**

##### The Vision

Assume a national leadership role in defining, through words and actions, the prototype metropolitan Research University of the 21st Century by:

- preparing students to be life-long learners and hence, productive and satisfied citizens in a rapidly changing technological society.
- incorporating various approaches to teaching and learning that more actively involve the teacher and the learner in the learning process with a substantial continuing effort placed on research innovation and the appropriate use of technology to enhance teaching and learning.
- making quality public baccalaureate and post-baccalaureate higher education accessible to all qualified citizens of Arizona.
- creating new kinds of partnerships to more fully share and integrate the rich cultural, artistic, technological and intellectual life of the University with the surrounding community.
- developing internationally competitive research capacities on issues of particular interest to dynamic metropolitan areas with particular effort directed to engaging in large-scale team-based, multi-disciplinary research.
- creating an atmosphere that is attractive to the nation's top scholar-teachers, the state's most outstanding students and a dedicated work-force that understands and supports the vision of the University.

##### The Goals

The current plan for the Main Campus identifies seven (7) focused areas for university-wide attention.

- To improve Undergraduate Education
- To improve Graduate Education

- To more effectively manage the ASUME Enrollment profile
- To enhance research and creative activity
- To advance the university and community through partnerships, knowledge transfer and cultural resources
- To establish and maintain salary structures that are competitive in the relevant markets for all personnel
- To more fully integrate strategic and operational decision making processes

### **C. Relationship Between the Multi Year Bonding Plan and Space Needs**

Through various discussions and studies of the existing facilities, it was determined that, for the ASU Main current enrollment, there are substantial shortages of class laboratory space (150,755 NASF), research laboratory space (381,894 NASF), library space (351,495 NASF), student residential facilities, and parking spaces. The projects in the Multi Year Bonding Plan will:

- Address current and projected space deficiencies in Liberal Arts departments and remove barriers to providing quality undergraduate instruction, graduate education, research and service;
- Provide new dual purpose computer mediated classroom space in response to the growing and dramatically changing need for technology based on instruction and distance learning;
- Meet increasing student demands for better access to open computing facilities;
- Consolidate departments, centers and programs that are fragmented due to inadequate space;
- Help alleviate space deficiencies through the reallocation and reuse of vacated space;
- Provide an opportunity for the University to develop highly versatile and flexible facilities that are adaptable to the changing needs of instruction and scholarship; and
- Enhance research and creativity opportunities

Bonding is proposed for seven (7) projects. They are the Mediated Classroom/Social Science Building, Academic Renovations I, On-Campus Student Housing Development, Parking Structure VII - NW Quadrant, Building Major Maintenance and two (2) Infrastructure Improvements projects. Facilities, "bricks and mortar," are essential to improving undergraduate and graduate education and to enhancing research and creative activity. Completion of the Mediated Classroom/Social Science Building will substantially contribute to improvement by providing quality education and research space that is technologically appropriate for the intended use. On-Campus Student Housing Development and Parking Structure VII are necessary to support the University's students by sustaining an appropriate student environment and infrastructure. Adaptive reuse of space vacated by units moving into the new facilities will also improve education and enhance research and creativity by improving the quality and functionality of the vacated space. New facilities cannot be provided without first providing adequate infrastructure to support the facilities, i.e., electricity, sewers, chilled water and steam.

#### **D. Adaptive Reuse of Space and Deferred Maintenance**

Each year, Arizona State University performs a detailed investigation of one fourth of its State facilities to determine the condition of building systems (mechanical, electrical, architectural, conveyance, etc.) These investigations continue to verify significant deterioration and obsolescence of existing systems with high potential for adversely impacting University operations. Serious deficiencies also exist in elevator conveyance systems.

The Building Major Maintenance project will address deferred maintenance and quality issues. Other issues will be indirectly addressed through the adaptive reuse of vacated space. As the vacated space is adapted to new uses, the quality of the facilities will be improved and deferred maintenance issues resolved. The Academic Renovations I project will also resolve both quality and deferred maintenance issues in existing facilities.

Through its annual process of building evaluation, the University will continue to utilize its building renewal resources to substantially decrease the deferred maintenance needs and improve the quality of its facilities. With adequate funding through the State's building renewal program and the ongoing efforts of Facilities Management, the academic facilities deferred maintenance backlog should be reduced from the current \$43.9 million to approximately \$30 million over the next 5-10 years.

#### **E. Relationship of the Multi Year Bonding Plan, Strategic Directions and Debt Service**

In the context of the Four Year Capital Improvement Plan, the Multi Year Bonding Plan will make progress towards the build-out of the campus in response to the strategic plan. Currently, the debt service paid annually by Arizona State University is approximately \$21 million and would rise to \$29 million in 2005. However, the debt service payments would drop to \$27 million in 2006, to \$25 million in 2010, and to \$9 million in 2017. Clearly, a short-term investment will address critical space needs and have a minimal impact on costs over the longer term. The Projected Revenue Bond Debt Service Schedule summarizes the debt service costs over time consistent with the Multi Year Bonding Plan.

#### **F. Capital Facility Planning Process**

Arizona State University's capital facility planning is an annual process. Each year, the University's senior leadership reviews the projects in the Capital Improvement Plan. The projects are reevaluated for their consistency with the University's Strategic Plan, Campus Master Plan and evolving programmatic needs. Available funding and schedule concerns are considered. The CIP is revised to reflect changes that have occurred during the preceding year.

#### **G. Other Capital Facility Funding Sources**

In addition to bonding, other funding sources are utilized. Most projects in the Four Year Capital Improvement Plan have other proposed funding sources. Among the other proposed funding sources are Federal grants, gifts, private sector partnerships, State appropriated General Funds, certificates of participation, and locally retained funds. These projects will be constructed if the

proposed funding resources become available. One project in the Multi Year Bonding Plan has another source. It is the On Campus Student Housing Development project. \$1,200,000 of the total project cost will be funded by Residential Life local funds.

### **Summary**

The Multi Year Bonding Plan is an effective mechanism for addressing facility needs fundamental to the University's Strategic Plan. Critical needs will be resolved for modern academic and research space, student housing and on-campus parking. The proposed new facilities and facility upgrades will greatly improve the quality of academic programs and student learning, and support the development of research that will make important contributions to the welfare of the people of Arizona.

**ARIZONA STATE UNIVERSITY**

**MULTIYEAR BONDING  
PLAN**

**CAPITAL PROJECT COST SUMMARY**



**Arizona State University**  
**Revenue Bond Sales**  
**Capital Project Cost Summary**  
Dollars in Thousands

<u>2000 Bond Sale</u>	<u>Total Project Cost</u>
On-Campus Student Housing Development	<u>\$ 15,000</u> (B)
TOTAL OF YEAR 2000 BOND SALES	<u>\$ 15,000</u>
 <u>2001 Bond Sale</u>	
Infrastructure Improvements	\$ 17,700 (A)
Academic Renovations	8,000 (A)
Building Major Maintenance	9,800 (A)
Parking Structure	4,000 (B)
Mediated Classroom/Social Sciences Building	<u>35,500</u> (A)
TOTAL OF YEAR 2001 BOND SALES	<u>\$ 75,000</u>
 <u>2002 Bond Sale</u>	
Infrastructure Improvements	<u>\$ 10,000</u> (A)
TOTAL OF YEAR 2002 BOND SALES	<u>\$ 10,000</u>
 (A) TOTAL BOND SALES FROM ACADEMIC BONDING SOURCE	\$ 81,000
(B) TOTAL BOND SALES FROM AUXILIARY BONDING SOURCE	<u>19,000</u>
GRAND TOTAL OF BONDING AUTHORITY	<u>\$100,000</u>

All of the bond sales are from the 1996 Legislative Authority.

**ARIZONA STATE UNIVERSITY**

**MULTIYEAR BONDING  
PLAN**

**DEBT CAPACITY:**  
**OVERALL SUMMARY**

## ARIZONA STATE UNIVERSITY

### Debt Capacity: Overall Summary

Annually, each Arizona University, during August and September, prepares in conjunction with the Capital Improvement Plan (CIP) or biennium update, an assessment of debt capacity. The Arizona Board of Regents' (ABOR) central staff then prepares from the annual assessment done by each university, an overall Executive Summary on the status of University Debt, which is then submitted to the ABOR for review.

The most recent debt capacity assessments were prepared in August 1999 in conjunction with the biennium updates to the FY 2000-2003 CIP. The most recent Executive Summary was submitted to the ABOR at the Board's September 23-24, 1999 meeting. For Arizona State University (ASU), the revenues and expenditures were based on projected annual assumed growth rates of:

- 4.0% for state appropriations
- 4.0% for tuition and fee collections, and
- Approximately 4.0% for education and general expenditures

The debt capacity assessment was based on ASU issuing \$100 million of academic and auxiliary revenue bonds, based on ASU's bonding authorization allocation by the ABOR, and \$27.3 million of lease-purchase certificates of participation (COPs).

The most important ratio to bond rating agencies in regards to debt capacity is the ratio of debt service to unrestricted expenditures and mandatory transfers. A debt ratio of over 10% will cause bond-rating firms to consider a possible rating downgrade. For ASU, the debt service ratio is:

- 4.0% presently; and
- 4.9% at the peak future year for the debt service ratio, based on \$127.3 million of new debt being issued.

ASU is well within the 10% debt ratio standard. Based on this debt capacity assessment and assumed debt issuance dates at time of this debt capacity assessment, ASU very comfortably has the debt capacity, as measured by bond rating agencies, to issue at least \$100 million of bonds and \$27.3 million of COPs and still be very comfortably under the 10% standard debt service ratio where a bond rating downgrade because of inadequate debt capacity could occur.

**ARIZONA STATE UNIVERSITY**

**MULTIYEAR BONDING  
PLAN**

**PROJECTED REVENUE BOND DEBT  
SERVICE SCHEDULE**

**2000**

**2001**

**2002**

**TOTAL CUMULATIVE**

**ARIZONA STATE UNIVERSITY MAIN CAMPUS**  
**MULTI YEAR BONDING PLAN**  
 Projected Revenue Bond Debt Service Schedule  
**Total Cumulative Debt Service**  
 (Dollars in Thousands)

Fiscal Year	Existing Bond Debt Service	Projected Debt Service			Total Cumulative Debt Service
		2000 Bond Issue	2001 Bond Issue	2002 Bond Issue	
2000	\$21,241	\$0	\$0	\$0	\$21,241
2001	\$21,225	\$798	\$563	\$0	\$22,586
2002	\$21,074	\$1,173	\$3,993	\$75	\$26,315
2003	\$21,050	\$1,173	\$5,679	\$532	\$28,434
2004	\$21,054	\$1,173	\$5,868	\$757	\$28,852
2005	\$21,142	\$1,173	\$5,868	\$782	\$28,965
2006	\$19,159	\$1,173	\$5,868	\$782	\$26,982
2007	\$18,609	\$1,173	\$5,868	\$782	\$26,432
2008	\$18,648	\$1,173	\$5,868	\$782	\$26,471
2009	\$18,755	\$1,173	\$5,868	\$782	\$26,578
2010	\$16,710	\$1,173	\$5,868	\$782	\$24,533
2011	\$16,771	\$1,173	\$5,868	\$782	\$24,594
2012	\$16,830	\$1,173	\$5,868	\$782	\$24,653
2013	\$16,894	\$1,173	\$5,868	\$782	\$24,717
2014	\$16,911	\$1,173	\$5,868	\$782	\$24,734
2015	\$16,484	\$1,173	\$5,868	\$782	\$24,307
2016	\$8,534	\$1,173	\$5,868	\$782	\$16,357
2017	\$846	\$1,173	\$5,868	\$782	\$8,669
2018	\$846	\$1,173	\$5,868	\$782	\$8,669
2019	\$855	\$1,173	\$5,868	\$782	\$8,678
2020		\$1,173	\$5,868	\$782	\$7,823
2021		\$1,173	\$5,868	\$782	\$7,823
2022		\$1,173	\$5,868	\$782	\$7,823
2023		\$1,173	\$5,868	\$782	\$7,823
2024		\$1,173	\$5,868	\$782	\$7,823
2025		\$1,173	\$5,868	\$782	\$7,823
2026			\$5,868	\$782	\$6,650
2027				\$782	\$782
	<u>\$313,638</u>	<u>\$28,950</u>	<u>\$145,199</u>	<u>\$19,350</u>	<u>\$507,137</u>

**ARIZONA STATE UNIVERSITY MAIN CAMPUS  
MULTI YEAR BONDING PLAN**

Projected Revenue Bond Debt Service Schedule

**2000 Bond Issue**

(Dollars in Thousands)

Fiscal Year	<u>AUXILIARY PROJECT</u>	Total
	On-Campus Student Housing Development	2000 Bond Issue Debt Service
2000	\$0	\$0
2001	\$798	\$798
2002	\$1,173	\$1,173
2003	\$1,173	\$1,173
2004	\$1,173	\$1,173
2005	\$1,173	\$1,173
2006	\$1,173	\$1,173
2007	\$1,173	\$1,173
2008	\$1,173	\$1,173
2009	\$1,173	\$1,173
2010	\$1,173	\$1,173
2011	\$1,173	\$1,173
2012	\$1,173	\$1,173
2013	\$1,173	\$1,173
2014	\$1,173	\$1,173
2015	\$1,173	\$1,173
2016	\$1,173	\$1,173
2017	\$1,173	\$1,173
2018	\$1,173	\$1,173
2019	\$1,173	\$1,173
2020	\$1,173	\$1,173
2021	\$1,173	\$1,173
2022	\$1,173	\$1,173
2023	\$1,173	\$1,173
2024	\$1,173	\$1,173
2025	\$1,173	\$1,173
	<u>\$28,950</u>	<u>\$28,950</u>

Note: Projected bond debt service assumes an interest rate of 6% and a term of 25 years. Interest earnings on construction funds are first used to pay issuance costs and then are netted against debt service.

**ARIZONA STATE UNIVERSITY MAIN CAMPUS**  
**MULTI YEAR BONDING PLAN**  
 Projected Revenue Bond Debt Service Schedule  
**2001 Bond Issue**  
 (Dollars in Thousands)

Fiscal Year	ACADEMIC PROJECTS				AUXILIARY PROJECT	2001 Bond Issue Debt Service
	Mediated Classroom/ Social Sciences Building	Infrastructure Improvements	Building Major Maintenance	Academic Renovations	Parking Structure	
2001	\$266	\$133	\$74	\$60	\$30	\$563
2002	\$1,890	\$942	\$522	\$426	\$213	\$3,993
2003	\$2,688	\$1,340	\$742	\$606	\$303	\$5,679
2004	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2005	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2006	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2007	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2008	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2009	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2010	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2011	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2012	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2013	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2014	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2015	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2016	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2017	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2018	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2019	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2020	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2021	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2022	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2023	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2024	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2025	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
2026	\$2,777	\$1,385	\$767	\$626	\$313	\$5,868
	\$68,715	\$34,270	\$18,979	\$15,490	\$7,745	\$145,199

Note: Projected bond debt service assumes an interest rate of 6% and a term of 25 years. Interest earnings on construction funds are first used to pay issuance costs and then are netted against debt service.

**ARIZONA STATE UNIVERSITY MAIN CAMPUS  
MULTI YEAR BONDING PLAN**

**Projected Revenue Bond Debt Service Schedule**

**2002 Bond Issue**  
(Dollars in Thousands)

<u>Fiscal</u> <u>Year</u>	<u>ACADEMIC</u> <u>PROJECT</u> <u>Infrastructure</u> <u>Improvements</u>	<u>Total</u> <u>2002</u> <u>Bond Issue</u> <u>Debt Service</u>
2002	\$75	\$75
2003	\$532	\$532
2004	\$757	\$757
2005	\$782	\$782
2006	\$782	\$782
2007	\$782	\$782
2008	\$782	\$782
2009	\$782	\$782
2010	\$782	\$782
2011	\$782	\$782
2012	\$782	\$782
2013	\$782	\$782
2014	\$782	\$782
2015	\$782	\$782
2016	\$782	\$782
2017	\$782	\$782
2018	\$782	\$782
2019	\$782	\$782
2020	\$782	\$782
2021	\$782	\$782
2022	\$782	\$782
2023	\$782	\$782
2024	\$782	\$782
2025	\$782	\$782
2026	\$782	\$782
2027	\$782	\$782
	<u>\$19,350</u>	<u>\$19,350</u>

Note: Projected bond debt service assumes an interest rate of 6% and a term of 25 years. Interest earnings on construction funds are first used to pay issuance costs and then are netted against debt service.



**ARIZONA STATE UNIVERSITY**

**MULTIYEAR BONDING  
PLAN**

**2000-2002 BOND PROJECTS**  
**ESTIMATED OPERATING COST**  
**AND BUILDING RENEWAL FORMULA**  
**INCREASES/DECREASES**

Arizona State University  
2000-2002 Bond Projects  
Estimated Operating Costs and  
Building Renewal Formula Increases/Decreases  
(Net Change Per Year)

PROJECT	Funding Source	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>On-Campus Student Housing Development &amp; Renovation</b> (Beneficial Occupancy (7/1/2001))	GF/Local/Other %					
Personal Services	0/100/0	\$ 110,571	\$ 113,888	\$ 117,305	\$ 120,824	\$ 124,449
ERE	0/100/0	\$ 12,833	\$ 22,778	\$ 23,461	\$ 24,165	\$ 24,890
Operations	0/100/0	\$ 42,440	\$ 43,713	\$ 45,025	\$ 46,375	\$ 47,767
Utilities	0/100/0	\$ 83,158	\$ 85,653	\$ 88,222	\$ 90,869	\$ 93,595
Capital Equipment	0/100/0					
Total:		\$ 249,002	\$ 266,032	\$ 274,013	\$ 282,233	\$ 290,700
Building Renewal		\$0	\$0	\$0	\$0	\$0
<b>Mediated Classroom/Social Science Building</b> (Beneficial Occupancy (5/1/2003))						
Personal Services	100/0/0		\$82,700	\$523,600	\$544,500	\$566,300
ERE	100/0/0		\$17,300	\$110,500	\$114,900	\$119,500
Operations	100/0/0		\$17,200	\$131,000	\$136,200	\$141,700
Utilities	100/0/0		\$54,300	\$330,100	\$343,300	\$357,000
Capital Equipment	100/0/0		\$110,500	\$0		
Total:	100/0/0		\$282,000	\$1,095,200	\$1,138,900	\$1,184,500
Building Renewal					\$18,500	\$38,500
<b>Infrastructure Improvements (2001)</b>						
Personal Services						
ERE						
Operations						
Utilities						
Capital Equipment						
Total:				\$0	\$0	\$0
Building Renewal				\$0	\$0	\$0
<b>Academic Renovations I</b>						
Personal Services						
ERE						
Operations						
Utilities						
Capital Equipment						
Total:				\$0	\$0	\$0
Building Renewal				\$0	\$0	\$0

Arizona State University  
 • 2000-2002 Bond Projects  
 Estimated Operating Costs and  
 Building Renewal Formula Increases/Decreases  
 (Net Change Per Year)

PROJECT	Funding Source	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Building Major Maintenance</b>						
Personal Services						
ERE						
Operations						
Utilities						
Capital Equipment						
Total:				\$0	\$0	\$0
Building Renewal				\$0	\$0	\$0
<b>Parking Structure VII</b>						
Personal Services		\$18,900	\$19,700	\$20,500	\$21,300	\$22,200
ERE		\$4,200	\$4,400	\$4,600	\$4,800	\$4,900
Operations		\$4,200	\$6,500	\$6,800	\$7,000	\$7,300
Utilities						
Capital Equipment		\$10,500				
Total:		\$37,800	\$30,600	\$31,900	\$33,100	\$34,400
Building Renewal				\$0	\$0	\$0
<b>Infrastructure Improvements (2002)</b>						
Personal Services						
ERE						
Operations						
Utilities						
Capital Equipment						
Total:				\$0	\$0	\$0
Building Renewal				\$0	\$0	\$0

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

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PHOENIX, ARIZONA 85007

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ANDY NICHOLS  
CHRISTINE WEASON

DATE: May 9, 2000

TO: Representative "Bob" Burns  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: CONSIDER APPROVAL OF ADDITIONAL FY 2000 ENHANCEMENT FUND MONIES  
FOR THE CONTINUED DEVELOPMENT OF KARTCHNER CAVERNS STATE PARK  
AND REPORT ON THE STATUS OF THE PARK

### Request

The Arizona State Parks Board requests Committee approval for the release of \$2,932,900 in FY 2000 State Parks Enhancement Fund (SPEF) monies. The monies will be used for the completion of the lower chamber caverns at Kartchner Caverns State Park. Also, pursuant to Laws 1998, Chapter 297, the Arizona State Parks Board is providing the quarterly project status and financial report on Kartchner Caverns State Park.

### Recommendation

The JLBC Staff does not recommend approval of the release of additional SPEF monies until further information is received on the project's overall cost. The added \$2.9 million cost is for an additional 24 months of construction. The Parks Board, however, is either unwilling or unable to provide an estimate of the overall remaining costs of the Kartchner project which is not scheduled for completion until November 2003. While we understand the tentative nature of cost estimates in cavern construction, we believe the Committee should be able to evaluate the incremental cost of \$2.9 million in the context of the current best estimate of the total remaining cost. If the Parks Board does not know the total remaining cost of Kartchner development, the Committee should at least be aware of that in making its decision. Any State Parks Enhancement Fund monies spent for Kartchner ultimately diverts funding for other state parks projects.

The lower caverns were originally targeted to open in September 2001. After reviewing a report on roosting bats in the caves, Parks Staff now estimate it will be November 2003 at earliest before the cave will open to the public. The bats sensitivity to light and noise have caused developers to alter construction plans.

(Continued)

## Analysis

As of FY 2000 quarter ending March 31, 2000 a total of \$28,532,900 has been allocated to the park's development from 5 fund sources. Of this amount, all but \$1,814,500, or 6.4% of the total, has been expended or encumbered. The following table summarizes these amounts by fund source and percentage allocations:

<b>Kartchner Caverns Construction Development Funding (As of March 31, 2000)</b>			
<u>Fund Source</u>	<b>Approved Amount</b>	<b>Percent</b>	<b>Unobligated Balance</b>
General Fund	\$ 3,500,000	12.3%	\$ 0
Enhancement Fund	17,212,000	60.3%	1,185,900
Heritage Fund	5,174,500	18.1%	628,600
State Highway Fund	2,445,700	8.6%	0
National Recreational Trails Fund	200,700	0.7%	0
<b>TOTAL</b>	<b><u>\$28,532,900</u></b>	<b><u>100.0%</u></b>	<b><u>\$1,814,500</u></b>

In addition, State Parks is requesting an additional \$2,932,900 of FY 2000 SPEF revenue be released for continued construction costs. The State Parks Enhancement Fund (SPEF) consists of revenue from park user fees. Pursuant to A.R.S. § 41-511.11, one-half of the fund balance is earmarked for park acquisition and development subject to approval of the JCCR. (The remaining one-half of SPEF revenues are subject to appropriation and are used for operating costs at state parks.) Initially, the development monies are to be used for the completion of Kartchner Caverns and for the lease-purchase payments of Tonto Natural Bridge State Park. Once these purposes have been completed, the development half of the fund will become appropriated.

The following table outlines the \$2.9 million request:

<b>Estimated FY 2000 Enhancement Fund Revenues Available for Kartchner Caverns Development</b>	
<u>FY 2000 Estimated Revenue</u>	\$6,588,000
Less one-half for operations	3,294,000
Less Tonto Natural Bridge Lease-Purchase	(361,100)
<b>Balance Available for Kartchner Caverns Development</b>	<b><u>\$2,932,900</u></b>

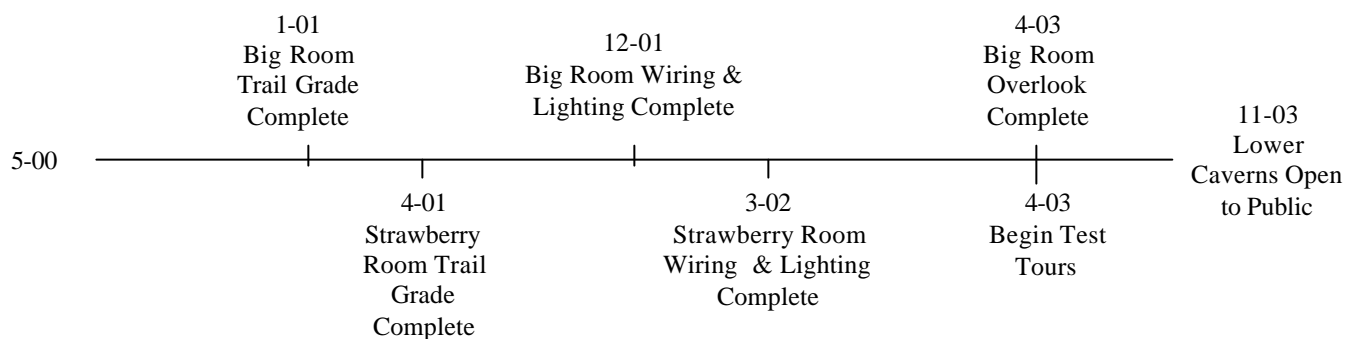
The additional \$2,932,900 being requested would increase the total development budget to \$31,465,800. The requested amount will cover additional operating, material, and engineering costs of the lower chambers for 24 months. Monies will also be used for utility improvements throughout the park. Enhancements to the campground water supply as well as increased electrical needs will be addressed.

There are currently no estimates of the remaining costs to complete the lower caverns. As such, the JLBC Staff is reluctant to recommend approval of this issue. Enhancement Fund monies spent developing Kartchner Caverns are done so at the expense of other state parks acquisition and development projects. Prior to approving the release of more SPEF monies, the Committee may wish to discuss the amount Parks Staff is willing to devote to this project relative to other development needs throughout the state.

(Continued)

Project Timeline

A project timeline is required as part of the quarterly updates on Kartchner development. Parks Staff originally targeted September 2001 for completion of the lower caverns. After reviewing a report on the effects of construction on roosting bats in the cave, completion is now targeted for November 2003. The delay is due to the bats' sensitivity to light and noise. Because both factors are present during cave trail construction, development staff will curtail construction to accommodate the bats. During the roosting months between May and September, no construction will occur. The targeted date assumes that construction will be at a reduced level in May and September when the bats are arriving and departing. If, however, construction cannot proceed during these two months, development staff anticipate a further delay until October 2004 before the cave will be complete. The following timeline delineates target completion dates for projects leading to a November 2003 opening:



RS:CE:jb



"Managing and conserving natural, cultural, and recreational resources"

April 24, 2000

Representative Robert Burns  
Joint Committee on Capital Review  
1700 West Washington  
Phoenix, AZ 85007



RE: JCCR Request – Kartchner Caverns State Park

Dear Representative Burns:

Arizona State Parks requests to be placed on the next agenda of the Joint Committee on Capital Review (JCCR) to release available FY 2000 Enhancement Fund revenues for the continued development of Kartchner Caverns State Park. We expect that, at a minimum, \$2,900,000 will become available. Under separate cover, we updated you on the overall project status.

The requested funds will be used to develop the lower chamber caverns at KCSP. A minimum of an additional 24 months of work is anticipated. Although this funding request is based on 24 months of work, the return of the bats may delay when the actual work is performed and the actual completion date. With the expansion of the operation of KCSP, additional utility improvements are also needed. The primary focus of the utility improvements will be improved water supply for the campground as well as increased electrical needs.

Your continued support of this project and our staff is greatly appreciated. Please give me a call should you have any questions or if I may be of assistance to you or your staff.

Sincerely,

Kenneth E. Travous  
Executive Director

Jane Dee Hull  
Governor

State Parks  
Board Members

Chair  
Vernon Roudebush  
Safford

Walter D. Armer, Jr.  
Benson

Suzanne Pfister  
Phoenix

Joseph H. Holmwood  
Mesa

John U. Hays  
Yarnell

Sheri J. Graham  
Sedona

Michael E. Anable  
State Land  
Commissioner

Kenneth E. Travous  
Executive Director

Arizona State Parks  
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Phoenix, AZ 85007

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### Attachment

#### FY 2000 Enhancement Fund Calculation

FY 1999 Revenue	\$4,520,592
FY 2000 Estimated Revenue	\$6,638,000
Less Yuma Crossing Revenue	<u>(50,000)</u>
	\$6,588,000
One-half to Development	\$3,294,000
Less Tonto payment	<u>(361,100)</u>
Revenue available for Kartchner Caverns Development	\$2,932,900

#### Funds to be allocated as follows:

<u>Lower Cavern Development</u>	
Operating Costs	\$2,000,000
Material	450,000
Engineering	<u>50,000</u>
Total	\$2,500,000
<u>Utility Improvements</u>	
Total	<u>\$400,000</u>
<u>Grand Total</u>	\$2,900,000





"Managing and conserving natural, cultural, and recreational resources"

April 24, 2000

Representative Robert Burns  
Joint Committee on Capital Review  
1700 West Washington  
Phoenix, AZ 85007



RE: Chapter 297, Laws 1998

Dear Representative Burns:

Pursuant to Chapter 297, Laws 1998, Arizona State Parks (ASP) is forwarding the project status and financial information for Kartchner Caverns State Park.

**Project Status** -- Kartchner Caverns State Park has been open 6 months. Over 84,000 visitors have taken cave tours and revenues are averaging \$52,000 per week. Reservations at the time of this report are booked solid through June 2000 with all weekends in July also booked. Total park revenues to date (4/22/00) are \$1,838,741.

**Construction in Progress** -- Construction in the lower cave continues while the park is open. Improvements to the above ground facilities continue in an effort to ready the campground for opening to the public.

**Cavern Trail Construction** -- The Big Room complex is appropriately named. This large underground chamber is larger than both the Throne and Rotunda Room together. However, progress is better than expected as construction techniques developed for the upper chamber are utilized in this final phase of trail construction. The Cul-de-Sac trail heading continues beyond the "Strawberry formation". This work consists of stabilizing large boulders, pouring slurry into voids, breaking rock and removing the debris. Retaining walls and veneers are also constructed as the trail progresses. Base rock is being laid for a viewing platform at the Strawberry. At this time, 463 feet of rough trail has been constructed in the Cul-de-Sac. At the Tarantula trailhead, 542 feet of rough trail has been constructed. At completion, this trail will be 1200 feet. Workers continue to build trail toward the "Santa Claus" switchback. Construction includes lengthening the trail, as well as building up the height of the rock walls to finish grade. A rough trail pad is in place at the "Lower Key Hole" where the 2 trail headings will connect.

Jane Dee Hull  
Governor

State Parks  
Board Members

Chair  
Vernon Roudebush  
Safford

Walter D. Armer, Jr.  
Benson

Suzanne Pfister  
Phoenix

Joseph H. Holmwood  
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602.542.4188

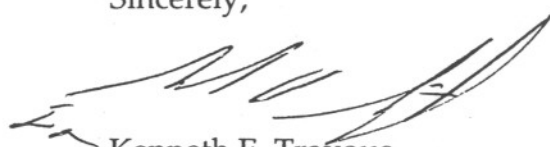
**Timeline** -- Preliminary timelines have been developed for the lower cave trail construction. At the time of the last report Arizona State Parks was awaiting the results of the Bat study in order to determine when the bats in the Big Room would be vulnerable to the effects of construction. The report states that "Bat behavior changed most with light intensity and noise." Both of these factors are present during cave trail construction. The first bats of 2000 appeared on April 20<sup>th</sup> but are thought to be "scouts" as the main colony has yet to appear. Arizona State Parks is taking a cautious approach to construction during habitation this year. The attached time line reflects that caution.

**Park Facilities** -- Since opening in November 1999, Arizona State Parks has concentrated on its day-use visitation due to the continued demand for cavern tours. The campground facilities are prepared for opening and are awaiting only construction of a self-pay station and signage. Opening is expected prior to the end of the fiscal year.

**Financial Status** -- The budget for the development and construction is \$28,532,850 (this figure does not include start-up funds of approximately \$1.2 million). Attached you will find summary information and detailed allocations, expenditures and obligations by activity and fund for the quarter ending March 31, 2000. As of March 31, 2000, 92.71 % of the budget was expended.

Your continued support of this project and our staff is greatly appreciated. Please give me a call should you have any questions or if I may be of assistance to you or your staff.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kenneth E. Travous', written over a horizontal line.

Kenneth E. Travous  
Executive Director

Copy: Senator Randall Gnant, Vice Chair  
Representative Gail Griffin, District 8  
Senator Gus Arzberger, District 8  
Richard Stavneak, Director, JLBC  
Thomas Betlach, Director, OSPB  
Maria Baier, Office of the Governor  
Chris Earnest, JLBC  
Marcel Benberou, OSPB

**KARTCHNER CAVERNS STATE PARK  
BUDGET AND EXPENDITURE STATUS  
AS OF 3/31/00**

- 1) Summary of Development Funds
- 2) By Fund Source
- 3) By Activity/Project
- 4) Timeline

Arizona State Parks  
Kartchner Caverns State Park  
Development Funds Available  
As of March 31, 2000

<u>Fund</u>		<u>\$ Amount</u>	<u>Percentage</u>
Arizona Heritage Fund	\$	5,174,514	18.14%
Enhancement Fund		17,212,018	60.32%
General Fund		3,500,000	12.27%
ADOT		2,445,654	8.57%
Federal - NRTFA/RTP		200,664	0.70%
Total	\$	28,532,850	100.00%

Note: Enhancement Fund does not include FY2000 revenue.

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT  
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/00  
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
<b>SUBTOTAL ADOT</b>			<b>2,445,654.07</b>	<b>2,445,654.07</b>	<b>0.00</b>	<b>0.00</b>
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	6,830.27	0.00	811.73
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
<b>SUBTOTAL AY94 AHF/A&amp;D</b>			<b>900,000.00</b>	<b>867,853.14</b>	<b>1,197.00</b>	<b>30,949.86</b>
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNELS 96 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
<b>SUBTOTAL AY95 AHF/A&amp;D</b>			<b>1,205,000.00</b>	<b>1,205,000.00</b>	<b>0.00</b>	<b>0.00</b>
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
UTILITIES - EXTENSION TO CAVE (incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	849,057.00	5,810.00	0.00
<b>SUBTOTAL AY96 AHF/A&amp;D</b>			<b>1,496,514.40</b>	<b>1,490,704.40</b>	<b>5,810.00</b>	<b>0.00</b>
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	12,673.20	0.00	50,499.80
CAVE LIGHTING	97	AHF/A&D	110,600.00	6,970.64	0.00	103,629.36
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	9,498.33	0.00	4,624.67
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	6,471.50	0.00	3,528.50
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	654,739.66	107,619.80	41,144.54
<b>SUBTOTAL AY97 AHF/A&amp;D</b>			<b>1,392,000.00</b>	<b>739,364.49</b>	<b>107,619.80</b>	<b>545,015.71</b>
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
<b>SUBTOTAL AY93 AHF/LRSP</b>			<b>71,000.00</b>	<b>71,000.00</b>	<b>0.00</b>	<b>0.00</b>
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	28,802.83	28,554.50	2,642.67
<b>SUBTOTAL AY96 AHF/NAO&amp;M</b>			<b>60,000.00</b>	<b>28,802.83</b>	<b>28,554.50</b>	<b>2,642.67</b>
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
<b>SUBTOTAL MULTI AHF/TRAILS</b>			<b>50,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>50,000.00</b>

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT  
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/00  
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
CAVE LIGHTING	*	EF	44,800.00	6,939.74	17,027.45	20,832.81
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	4,873,361.64	3,879,795.17	35,006.02	958,560.45
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	2,840.00	35,774.18
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	5,468.55	0.00	4,531.45
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	0.00
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	0.00	5,314.00	4,686.00
NEW WELL AND LINE	*	EF	121,000.00	4,345.36	0.00	116,654.64
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - FENCING	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - OTHER	*	EF	8,175.75	8,175.75	0.00	0.00
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	65,608.37	0.00	670.63
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAM STORAGE / MAINT. / UTILITIES	*	EF	208,640.00	186,369.78	10,905.00	11,365.22
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
TUNNELS 96 - JORGENSEN - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
<b>SUBTOTAL ENHANCEMENT FUND</b>			<b>17,212,018.03</b>	<b>15,904,583.70</b>	<b>121,501.07</b>	<b>1,185,933.26</b>
 VISITOR CENTER - BUILDINGS	 96	 GF	 3,500,000.00	 3,500,000.00	 0.00	 0.00
<b>SUBTOTAL AY96 GENERAL FUND</b>			<b>3,500,000.00</b>	<b>3,500,000.00</b>	<b>0.00</b>	<b>0.00</b>
 CAVE TRAIL CONSTRUCTION	 96	 NRTFA	 71,342.00	 71,342.00	 0.00	 0.00
CAVE TRAIL CONSTRUCTION	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	98	NRTFA	58,826.00	58,826.00	0.00	0.00
<b>SUBTOTAL MULTI-YEAR NRTFA</b>			<b>200,664.00</b>	<b>200,664.00</b>	<b>0.00</b>	<b>0.00</b>
 <b>TOTAL KARTCHNER ACQUIS. &amp; DEVELOP.</b>			<b>28,532,850.50</b>	<b>26,453,626.63</b>	<b>264,682.37</b>	<b>1,814,541.50</b>

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT**  
**BUDGET AND EXPENDITURE STATUS THROUGH 03/31/00**  
**BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
<b>SUBTOTAL DESIGN &amp; ENGINEERING</b>			<b>2,500,817.96</b>	<b>2,466,145.05</b>	<b>28,965.74</b>	<b>5,707.17</b>
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
<b>SUBTOTAL BUILDINGS / TUNNELS 95</b>			<b>3,576,937.97</b>	<b>3,576,937.97</b>	<b>0.00</b>	<b>0.00</b>
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	28,802.83	28,554.50	2,642.67
<b>SUBTOTAL TRAIL SYSTEM DESIGN</b>			<b>348,738.73</b>	<b>297,724.80</b>	<b>47,809.67</b>	<b>3,204.26</b>
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	2,840.00	35,774.18
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
CAVE LIGHTING	97	AHF/A&D	110,600.00	6,970.64	0.00	103,629.36
CAVE LIGHTING	*	EF	44,800.00	6,939.74	17,027.45	20,832.81
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	4,873,361.64	3,879,795.17	35,006.02	958,560.45
CAVE TRAIL CONSTRUCTION (current PAF)	96	NRTFA	71,342.00	71,342.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	98	NRTFA	58,826.00	58,826.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
<b>SUBTOTAL CAVE TRAIL CONSTRUCTION</b>			<b>5,656,189.67</b>	<b>4,423,103.52</b>	<b>56,070.47</b>	<b>1,177,015.68</b>
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
TUNNELS 96 - JORGENSEN - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
<b>SUBTOTAL TUNNELS 96 REBID</b>			<b>2,049,933.56</b>	<b>2,049,933.56</b>	<b>0.00</b>	<b>0.00</b>
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Fencing	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	6,471.50	0.00	3,528.50
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	9,498.33	0.00	4,624.67
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	65,608.37	0.00	670.63
TRAM STORAGE / MAINT. / UTILITIES	*	EF	208,640.00	186,369.78	10,905.00	11,365.22
NEW WELL AND LINE	*	EF	121,000.00	4,345.36	0.00	116,654.64
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	5,468.55	0.00	4,531.45
SITE IMPROVEMENTS - Other	*	EF	8,175.75	8,175.75	0.00	0.00
<b>SUBTOTAL SITE IMPROVEMENTS</b>			<b>3,381,766.66</b>	<b>3,229,486.55</b>	<b>10,905.00</b>	<b>141,375.11</b>

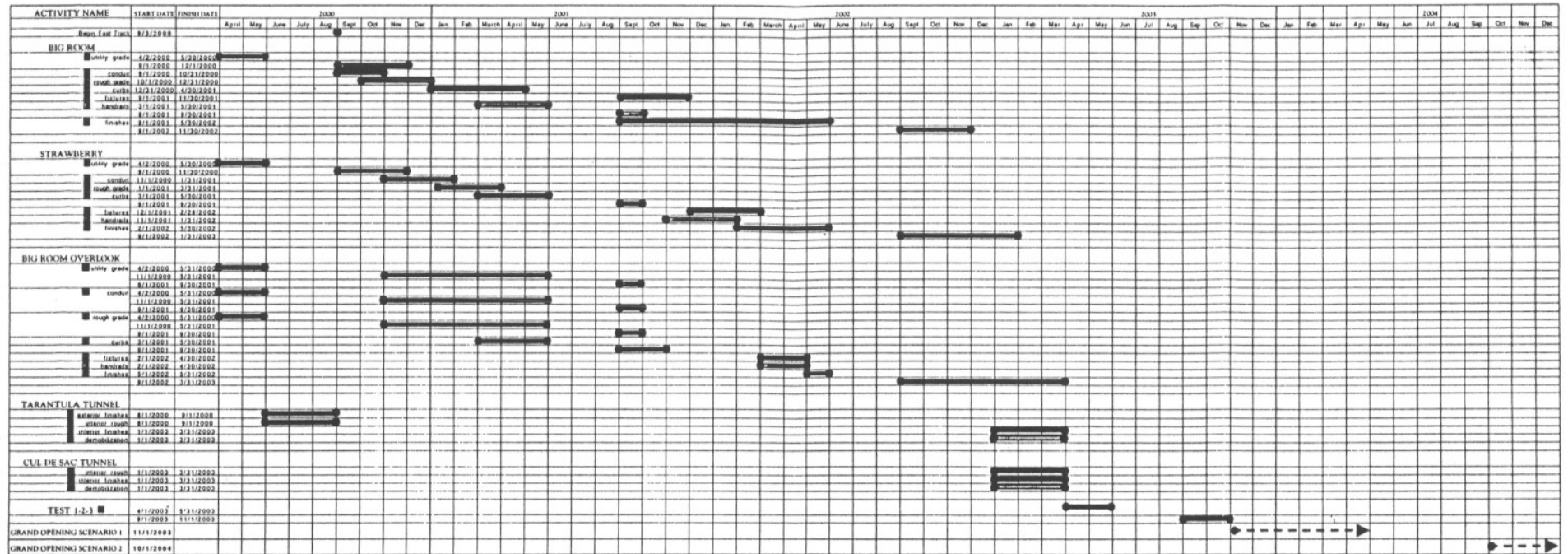
**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT  
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/00  
BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
UTILITIES - EXTENSION TO CAVE (incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
<b>SUBTOTAL UTILITIES</b>			<b>1,931,084.95</b>	<b>1,930,810.01</b>	<b>0.00</b>	<b>274.94</b>
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	6,830.27	0.00	811.73
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	849,057.00	5,810.00	0.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	654,739.66	107,619.80	41,144.54
<b>SUBTOTAL VISITOR CENTER</b>			<b>5,220,911.40</b>	<b>5,064,816.61</b>	<b>113,429.80</b>	<b>42,664.99</b>
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
<b>SUBTOTAL WATER / WASTEWATER</b>			<b>699,676.16</b>	<b>689,676.16</b>	<b>0.00</b>	<b>10,000.00</b>
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	0.00
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	0.00	5,314.00	4,686.00
<b>SUBTOTAL MISCELLANEOUS</b>			<b>112,191.59</b>	<b>92,862.05</b>	<b>7,501.69</b>	<b>11,827.85</b>
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	12,673.20	0.00	50,499.80
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
<b>SUBTOTAL TUNNEL FINISHING</b>			<b>572,627.00</b>	<b>169,327.83</b>	<b>0.00</b>	<b>403,299.17</b>
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	0.00	0.00	0.00	0.00
<b>SUBTOTAL PROPOSED CONSTRUCTION</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL KARTCHNER ACQUIS. &amp; DEVELOP.</b>			<b>28,532,850.50</b>	<b>26,453,626.63</b>	<b>264,602.37</b>	<b>1,814,541.50</b>



# ARIZONA STATE PARKS

## BIG ROOM TIMELINE KARTCHNER CAVERNS STATE PARK



Revised 4/25/01 E

**LEGEND**

BATS PRESENT IN CAVE (LESS SENSITIVE)

BATS PRESENT IN CAVE (HIGHLY SENSITIVE)

START OF ACTIVITY

END OF ACTIVITY

BIG ROOM OPEN TO PUBLIC(Tentative)

GRAND OPENING SCENARIO 1 assumes that cave development can continue during the less sensitive months of bat activity.

GRAND OPENING SCENARIO 2 assumes that cave development cannot continue during the less sensitive months of bat activity, as indicated on the above chart.