

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
RUSSELL W. "RUSTY" BOWERS
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

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HOUSE OF
REPRESENTATIVES

LAURA KNAPEREK
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RUSSELL K. PEARCE
CHRISTINE WEASON

MEETING NOTICE

DATE: Thursday, June 28, 2001

TIME: 10:00 a.m.

PLACE: SENATE APPROPRIATIONS ROOM 109

TENTATIVE AGENDA

- Call to Order
- [Approval of Minutes of April 24, 2001.](#)
- DIRECTOR'S REPORT (if necessary)
- 1. ARIZONA DEPARTMENT OF TRANSPORTATION –
 - A. [Review of FY 2002 Construction Budget Operating Expenditure Plan.](#)
 - B. [Consider Approval of Transfer of Monies and Review of Scope, Purpose, and Estimated Cost of Cottonwood Motor Vehicle Division Service Center Project.](#)
 - C. [Consider Approval of Transfer of Monies and Review of Scope, Purpose, and Estimated Cost of Glendale Motor Vehicle Division Service Center Project.](#)
- 2. [ARIZONA DEPARTMENT OF TRANSPORTATION/DEPARTMENT OF PUBLIC SAFETY – Review of Scope, Purpose, and Estimated Cost of Regional Transportation Center at Pioneer Park in Prescott.](#)
- 3. ARIZONA DEPARTMENT OF ADMINISTRATION –
 - A. [Review of FY 2002 Building Renewal Allocation Plan.](#)
 - B. [Review of Expenditure Plan for Arizona Department of Corrections Safety Improvements.](#)
- 4. [ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY-EAST/ARIZONA STATE UNIVERSITY-WEST – Review of Education 2000 Lease-Purchase Projects.](#)
- 5. [ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY – Review of Revised Multi-Year Bonding Plan for Arizona State University.](#)

(Continued)

6. ARIZONA DEPARTMENT OF ADMINISTRATION/ARIZONA STATE LIBRARY,
ARCHIVES AND PUBLIC RECORDS – Advice on Plan to Finance Preliminary Activities for
New State Archives Building.
7. ARIZONA STATE PARKS – Report on Kartchner Caverns State Park.

The Chairman reserves the right to set the order of the agenda.
6/21/01

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

Tuesday, April 24, 2001

The Chairman called the meeting to order at 8:40 a.m. Tuesday, April 24, 2001 in Senate Appropriations Room 109 and attendance was noted.

Members:	Senator Solomon, Chairman Senator Cirillo Senator Guenther Senator Hamilton Senator Mitchell	Representative Knaperek, Vice Chairman Representative Lopez Representative Pearce Representative Weason
Absent:	Senator Bowers Senator Brown	Representative Allen Representative Chevront Representative Gray
Staff:	Richard Stavneak Lorenzo Martinez Bob Hull	Jan Belisle, Secretary Gina Guarascio
Others:	Debbie Johnston, Senate Bruce Ringwald, ADOA John Sempert, ADOA Jack Silver, ASH Jim Bush, Mental Health Task Force Tim Rommel, Cannon, Dworsky Design Group	Bob Melore, ADOT Bob Harris, ADOT Russ Pankey, Grand Canyon Airport, ADOT Christine Sato, OSPB Walter Scott, ASH Michael Haaky, DWL Architects

Senator Solomon moved the Committee approve the minutes of February 9, 2001 as presented. The motion carried.

Arizona Department of Transportation (ADOT) - Review of FY 2001 Building Renewal Allocation Plan for the State Aviation Fund.

Bob Hull, JLBC Staff presented the Arizona Department of Transportation FY 2001 Building Renewal allocation plan for the State Aviation Fund. The plan includes 3 projects. ADOT is currently working on leasing the Grand Canyon Airport to a nonprofit corporation as authorized in statute.

Representative Knaperek moved that the Committee give a favorable review to the FY 2001 Building Renewal allocation plan for the State Aviation Fund. The motion carried.

(Continued)

Department of Health Services (DHS)/Arizona Department of Administration (ADOA) - Report on the Arizona State Hospital Construction Project.

Gina Guarascio, JLBC Staff reviewed the quarterly status report on the Arizona State Hospital project. ADOA and DHS report that there is continued progress on construction of two dormitories for the Sexually Violent Persons (SVP) population. ADOA is continuing renovation of the Birch Hall for use by Least Restrictive Alternative (LRA) population. ADOA anticipates the renovation of Birch Hall to be completed in May of 2001.

In answer to Senator Cirillo, Ms. Guarascio stated that ADOA has indicated that the \$80,000,000 appropriated for the project will be sufficient.

Ms. Guarascio also mentioned that there are funds in the \$80,000,000 appropriation to provide construction of one additional SVP unit. That unit was scheduled to begin in September 2001 after completion of the two SVP dormitories currently under construction. The Governor's Office has requested that the third dormitory be put on "hold" until the Supreme court has ruled on the legality of continuing the SVP program. A hearing date has not been set.

In answer to Chairman Solomon, Ms. Guarascio stated there are approximately 140 SVP's and there is not a housing problem at this time.

No Committee action was required.

Review of Schematic Designs and Master Plan for Arizona State Hospital Construction Project.

Gina Guarascio, JLBC Staff gave a brief review of the schematic designs and master plan for the Arizona State Hospital construction project.

Jack Silver, Arizona State Hospital stated that Arizona will have one of the best designed and built hospitals in the country. The design presented enhances the rehabilitation of the patients.

Michael Haaky, DWL Architects presented the Master Plan for the Arizona State Hospital. The campus is divided into four quadrants: the NE quadrant is for Forensic facility; the SE quadrant contains the existing Department of Corrections facilities; the SW quadrant contains the Arizona Protection Treatment Center and the Least Restrictive Alternative unit; and the NW quadrant will contain the Civil and Adolescent hospital facilities.

Tim Rommel, Cannon, Dworsky Design Group proceeded to explain in detail the design plans. The new facilities are designed to provide a rehabilitative environment. This will help to move the patients on to the highest level of functionality. There will be specialty services such as a barber and beauty shop, bank area, cafe, etc..

In answer to Senator Guenther, Mr. Rommel stated that the civil wing will house about 200 people.

Discussion was held regarding the expansion of the facility, landscaping, etc.

In answer to Representative Knaperek, Walter Scott, Arizona State Hospital stated there will not be access between the day care area and the rest of the facility. There are several closed circuit television locations throughout the facility. One is located at the entrance of the day care facility and would be controlled and monitored by the central monitoring area.

In reply to Representative Lopez, Mr. Scott indicated that there is a very high level of security fencing around the facility. There is a higher level of security around the adolescent program. There are approximately 16 adolescents and there will be 20 beds built in the new adolescent facility.

(Continued)

In answer to Representative Pearce, Mr. Scott said that the average office space per employee is 100-120 square feet.

Mr. Rommel stated the size of a patient private room is 120 net square feet and the semi-private are 200 net square feet. The standards for the size of the room come from federal guidelines for licensure.

Representative Pearce expressed concern regarding the facility.

Representative Weason encouraged members that have not visited the hospital to do so.

In response to Representative Knaperek, Mr. Rommel stated the size of the rooms is 4-bed dorms with a square footage of approximately 400 square feet.

Mr. James Bush, Chairman, Mental Health Task Force, gave testimony on the great need for a new Arizona State Hospital campus. Mr. Bush also expressed his opposition to having DOC facilities located on the campus.

In answer to Representative Knaperek, Mr. Rommel stated the outside of the building will be made of stucco and natural stone.

In answer to Senator Hamilton, Mr. Rommel said the building should last approximately 50 years.

Representative Knaperek moved the Committee give a favorable review of the Master Plan for the Arizona State Hospital Construction Project. The motion carried.

The meeting adjourned at 9:40 a.m.

Jan Belisle, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Senator Ruth Solomon, Chairman

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DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - REVIEW OF FY 2002
CONSTRUCTION BUDGET OPERATING EXPENDITURE PLAN

Request

In compliance with a Capital Outlay Bill footnote, the Arizona Department of Transportation (ADOT) requests that the Committee review its FY 2002 highway construction budget operating expenditure plan.

Recommendation

The JLBC Staff recommends a favorable review of ADOT's highway construction budget operating expenditure plan for FY 2002. The JLBC Staff further recommends that the Committee adopt the performance measures in this memo, and require that ADOT report on these performance measures as part of next year's Committee review of the highway construction budget operating expenditure plan for FY 2003. ADOT has submitted a construction budget operating expenditure plan totaling \$149,195,200 in FY 2002.

Analysis

ADOT expends large sums of monies within its capital budget for operating-type purposes related to capital construction. These expenditures are less visible than the operating budget, which in the past has allowed the department to shift some operating budget reductions to the operating portion of the construction budget. To improve its oversight of these operating expenditures in the capital budget, the Legislature imposed an FTE Position ceiling on capital funded personnel for the first time in FY 1997.

The Capital Outlay Bill (Laws 2001, Chapter 237) appropriated \$277,963,000 from the State Highway Fund to ADOT for highway construction in FY 2002. Allowable uses of the appropriation include the planning and construction of state highways, the acquisition of rights-of-way, the cost of field administration and field engineering on construction projects, and the payment of debt-service on bonds issued for highway construction. The act also specified that any balances and collections in the State Highway Fund in excess of the amounts otherwise appropriated to the department are available for highway construction.

(Continued)

The Capital Outlay Bill allows the department to utilize up to \$30,082,900 in Personal Services and Employee Related Expenditures, as adjusted for classification maintenance reviews, for up to 619 FTE Positions in FY 2002 for field administration and field engineering on construction projects. Prior to the expenditure of any highway construction monies for operating budget expenses, the act requires ADOT to submit related information to the JCCR for review. The department initially submitted their information on June 1, 2001, with subsequent updates to some of their data.

ADOT's submittal indicates a planned FY 2002 operating budget within capital construction of \$149,195,200, based on its tentative 5-Year Highway Construction Program. Although FTE Positions are initially funded from the State Highway Fund, Other Funds are subsequently billed for portions of certain projects. The primary component of the budget is \$99,500,000 in consultant services (otherwise known as Professional and Outside Services). The following table details ADOT's estimated operating expenditures:

Construction Budget Operating Expenditure Plan

Category	Expenditures			FY 02 Increase /(Decrease)
	FY 2000 Actual	FY 2001 Plan	FY 2002 Plan	
FTE Positions - Authorized	665	665	619	(46)
Personal Services	\$ 22,445,400	\$23,818,400	\$24,673,000	\$ 854,600
Employee Related Expenditures	4,799,400	5,239,300	5,409,900	170,600
Professional and Outside Services	100,388,500	105,188,600	99,471,800	(5,716,800)
Travel In-State	860,500	630,000	830,600	200,600
Travel Out of State	121,300	128,800	146,300	17,500
Other Operating Expenditures	13,801,600	11,893,300	15,258,700	3,365,400
Equipment	<u>5,632,300</u>	<u>3,535,400</u>	<u>3,404,900</u>	<u>(130,500)</u>
Total	\$148,049,000	\$150,433,800 ^{1/}	\$149,195,200 ^{1/}	\$(1,238,600)

^{1/} Includes total classification maintenance review adjustments of \$28,900 in FY 2001 and \$57,800 in FY 2002 to Personal Services and Employee Related Expenditures.

Performance Measures

At the June 22, 2000 meeting of the Joint Committee on Capital Review JLBC Staff noted the need to improve performance measures for evaluating the level of expenditures for consulting services in the ADOT construction operating budget. Since then, JLBC Staff has spoken with the National Conference of State Legislatures, researched other states performance measures, and worked with ADOT to develop performance measures. Some states have highway construction performance measures related to their accomplishments, such as the number of projects contracted or completed, the number of miles begun or completed, the dollar volume of construction contracts, the percent of projects completed, and the design costs as a percent of project values. These performance measures are best for reporting results. They are not very useful for predicting or evaluating future needs for consultant services, due to the multi-year nature of highway construction projects from their design stage to their completion. However, if the level of highway construction is projected to remain relatively constant, one might expect the use of consultant services to also remain at a relatively constant level.

Against this background, ADOT suggested the performance measures in the following table in a May 21, 2001 letter, to which JLBC Staff has added 2 additional proposed measures. All of the proposed performance measures serve more as indicators of the level and consistency of ADOT's use of consultant services, than as useful tools for predicting ADOT's future needs for consultant services. Field administration of construction projects in these performance measures refers to functions, such as project supervision, quality control, and related services, involved in the oversight of construction projects in the field whether performed by consultants or by ADOT staff.

(Continued)

PERFORMANCE MEASURES	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002 Estimate
• Design Expenditures as % of Total Construction Operating Budget *	NA/56	59	54
• Professional and Outside Services \$ for Design Work by Consultants (\$ in millions)	NA/81.7	85.4	79
• Projects Designed by Consultants	NA/1,507	1,817	1,561
• Personal Services \$ for Design Work by ADOT Staff (\$ in millions)	NA/1.1	2.2	1.8
• Projects Designed by ADOT Staff	NA/557	653	537
• Field Administration of Projects as % of Total Construction Operating Budget *	NA/24	24	26
• Professional and Outside Services \$ for Field Administration of Projects by Consultants (\$ in millions)	NA/18.6	19.8	20.5
• Projects Administered by Consultants	NA/313	404	355
• Personal Services \$ for Field Administration of Projects by ADOT Staff (\$ in millions)	NA/17.4	16.1	17.8
• Projects Administered by ADOT Staff	NA/541	565	495

* The JLBC Staff recommends the new performance measures “Design Expenditures as % of Total Construction Operating Budget” and “Field Administration of Projects as % of Total Construction Operating Budget”.

Analysis of Budget Plan

ADOT’s Expenditure Plan includes a decrease of (46) vacant FTE Positions in FY 2002 below FY 2001 due to pay raises associated with year one of ADOT’s alternative pay plan for their engineering and technical positions. ADOT instituted an optional alternative pay plan for engineers and technical positions effective January 1, 2000 to improve ADOT’s salary competitiveness among other private and public employers. The plan was optional for current employees, provided for up to a 10% salary increase in the first year, and required accepting employees to go to non-covered status. New engineering and technical employees are hired under the alternative pay plan. No monies were appropriated to ADOT for this program. In order to pay for the increase in Personal Services for the first year’s 10% Personal Services increase, ADOT eliminated a total of (95) vacant FTE Positions, including eliminating (46) vacant FTE Positions from their operating capital budget, and eliminating (49) vacant FTE Positions from their operating budget.

ADOT’s Expenditure Plan includes a FY 2002 increase of \$937,900 above FY 2001 for pay raises associated with year two of ADOT’s alternative engineering pay plan. The engineering pay plan includes up to 5% salary increases in each of years two and three for employees who meet certain performance evaluation and continuing education criteria. The decrease of (46) vacant FTE Positions and the increase of \$1,025,200 for Personal Services and Employee Related Expenditures in FY 2002 above FY 2001 reflects the changes in the appropriated ceilings in the Capital Outlay Bill, as adjusted for classification maintenance reviews.

The biggest changes are as follows:

- 1) A decrease in Professional and Outside Services of \$(5,716,800) for FY 2002 below FY 2001, due to decreases of \$(3.5) million for field administration of construction projects by consultants and \$(2.9) million for other consultant services, and a \$1.2 million increase in consultant design work.
- 2) An increase in Other Operating Expenditures of \$3,365,400 for FY 2002 above FY 2001 due to an increase of \$3 million for Arizona Department of Administration (ADOA) Risk Management capital

(Continued)

construction insurance fees. The capital construction insurance rate had been 0.6% of total project costs for each capital project in FY 2000. Then the rate decreased to 0% in FY 2001, since the Construction Insurance Fund had sufficient monies on hand for FY 2001. At its June 22, 2000 meeting, the Committee gave a favorable review to ADOA setting the FY 2001 Risk Management capital construction insurance rate at 0%. The Committee also requested that ADOA report back to the Committee if a change in the rate is needed for FY 2002. ADOT based their \$3 million capital construction insurance cost for FY 2002 on an assumed resumption of the 0.6% insurance rate. From informal discussions with ADOA Risk Management, we understand that the current 0% capital construction insurance rate is likely to be continued through FY 2002. If that scenario occurs, or if ADOA sets a rate lower than 0.6% for all or for part of FY 2002, then ADOT would not need to expend all of their projected \$3 million increase for capital construction insurance in FY 2002.

The JLBC Staff recommends a favorable review of ADOT's highway construction budget operating expenditure plan for FY 2002. The JLBC Staff further recommends that the Committee adopt the performance measures in this memo, and require that ADOT report on these performance measures as part of next year's Committee review of ADOT's highway construction budget operating expenditure plan for FY 2003.

RS/BH:jb



Arizona Department of Transportation

206 S. 17th Ave. Phoenix, Arizona 85007-3213
Phone 602.712.7226

Jane Dee Hull
Governor

Mary E. Peters
Director

Victor M. Mendez
Deputy Director

May 31, 2001

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



Dear Richard,

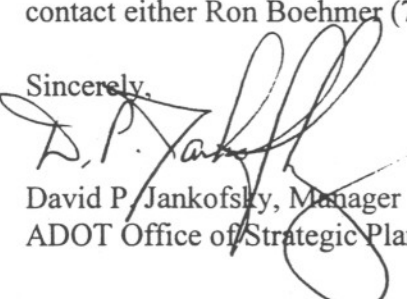
Enclosed herewith are the schedules outlining the Arizona Department of Transportation's Construction Operating Budget Expenditure Plan for the Fiscal Year 2002.

As you know, the Construction Expenditure Plan will, in some measure, be determined by the Department's FY 2002 Five Year Highway Construction Program which is scheduled for adoption by the Agency's Transportation Board on June 15, 2001. In addition, although we do not foresee any significant deviations from this spending plan, construction modifications do occur and may have an influence on the overall Expenditure Plan throughout FY 2002.

You will notice that this package includes performance measurements for the Professional and Outside Services (P&O) portion of the Expenditure Plan.

We look forward to the opportunity to review this Plan with your staff and provide any additional information that may be required. Should you need additional information, please do not hesitate to contact either Ron Boehmer (712-4948) or me (712-8981).

Sincerely,


David P. Jankofsky, Manager
ADOT Office of Strategic Planning and Budgeting

cc: Bob Hull, JLBC
Marcel Benberou, OSPB
John Bogert, ADOT
Dick Wright, ADOT
Ron Boehmer, ADOT

AGENCY NAME & AFIS CODE:

DEPARTMENT OF TRANSPORTATION DTA

COST CENTER/PROGRAM NAME:

CONSTRUCTION - OPERATING

SCHEDULE 3A - FY 2002
COST CENTER/PROGRAM SUMMARY OF EXPENDITURES

AFIS OBJ CODE	CATEGORY	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE ADJUSTMENTS	(D) FY 2002 BASE BUDGET (B) + (C)	(E) MANDATED & DEMOGRAPHIC ISSUES	(F) BASE MODIFICATIONS (Net to \$0)	(G) FY 2002 (D) + (E) + (F)
	EXPENDITURE DETAIL:							
0000	FTE POSITIONS	619.0	619.0		619.0			619.0
6000	PERSONAL SERVICES	22,445.4	23,793.0	905.4	24,698.4			24,698.4
6100	EMPLOYEE-RELATED EXPENDITURES	4,799.4	5,235.8	177.6	5,413.4			5,413.4
6200	PROFESSIONAL & OUTSIDE SERVICES	100,388.5	100,221.0	(2,706.6)	97,514.4			97,514.4
6500	TRAVEL IN-STATE	860.5	1,001.6	(171.0)	830.6			830.6
6600	TRAVEL OUT-OF-STATE	121.3	128.8	17.5	146.3			146.3
6800	AID TO ORGANIZATIONS							
7000	OTHER OPERATING EXPENDITURES	13,801.6	18,483.3	(3,224.6)	15,258.7			15,258.7
8400	EQUIPMENT - CAPITAL	4,864.8	1,309.9	1,566.6	2,876.5			2,876.5
8500	EQUIPMENT - NON-CAPITAL	767.5	130.0	356.9	486.9			486.9
	SUBTOTAL	148,049.0	150,303.4	(3,078.2)	147,225.2			147,225.2
	BELOW-THE-LINE ITEMS (List Below)							
	TOTAL BELOW-THE-LINE							
	TOTAL PROGRAM EXPENDITURES	148,049.0	150,303.4	(3,078.2)	147,225.2			147,225.2
	FUNDING SOURCES:							
1000	GENERAL FUND							
	OTHER APPROPRIATED FUNDS	148,049.0	150,303.4	(3,078.2)	147,225.2			147,225.2
	SUBTOTAL APPROPRIATED FUNDS	148,049.0	150,303.4	(3,078.2)	147,225.2			147,225.2
	TOTAL FUNDS	148,049.0	150,303.4	(3,078.2)	147,225.2			147,225.2

05/31/2001

SCHEDULE 3A-00

AGENCY NAME & AFIS CODE:
 COST CENTER/PROGRAM NAME:
 FUND NAME & AFIS NUMBER:

DEPARTMENT OF TRANSPORTATION DTA
 CONSTRUCTION - OPERATING
 STATE HIGHWAY FUND 2030

SCHEDULE 5
 SUMMARY OF POSITIONS, PERSONAL SERVICES & EMPLOYEE-RELATED EXPENDITURES

AFIS COMP SRC CLS	DESCRIPTION	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE ADJUSTMENTS	(D) FY 2002 BASE BUDGET (B) + (C)	(E) FY 2003 BASE ADJUSTMENTS	(F) FY 2003 BASE BUDGET (D) + (E)
	FULL TIME EQUIVALENT POSITIONS						
	Regular Positions (incl. Elected Officials)	619.0	619.0		619.0		
	TOTAL - (to SCH. 3B)	619.0	619.0		619.0		
	NUMBER OF PERSONS ELIGIBLE/REQUESTED						
	Uniform Allowance						
	PERSONAL SERVICES						
	Regular Positions (incl. Elected Officials)	19,878.9	22,203.2	1,572.8	23,776.0		
	Temporary Employees	386.6					
	Overtime Worked	2,171.9	1,589.8	(667.4)	922.4		
	On-Call	7.7					
	TOTAL - (to SCH. 3B)	22,445.1	23,793.0	905.4	24,698.4		
	EMPLOYEE-RELATED EXPENDITURES						
	ERE Rate				0.2192		
	Regular ERE	4,799.2	5,235.8	177.6	5,413.4		
	Uniform Allowance	0.2					
	TOTAL - (to SCH. 3B)	4,799.4	5,235.8	177.6	5,413.4		

#####

SCHEDULE 5

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING
 FUND NAME & AFIS NUMBER: STATE HIGHWAY FUND 2030

SCHEDULE 5D
 REGULAR & ELECTED POSITIONS DETAIL WORKSHEET

Pg 1 of 3

REGULAR POSITION CLASSIFICATION TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES (as of 6/1/00)	COMBINED REGULAR & ELECTED POSITIONS AT/ABOVE FICA MAXIMUM of \$80,400	
DT District Engineer	T5	1.0	81.0	FTE	PERSONAL SERVICES (as of 6/1/00)
DT Asst State Engineer	T5	1.0	83.0	ELECTED POSITIONS	
DT Transportation Manager	T4	4.0	269.1	REGULAR POSITIONS	
DT Transportation Engr II	T3	25.0	1,549.6	TOTAL ALL POSITIONS	
DT Transportation Engr I	T2	43.0	2,287.3	EMPLOYEE RETIREMENT COVERAGE	
DT Engineering Chief Surv	T2	1.0	58.6	FTE	PERSONAL SERVICES
Traf Sig/Lit Ops Ut Mgr I	S9	1.0	40.6	STATE RETIREMENT SYSTEM	
Tr Engineering Specialist	S9	100.0	4,048.0	OTHER RETIREMENT SYSTEM (Specify)	
Tr Roadside Dvmt T/L	S9	1.0	37.6	TOTAL ALL POSITIONS	
Tr Traffic Studies Analyst	S7	1.0	31.7	FY 2001 AND FY 2002 TOTAL REGULAR POSITION REQUIREMENTS	
Trffic Sig/Lit Crew Spv	S7	2.0	85.9	FTE	PERSONAL SERVICES
Tr Quality Control Spct	S7	101.0	3,497.5	REGULAR POSITIONS FY 2000 (EXP PLAN)	
Tr Engrg ADMV Rcds T/L	S7	3.0	121.4	(+) FY 2001 Annualization for April 1, 2001 Pay Package	
Tr Const Tech IV	S7	40.0	1,482.5	(+) FY 2001 Other Salary Requirements (incl. Elected Officials Salary)*	
Tr Engineering Tech III	S7	2.0	78.4	(=) FY 2001 Total Regular Position Funding (to SCH. 5 Column D)	
Tr Engineering Survey Sr Tech	S7	7.0	269.7	(+) FY 2002 Other Salary Requirements (incl. Elected Officials Salary)	
Tr Engineering Permits Tech III	S7	9.0	348.0	(=) FY 2002 Total Regular Position Funding (to SCH. 5 Column F)	
Tr Const Operations Tech II	S7	4.0	165.5	* A BUDGET JUSTIFICATION form is required for any funding requested in this category.	
Tr Construction Tech III	S6	105.0	3,229.9		
Tr Materials Lab Tech	S6	1.0	29.8		
Tr Const Operations Tech I	S6	9.0	287.9		
TOTAL THIS PAGE		461.0	18,083.1		
PRIOR PAGES					
TOTAL ALL PAGES		461.0	18,083.1		
EMPLOYEE HEALTH, DENTAL & LIFE		TOTAL FTE	PERSONAL SERVICES		
FTEs NOT ELIG FOR HEALTH, DENTAL, & LIFE					
ELECTED OFFICIAL TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES		
TOTAL ELECTED OFFICIALS (to SCH. 5)					

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING
 FUND NAME & AFIS NUMBER: STATE HIGHWAY FUND 2030

SCHEDULE 5D
 REGULAR & ELECTED POSITIONS DETAIL WORKSHEET

Pg 2 of 3

REGULAR POSITION CLASSIFICATION TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES (as of 6/1/00)	COMBINED REGULAR & ELECTED POSITIONS AT/ABOVE FICA MAXIMUM of \$80,400.	
Traf Sig/Lit Tech II	S6	15.0	512.4	FTE	PERSONAL SERVICES (as of 6/1/00)
Tr Construction Tech II	S5	70.0	1,808.8		
Tr Engineering Permits Tech II	S5	9.0	274.6	ELECTED POSITIONS	
Tr Engineering Survey Tech	S5	3.0	99.4	REGULAR POSITIONS	
Tr Construction Tech I	S4	4.0	95.8	TOTAL ALL POSITIONS	
Tr Engineering Tech I	S4	6.0	163.7		
Spcl Asst and Ombudsman	25	1.0	73.0	EMPLOYEE RETIREMENT COVERAGE	
DT Partnering Administrator	24	1.0	68.2		
Spcl Asst for Stwd Highway	24	1.0	75.1	FTE	PERSONAL SERVICES
Planning Prg Mgr I	23	1.0	46.1	STATE RETIREMENT SYSTEM	
Prpty Appraiser IV	22	2.0	113.7	OTHER RETIREMENT SYSTEM (Specify)	
Admv Services Officer II	21	2.0	102.7	TOTAL ALL POSITIONS	
Prg Compliance Audr III	20	4.0	187.3	FY 2002 AND FY 2003 TOTAL REGULAR POSITION REQUIREMENTS	
Emer Response Specialist	20	1.0	44.6		
Landscape Architect	20	2.0	81.3	FTE	PERSONAL SERVICES
Right-of-Way Agent III	20	1.0	40.6	REGULAR POSITIONS FY 2000 (EXP PLAN)	
Real Prpty Appraiser III	20	1.0	42.0	(+) FY 2001 Annualization for April 1, 2001 Pay Package	
Pub Information Officer II	20	1.0	39.3	(+) FY 2001 Other Salary Requirements (incl. Elected Officials Salary)*	
Equal Oprty Spt III	19	1.0	46.2	(=) FY 2001 Total Regular Position Funding (to SCH. 5 Column D)	
Prg Proj Specialist II	19	1.0	34.6	(+) FY 2002 Other Salary Requirements (incl. Elected Officials Salary)	
Admv Services Officer I	19	1.0	34.7	(=) FY 2002 Total Regular Position Funding (to SCH. 5 Column F)	
TOTAL THIS PAGE		128.0	3,984.3	* A BUDGET JUSTIFICATION form is required for any funding requested in this category.	
PRIOR PAGES		461.0	18,083.1		
TOTAL ALL PAGES		589.0	22,067.3		
EMPLOYEE HEALTH, DENTAL & LIFE		TOTAL FTE	PERSONAL SERVICES		
FTEs NOT ELIG FOR HEALTH, DENTAL, & LIFE					
ELECTED OFFICIAL TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES		
TOTAL ELECTED OFFICIALS (to SCH. 5)					

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING
 FUND NAME & AFIS NUMBER: STATE HIGHWAY FUND 2030

SCHEDULE 5D
 REGULAR & ELECTED POSITIONS DETAIL WORKSHEET

Pg 3 of 3

REGULAR POSITION CLASSIFICATION TITLE	GRADE	TOTAL FTE	PERSONAL SERVICES (as of 6/1/00)	COMBINED REGULAR & ELECTED POSITIONS AT/ABOVE FICA MAXIMUM of \$80,400.	
Training Officer I	19	3.0	99.3	FTE	PERSONAL SERVICES (as of 6/1/01)
Planner II	19	2.0	80.0	ELECTED POSITIONS	
Occupational Safety Cons II	19	1.0	37.7	REGULAR POSITIONS	2.0 164.0
Prg Compliance Audr II	19	2.0	71.8	TOTAL ALL POSITIONS	2.0 164.0
Engineering Plans Tech III	18	1.0	30.0	EMPLOYEE RETIREMENT COVERAGE	
Equal Oprty Spct II	18	2.0	58.6	FTE	PERSONAL SERVICES
Admv Assistant III	17	2.0	66.1	STATE RETIREMENT SYSTEM	
Training Specialist	16	8.0	211.8	OTHER RETIREMENT SYSTEM (Specify)	
Engineering Permits Tech II	16	1.0	27.1	TOTAL ALL POSITIONS	
Admv Assistant II	15	2.0	56.9	FY 2002 AND FY 2003 TOTAL REGULAR POSITION REQUIREMENTS	
Admv Assistant I	13	1.0	26.6	FTE	PERSONAL SERVICES
Admv Secretary II	13	1.0	22.1	REGULAR POSITIONS FY 2001 (EXP PLAN)	619.0 22,946.8
Admv Secretary I	12	2.0	41.5	(+) FY 2002 Alternative Pay Plan FY 02	829.2
Clerk Typist II	9	1.0	16.8	(+) FY 2002 Other Salary Requirements (incl. Elected Officials Salary)*	
Information Tech Spct 3	C3	1.0	33.0	(=) FY 2002 Total Regular Position Funding (to SCH. 5 Column D)	619.0 23,776.0
TOTAL THIS PAGE		30.0	879.4		
PRIOR PAGES		589.0	22,067.4		
TOTAL ALL PAGES		619.0	22,946.8		
EMPLOYEE HEALTH, DENTAL & LIFE		TOTAL FTE	PERSONAL SERVICES		
FTEs NOT ELIG FOR HEALTH, DENTAL, & LIFE					
ELECTED OFFICIAL TITLE		GRADE	TOTAL FTE	PERSONAL SERVICES	
TOTAL ELECTED OFFICIALS (to SCH. 5)					

* A BUDGET JUSTIFICATION form is required for any funding requested in this category.

AGENCY NAME & AFIS CODE:DEPARTMENT OF TRANSPORTATION DTA

COST CENTER/PROGRAM NA CONSTRUCTION - OPERATING

SCHEDULE 5
BUDGET JUSTIFICATION

Personal Services and ERE

	<u>FY 2001</u> <u>Appropriation</u>	<u>ERE</u> <u>Adjustment</u>	<u>Alternative</u> <u>Pay Plan</u>	<u>HB 2632</u>	<u>1/1/01 SMA</u> <u>FY 2001</u>	<u>1/1/01 SMA</u> <u>FY 2002</u>	<u>FY 2002</u> <u>Appropriation</u>
PS	23,793.0		829.2	24,622.2	25.4	50.8	24,698.4
ERE	<u>5,235.8</u>	<u>58.4</u>	<u>108.7</u>	<u>5,402.9</u>	<u>3.5</u>	<u>7.0</u>	<u>5,413.4</u>
TOTAL	29,028.8	58.4	937.9	30,025.1	28.9	57.8	30,111.8

Schedule 5D Position Detail Worksheet (effective May 18, 2001)	22,946.8
Alternative Pay Plan	<u>829.2</u>
Total	23,776.0
Overtime	<u>922.4</u>
	24,698.4
ERE @ 21.92%	<u>5,413.4</u>
	30,111.8

AGENCY NAME & AFIS CODE:

DEPARTMENT OF TRANSPORTATION DTA

COST CENTER/PROGRAM NAME:

CONSTRUCTION - OPERATING

FUND NAME & AFIS NUMBER:

STATE HIGHWAY FUND 2030

SCHEDULE 7
PROFESSIONAL AND OUTSIDE SERVICES

AFIS COMP SRC CLS	EXPENDITURE CATEGORY	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE ADJUSTMENTS	(D) FY 2002 BASE BUDGET (B) + (C)	(E) FY 2003 BASE ADJUSTMENTS	(F) FY 2003 BASE BUDGET (D) + (E)
6219	Other External Financial Services	225.3	188.5	31.6	220.1		
6222	External Legal Services	230.9	255.4	146.3	401.7		
6231	Preliminary Engineering	54,044.1	54,512.0	(2,920.7)	51,591.3		
6232	Construction Engineering	17,434.4	17,586.0	(2,320.7)	15,265.3		
6239	Other Design	7,103.1	7,165.0	1,073.4	8,238.4		
6240	Temp Agency Services	506.4	513.4	(39.0)	474.4		
6310	Medical and Hospital Services	1.4	0.7		0.7		
6470	Other Professional and Outside Services	20,842.9	20,000.0	1,322.5	21,322.5		
	TOTAL Professional and Outside (to SCH. 3B)	100,388.5	100,221.0	(2,706.6)	97,514.4		

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION OPERATING

SCHEDULE 7
 BUDGET JUSTIFICATION

The passage of Federal Transportation Efficiency Acts, coupled with additional sources of funding available to the Department from innovative financing programs (Arizona State Infrastructure Bank, Board Funding Obligations, Grant Anticipation Notes), the level of construction activity has increased to the point where significant consultant resources are required. Indicated below are performance measurements which display the level of in-house vs. consultant resources applied to the most recent 3 years construction program.

	Construction				Design				Total			
FY 00 Actual	\$ Amount		Number		\$ Amount		Number		\$ Amount		Number	
	Charged	%	of Projects	%	Charged	%	of Projects	%	Charged	%	of Projects	%
Consultants	18,643.8	51.7%	313	36.7%	81,744.7	98.6%	1,507	73.0%	100,388.5	84.4%	1,820	62.4%
ADOT Staff	17,437.7	48.3%	541	63.3%	1,143.9	1.4%	557	27.0%	18,581.6	15.6%	1,098	37.6%
Total	36,081.5	100.0%	854	100.0%	82,888.6	100.0%	2,064	100.0%	118,970.1	100.0%	2,918	100.0%
FY 01 Estimates	\$ Amount		Number		\$ Amount		Number		\$ Amount		Number	
	Charged	%	of Projects	%	Charged	%	of Projects	%	Charged	%	of Projects	%
Consultants	19,771.6	55.1%	404	41.7%	85,417.0	97.5%	1,817	73.6%	105,188.6	85.2%	2,221	64.6%
ADOT Staff	16,123.4	44.9%	565	58.3%	2,154.4	2.5%	653	26.4%	18,277.8	14.8%	1,218	35.4%
Total	35,895.0	100.0%	969	100.0%	87,571.4	100.0%	2,470	100.0%	123,466.4	100.0%	3,439	100.0%
FY 02 Estimates	\$ Amount		Number		\$ Amount		Number		\$ Amount		Number	
	Charged	%	of Projects	%	Charged	%	of Projects	%	Charged	%	of Projects	%
Consultants	20,470.3	53.5%	355	41.8%	77,044.1	97.8%	1,561	74.4%	97,514.4	83.3%	1,916	65.0%
ADOT Staff	17,763.2	46.5%	495	58.2%	1,757.7	2.2%	537	25.6%	19,520.9	16.7%	1,032	35.0%
Total	38,233.5	100.0%	850	100.0%	78,801.8	100.0%	2,098	100.0%	117,035.3	100.0%	2,948	100.0%

- Note: (1) Personal Services will not agree with amounts appearing in Schedule 5 due to construction support organizations where payroll costs cannot be applied to specific projects
 (2) Design work done in Development and Administration by ADOT Staff is not reflected above.
 (3) FY 02 estimates based on the Tentative 5 Year Construction Program projected cash flow.

AGENCY NAME & AFIS CODE:
COST CENTER/PROGRAM NAME:

DEPARTMENT OF TRANSPORTATION DTA
CONSTRUCTION - OPERATING

SCHEDULE 7
BUDGET JUSTIFICATION

Construction P&O and Personal Services/ERE as a Percentage of Construction Operating Budget

	P&O Construction Operating Budget (a)	Total Construction Operating Budget (a)	Percentage	PS/ERE Construction Operating Budget (a)	Total Construction Operating Budget (a)	Percentage
FY 96	\$52,610.9	\$83,427.3	63%	\$18,973.7	\$83,427.3	23%
FY 97	\$48,796.9	\$80,575.7	61%	\$19,587.7	\$80,575.7	24%
FY 98	\$70,093.6	\$109,900.1	64%	\$21,628.3	\$109,900.1	20%
FY 99	\$80,696.0	\$119,806.9	67%	\$23,589.8	\$119,806.9	20%
FY 00	\$100,388.5	\$148,049.0	68%	\$27,244.8	\$148,049.0	18%
FY 01	\$105,188.6	\$148,832.4	71%	\$26,913.1	\$148,832.4	18%
FY 02	\$97,514.4	\$147,225.2	66%	\$27,111.8	\$147,225.2	18%

(a) FY 97 through FY 00 represent actual expenditures.

(b) FY 01 figures are projections based on April, 2001 year-to-date actual expenditures

(c) FY 02 Personal Services reflects estimated \$3,000.0 expenditure transfer applied to Regional Area Road Fund.

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING
 FUND NAME & AFIS NUMBER: STATE HIGHWAY FUND 2030

SCHEDULE 8
 TRAVEL AND FOOD

AFIS OBJECT	EXPENDITURE CATEGORIES	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE ADJUSTMENTS	(D) FY 2002 BASE BUDGET (B) + (C)	(E) FY 2003 BASE ADJUSTMENTS	(F) FY 2003 BASE BUDGET (D) + (E)
6500	Travel - In-State (to SCH. 3B)	750.8	872.8	(42.2)	830.6		
6600	Travel - Out-of-State (to SCH. 3B)	109.7	128.8	17.5	146.3		
6700	Food (to SCH. 3B)						
6800	Aid To Organizations (to SCH.3B)						
	TOTAL	860.5	1,001.6	(24.7)	976.9		

AGENCY NAME & AFIS CODE:

DEPARTMENT OF TRANSPORTATION DTA

COST CENTER/PROGRAM NAME:

CONSTRUCTION - OPERATING

FUND NAME & AFIS NUMBER:

STATE HIGHWAY FUND 2030

SCHEDULE 9
OTHER OPERATING EXPENDITURES

AFIS COMP SRC CLS	EXPENDITURE CATEGORY	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE ADJUSTMENTS	(D) FY 2002 BASE BUDGET (B) + (C)	(E) FY 2003 BASE ADJUSTMENTS	(F) FY 2003 BASE BUDGET (D) + (E)
7110	Insurance & Related Charges	3,153.1	4,650.0	(1,650.0)	3,000.0		
7150	Information Technology Charges	519.0	750.0	(100.0)	650.0		
7180	Utilities	472.2	869.8	(300.0)	569.8		
7200	Rental Expenditures	307.0	359.2		359.2		
7230	Interest Payments	32.8	35.0		35.0		
7250	Repair & Maintenance	850.9	2,314.7	(700.0)	1,614.7		
7279	Lease/Rental - Equipment Revolving	3,015.0	3,015.0	190.4	3,205.4		
7300	Operating Supplies	4,014.7	4,837.6	(700.0)	4,137.6		
7400	Resale Supplies	1.2	2.0		2.0		
7430	Sales of Assets						
7450	Conference, Education & Training	794.8	800.0		800.0		
7460	Advertising	126.7	240.0	40.0	280.0		
7470	Printing & Photography	186.5	240.0		240.0		
7480	Postage & Delivery	76.7	115.0		115.0		
7500	Miscellaneous Operating	238.0	250.0		250.0		
7659	Vehicle - Other Supplies						
7900	Depreciation Expenses	13.0	15.0	(15.0)			
	TOTAL Other Operating Exp (to SCH. 3B)	13,801.6	18,493.3	(3,234.6)	15,258.7		

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING

SCHEDULE 9
BUDGET JUSTIFICATION

Insurance and related charges represents the annual Risk Management premium pursuant to Senate Bill 1207, passed in 1996. The amount is based on 0.06% of the projected statewide construction program. The bulk of the OOE reduction is due to the decrease in the insurance charge.

The \$190.0 increase under Lease Rental Equipment Services reflects the Construction portion of the approved Equipment Services rate increase.

AGENCY NAME & AFIS CODE: DEPARTMENT OF TRANSPORTATION DTA
 COST CENTER/PROGRAM NAME: CONSTRUCTION - OPERATING
 FUND NAME & AFIS NUMBER: STATE HIGHWAY FUND 2030

SCHEDULE 11
EQUIPMENT

AFIS COMP SRC GRP OR OBJ	EXPENDITURE CATEGORIES	(A) ACTUAL FY 2000	(B) APPROPRIATED FY 2001 (EXP PLAN)	(C) FY 2002 BASE BUDGET	(D) FY 2003 BASE BUDGET
	<u>NON-CAPITALIZED EQUIPMENT</u>				
8510	VEHICLES				
8520	FURNITURE	172.6	22.2		
8530	EDP EQUIPMENT - MAINFRAME	71.2			
8540	EDP EQUIPMENT - MIDRANGE				
8550	EDP EQUIPMENT - PC/LAN	357.8		34.2	
8560	TELECOMMUNICATIONS EQUIPMENT	39.3	13.0		
8570	OTHER EQUIPMENT	82.6	94.8	452.7	
8580	SOFTWARE	44.0			
	SUBTOTAL	767.5	130.0	486.9	
	<u>CAPITAL EQUIPMENT</u>				
8410	VEHICLES	517.8			
8420	FURNITURE	28.6			
8430	EDP EQUIPMENT - MAINFRAME	5.3	11.3		
8440	EDP EQUIPMENT - MIDRANGE				
8450	EDP EQUIPMENT - PERSONAL COMPUTERS/LAN	297.4		51.1	
8460	TELECOMMUNICATIONS EQUIPMENT	959.5			
8470	OTHER EQUIPMENT	2,796.0		17.5	
8480	SOFTWARE - MAINFRAME	217.6	17.8		
8490	OTHER CAPITAL ASSET	42.6			
	SUBTOTAL	4,864.8	29.1	68.6	
	CAPITAL EQUIPMENT PURCHASES (from Schedule 11A)		1,280.8	2,807.9	
	TOTAL EQUIPMENT (to SCH. 3B)	5,632.3	1,439.9	3,363.4	

AGENCY NAME & AFIS CODE:
 COST CENTER/PROGRAM NAME:
 FUND NAME & AFIS NUMBER:

DEPARTMENT OF TRANSPORTATION DTA
 CONSTRUCTION - OPERATING
 TRANSPORTATION EQUIPMENT FUND 2071

SCHEDULE 11A
 REPLACEMENT EQUIPMENT EXPENDITURES

TYPE OF EQUIPMENT AND DESCRIPTION	(A) UNIT COST	(B) FY 2002 QUANTITY	(C) FY 2002 BASE BUDGET (A) * (B)	(D) FY 2003 QUANTITY	(C) FY 2003 BASE BUDGET (A) * (D)
Stability & Flow Machine, Shakers and Electronic Balance & Holbrook (101.5)			116.7		
Asphaltic Concrete Performance Test			80.0		
Automated Rign & Ball Tester			20.0		
Automated Cleveland Open Cup Tester			25.0		
Automated Systems SSD Fine Aggregates			5.0		
Bending Beam Rheometer			40.0		
Changeable Message Board			12.0		
Compression Machines			5.0		
Constant Temp Water Bath			6.0		
Copier			72.0		
Core Rig			16.0		
Fencing			15.0		
Furnaces			54.3		
GIS System			43.9		
Gyratory Compactor, Pine			20.0		
Hammers			11.0		
Irrigation Monitoring Systems			15.0		
GPS Equipment-Survey			175.0		
Heating AC Units			10.0		
Mixer			5.2		
Modular Buldings			1,279.0		
Oven			90.3		
Nuclear Density Gauge, Troxler			91.0		
Profilometer - Replacement			340.0		
Rotational Viscometer			8.0		
Storage Shed			8.0		
Survey System			12.0		
Telephone System			52.5		
Tough Books			60.0		
Vertical Dynamic Loading System			120.0		
SUBTOTAL THIS PAGE			2,807.9		
TOTAL PRIOR PAGES					
TOTAL ALL PAGES (to SCH. 11)			2,807.9		

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - CONSIDER APPROVAL OF
TRANSFER OF MONIES AND REVIEW OF SCOPE, PURPOSE, AND ESTIMATED
COST OF COTTONWOOD MOTOR VEHICLE DIVISION SERVICE CENTER PROJECT

Request

The Arizona Department of Transportation (ADOT) requests that the Committee review the scope, purpose, and estimated cost of the Cottonwood Motor Vehicle Division (MVD) Service Center. The Legislature appropriated \$1,000,000 from the State Highway Fund in FY 2001 for this project. The department also requests that the Committee approve the transfer of \$64,700 from a FY 2000 \$800,000 appropriation from the State Highway Fund to purchase the land and design the Cottonwood Service Center to the \$1,000,000 Service Center construction appropriation. The \$64,700 represents the remaining balance from the design and land purchase appropriation. A.R.S. § 35-173D permits transfers between capital projects.

Recommendation

The JLBC Staff recommends that the Committee approve the transfer of the \$64,700 remaining balance from the \$800,000 land purchase and building design appropriation in FY 2000 to the \$1,000,000 Service Center construction appropriation in FY 2001, and give a favorable review to the Cottonwood MVD Service Center construction project.

Analysis

Pursuant to A.R.S. § 41-1252(C), the Committee shall review the scope, purpose, and estimated cost of appropriated capital projects prior to the release of monies for construction. Laws 1999, Chapter 2, 1st Special Session appropriated \$800,000 in FY 2000 and \$1,000,000 in FY 2001 from the State Highway Fund to ADOT, to purchase land, design, construct and furnish a new 7,000 square foot Cottonwood MVD Service Center. The new building would have 12 work stations and would replace 3 smaller offices in the Verde Valley, including leased offices in Sedona and Clarkdale, and a 25-year-old mobile home at Camp Verde.

(Continued)

At its September 16, 1999 meeting the Committee approved the release of the \$800,000 appropriation for FY 2000 to purchase 5 acres of land in Cottonwood and to design a 7,000 square foot MVD Service Center. ADOT reports that they have a remaining balance of \$64,700 from this \$800,000 as shown in the following table.

FY 2000 Land & Design Appropriation	\$800,000
Land Purchase	(651,200)
Design	(82,600)
Risk Management	(1,500)
Balance	\$64,700

The department reports a low bid of \$1,027,600 on June 1, 2001 to construct the Cottonwood MVD Service Center. This was a rebid, since the first bids were not within the \$1,000,000 appropriation. ADOT requests that the \$64,700 balance remaining from their \$800,000 appropriation for land purchase and building design be transferred and added to their \$1,000,000 service center construction appropriation for FY 2001, to provide sufficient monies to construct and furnish the service center. This would leave ADOT with \$35,100 for contingencies as shown in the following table. Without the transfer, ADOT would not have sufficient monies to award the contract.

For comparison, a new 14,430 square foot Scottsdale MVD Service Center was completed in August 1999 with a construction cost of \$2,160,000, for an average cost of \$150 per square foot. A new 14,430 square foot Mesa MVD Service Center was completed in March 2000 with a construction cost of \$2,250,000, for an average cost of \$156 per square foot. The 7,000 square foot Cottonwood MVD Service Center would have an estimated construction cost of \$1,064,700, for an average cost of \$152 per square foot. Construction costs tend to fluctuate depending on market conditions and geographic locations.

Appropriations	
FY 2001 Building Appropriation	\$1,000,000
FY 2000 Land & Design Appropriation Balance	64,700
Total Available Appropriations	\$1,064,700
Estimated Expenditures	
Low Construction Bid	\$1,027,600
Architect Construction Administration	2,000
Contingencies	35,100
Total Expenditures	\$1,064,700

No monies have been set aside for Risk Management in these estimated expenditures. The Arizona Department of Administration (ADOA) Risk Management capital construction insurance rate had been 0.6% of total project costs for each capital project in FY 2000. Then the rate decreased to 0% in FY 2001, since the fund had sufficient monies on hand for FY 2001. At its June 22, 2000 meeting, the Committee gave a favorable review, to ADOA setting the FY 2001 Risk Management capital construction insurance rate at 0%. The Committee also requested that ADOA report back to the Committee if a change in the rate is needed for FY 2002. From informal discussions with ADOA Risk Management, we understand that the current 0% capital construction insurance rate is likely to be continued through FY 2002. If ADOA charges ADOT for capital construction insurance for all or part of FY 2002, the \$35,100 for contingencies would decrease by the amount of the Risk Management charge. For instance, if ADOT were charged 0.6% for the entire year the Risk Management charge would be \$6,000, which would leave \$29,100 for contingencies.

The request is within the scope, purpose, and monies available for this project. The JLBC Staff recommends that the Committee approve the transfer of the \$64,700 remaining balance from the \$800,000 land purchase and building design appropriation in FY 2000 to the \$1,000,000 Service Center construction appropriation in FY 2001, and give a favorable review to the Cottonwood MVD Service Center construction project.

RS:BH:jb



Jane Dee Hull
Governor

Mary E. Peters
Director

Arizona Department of Transportation

Office of the Director

206 S. 17th Ave. Phoenix, Arizona 85007-3213
Phone 602.712.7226 FAX 602.712.6941

Victor M. Mendez
Deputy Director

June 14, 2001

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

JUN 18 2001

Dear Senator Solomon:

We respectfully request to be placed on the agenda for the next scheduled JCCR meeting, in order that the Committee can approve the release of the \$1,000,000 appropriated for Fiscal Year 2001 for the construction of a new MVD Service Center. This facility is to consolidate several smaller facilities (some leased) in Sedona, Clarkdale and Camp Verde. This project is to build a new 7,000 square foot MVD Service Center in Cottonwood. We have used the \$800,000 appropriated in Fiscal Year 2000 for land purchase and Architectural and Engineering design, and we have remaining in that account the sum of \$64,748.76, which we would request be added to the construction fund.

The reason for requesting the transfer of the above funds is because we are very close on our budget, and will not be able to award the project without those funds. We have had to bid this project twice in order to reduce the costs/scope of the work, however this latest rebid appears acceptable. At this time we can award the \$1,027,620 bid if we can carry the remaining funds forward, which will leave \$29,128.76 for any contingencies, alternates, and other costs. We respectfully request approval to proceed with the award of the construction contract and to be allowed to carry forward the remaining funds from the previous Fiscal Year. Your review and approval of this request is greatly appreciated.

Sincerely,

Mary E. Peters

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

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

MEP/cdh

ADOT Cottonwood Budget Recap

Appropriation Fiscal Year 2000		\$800,000.00
Land Purchase		(\$651,198.24)
Risk Management Fees	paid	(\$1,500.00)
Searer Robbins - Architectural	\$71,500.00	
Change Order #1	\$2,500.00	
Change Order #2	\$7,950.00	(\$81,950.00)
Reimbursable	\$306.00	(\$306.00)
Newspaper Ads		(\$297.00)
Total Left from Fiscal Year 2000 Appropriation		\$64,748.76

Appropriation Fiscal Year 2001		\$1,000,000.00
Reserved for Risk Management	FY 02 based on 1,000,000	(\$6,000.00)
Searer Robbins Architectural		(\$2,000.00)
Total left in Fiscal Year 2001 Appropriation		\$992,000.00

Total Left from Fiscal Year 2000 Appropriation	\$64,748.76
Total left in Fiscal Year 2001 Appropriation	\$992,000.00
If allowed to combine appropriations	\$1,056,748.76

June 1, 2001 apparent low bidder	(\$1,027,620.00)
If allowed to proceed, left over money for contingencies, add alternates etc.	\$29,128.76

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - CONSIDER APPROVAL OF
TRANSFER OF MONIES AND REVIEW OF SCOPE, PURPOSE AND ESTIMATED
COST OF GLENDALE MOTOR VEHICLE DIVISION SERVICE CENTER PROJECT

Request

The Arizona Department of Transportation (ADOT) requests the Committee review the scope, purpose, and estimated cost of the Glendale Motor Vehicle Division (MVD) Service Center. The Legislature appropriated \$2,100,000 from the State Highway Fund in FY 2001 for this project. The department also requests that the Committee approve the transfer of \$33,900 from a FY 2000 \$1,200,000 appropriation from the State Highway Fund to purchase the land and design the Glendale Service Center to the \$2,100,000 Service Center construction appropriation. The \$33,900 represents the remaining balance from the design and land purchase appropriation. A.R.S. § 35-173D permits transfers between capital projects.

Recommendation

The JLBC Staff recommends the Committee approve the transfer of the \$33,900 remaining balance from the \$1,200,000 land purchase and building design appropriation in FY 2000 to the \$2,100,000 Service Center construction appropriation in FY 2001, and give a favorable review to the Glendale MVD Service Center construction project.

Analysis

Pursuant to A.R.S. § 41-1252(C), the Committee shall review the scope, purpose, and estimated cost of appropriated capital projects prior to the release of monies for construction. Laws 1999, Chapter 2, 1st Special Session appropriated \$1,200,000 in FY 2000 and \$2,100,000 in FY 2001 from the State Highway Fund to ADOT, to purchase land, design, construct and furnish a new 14,000 square foot Glendale MVD Service Center. The new building would have 23 work stations and would replace the current Glendale office, which has 5,422 square feet and 18 work stations, and is overcrowded and has limited parking.

At its June 22, 1999 meeting the Committee approved the release of the \$1,200,000 appropriation for FY 2000 to purchase 4.7 acres of land located ¼ mile south of the intersection of 59th Avenue and Bell Road, on the west side of 59th Avenue. The department expects to keep its existing facility on the east side of 59th Avenue, and to use it as an enforcement facility. ADOT reports that they have a remaining balance of \$33,900 from this \$1,200,000 as shown in the following table.

(Continued)

FY 2000 Land & Design Appropriation	\$1,200,000
Land Purchase	(1,042,400)
Design	(122,800)
Risk Management	<u>(900)</u>
Balance	\$33,900

The department reports a low bid of \$1,675,000 on June 19, 2001 to construct the Glendale MVD Service Center. ADOT requests that the \$33,900 balance remaining from their \$1,200,000 appropriation for land purchase and building design be transferred and added to their \$2,100,000 service center construction appropriation for FY 2001, to provide sufficient monies to construct and furnish the service center. This would leave ADOT with \$40,900 for contingencies as shown in the following table.

For comparison, a new 14,430 square foot Scottsdale MVD Service Center was completed in August 1999 with a construction cost of \$2,160,000, for an average cost of \$150 per square foot. A new 14,430 square foot Mesa MVD Service Center was completed in March 2000 with a construction cost of \$2,250,000, for an average cost of \$156 per square foot. The 14,000 square foot Glendale MVD Service Center would have an estimated construction cost of \$2,133,900, for an average cost of \$152 per square foot. Construction costs tend to fluctuate depending on market conditions and geographic locations.

Appropriations	
FY 2001 Building Appropriation	\$2,100,000
FY 2000 Land & Design Appropriation Balance	<u>33,900</u>
Subtotal	\$2,133,900
Estimated Expenditures	
Low Construction Bid	\$1,675,000
Furnishings, Telecommunications, & Equipment	295,000
Customer Tracking System	70,000
Security System	15,000
Bury Electrical Cables	36,000
Architect Construction Administration	2,000
Contingencies	<u>40,900</u>
Total	\$2,133,900

No monies are set aside in these estimated expenditures for Risk Management. The Arizona Department of Administration (ADOA) Risk Management capital construction insurance rate had been 0.6% of total project costs for each capital project in FY 2000. Then the rate decreased to 0% in FY 2001, since the fund had sufficient monies on hand for FY 2001. At its June 22, 2000 meeting, the Committee gave a favorable review, to ADOA setting the FY 2001 Risk Management capital construction insurance rate at 0%. The Committee also requested that ADOA report back to the Committee if a change in the rate is needed for FY 2002. From informal discussions with ADOA Risk Management, we understand that the current 0% capital construction insurance rate is likely to be continued through FY 2002. If ADOA charges ADOT for capital construction insurance for all or part of FY 2002, the \$40,900 for contingencies would decrease by the amount of the Risk Management charge. For instance, if ADOT were charged 0.6% for the entire year the Risk Management charge would be \$12,600, which would leave \$28,300 for contingencies.

The request is within the scope, purpose, and monies available for this project. The JLBC Staff recommends that the Committee approve the transfer of the \$33,900 remaining balance from the \$1,200,000 land purchase and building design appropriation in FY 2000 to the \$2,100,000 Service Center construction appropriation in FY 2001, and give a favorable review to the Glendale MVD Service Center construction project.

RS/BH:jb



Jane Dee Hull
Governor

Mary E. Peters
Director

Arizona Department of Transportation

Office of the Director

206 S. 17th Ave. Phoenix, Arizona 85007-3213
Phone 602.712.7226 FAX 602.712.6941

Victor M. Mendez
Deputy Director

June 14, 2001

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

JUN 18 2001

Dear Senator Solomon:

We respectfully request to be placed on the agenda for the next scheduled JCCR meeting, in order that the Committee can approve the release of the \$2,100,000 appropriated for Fiscal Year 2001 for the construction of a new MVD Service Center. This facility will replace the existing approximately 7,000 square foot facility located in Glendale. This project involves building a new 14,000 square foot MVD Service Center on the opposite side of 59th Avenue in Glendale. We have utilized the \$1,200,000 appropriated in Fiscal Year 2000 for land purchase and Architectural and Engineering design, and there is a balance remaining of \$33,859.48.

Due to a number of unforeseen costs with the City of Glendale, as well as time delays in getting the project approved and ready for bid, ADOT is requesting that the above noted balance be added to the construction funds. We will be receiving bids on this work by the end of June, and we would like to award a contract if it is within our budget and allows some funding for contingencies, alternates, and other costs. All of the final costs would be made available to the committee for review at a later meeting. We respectfully request approval to proceed with the award of the construction contract and to be allowed to utilize the remaining balance of the land appropriation. Your review and approval of this request is greatly appreciated.

Sincerely,

Mary E. Peters

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

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

MEP/cdh

ADOT Glendale Budget Recap

Appropriation Fiscal Year 2000		\$1,200,000.00
Land Purchase		(\$1,042,360.84)
Risk Management Fees	paid	(\$942.00)
Design One - Architectural Fees		(\$122,709.68)
Survey	\$3,500.00	
Geotech	\$3,200.00	
Reimbursables	\$169.68	
Newspaper Ads		(\$128.00)
Total Left from Fiscal Year 2000 Appropriation		\$33,859.48
 Appropriation Fiscal Year 2001		 \$2,100,000.00
Reserved for Risk Management	FY 02 based on 2,100,000.	(\$12,600.00)
Arizona Public Service		(\$36,000.00)
Tribune News		(\$124.55)
Design One		(\$2,000.00)
 Total left in Fiscal Year 2001 Appropriation as of 6/1/01		 \$2,049,275.45
 Total Left from Fiscal Year 2000 Appropriation		 \$33,859.48
Total left in Fiscal Year 2001 Appropriation as of 6/1/01		
<hr/>		
Estimated Cost Outside Construction Contract		
Telecommunication and Data Costs		(\$150,000.00)
System Furniture and Misc. Equipment		(\$145,000.00)
Q-Matic Numbering System For MVD Building		(\$70,000.00)
Security System		(\$15,000.00)
 Total Left for Any Unforeseen Costs		 \$1,703,134.93
<hr/>		

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: June 21, 1001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst
Tony Vidale, Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION/DEPARTMENT OF PUBLIC
SAFETY – REVIEW OF SCOPE, PURPOSE AND ESTIMATED COST OF
REGIONAL TRANSPORTATION CENTER AT PIONEER PARK IN PRESCOTT

Request

The Arizona Department of Transportation (ADOT) and the Department of Public Safety (DPS) are requesting Committee review of the scope, purpose and estimated cost of a Regional Transportation Center at Pioneer Park in Prescott.

This project was favorably reviewed by the Committee at its August 2000 meeting when the project was to be bid as a single project. The project now has been bid as separate ADOT and DPS projects.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the requests.

As noted in the Committee's August 2000 meeting, the new location is on Federal Bureau of Land Management (BLM) land and any improvements on the land may not be recoverable if the state's patent agreement with BLM is ever terminated.

Analysis

Laws 1999, Chapter 319 appropriated monies from the Highway Users Revenue Fund (HURF) to ADOT and DPS for the design, engineering and construction of the Pioneer Park Regional Transportation Service Center. The following lists the appropriations to each agency.

(Continued)

	<u>FY 2000</u>	<u>FY 2001</u>	<u>Total</u>
ADOT	\$300,000	\$4,647,500	\$4,947,500
DPS	130,000	1,122,500	1,252,500
Total	\$430,000	\$5,770,000	\$6,200,000

ADOT and DPS must relocate from the existing Sheldon Street Transportation Center as a result of the restructuring of the Highway 69 and Highway 89 interchange. Yavapai College will acquire portions of the existing site not used for the restructured highway interchange. Chapter 319 requires that any monies received from Yavapai College to purchase land and facilities be deposited in HURF. Given that less than 5 acres may be available, no deposits are anticipated at this time.

Chapter 319 also stipulates that Yavapai County shall donate at least 20 acres of land for ADOT and DPS to relocate to Pioneer Park. The agreement between the entities would convey 2 parcels of land from the county to ADOT and DPS. The proposed conveyances involve public land that is patented to the county by BLM. While this patent essentially provides ADOT and DPS with the site in perpetuity, the improvements made on the land may not be recoverable if the patent is ever terminated. A patent provides title to the surface property; however, title to all other property rights will be held by BLM.

ADOT plans to construct 4 buildings at the site with accompanying infrastructure and site improvements. The buildings include a 12,000 square foot Motor Vehicle Division Service Center, a 7,500 square foot Intermodal Transportation (ITD) District Office, a 6,400 square foot ITD Materials Testing Laboratory, and 3,000 square foot Maintenance Building. The site work includes a soils report, material testing, raising power lines, site development, utility extensions, fixtures and furnishings, telecommunications equipment, a Motor Vehicle Division Service Center customer tracking system, a security system for all 4 buildings, parking, landscaping, moving from the old site, and environmental clean-up of the old site.

DPS plans to construct an 8,000 square foot District Office consisting of a lobby/reception area with secured entrance, a multipurpose meeting room, administrative offices, squad rooms, a training room, a booking area, and property and evidence processing storage rooms. Also, the site work includes paved driveways, visitor parking, secure employee parking, and landscaping and walkways. In addition, 2 alternate bids have been awarded to install flooring throughout the building and finish the interior of the building in the multipurpose meeting room, training, and squad room areas.

The following lists the current cost allocations for the project.

	<u>ADOT</u>	<u>DPS</u>	<u>Total</u>
A&E and Other Professional Fees	\$ 298,800	\$ 130,000	\$ 428,800
Construction & Furnishings (Base bid and alternates)	4,619,400	1,061,600	5,681,000
Contingencies	29,300	60,900	90,200
Total	\$4,947,500	\$1,252,500	\$6,200,000

As originally reviewed by the Committee, ADOT and DPS combined their projects into one bid to take advantage of economies of scale. This approach proved unfeasible because of cost allocation difficulties. Each project has now been bid and awarded separately. Each project is consistent with the scope of legislative intent and appropriation. The JLBC Staff recommends a favorable review.

RS/BH/TV:jb



Jane Dee Hull
Governor

Mary E. Peters
Director

Arizona Department of Transportation

Office of the Director

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Phone 602.712.7226 FAX 602.712.6941

Victor M. Mendez
Deputy Director

June 14, 2001

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



Dear Senator Solomon:

On January 8, 2001, a letter was submitted to the Committee regarding the Pioneer Park Regional Transportation Center in Prescott (Laws 1999, Chapter 319). That letter was submitted on the behalf of both the Director of ADOT and the Director of DPS. It stated that these two agencies were unable to award a contract for the construction phase, due to "non-judgmental" errors on the part of the two lowest bidders. The letter also stated that in accordance with the Arizona Procurement Code, both bidders were permitted to withdraw their offers. After further review of the third offer, it was determined that it exceeded the project budget and therefore, no contract award was possible.

The letter continued by saying that it has been determined that each agency (ADOT and DPS) will re-bid this project separately and that would be done as soon as possible. We at ADOT are not aware of the situation regarding the DPS award, however ADOT stated that we would report back to the Committee in writing on the project costs after a contract has been awarded.

This letter is to inform the Committee that ADOT has re-bid our portion of the work and the low bidder, Joe E Woods, Inc. submitted a "base bid" of \$3,725,000. This is within our remaining budget and will allow funds for some "add alternates", utility modifications, soils testing, etc., as outlined on the attachment. In addition we have estimated costs of items beyond the construction contract award amount, leaving a contingency amount of \$1,422.91 for any unforeseen items. We will report back to the committee on how the funds were actually utilized at the end of the project.

Sincerely,

Mary E. Peters

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

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

MEP/cdh

ADOT Prescott Budget Recap

Appropriation Fiscal Year 2000	\$300,000.00
Masterplan by TRK Architecture, Inc.	(\$10,009.36)
Advertising	(\$375.44)
Reserved for Risk Management	(\$300.00)
A/E Contract with HDR Architecture, Inc.	(\$275,000.00)
Change Order Number One, HDR Contract	(\$13,098.00)
Total Left from Fiscal Year 2000 Appropriation	\$1,217.20
 Appropriation Fiscal Year 2001	 \$4,647,500.00
Reserved for Risk Management	(\$27,885.00)
Advertising	(\$60.00)
Engineers Soils Investigation Report	(\$3,506.25)
Outside Printing Cost for Bid Sets	(\$1,415.04)
Change Order Number Two, HDR Contract	(\$12,320.00)
APS Invoice to Raise Power Lines	(\$55,905.00)
Contract with Joe E. Woods, Inc.	(\$3,725,000.00)
Change Order Number One To Joe E. Woods, Inc. Contract Add Alternates 1,2,& 6	(\$168,000.00)
Total left in Fiscal Year 2001 Appropriation as of 6/1/01	\$653,408.71
 Total Left from Fiscal Year 2000 Appropriation	 \$1,217.20
Total left in Fiscal Year 2001 Appropriation as of 6/1/01	\$653,408.71
 Estimated Cost Outside Construction Contract	
Material Testing By Copland Geotechnical Consultants, Inc.	(\$19,003.00)
Telecommunication and Data Costs	(\$167,000.00)
System Furniture and Misc. Equipment	(\$294,000.00)
Q-Matic Numbering System For MVD Building	(\$40,000.00)
Security System for all four buildings	(\$40,000.00)
Miscellaneous Expenses, for Move	(\$30,000.00)
Environmental Clean-up of Old Site	(\$60,000.00)
Vehicle Mileage and Meal Expense for Architect	(\$3,200.00)
Total Left for Any Unforeseen Costs	\$1,422.91

ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223 - 2000



JANE DEE HULL
GOVERNOR

DENNIS A. GARRETT
DIRECTOR

May 9, 2001



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

Dear Senator Solomon:

At its August 10, 2000 meeting, the Committee gave a favorable review to the Pioneer Park Regional Transportation Center (Laws 1999, Chapter 319). The Committee instructed ADOT and DPS to report back in writing once the contract was awarded. Per the January 8, 2001 letter from ADOT and DPS to the Committee, we were unable to award a contract after the first bid process due to a non-judgmental error on the part of the two lowest bidders. Since that time, DPS and ADOT have value engineered the project and then re-bid separately to allow smaller local contractors to participate.

This is to advise you that the DPS portion of the project has been awarded to B's Contractors, a company based in Prescott, for \$1,040,900. This figure includes base bid work only, leaving a construction contingency of roughly \$80,000. After the project is underway and the chances of unknown conditions are reduced, alternates such as interior finishes, inspection area cover, and fencing, may be accepted, as funding allows.

Sincerely,

Dennis A. Garrett, Colonel
Director

ej

cc: The Honorable Laura Knaperek, JCCR
Richard Stavneak, JLBC
Tom Betlach, OSPB
Carl Tornambe, DPS
Phil Case, DPS

STATE OF ARIZONA

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Rebecca Hecksel, Assistant Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION - REVIEW OF FY 2002
BUILDING RENEWAL ALLOCATION PLAN

Request

The Arizona Department of Administration (ADOA) requests Committee review of its FY 2002 Building Renewal allocation plan of \$9,444,200 which consists of \$3,304,000 from the Capital Outlay Stabilization Fund (COSF), \$5,959,600 from the Corrections Fund, and \$180,600 from the Miners' Hospital Fund. The expenditure plan includes Building Renewal projects for the ADOA Building System, Department of Corrections facilities, Department of Juvenile Corrections facilities, and the Arizona Pioneers' Home.

Recommendation

The JLBC Staff recommends a favorable review of the plan. Of the \$9,444,200, \$2,853,200 is for fire/life safety projects, \$1,893,700 is for asset preservation (mostly roofing), \$1,536,500 is for major system repairs, \$239,000 is for Americans with Disabilities Act projects, \$309,700 is for infrastructure repairs, \$354,800 is for project management, and \$2,257,300 is placed in reserves. The JLBC Staff further recommends that funding for any new projects not listed in the allocation plan, reallocations between projects, and allocations from the reserve amounts be reported to the JLBC Staff prior to expenditure. We would then report to the Committee on significant changes, typically above \$50,000.

(Continued)

Analysis

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

Laws 2001, Chapter 237 (Capital Outlay Bill) appropriated \$3,304,000 from COSF to fund 27% of the Building Renewal formula in FY 2002 for ADOA Building System components not receiving dedicated appropriations. The formula was funded at 23% in FY 2000 and FY 2001. In addition, Laws 2001, Chapter 237 appropriated \$5,959,600 from the Corrections Fund to fund 100% of the Building Renewal formula for Department of Corrections facilities and Department of Juvenile Corrections facilities, and \$180,600 from the Miners' Hospital Fund to fund 100% of the Building Renewal formula for the Arizona Pioneers' Home. The Governor line-item vetoed \$2,904,700 from the General Fund in FY 2002 and \$2,900,800 from the General Fund in FY 2003. These additional amounts would have funded 50% of the formula for the ADOA Building System.

In addition, Laws 2001, Chapter 235 appropriates \$3,104,300 in FY 2002 and \$3,324,900 in FY 2003 from the General Fund to ADOA for Building Renewal if FY 2001 General Fund revenues exceed the forecast by \$104,131,000. Prior to September 1, 2001, JLBC and OSPB will calculate total FY 2001 revenues and determine if sufficient monies are available to trigger the appropriations. This amount equates to an additional 25% of Building Renewal funding in both FY 2002 and FY 2003.

If FY 2001 revenues do not exceed the forecast by the required amount, but FY 2002 General Fund revenues exceed the forecast by \$91,386,800, the act appropriates \$3,324,900 in FY 2003 from the General Fund to ADOA for Building Renewal. Prior to September 1, 2002, JLBC and OSPB will calculate total FY 2002 revenues and determine if sufficient monies are available to trigger the appropriation.

The following table lists the fund sources for FY 2002 and FY 2003 Building Renewal:

<u>Building Renewal Fund Sources</u>	<u>FY 2002</u>	<u>FY 2003</u>
Capital Outlay Stabilization Fund	\$ 3,304,000	\$ 3,749,100
Corrections Fund	5,959,600	6,567,900
Miners' Hospital Fund	180,600	186,100
TOTAL	\$9,444,200	\$10,503,100
Trigger Appropriations (General Fund)	\$ 3,104,300	\$ 3,324,900

The expenditure plan for FY 2003 Building Renewal will be reviewed at a later date.

Consistent with statute and prior year practice, ADOA will employ the following priorities for the expenditure of FY 2002 Building Renewal monies:

- 1) Fire and life safety projects.
- 2) Preservation of Asset.
- 3) Projects critical to the continued operation of existing programs.

(Continued)

Building Renewal monies will be allocated in the following categories for 53 projects:

Category	Number of Projects	Dollar Allocation	% of Total
Fire/Life Safety	16	\$ 2,853,200	30.2%
Preservation of Asset	16	1,893,700	20.1%
Building System	14	1,536,500	16.2%
Americans with Disabilities Act (ADA)	4	239,000	2.5%
Infrastructure	3	309,700	3.3%
Emergency Reserves	--	2,257,300	23.9%
ADOA Project Management	--	354,800	3.8%
TOTAL	53	\$9,444,200	100.00%

The appropriation allows the allocation of up to \$275,000 per year for up to 5 FTE Positions for project management. The amounts designated by ADOA in the table above include funding for project management for 27 months, given the time required to complete some of these projects.

The attached material submitted by ADOA lists each project and its estimated cost. The projects are consistent with Building Renewal guidelines and appropriations. The JLBC Staff recommends a favorable review of the FY 2002 expenditure plan.

RS/RH:jb
Attachment



JANE DEE HULL
GOVERNOR

J. ELLIOTT HIBBS
DIRECTOR

ARIZONA DEPARTMENT OF ADMINISTRATION

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

June 14, 2001

JUN 14 2001

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

RE: Request for Review of the ADOA Building System FY 2002 Building Renewal Allocation Plan by the Joint Committee on Capital Review

Dear Senator Solomon:

The Department of Administration received \$9,444,200 appropriation for the FY 2002 Building Renewal program. This appropriation consists of \$3,304,000 from the Capital Outlay Stabilization fund (COSF), \$5,959,600 from the Corrections fund and \$180,600 from the Miners' hospital fund.

The FY 2002 Department of Administration Building Renewal Plan consists of an initial allocation of \$6,832,200 for 53 projects. In accordance with the appropriation, project management expenses for these projects will be set aside and not exceed \$275,000 (5 FTE's) per year until the projects are completed. The balance of the appropriation will be allocated for reserve and emergencies. The total appropriation will be committed, effective July 1, 2001, as follows:

- \$2,853,250 will be allocated to 16 fire & life safety projects.
- \$1,638,750 will be allocated to 14 projects that preserve buildings (mostly roofs).
- \$1,536,500 will be allocated to 14 major building systems repairs/replacement.
- \$ 255,000 will be allocated to 2 building finish projects.
- \$ 239,000 will be set aside for 4 ADA projects.
- \$ 309,700 will be set aside for 3 infrastructure projects.
- \$ 168,750 for 27 months of COSF funded project management
- \$ 181,000 for 27 months of Corrections Fund project management
- \$ 5,000 in FY 2002 for Miners' Hospital Fund project management
- \$ 801,550 reserve/emergency for COSF Funds
- \$1,455,100 reserve/emergency for Correction's Fund
- \$ _____ 600 reserve/emergency for the Miners' Hospital Fund

\$9,444,200 Total ADOA Building Renewal Program

Senator Ruth Solomon
Page 2
June 14, 2002

The Department of Administration requests the Joint Committee on Capital Review to review the following item.

1. FY 2002 ADOA Building System Building Renewal allocation plan

The information for this project is attached.

Sincerely,



Robert C. Teel, Assistant Director ADOA GSD

Attachment

- c. The Honorable Randall Gnant, Arizona State Senate
J. Elliott Hibbs, Director, ADOA
Tom Betlach, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, JLBC
Tim Boncoskey, Assistant Director, ADOA-MSD
Tim Brand, General Manager ADOA Building and Planning Services
Bruce Ringwald, General Manager ADOA Construction Services
BPS-Building Renewal

FY 2002 Building Renewal Allocations

COSF 21290

Department of Administration Building System

<i>Year</i>	<i>Project No.</i>	<i>Project Name</i>	<i>Allocation</i>
Total			\$2,333,700
<i>Arizona Historical Society</i>			
2002	30	Construct ADA accessible restrooms, AZ State Museum-Tucson	\$90,000
2002	31	Repair HVAC, cooling tower pumps/air handlers, AZ State Museum-Tempe	\$45,000
Subtotal			\$135,000
<i>Arizona State Parks</i>			
2002	32	Replace wood shingle roof, Museum Building, Yuma Territorial Prison	\$30,000
Subtotal			\$30,000
<i>Arizona State Schools For The Deaf And The Blind</i>			
2002	33	Structural repairs, Clifford Pre-School-Tucson Campus	\$99,000
2002	34	Design perimeter repairs, Dining Hall, Tucson Campus	\$20,000
2002	35	Roof repairs/replacement, Phoenix & Tucson Campuses	\$43,000
Subtotal			\$162,000
<i>Department Of Administration</i>			
2002	37	Replace Fire Alarm System, 15 S 15th Ave, Capital Center	\$30,000
2002	38	Replace Fire Alarm System, Doubletree	\$75,000
2002	40	Caulk exteriors, repair EFIS, 1300, Capital Center, Education Buildings	\$100,000
2002	41	Replace Built-up Roofs, 1400 & 1300 West Washington, 1520 W. Adams	\$160,000
Subtotal			\$365,000
<i>Department Of Economic Security</i>			
2002	44	Statewide-Replace HVAC, Sierra Vista office, Nogales, (Globe unfunded)	\$60,000
2002	45	Statewide ADA modifications -1717 W Jefferson	\$80,000
2002	46	Phase 1- Replace deteriorated building water pipes, ATP-Coolidge	\$60,000
2002	47	Renovate wells, ATP-Coolidge	\$10,700
2002	48	Design/Repair 9 fire alarm systems, ATP-Coolidge	\$15,000
2002	49	Statewide roof replacements- ATP-Tucson buildings #6 & 8. Winslow, & Nogales	\$30,000
Subtotal			\$255,700
<i>Department Of Emergency And Military Affairs</i>			
2002	50	Design & Install Class "A" fire alarm systems, 52nd St & Nogales Armories	\$160,000
2002	51	Replace chiller & boilers, Roosevelt St. Armory	\$110,000
2002	52	Statewide replace/recoat roofs, Safford & Sunnyslope, Glendale Armories	\$50,000
Subtotal			\$320,000

FY 2002 Building Renewal Allocations

COSF 21290

Department of Administration Building System

<i>Year</i>	<i>Project No.</i>	<i>Project Name</i>	<i>Allocation</i>
Department Of Health Services			
2002	53	Replace sewer lines, Dietary Building	\$111,000
2002	54	Design replacement of air handlers, Granada Hall	\$15,000
2002	55	Reroof Granada Hall	\$180,000
2002	56	Engineering for replacing electrical service & wiring, Granada Hall	\$20,000
Subtotal			\$326,000
Department Of Public Safety			
2002	57	Upgrade fire alarm systems to Class A, multiple locations	\$26,500
2002	58	Replace security gate, Phoenix Fleet & CI operations Compounds	\$30,000
2002	59	Replace roofs statewide	\$37,000
2002	60	Replace HVAC, Statewide	\$21,500
2002	61	Replace cooling tower, Headquarters	\$30,000
Subtotal			\$145,000
Dept. Of Agriculture			
2002	36	Replace Fire Alarm System, Agriculture Lab	\$40,000
Subtotal			\$40,000
Legislature			
2002	39	Replace/recoat Record Retention Roof	\$200,000
2002	42	Upgrade/repair -Electrical Switchgear/Distribution & Lighting, Bolin Plaza	\$90,000
2002	43	Replace air handlers, 38 Addition, State Capitol	\$190,000
Subtotal			\$480,000
Supreme Court			
2002	62	Re-waterproof ice storage tank for HVAC System, Courts Building	\$25,000
2002	63	Design installation of additional chiller, 4th Floor Courts Building	\$25,000
2002	64	Replace defective duct work, HVAC system, State Courts Building	\$25,000
Subtotal			\$75,000

FY 2002 Building Renewal Allocations

Corrections Fund

Department of Administration Building System

Year	Project No.	Project Name	Total	Allocation
				\$4,323,500
Department Of Corrections 21300				\$498,000
2002	1	ASPC Douglas Mohave Unit, Door and Lock Replacement		\$416,000
2002	2	Supplement funding to replace fire alarm system, ASPC-Winslow		\$600,000
2002	3	Replace air handler, SMU-1		\$162,000
2002	4	Install emergency generator, Aspen & Flamenco units		\$205,000
2002	5	Renovate kitchen, ASPC Douglas Mohave Unit		\$157,500
2002	6	Reroof CB 3 & 4, ASPC-Florence Central Unit		\$216,000
2002	7	Replace furnaces w/cooler heater combo units, ASPC-Douglas Mohave unit		\$822,500
2002	8	Replace fire alarm system, ASPC-Safford, Ft. Grant Unit		\$54,000
2002	9	Shingle Cocopah dorms & reseal Administration roof, ASPC-Tucson		\$200,000
2002	10	Relocate main gate, ASPC-Tucson		\$567,500
2002	11	Replace roofs, CB-5 & 7, ASPC-Florence Central Unit		
			Subtotal	\$3,898,500
Department Of Juvenile Corrections 21310				
2002	1	Electrical system repairs to prevent groundfaults, Black Canyon Institution		\$75,000
2002	2	Replace fire alarm system, Catalina Mt. Institution		\$300,000
2002	3	Replace kitchen floor, Catalina Mt. Institution		\$50,000
			Subtotal	\$425,000

FY 2002 Building Renewal Allocations

Miners' Hospital Fund

Department of Administration Building System

<i>Year</i>	<i>Project No.</i>	<i>Project Name</i>	<i>Allocation</i>
		Total	\$175,000
Arizona Pioneers' Home 21320			
2002	20	Replace flooring/abate asbestos, Pioneers' Home	\$72,250
2002	21	Renovate restrooms/tubrooms, includes ADA modifications, Pioneers' Home	\$69,000
2002	22	ADA modifications for elevator, Pioneers' Home	\$24,000
2002	23	Replace shingle roof, Activities House, Pioneers' Home	\$9,750
		Subtotal\$175,000

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Brad Regens, Senior Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION - REVIEW OF EXPENDITURE
PLAN FOR ARIZONA DEPARTMENT OF CORRECTIONS SAFETY
IMPROVEMENTS

Request

The Arizona Department of Administration (ADOA) and the Arizona Department of Corrections (ADC) request Committee review of the expenditure of \$100,000 from a FY 2002 Corrections Fund appropriation of \$1,379,400 for ADC safety improvements. The \$100,000 will fund an assessment of the feasibility and costs of designing and installing security enhancements.

Recommendation

The JLBC Staff recommends a favorable review of the request. The JLBC Staff further recommends ADOA submit for Committee review an expenditure plan detailing projects to be initiated and their estimated costs after completion of the safety improvement assessment.

Analysis

Laws 2001, Chapter 237 (Capital Outlay Bill) appropriated \$1,379,400 in FY 2002 from the Corrections Fund to ADOA for safety improvements. The appropriation would fund the modification of fencing around ADC administration buildings to correct a design flaw and eliminate a security weakness. In addition, Chapter 237 required ADOA to submit an expenditure plan to the Committee for review prior to the expenditure of any monies for ADC safety improvements.

(Continued)

ADC has identified 5 prison units (3 at the Eyman complex, 1 each at the Tucson and Yuma complexes) that require perimeter fence modifications to eliminate a potential escape point. The ADOA and ADC are requesting to utilize \$100,000 of the appropriation to hire an electronic security consulting firm to report on the fencing security weaknesses and provide a cost estimate to remedy the problems. The \$100,000 represents 7% of the total appropriation and is consistent with estimates for these types of preliminary assessment and design costs.

The JLBC Staff recommends a favorable review of the departments' request to contract for an ADC safety improvement study. In addition, JLBC Staff recommends that ADOA submit another expenditure plan for Committee review after completion of the study and prior to expenditure of any additional monies to address ADC security weaknesses.

ADC Lock Replacement

Chapter 237 also appropriated from the Corrections Fund \$18,538,600 in FY 2002 and \$1,848,600 in FY 2003 to ADOA to conduct an assessment of all locking systems at Arizona state prisons and to correct any deficiencies. Once the assessment is completed, Chapter 237 requires the assessment and an expenditure plan be submitted to the Committee for review.

RS/BR:jb

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

Robert Tack, Assistant Dir.

cc: Representative Laura Knaperek, Arizona State House of Representatives
J. Elliott Hibbs, Director, ADOA
Tom Betlach, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, Senior Fiscal Analyst, JLBC
Bill Greeney, Budget Analyst, OSPB
Terry Stewart, Director, ADC
Chuck Ryan, Deputy Director, ADC
Mike Smarik, Assistant Director, Administrative Office, ADC
Bruce Ringwald, General Manager, Construction Services, GSD
Alex Turner, Chief Operational Advisor, ADOA
Robert Smook, Legislative Liaison, ADOA

Arizona Department of Corrections
Safety Improvements
Security Fencing Modifications

Background

House Bill 2632, Forty-fifth Legislature, First Regular Session, 2001, appropriated \$1,379,400.00 to the Department of Corrections for safety and security improvements. A footnote to the appropriation requires the Department of Administration to submit an expenditure plan to the JCCR prior to the expenditure of any monies.

Request

The Department of Corrections requests that these funds be used initially to procure electronic security consulting services to research the feasibility and costs of designing and installing these security enhancements. The security enhancements would include installing fencing and perimeter security devices at the entrances of five Administration buildings, of Custody Levels 3 and 4. These modifications are being initiated as a result of an escape from a Level 4 prison due to this identified point of vulnerability in the perimeter security systems of some State facilities. These five facilities are:

- ASPC Eyman Complex – Florence, Az. – Cook Unit*
- ASPC Eyman Complex – Florence, Az. – Meadows Unit*
- ASPC Eyman Complex – Florence, Az. – Rynning Unit*
- ASPC Tucson Complex – Tucson, Az. – Cimarron Unit*
- ASPC Yuma Complex – Yuma, Az. – Cheyenne Unit*

Additionally, the consulting services would include reviewing the feasibility and costs of designing and installing perimeter security enhancements around the ASPC-Florence Central Unit and the adjoining ACI Industrial Yard. The Department of Corrections ultimate desire is to achieve reductions in staffing post requirements based upon the results of these security enhancements through the elimination of towers.

The estimated cost for the feasibility study and survey of these facilities is \$100,000.00 and will be administered by the Arizona Department of Administration.

This consultant will be required to provide assessments and evaluations of various designs, detailed costs estimates, and to provide design specifications to meet the minimum criteria as well as construction administration services.

At the conclusion of this study, the Department of Administration shall inform the Committee of the results of these facility assessments and associated costs prior to a request to the start construction.

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: June 22, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/ASU-EAST/ASU-WEST - REVIEW OF
EDUCATION 2000 LEASE-PURCHASE PROJECTS.

Request

The Arizona Board of Regents and Arizona State University (ASU) request Committee review of the issuance of Certificates of Participation (COPs) to finance projects on the ASU-East and ASU-West campuses.

Recommendation

The JLBC Staff recommends a favorable review of the request as it is consistent with the intent of the authorizing legislation. JLBC Staff, however, recommends the Committee request the following information be submitted when completed in August:

- On-going ASU-East project assessment including the operating impacts of each project.
- List of specific ASU-East infrastructure projects along with component cost estimates.

A COP issuance of \$27,500,000 is planned for ASU-East, and a COP issuance of \$21,600,000 is planned for ASU-West.

Analysis

The accompanying legislation (Laws 2000, Chapter 1, 5th Special Session) to "Education 2000" (Proposition 301) appropriated funding in FY 2002 from the Technology and Research Initiative (TRI) Fund for first year COP costs for the lease-purchase financing of buildings and associated infrastructure at the ASU-East and ASU-West campuses. A total of \$2,500,000 was appropriated in FY 2002. Of the amount, \$1,400,000 was appropriated for ASU-East and \$1,100,000 was appropriated for ASU-West. The legislation also included intent language that future monetary requirements also be appropriated from the TRI Fund. No appropriations beyond FY 2002 have been made. After allocations for debt service on state school facilities revenue bonds, the TRI Fund receives 12% of the remaining revenues from the Education 2000 enacted increase to the sales tax. This amount is estimated to be \$49,917,200 in FY 2002.

(Continued)

Pursuant to the legislation, the issuance of the COPs is subject to review by JCCR.

ASU-East

A COP issuance of \$27,500,000 is planned for ASU-East to transition the campus from its former use as a military base and to create classroom, laboratory, office, and other academic support space. The following table lists the allocation of funding for 3 main projects to be undertaken at the campus:

ASU-East Lease-Purchase Funding	
<u>Project</u>	
Building Renovations	\$16,500,000
Infrastructure Improvements	7,800,000
Flightline Facility	<u>3,200,000</u>
Total	\$27,500,000

Over the next 3 to 4 years approximately 25 buildings on the campus will be renovated to convert space from its original military configuration to academic use. The total estimated cost for these renovations is \$16,500,000. In aggregate, approximately 309,300 square feet of space will be renovated or reprogrammed. This equates to \$53 per square foot, which is consistent with these types of renovations. Detailed information on each building renovation is provided in the submitted materials.

A number of infrastructure improvements are required to accommodate the renovations and development of the campus. Items include roadway and parking lot improvements, campus mall and landscaping development, telecommunications infrastructure improvements, and recreational space and facilities. Additional detail on each of these improvements is provided in the submitted materials. The total estimated cost for these improvements is \$7,800,000.

ASU-East has contracted for services to develop a project schedule and better identify requirements for the renovation and infrastructure projects. The schedule and assessment are to be completed in late August. The JLBC Staff recommends these items be submitted to the Committee when completed, along with an assessment of potential operating budget impacts.

Construction of a 42,000 square foot Flightline Facility is planned to expand student capacity for existing flight training programs offered by the College of Technology and Applied Sciences, Department of Aeronautical Management Technology. The facility will provide hanger space for storage and maintenance of aircraft, instructional laboratories, classrooms and space for flight training instruction. The total estimated cost for this facility is \$3,200,000. This equates to \$76 per square foot which is in the expected range given the facility will include a combination of high cost laboratory space and low cost hanger/storage space. Additional detail on this facility is provided in the submitted materials.

The COP issuance for ASU-East will be \$27,500,000 and will be repaid over a 20-year period. At an assumed interest rate of 5.44%, the required annual payment will be \$2,289,700.

ASU-West

A COP issuance of \$21,600,000 is planned for ASU-West to construct a new academic building and expand the campus utility infrastructure to support the building. An additional \$2,900,000 will be reallocated from savings generated from refinancing existing ASU-West COPs for these projects. The following table lists the allocation of funding for these 2 projects:

ASU-West Lease-Purchase Funding			
<u>Project</u>	<u>COP Financing</u>	<u>Local Funds</u>	<u>Total</u>
Classroom/Laboratory/Computer			
Classroom Building	\$17,700,000	\$2,200,000	\$19,900,000
Central Plant Expansion	<u>3,900,000</u>	<u>700,000</u>	<u>4,600,000</u>
Total	\$21,600,000	\$2,900,000	\$24,500,000

(Continued)

ASU-West plans on constructing a multi-level building of 98,192 gross square feet to provide additional lecture, classroom, computer, laboratory, and office space to meet current and future space requirements. There is currently a lack of classrooms that can accommodate large class sizes. In addition, ASU-West has been authorized by ABOR to provide a lower division curriculum to approximately 200 students beginning in Fall 2001. Approximately 17% of the proposed building will be shell space to be finished as space demands develop. The total estimated cost for the project is \$19,900,000. This includes \$500,000 for modifications to an existing building. Of the total amount, \$17,700,000 will be financed with COPs and the remaining \$2,200,000 will be funded from savings from the 1996 refinancing of other ASU-West debt. Total cost for the new building equates to \$198 per square foot. This cost appears reasonable given the building will contain research and computer laboratory space. Additional detail on this project is included in the submitted materials.

Expansion of the existing central plant is required to accommodate the utility needs of the new building. The expansion will provide additional capacity for supplying heating, cooling, electrical, and telecommunications services. Additional detail on this project is included in the submitted materials. The total estimated cost for this expansion is \$4,600,000. Of the amount, \$3,900,000 will be financed with COPs and the remaining \$700,000 will be funded from savings from the 1996 refinancing of other ASU-West debt.

The COP issuance for ASU-West will be \$21,600,000 and will be repaid over a 20-year period. At an assumed interest rate of 5.44%, the required annual payment will be \$1,798,500.

The proposed projects are consistent with the intent of the Education 2000 appropriations. The JLBC Staff recommends a favorable review for the issuance of COPs for the ASU-East and ASU-West campuses.

RS/LM:jb



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Executive Director
Linda J. Blessing

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May 25, 2001

The Honorable Ruth Solomon, Chair
Joint Committee on Capital Review
1700 W. Washington
Phoenix, AZ 85007

Dear Senator Solomon:

The Arizona Board of Regents (ABOR) requests that the following Arizona State University (ASU) items be placed on the next Joint Committee on Capital Review (JCCR) agenda, which we understand will be in June, 2001:

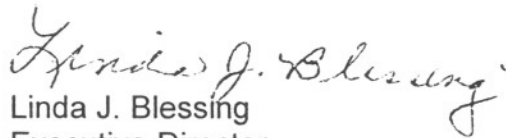
- Revised Multi-Year Bonding Plan. Arizona Law, Chapter 334, 1996 Second Regular Session, requires that a Multi-Year Bonding Plan be submitted to the JCCR for review and to the Governor for comment;
- ASU East and West Campuses Certificates of Participation. Arizona Law, Chapter 1, 2000 Fifth Special Session, Section 61 (Proposition 301), requires that the issuance of Certificates of Participation pursuant to this law be reviewed by the JCCR; and
- ASU Main Campus Certificates of Participation. In accordance with the request of the JCCR staff, university projects financed by Certificates of Participation are to be submitted to the JCCR as informational items.

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

Page 2

We appreciate your consideration of our requests. If you have any questions, or desire any clarification, on the enclosed material, please contact me at (602) 229-2505.

Sincerely,

A handwritten signature in cursive script, reading "Linda J. Blessing".

Linda J. Blessing
Executive Director

Enclosure

xc: Lorenzo Martinez, Senior Fiscal Analyst, JCCR
Mernoy Harrison, Vice Provost for Administrative Services, ASU
Gebe Ejigu, Vice Provost for Administrative Affairs, ASU West
Terry Isaacson, Director, Administrative Services, ASU East



ARIZONA STATE UNIVERSITY

May 24, 2001

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

Subject: Submissions to JCCR and OSPB

Dear Dr. Blessing:

Arizona State University (ASU) wishes at this time to submit the following items to the Joint Committee on Capital Review (JCCR) for the JCCR's upcoming June, 2001 meeting:

- Revised Multi-Year Bonding Plan;
- ASU East and West Campuses Certificates of Participation; and
- ASU Main Campus Certificates of Participation.

Enclosed is a draft letter from you addressed to the JCCR with copies of the above noted items for enclosure with the letter to JCCR. We also have a letter to the Governor's Office of Strategic Planning and Budgeting (OSPB) submitting to them a copy of the revised Multi-Year Bonding Plan for comment, as is required by Arizona state law. We would be happy to supply any additional information that the JCCR or OSPB may request.

We appreciate your assistance.

Sincerely,

Mervyn E. Harrison
Vice Provost for Administrative Services

Enclosures

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

VICE PROVOST FOR ADMINISTRATIVE SERVICES

EXECUTIVE SUMMARY

Capital Project Budget Summary: Campus Infrastructure Improvements

Project Description/Location: Campus wide infrastructure upgrades including telecommunications, streets, roads, campus malls and recreational fields.

	Conceptual Approval Estimate	Project Approval Estimate	Final Budget at Substantial Completion
1. Land Acquisition			
2. Construction Cost			
A. New Construction	\$5,700,000		
B. Renovation	0		
C. Fixed Equipment	\$800,000		
D. Site Development (exclude 2E)	0		
E. Parking and Landscaping	0		
F. Utilities Extensions	0		
G. Other *	0		
H. Inflation Adj. (construction midpt)	0		
Subtotal Construction Cost	\$6,500,000		
3. Consultant Fees (% of Construction Cost)			
A. Construction Manager (1%)	\$65,000		
B. Engineer (11.4%)	\$741,000		
C. Other * (Special Consultants)	0		
Subtotal Consultant Fees	\$806,000		
4. FF&E Moveable	0		
5. Contingency, Design Phase (CMAR)	0		
6. Contingency, Const. Phase (5%)	\$325,000		
7. Parking Reserve	0		
8. Telecommunications Equipment	0		
Subtotal Items 4-8	\$325,000		
9. Additional University Costs			
A. Surveys and Tests	\$40,000		
B. Move-in Costs	0		
C. Public Art (<or= 0.005 X subt. constr.)	0		
D. Printing/Advertisement	\$12,000		
E. Other * (Project Mgmt Services)	\$78,000		
F. State Risk Mgmt Ins. (.006) **	\$39,000		
Subtotal Additional University Cost	\$169,000		
TOTAL CAPITAL COST	\$7,800,000		
	<u>FY02</u>	<u>FY 03</u>	<u>FY04</u>
Projected Cash Flow Needs for Total Project Cost:	\$1.2	\$3.6	\$3.0

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

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

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

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

EXECUTIVE SUMMARY

ACTION ITEM: Flightline Facility: Project Initiation (ASU East)

ISSUE: Arizona State University seeks Project Initiation approval to construct a \$3.2 million flightline facility to conduct flight training programs offered by the ASU East College of Technology and Applied Sciences, Department of Aeronautical Management Technology (AMT).

PROJECT DESCRIPTION:

Previous Board Actions:

ASU East CIP:

Reviewed in June 2000

Approved in September 2000

Preliminary Justification: June 2000

- This project constructs a two-story facility on the north apron of the Williams Gateway Airport on property adjacent to ASU East and within close proximity to the Simulator Building, the home of AMT. The flightline facility consists of approximately 42,000 gross square feet and includes hangar space for storage and maintenance of aircraft, instructional laboratories, classrooms and space for flight training instruction.
- The ground level of the facility includes hangar space for approximately 26 aircraft, allied shops (functional maintenance operations) and space for storage, building mechanical systems, restrooms and support/technician offices.
- The upper level of the facility will house offices for faculty and staff, the flight provider, flight training devices, computerized weather briefing area, aircraft dispatch area, flight planning areas, and areas for small meetings, seminars and/or student study space.

CONTACT: Terry Isaacson (480) 727-1788
Director, ASU East Administrative Services
E-mail: isaacson@asu.edu

William McCurry (480) 727-1998
Chair and Professor, ASU East Dept. of Aeronautical Management Technology
E-mail: McCurry@asu.edu

EXECUTIVE SUMMARY

- The estimated total project cost is \$3.2 million. The project will be funded by either one methodology or a combination of two different methodologies. The total project may be funded entirely through Certificates of Participation (COPS) as provided with the approval of Proposition 301. Or, this project may be completed as a public/private partnership that involves the Williams Gateway Airport and investors from the private sector. The funding for the public/private project would be grants/gifts or a combination of private funds, general funds and COPS from Proposition 301.
- This parallel track approach will be followed through the selection of a construction manager at risk.
- The construction and funding methodology that best serves the needs of ASU East will be determined prior to seeking project approval from the Board.

PROJECT JUSTIFICATION:

- The need for flightline access and an aviation training facility was identified in the initial planning for ASU East at the Williams Campus. With the FAA mandated upgrade in security at Williams Gateway Airport, it is essential that aircraft dispatch activities take place on the airport property. Through-the-fence operations are specifically discouraged by Williams Gateway Airport, and the airport is required to charge fair market value for through-the-fence privileges.
- The current ASU East flight training operation is required to pay parking/tie-down fees in lieu of landing fees. The Williams Gateway Airport land lease would include such fees based on ASU East's locating its flight training operation on airport property.
- In July 1998, ASU East negotiated an option to sublease and develop certain property at the airport known as Parcel 22, consisting of approximately 2.3 acres as shown on the site map at Exhibit A. The option agreement anticipates the start of construction for this facility in July 2001; however, the airport has agreed to the timetable presented in this request for project initiation.
- This flightline facility has been sized to accommodate anticipated growth in the ASU East flight training program to 300-500 students within the next five years.
- There are accepted industry standards that determine the number of aircraft to support a specific number students enrolled in the program. The ASU East flight training contractor will use Piper Warriors, Piper Archers, Beech Bonanzas, and Beech Barons, and that will generate a requirement for approximately 30,000 square feet of hangar space.

EXECUTIVE SUMMARY

- This project addresses a critical nationwide shortage of pilots caused by mandatory retirement of airline pilots, reduced military pilot training, a traditional pipeline for new pilots, and insufficient university-based aviation education programs focusing on the needs of the airlines. It also enhances the traditional flight training program with a focus on academics and aviation education.
- The benefit to the trainees participating in an enhanced-aviation training program, developed in consultation with the aviation industry, is immeasurable. The synergy between the ASU East flight training program and the greater Williams Gateway Airport community make this a highly visible national project. Co-locating flight training and operations on the flightline of the airport enhances the instructional qualities with real world experience and creates opportunities on the ASU East campus to expand the aviation training capabilities.
- The project showcases one of the most needed and visible education and training programs at ASU East. From the beginning, it has been the intent of the ASU East/Williams Gateway Airport to encourage development of public/private enterprise relationships, and will continue to strengthen the credibility of this university to deliver real world training and experience to its students.
- This project is a critical component of ASU East's strategy to enhance aviation education and academic delivery processes. The enrollment growth demands will also be supported by the expanded space provided by this project. The aviation training facility on the flightline facilitates the continued growth of the ASU East campus and takes full advantage of the resources presented by the Williams Gateway Airport.

ADDITIONAL CONSIDERATIONS:

- A ground lease for Parcel 22 will be required. The ground lease will be presented to the Board for approval after Conceptual Approval of this project. ASU East plans to seek Conceptual Approval for this project at the June 2001 meeting of the Board.
- Since this project may be funded through COPS as provided for in Proposition 301, review by the Joint Committee on Capital Review (JCCR) is required.
- The university will seek JCCR review and/or approval of several ASU Main, ASU West and ASU East projects, including this project, at a June 2001 meeting of the JCCR. This is advisable in order to obtain all necessary approvals to sell the COPS in late summer/early fall 2001.

EXECUTIVE SUMMARY

RECOMMENDATIONS:

RESOLVED: That the Board grant Projection Initiation approval to continue planning for construction of the flightline facility at Williams Gateway Airport as described herein.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University East

Project Name: Flightline Facility

Project Description/Location:

Construction of a flightline facility to conduct flight training programs offered by the ASU East College of Technology and Applied Sciences, Department of Aeronautical Management Technology (AMT). It will be located on the north apron of the Williams Gateway Airport on property adjacent to ASU East and within close proximity to the Simulator Building, the home of AMT.

<u>Dates of Board Action:</u>	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Project Approval</u>
	05/25/01		

Project Scope:

Gross Square Feet	42,000
Net Assignable Square Feet	36,978
Efficiency Ratio (nasf/gsf)	88%
GSF by Space Type	
Aircraft Hangars	30,000
Maintenance areas	2,576
Flight training areas	1,500
Observational area	640
Storage Space	500
Mechanical Systems	3,018
Office	1,262
Other	2,504

Project Schedule (Beginning Month/Year):

Planning	Jun 2000
Design	Nov 2001
Construction	Apr 2002
Occupancy	Jul 2002

Project Budget:

Total Project Cost	\$3,200,000
Direct Construction Cost	\$2,782,608 (15% = A&E, Consultants, etc. est.)
Total Project Cost per gsf	\$ 76.19 Est.
Construction Cost per gsf	\$ 66.25 Est.
Change in Annual Oper./Main. Cost	
Utilities	\$ 61,000/yr.
Personnel	
Other	

Funding Sources:

Capital

- A. Certificates of Participation (COPS)
- B. Grants/Gifts
- C. General Funds

Operation/Maintenance

General Fund

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University East

Project Name: Flightline Facility

	<u>Project Initiation Estimate</u>	<u>Conceptual Approval Estimate</u>
Date of Budget Estimate:		
1. Land Acquisition	\$ 0	
2. Construction Cost		
A. New Construction	\$2,080,000	
B. Fixed Equipment	\$ 32,000	
C. Site Development	\$ 14,400	
D. Parking and Landscaping	\$ 22,400	
E. Utilities Extension	\$ 9,600	
F. Inflation Adj. (5% @ mos.)	\$ 160,000	
G. Other	\$	
Subtotal Construction Costs	<u>\$2,318,400</u>	
3. Consultant Fees		
A. Construction Manager	\$ 96,000	
B. A/E Services	\$ 256,000	
C. Other	<u>\$ 41,000</u>	
Subtotal Consultant Fees	<u>\$ 393,000</u>	
4. FF&E Movable	\$ 124,000	
5. Contingency, Design Phase	\$ 96,000	
6. Contingency, Construction Phase	\$ 160,000	
7. Telecommunications Equipment	<u>\$ 64,000</u>	
Subtotal 4-7	<u>\$ 444,000</u>	
8. Addition University Costs		
A. Survey and Tests	\$ 5,400	
B. Move-In Costs	\$ 3,000	
C. Public Art (<or= 0.005xSubtotal Const.)	\$ 16,000	
D. Printing/Advertising	\$ 1,000	
E. Other	\$	
F. Site Risk Management Insurance (.006)*	<u>\$ 19,200</u>	
Subtotal Additional University Costs	<u>\$ 44,600</u>	
TOTAL CAPITAL COST	\$3,200,000	

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

EXECUTIVE SUMMARY

ACTION ITEM: Revised Conceptual Approval – Classroom/Laboratory/Computer Classroom Building Phase II (CLCC II), Arizona State University West.

ISSUE: ASU West requests approval of a revised Conceptual Plan for CL/CC II, a multi-purpose instructional facility, to be funded by Lease/Purchase Certificates of Participation (COPs), with state General Fund appropriations to amortize the COPs.

PREVIOUS BOARD ACTION: Project initiation was approved in February 1990 and Conceptual Approval granted in May 1990. The project has been in ASU West's Capital Improvement Plan (CIP) every year for the last eight years. It is in ASU West's current CIP at a total project budget of \$19.6 million. Both the initial and this revised programming and project cost estimates were prepared by Smith, Hinchman, & Grylls (SHG), Inc. in consultation with a campus Building Planning Committee.

PROJECT DESCRIPTION:

- **Project Type:** The proposed facility is a multi-level building of 98,192 gross square feet, consisting of about 41,000 net assignable sq.ft. (NASF) of instructional space, or about 70% of the total NASF, and 3,750 NASF of faculty office space. The instructional space includes a 150-seat tiered lecture hall, two 80-seat classrooms, six 60-seat classrooms, six 40-seat classrooms, and three 36-seat life science teaching labs. All of the instructional space is proposed to be fully mediated to provide for the effective utilization of information technology in teaching and learning. About 10,000 of the NASF, or 16.5%, will be shell space, to be finished as necessary to satisfy instructional and faculty office space needs beyond ASU West's Base-level Plan.
- **Cost/funding sources:** The revised total project cost is \$19.9 million, including a provision of \$500,000 for modifications to CLCC I to provide for upgraded and improved instructional and research space for the Life Sciences. Lease-purchase/COPs funding is proposed in the amount of \$17.7 million, with the balance of \$2.2 million coming from local funds, consisting of savings from the 1996 refinancing of ASU West's debt and currently on reserve for this project. Anticipated operating expenses include \$294,000 in utilities, \$208,000 in personal services and \$78,000 in maintenance and other expenses. These costs, totaling \$580,000, as well as the funds required to amortize the COPS are proposed to be funded through annual state General Fund appropriations.
- **Proposed Schedule:**

Project Approval	April, 2001
Construction Start	September, 2001
Occupancy	August, 2003

Contact: Elaine P. Maimon, Provost (602)543-7002

PROJECT DESCRIPTION: (Continued)

- **Major Project Goals and Objectives:** The addition of CLCC II will complete ASU West's current phase of physical development. It is required to meet the instructional and faculty office space needs to support the 5,000 FTE (about 7,500 headcount) enrollment level expected by Fall, 2003. This level of enrollment is mandated by the Base-Level Funding Plan approved by the Arizona Board of Regents in December, 1991 and is the central and driving force of ASU West's 1998 strategic plan.
- ASU West is currently experiencing shortages of large- and medium-size classrooms, particularly in the evenings. For example, all classrooms with 40 or more seating capacity are currently being utilized for 95% or more of the available time slots in the evenings.
- The mix of instructional classrooms and labs, academic offices, along with the degree of mediation provided in this revised conceptual plan, will support ASU West's strategic goal of accelerating its enrollment growth and improving instructional quality through the use of leading edge instructional technology.

ADDITIONAL CONSIDERATIONS:

- CLCC II is the second phase of the existing CLCC Building and will, consistent with ASU West's master plan approved by the Board of Regents in 1998, be located immediately adjacent to it. There is a potential for corridor connections at the second floor level, enhancing and lending continuity between the new and existing Life Sciences instructional and research facilities.
- The revised plan provides for 30 faculty offices that the campus will be hiring to meet the requirements of the Base-Level Plan.
- The revised plan also contains 9,750 NASF of shell space, necessitated by the need to size the building in such a way that it mirrors the existing CLCC building and is in compliance with the architectural and design features of the approved Campus Master Plan. The shell space will be finished to satisfy instructional and faculty office space needs beyond the Base-level Plan.

RECOMMENDATION: That the Board grant Revised Conceptual Approval to Arizona State University West for the Classroom/Laboratory/Computer Classroom Building, Phase II, CLCC II.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University West Project Name: Revised Classroom/Laboratory/Computer Classroom Building Phase II (CLCCII)

Project Description/Location: Multi-purpose Instructional building, ASU West

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Revised Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	February, 1990	May, 1990	November-99	
<u>Project Scope:</u>				
Gross Square Feet			98,192	
Net Assignable Square Feet			58,915	
Efficiency Ratio (NASF/GSF)			60%	
<u>NASF by Space Type</u>				
Classroom			33,600	
Class Laboratories			7,290	
Research Laboratories			0	
Library			0	
Faculty Offices			3,750	
Other (Including 9,750 sq. ft. of shell space.)*			14,275	
<u>Project Schedule (Beginning Month/Year):</u>				
Planning			September, 1999	
Design			October, 2000	
Construction			September, 2001	
Occupancy			August, 2003	
<u>Project Budget:</u>				
Total Project Cost			\$19,875,000	
Direct Construction Cost			\$14,450,000	
Total Project Cost per GSF(excluding \$500,000 for remodeling of CLCC I)			\$197	
Construction Cost per GSF (excluding remodeling costs)			\$142	
<u>Change in Annual Oper./Main. Cost</u>				
Utilities			\$294,000	
Personnel			\$208,000	
Other			\$78,000	
<u>Funding Sources:</u>				
<u>Capital</u>				
A. Lease Purchase/COPS			\$17,675,000	
B. Local Funds (Savings from refinancing of ASU West's existing COPS)			\$2,200,000	
C. General Fund			\$0	
<u>Operation/Maintenance</u>				
A. General Fund			\$580,000	

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

**Shell space totaling 9,750 NASF will be finished as needs dictate beyond the requirements of the Base-Level Plan.

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University West

Project Name: Revised Classroom/Laboratory/Computer
Classroom Building Phase II (CLCCII)

	Revised Conceptual Approval Estimate	Project Approval Estimate
Date of Budget Estimate ... October, 1999		
1. Land Acquisition		N.A.
2. Construction Cost		
A. New Construction	\$11,950,000	
B. Renovation	\$500,000	
C. Fixed Equipment	\$350,000	
D. Site Development (excl.2.E.)	\$400,000	
E. Parking and Landscaping	\$200,000	
F. Utilities Extensions	\$150,000	
G. Other*	\$0	
H. Inflation Adj. (construction midpoint)	\$900,000	
Subtotal Construction Cost	\$14,450,000	
3. Consultant Fees (3% of Construction Cost)		
A. Construction Manager (3%)	\$434,000	
B. A/E & Theater Consultant (8%)	\$1,156,000	
C. Other*	\$0	
Subtotal Consultant Fees	\$1,590,000	
4. FF& E Movable	\$1,050,000	
5. Contingency, Design Phase (3%)	\$434,000	
6. Contingency, Construction Phase (5%)	\$720,000	
7. Parking Reserve	\$0	
8. Telecommunications Equipment	\$141,000	
Subtotal Items 4-8	\$2,345,000	
9. Additional University Costs		
A. Surveys and Tests	\$124,000	
B. Move-In Costs	\$20,000	
C. Public Art ($\leq 0.005 \times$ subtotal construction)	\$70,000	
D. Printing/Advertisement	\$50,000	
E. Other – Computer Equipment & Fees, signage & keys	\$1,125,000	
F. State Risk Management Insurance (.006)**	\$101,000	
Subtotal Additional University Costs	\$1,490,000	
TOTAL CAPITAL COST	\$19,875,000	

Projected Cash Flow Needs for Total Project Cost:	FY01	FY02	FY03	FY04
(in millions, updated at each submission)	\$0.8	\$5.9	\$7.8	\$5.4

* University shall identify items included in this category.

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

EXECUTIVE SUMMARY:

ACTION ITEM: Revised Conceptual Approval – Central Plant III, ASU West

ISSUE: ASU West requests approval of a revised Conceptual Plan for Central Plant III, that expands the campus utility infrastructure to support the classroom/Laboratory/Computer Classroom Building Phase II (CLCC II) scheduled for completion in 2004. Both this and the CLCC II projects will be funded through the sale of \$21.6 million in COPs that will be amortized by monies authorized from the Technology and Research Fund (Prop. 301).

PREVIOUS BOARD ACTION: Project initiation was approved in February 1990 and Conceptual Approval granted in May 1990. The project has been in ASU West's Capital Improvement Plan (CIP) every year for the last ten years. Both the initial and this revised cost estimates were prepared by Bridgers and Paxton Consulting Engineers, Inc. in consultation with university representatives.

PROJECT DESCRIPTION:

- **Project Type:** The project will expand the existing Central Plant Building by 4,800 GSF; construct and equip a cooling tower and a 750,000-gallon thermal storage tank; install a new 1,000-ton electric driven centrifugal water chiller and associated support equipment and distribution system; and upgrade the campus energy management and control system, electrical distribution, and telecommunication systems. The project will provide cooling capacity to support up to an additional 200,000 gross square feet of space.
- **Cost/funding sources:** The revised total project cost is \$4.6 million. Lease purchase/COPs funding is proposed in the amount of \$4.1 million, with the balance of \$0.5 million coming from local funds, consisting of savings from the 1996 refinancing of ASU West's debt and currently on reserve for this project. Anticipated operating expenses include \$7,000 in utilities, \$35,000 in personal services and \$10,000 in maintenance and other expenses. These costs, totaling \$52,000, are proposed to be funded through annual state General Fund appropriations.
- **Proposed Schedule:**

Project Approval	December, 2001
Construction Start	April, 2002
Occupancy	June, 2003

Contact: Elaine P. Maimon, Provost (602) 543-7002

EXECUTIVE SUMMARY

PROJECT DESCRIPTION: (Continued)

- **Major Project Goals and Objectives:** The addition of Central Plant III will complete ASU West's current phase of physical infrastructure development. It is primarily required to meet the utility needs of the CLCC II Building, which is a companion project funded with Proposition 301 funds.
- **Chilled Water Supply and Demand Analysis:** The Central Plant III project must be completed prior to completion and occupancy of the CLCC II building based upon current supply and demand for chilled water. In addition to support the CLCC II building, this expansion of the campus Central Plant will provide the campus with future growth capacity of approximately 200,000 gross square feet of space.

Cooling Capacity in Tons

Current supply capacity	2,000
Current level of demand	<u>1,911</u>
Net available capacity	89
CLCC II projected demand	<u>325</u>
Projected deficit	236
Additional capacity from expansion	<u>1,000</u>
Capacity available for future growth	764

ADDITIONAL CONSIDERATIONS:

- Constructing the 750,000-gallon thermal storage tanks will result in a \$125,000 annual cost avoidance in electricity.
- The revised plan reflects the changing needs of academic, research, and administrative functions. The scope of the project has been revised to take advantage of changes in technology and locally funded initiatives that have occurred since initial Conceptual Approval.

RECOMMENDATION: That the Board grant Revised Conceptual Approval to Arizona State University West for the Central Plant III Project.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University West

Project Name: Central Plant III

Project Description/Location: The project consists of a 4,800 GSF addition to the existing Central Plant, a thermal storage tank, a electric chiller and associated support equipment, and expansion of the campus electrical and telecommunication system.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Revised Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	February, 1990	May, 1990	March, 2001	
<u>Project Scope:</u>				
Gross Square Feet				4,800
GSF by Space Type				
Main floor equipment space				2,400
Basement pump and distribution system				2,400
<u>Project Schedule (Beginning Month/Year):</u>				
Planning				September, 2000
Design				March 2001
Construction				April 2002
Occupancy				June 2003
<u>Project Budget:</u>				
Total Project Cost				\$4,600,000
Direct Construction Cost				\$3,412,000
Change in Annual Operations/Maintenance Cost				
Utilities				\$7,000
Personnel				\$35,000
Other				\$10,000
<u>Funding Source:</u>				
Capital				
A. Lease Purchase/COPS				\$4,100,000
B. Local Funds (Savings from refinancing of ASU West's existing COPs)				\$500,000
C. General Fund				\$0
Operations/Maintenance				
A. General Fund				\$52,000

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

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University West

Project Name: Revised Central Plant III

	<u>Revised Conceptual Approval Estimate</u>	<u>Project Approval Estimate</u>
Date of Budget Estimate: September, 2000		
1. Land Acquisition	NA	
2. Construction Cost		
A. New Central Plant Bldg. W/cooling tower	\$384,000	
B. Central Plant Mech. & Electrical System	\$1,590,000	
C. Thermal Storage Tank	\$550,000	
D. Electrical Switchgear Upgrade	\$30,000	
E. Telecommunications Equipment	\$125,000	
F. Chilled Water Distribution Piping	\$100,000	
G. Electrical Distribution System	\$50,000	
H. Energy Management Control System	\$123,000	
I. Emergency Generator	\$75,000	
J. Loop Utility Distribution tunnel system	\$434,000	
K. Inflation Adjustment	\$138,500	
Construction Sub Total	\$3,599,500	
3. Consultant Fees		
A. A/E Consultant and Project Management (9% of Construction Cost)	\$324,000	
B. Other*	\$0	
Subtotal Consultant Fees	\$324,000	
4. Contingency, Design Phase (5%)	\$196,000	
5. Contingency, Construction Phase (10%)	\$392,500	
Subtotal Items 4,5	\$588,500	
6. Additional University Costs		
A. Other – Equipment and Fees, signage & keys	\$61,000	
B. State Risk Management Insurance (.006)**	\$27,000	
Subtotal Additional University Costs	\$88,000	
TOTAL CAPITAL COST	\$4,600,000	
Projected Cash Flow Needs for Total Project Cost:	<u>FY01</u>	<u>FY02</u>
(in millions, updated at each submission)	\$0.15	\$1.00
		<u>FY03</u>
		\$3.45

* University shall identify items included in this category.

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

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: June 22, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY - REVIEW OF
REVISED MULTI-YEAR BONDING PLAN

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.

Analysis

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

Table 1		Planned Annual Bond Issues						
	(\$ in Thousands)							
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>Undetermined</u>	<u>Totals</u>
ASU (Current)	\$ --	\$ --	\$ --	\$15,000	\$ 75,000	\$10,000	\$ --	\$100,000
ASU (Revised)	--	--	--	\$15,000	--	\$85,000	--	\$100,000
NAU	30,900	--	--	23,900	--	--	39,100	93,900
UofA	--	--	--	23,683	30,000	36,900	--	90,583
TOTAL	\$30,900	\$ --	\$ --	\$62,583	\$30,000	\$121,900	\$39,100	\$284,483

(Continued)

ASU is requesting changes to the projects listed in the last plan reviewed by the Committee in May 2000. Table 2 lists the changes to projects in the multi-year bonding plan.

	<u>As Reviewed</u> <u>May 2000</u>	<u>Requested</u> <u>June 2001</u>	<u>Difference</u>
On-Campus Student Housing (Issued)	\$ 15,000	\$ 15,000	\$ 0
Mediated Classroom/Social Sciences Bldg.	35,500*	58,700	23,200
Parking Structure VII	4,000	3,500	(500)
Academic Renovations	8,000	0	(8,000)
Infrastructure Improvements	27,700	22,800	(4,900)
Major Building Maintenance	9,800	0	(9,800)
TOTAL	\$100,000	\$100,000	\$ 0

* At its December 2000 meeting, JCCR approved \$32,335,000 for the project. Bond financing of \$3,165,000 for computer equipment was not approved by JCCR.

ASU is requesting changes to the bonding plan to accommodate the loss of usable space in the existing 81,000 gross square foot (GSF) Social Sciences Building. The existing building contains structural deficiencies that require the building to be vacated and demolished within the next 2 to 3 years. As a result of the loss of the existing space, ASU plans to expand the size of the planned Mediated Classroom/Social Sciences (MCSS) Building to accommodate the functions currently housed in the existing building. A mediated classroom is a high technology classroom designed and wired to take advantage of electronic media such as audio/video conferencing and computer connectivity. The proposed expansion of the building from 173,000 GSF to 276,500 GSF is estimated to increase the project cost from \$35,500,000 to \$58,700,000.

The Committee approved the issuance of \$32,335,000 in academic revenue bonds for this project at its December 2000 meeting; however, that approval was prior to discovery of the scope of the structural deficiencies in the existing Social Sciences Building. The change in scope for the new building will require another approval review by the Committee. Chapter 334 requires Committee approval of each individual bond project before bonds may be issued.

In December, the Committee approved a bond issuance \$3,165,000 less than the \$35,500,000 allocated for the project. The lower amount represented the elimination of financing computer equipment and fees with bonds given the life of the equipment would be significantly less than the bond repayment period. The requested allocation of \$58,700,000 includes \$5,700,000 for classroom media equipment. The Committee will need to address this issue when this project is presented for approval before the issuance of bonds.

As shown in Table 2, bond funding of \$8,000,000 for Academic Renovations and \$9,800,000 for Major Maintenance has been eliminated and reallocated to the expanded MCSS Building. In addition, bond funding has been reduced by \$500,000 for a Parking Structure and \$4,900,000 for Infrastructure Improvements. These reductions have also been reallocated to the MCSS Building. ASU intends to replace the loss of bond funding for all 4 of these projects with Certificates of Participation (COP) financing.

The debt service on 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, \$81,500,000 is classified as academic and \$18,500,000 is classified as auxiliary.

(Continued)

ASU estimates an additional on-going General Fund operating budget requirement of approximately \$2,100,000 per year for the MCSS Building when fully operational in FY 2004. This estimate is based on full-year operating costs and includes new building renewal requirements. This amount is \$900,000 higher than the operating costs of the May 2000 plan. We have requested additional supporting information for this cost increase. Requests for operating costs associated with the opening of new facilities are typically considered in the normal budget process when agency appropriations are considered by the legislature. The remainder of projects in the bonding plan do not have a General Fund operating 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 the 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 COP financed projects could have General Fund impacts, the JLBC Staff requested, and ABOR and the universities agreed, that any university projects financed with COPs be submitted to the Committee as information 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



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May 25, 2001

The Honorable Ruth Solomon, Chair
Joint Committee on Capital Review
1700 W. Washington
Phoenix, AZ 85007

Dear Senator Solomon:

The Arizona Board of Regents (ABOR) requests that the following Arizona State University (ASU) items be placed on the next Joint Committee on Capital Review (JCCR) agenda, which we understand will be in June, 2001:

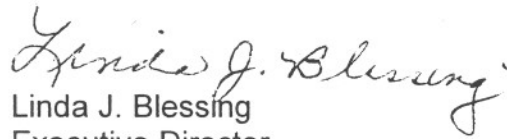
- Revised Multi-Year Bonding Plan. Arizona Law, Chapter 334, 1996 Second Regular Session, requires that a Multi-Year Bonding Plan be submitted to the JCCR for review and to the Governor for comment;
- ASU East and West Campuses Certificates of Participation. Arizona Law, Chapter 1, 2000 Fifth Special Session, Section 61 (Proposition 301), requires that the issuance of Certificates of Participation pursuant to this law be reviewed by the JCCR; and
- ASU Main Campus Certificates of Participation. In accordance with the request of the JCCR staff, university projects financed by Certificates of Participation are to be submitted to the JCCR as informational items.

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

Page 2

We appreciate your consideration of our requests. If you have any questions, or desire any clarification, on the enclosed material, please contact me at (602) 229-2505.

Sincerely,

A handwritten signature in cursive script, reading "Linda J. Blessing".

Linda J. Blessing
Executive Director

Enclosure

xc: Lorenzo Martinez, Senior Fiscal Analyst, JCCR
Mernoy Harrison, Vice Provost for Administrative Services, ASU
Gebe Ejigu, Vice Provost for Administrative Affairs, ASU West
Terry Isaacson, Director, Administrative Services, ASU East

Synopsis

Revised Multi-Year Bonding Plan

Arizona Law, Chapter 334, 1996 Second Regular Session, requires that a Multi-Year Bonding Plan be submitted to the JCCR for review and to the Governor for comment. ASU's Multi-Year Bonding Plan is being revised since its update in 2000 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 April 2000 and favorably reviewed by the JCCR in May 2000 are as follows:

- The new Mediated Classroom/Social Sciences Building has been increased from \$35.5 million to \$58.7 million, a \$23.2 million increase, in order to accommodate the functions previously scheduled to remain in the existing Social Sciences Building that now must be relocated to the new Mediated Classroom/Social Sciences Building as a result of the structural deterioration and impending demolition of the existing Social Sciences Building.
- The \$23.2 million increase for the new Mediated Classroom/Social Science Building is being obtained from the following reallocations. The \$8.0 million previously allocated for academic renovations and the \$9.8 million previously allocated for building major maintenance have been reallocated to the new Mediated Classroom/Social Sciences Building. In addition, there is a reallocation of \$4.9 million from infrastructure improvements and \$0.5 million from the Tempe Center parking structure in order to provide the remaining funding needed for the new Mediated Classroom/Social Sciences Building.
- In regards to the \$4.9 million bonding reduction for infrastructure improvements, it is anticipated that this amount will be financed from Certificates of Participation (COPs) as part of the building projects it supports.

The Board of Regents approved ASU's plan revisions at its meeting on May 25, 2001. 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 comment.

Enclosed is the May 2001 revised Multi-Year Bonding Plan.

5/25/01

MULTI YEAR BONDING PLAN

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Arizona Board of Regents

ARIZONA STATE UNIVERSITY

MAY 2001
Revised June 7, 2001

EXECUTIVE SUMMARY

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 Multi-Year Bonding Plan approved by the Board in April, 2000. 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 Arizona 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 Arizona 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 Arizona Universities revised their plans based on this discussion.

CONTACT: Mernoy E. Harrison, (480) 965-3201
mernoy.harrison@asu.edu



EXECUTIVE SUMMARY

- 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.
- ASU revised its Multi-Year Bonding Plan in April, 2000 to reflect current priorities and timing for issuing of bonds. The most significant change at that time was the adding of \$27.7 million of infrastructure improvements so that new main campus facilities can be constructed and operated. The Board approved Arizona State University's revised Multi-Year Bonding Plan in April, 2000. JCCR reviewed the plan in May, 2000.
- ASU has updated its Multi-Year Bonding Plan at this time to reflect expansion of the Mediated Classroom/Social Sciences Building project as a result of the eventual demolition of the existing social sciences building, due to the significant structural problems with that building.
- The annual bond issues included in the plan are summarized as follows:

PLANNED ANNUAL BOND ISSUES (in thousands)

Fiscal Year		
2000	2002	Total
\$15,000	\$85,000	\$100,000

The \$15 million of bonds for fiscal year 2000 were issued in June 2000.

- 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 bonding 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 from the ASU Multi-Year Bonding Plan approved by the Board in April 2000 and the bond financed portion of ASU's Capital Improvement Plan (CIP) approved by the Board in September 2000 are as follows:

EXECUTIVE SUMMARY

- The new Mediated Classroom/Social Sciences Building has been increased from \$35.5 million to \$58.7 million, a \$23.2 million increase, in order to accommodate the functions previously scheduled to remain in the existing social sciences building that now must be relocated to the new mediated classroom/social sciences building.
- The \$8.0 million previously allocated for academic renovations and the \$9.8 million previously allocated for building major maintenance have been reallocated to the new Mediated Classroom/Social Sciences Building.
- The reallocation of \$4.9 million from infrastructure improvements and \$0.5 million from Tempe Center parking structure in order to provide the remaining funding needed for the new Mediated Classroom/Social Sciences Building.
- In regards to the \$4.9 million bonding reduction for infrastructure improvements, it is anticipated that this amount will be financed from certificates of participation (COPs) as part of the building projects it supports.
- 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.
- 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

EXHIBIT A

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

Total Project Cost

Fiscal Year 2000 Bond Sale (Bonds issued in June 2000)

On-Campus Student Housing Development	\$ 15,000 (B)
TOTAL OF FISCAL YEAR 2000 BOND SALES	<u>\$ 15,000</u>

Fiscal Year 2002 Bond Sale

Mediated Classroom/Social Sciences Building	\$ 58,700 (A)
Infrastructure Improvements	22,800 (A)
Parking Structure	<u>3,500 (B)</u>
TOTAL OF FISCAL YEAR 2002 BOND SALES	<u>\$ 85,000</u>

(A) TOTAL BOND SALES FROM ACADEMIC BONDING SOURCE	\$ 81,500
(B) TOTAL BOND SALES FROM AUXILIARY BONDING SOURCE	<u>18,500</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 (155,907 NASF), research laboratory space (329,032 NASF), library space (312,334 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 four (4) projects. They are the Mediated Classroom/Social Science Building, On-Campus Student Housing Development, Parking Structure VII - NW Quadrant, and the 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. New facilities cannot be provided without first providing adequate infrastructure to support the facilities, i.e., electricity, sewers, chilled water and steam.

D. 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 \$22 million and

would rise to \$29 million in 2004. However, the debt service payments would drop to \$27 million in 2006, to \$26 million in 2007, to \$24 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.

E. 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.

F. 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. \$2,100,000 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

2000 Bond Sale

Total Project Cost

On-Campus Student Housing Development

\$ 15,000 (B)

TOTAL OF FISCAL YEAR 2000 BOND SALES

\$ 15,000

Fiscal Year 2002 Bond Sale

Mediated Classroom/Social Sciences Building

\$ 58,700 (A)

Infrastructure Improvements

22,800 (A)

Parking Structure

3,500 (B)

TOTAL OF FISCAL YEAR 2002 BOND SALES

\$ 85,000

(A) TOTAL BOND SALES FROM ACADEMIC BONDING SOURCE

\$ 81,500

(B) TOTAL BOND SALES FROM AUXILIARY BONDING SOURCE

18,500

GRAND TOTAL OF BONDING AUTHORITY

\$100,000

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

ARIZONA STATE UNIVERSITY MAIN
MULTIYEAR BONDING PLAN
PROJECT JUSTIFICATION

Project Name: ON-CAMPUS STUDENT HOUSING DEVELOPMENT

Year: 2000

Project Justification

Nature and Purpose of the Project

Construct a new residential facility to house 252 students at North Campus. The new building will be located between Manzanita Hall and Palo Verde East Hall. New residential building additions will also be constructed at Center Campus for a 250-bed increase. The additions will be at the north side of Hayden Hall and at the east end of Best Hall "C". In July 1999, the University Honors College relocated to the Center Campus Complex. The new residential facilities will be for freshman and will provide suites with shared bathrooms, living space, and common meeting/community space on each floor with kitchenettes. The Freshmen Year Experience (FYE) services will also include computer labs, classrooms, faculty/advising offices, tutoring and study areas.

The total gain will be 502 beds for Residential Life to address new and continuing student demand for on-campus living.

Primary Goals and Objectives

Arizona State University has made a commitment to improving the educational experience of its students, to improving retention, and to support student success. The Residential Life FYE and Campus Communities programs are residentially based academic programs to support these goals. The new space and renovated space supports our commitment to the academic goals of students by focusing on quality living environments which provide for learning experiences within the halls.

Projected Growth

502 beds will be dedicated to new freshman students who would respond to projected enrollment growth and to our campus' commitment to provide on-campus living and learning environments for those students who can best benefit from such an experience. It is most important that this project be completed, in the summer of 2001 and ready for the Fall Semester 2001 occupancy. To achieve this objective construction started in July 2000.

Funding

<u>Estimated Total Project Cost</u>	\$ 18,350,000
<u>Bonding</u>	\$15,000,000
<u>Funding Source</u>	2000 Revenue Bond Proceeds and Residential Life local funds (\$3,350,000). Debt service and operational cost will be paid by Residential Life from additional revenues generated from the project.
<u>General Fund Impact</u>	Not Applicable

Alternatives to Project

There are no known viable alternatives to the construction of new space. Current facilities are overcrowded, outdated and inadequate to serve more students than originally intended. Other space on campus is neither available nor suitable. In conjunction with this project, expansion of the University's infrastructure is needed with a portion of this cost to be included in a future bond issue.

Board Approved Documents

The Arizona Board of Regents granted Project Initiation in February 1999, Conceptual Approval in November 1999 and Project Approval in May 2000. A project budget increase is a May 2001 request. Pertinent documents are attached.

ARIZONA STATE UNIVERSITY MAIN

PROJECT JUSTIFICATION

Project Name: Mediated Classroom/Social Sciences Building

Year: 2002

Project Justification:

Nature and Purpose of the Project

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

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

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

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

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

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

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

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

Primary Goals and Objectives:

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

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

Projected Growth:

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

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

Funding:

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

Alternatives to Project:

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

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

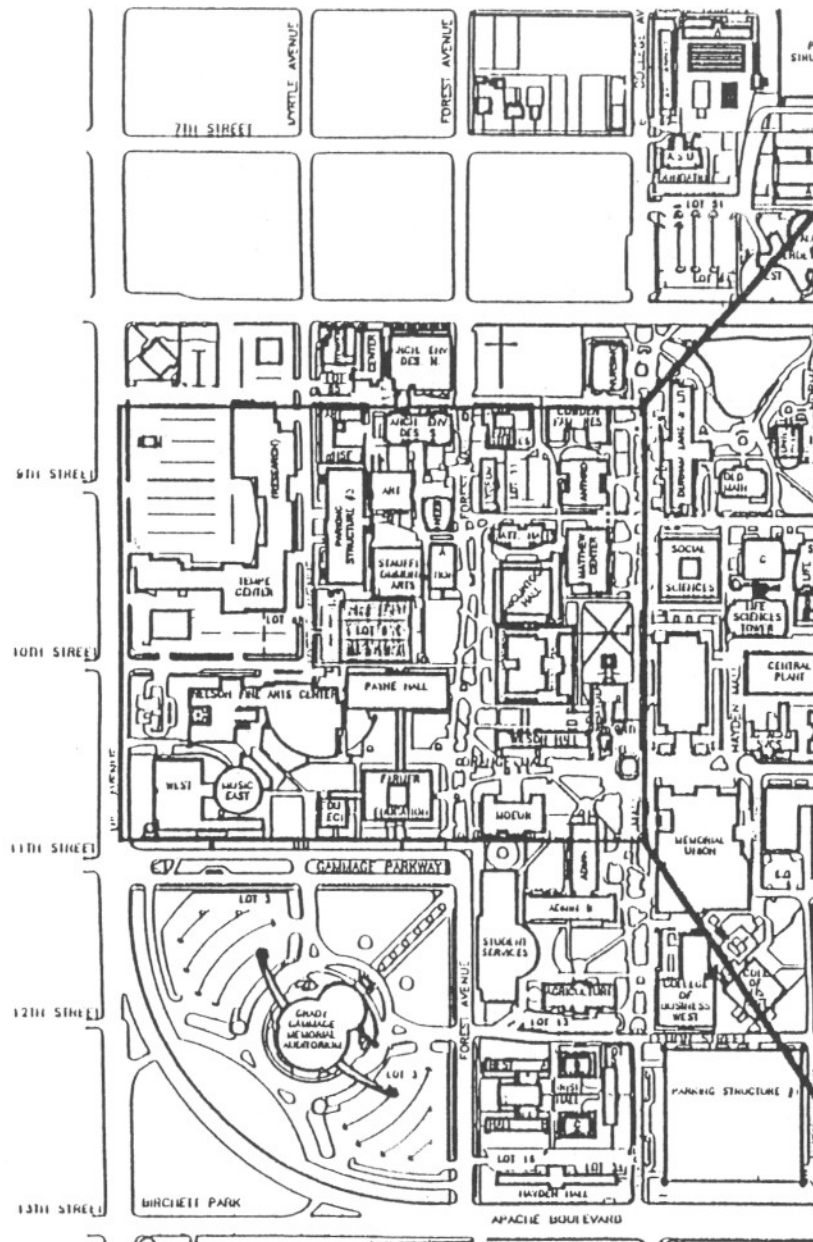
The University's ability to offer high quality, technologically advanced learning experiences in the classroom will be greatly hindered and students will continue to experience delays in gaining access to open computing resources. Quality will be compromised because of constraints on the levels and modes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

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

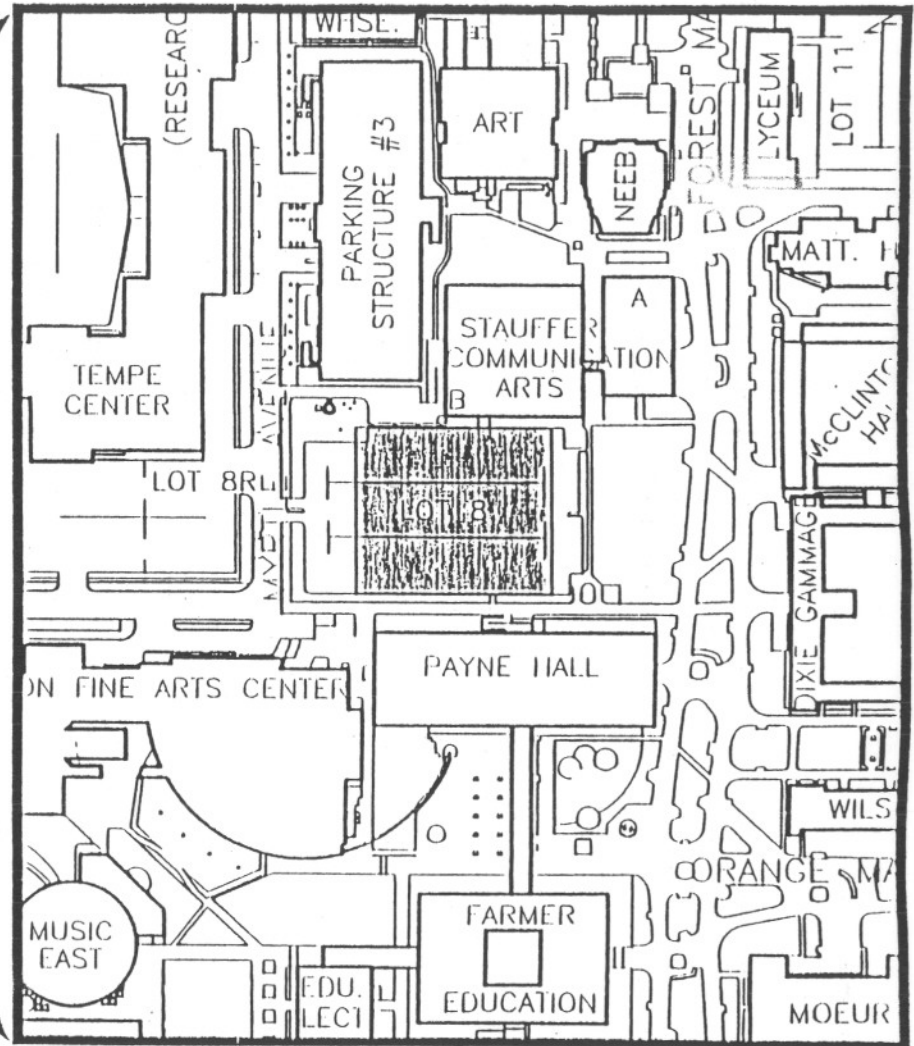
Board Approved Documents:

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

GENERAL LOCATION MAP



MEDIATED CLASSROOM BUILDING LOCATION



AREA IN DETAIL

ARIZONA STATE UNIVERSITY MAIN
MULTI YEAR BONDING PLAN
PROJECT JUSTIFICATION

Project Name: INFRASTRUCTURE IMPROVEMENTS

Year: 2002

Project Justification:

Nature and Purpose of the Project

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

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

Primary Goals and Objectives:

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

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

Infrastructure Improvements planned for the FY 2001 bond sale include:

Central Plant

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

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

- Chilled water and steam distribution improvements
- Electrical Feeds

Core Campus (Residential Life New Building Additions, College of Business, Mediated Classroom Building, MU Expansion, Public/Private Dorm)

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

Funding:

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

Board Approved Documents:

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

ARIZONA STATE UNIVERSITY MAIN
MULTI YEAR BONDING PLAN
PROJECT JUSTIFICATION

Project Name: PARKING STRUCTURE VII

Year: 2002

Project Justification:

Nature and Purpose of the Project

ASU proposes to participate in a parking structure on the existing site of Tempe Center (10-acre parcel of land cornered by Mill Avenue and University Drive). The proposed structure will provide 1,150 parking spaces, 700 spaces for ASU use for visitor parking and 450 spaces for Tempe Center use to support the Tempe Center merchants. ASU will fund the 700 spaces with the developer funding the 450 commercial spaces

There already exists a parking shortage on the west side of campus. This new parking structure will provide replacement visitor parking already existing in lot 8 (188 spaces) that will be discontinued when the Mediated Classroom/Social Sciences Building is constructed on the existing lot 8 parking site. In addition, depending upon the needs of the Tempe Center Developer, there may be additional ASU visitor parking capacity added to the west side of campus. It should also be noted that for the developer's commercial spaces available for a fee, ASU benefits from the availability of additional parking spaces adjacent to the University that can be used by ASU visitors. The construction of this parking structure will bat a minimum keep the west side of campus visitor parking the same level and provide additional visitor parking flexibility to ASU.

Approximately 20 weeks of Broadway Series Performances at Grady Gammage Memorial Auditorium, night classes, and activities in the Music Building, Memorial Union, and Student Recreation Center, results in capacity parking, at least 10-15 minutes before show time, at all the parking areas around Gammage Auditorium. One of the most common complaints received by Public Events is the lack of parking within close proximity of the Auditorium.

Primary Goals and Objectives:

In 1993 an extensive study and report was completed which indicated a shortage of 1,200 – 1,500 parking spaces on the West Side of main campus. This project will provide replacement parking spaces for this area of campus upon construction of the Mediated Classroom/Social Sciences Building and, in addition, provide additional parking flexibility to ASU for this area of campus.

Funding:

Estimated Project Cost: \$7,000,000

Funding Source: 2002 Revenue Bond Proceeds (\$3,500,000) and available parking funds (\$3,500,000). Debt Services will be paid from parking revenues.

General Fund Impact: Not Applicable

Alternative to Project:

There are no known viable alternatives to the construction of new space. Underground parking is not a viable alternative due to the cost of the parking spaces.

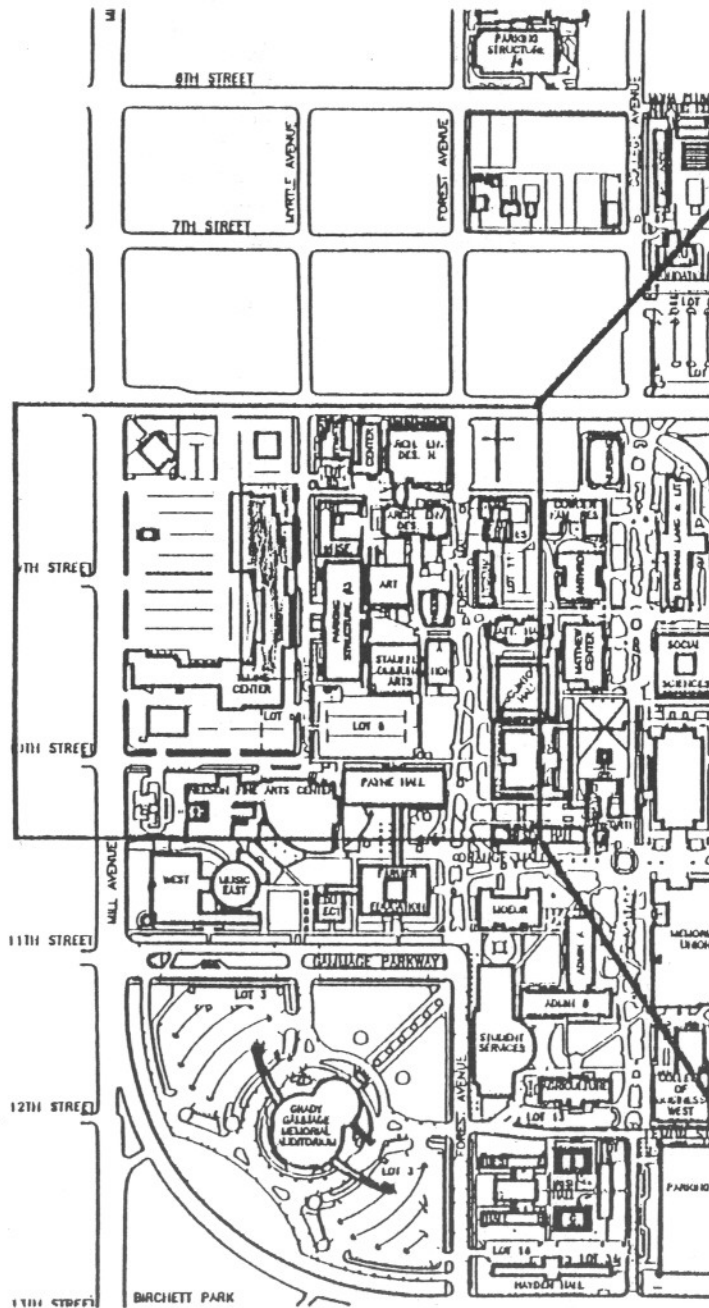
Board Approved Documents

The Arizona Board of Regents granted Project Initiation approval in June of 1997 and Conceptual Approval in August of 1997. Pertinent documents are attached.

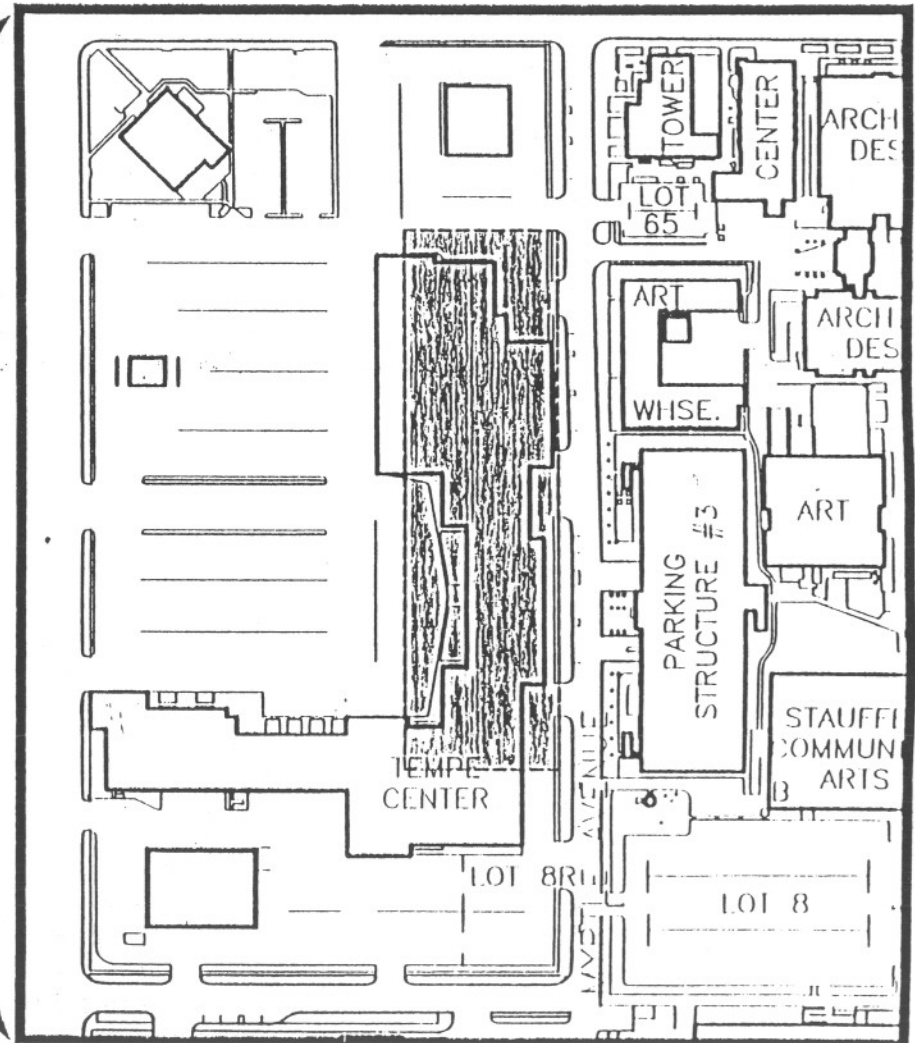
The Arizona Board of Regents granted in November 2000, Reaffirmation and Modification of the Approval to enter either an Amended and Restated Disposition and Development Agreement and Options to Ground lease previously granted during the February 24-25, 2000 meeting to include participation in the development of a parking structure of approximately 1,150 spaces.

Pertinent documents are attached

GENERAL LOCATION MAP



PARKING STRUCTURE VII LOCATION



AREA IN DETAIL

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

Projected Revenue Bond Debt Service Schedule

FY 2002 Bond Issue

(Dollars in Thousands)

Fiscal Year	ACADEMIC PROJECTS		AUXILIARY PROJECT	FY 2002 Bond Issue Debt Service
	Mediated Classroom/ Social Sciences Building	Infrastructure Improvements	Parking Structure	
				\$0
2002	\$2,766	\$1,074	\$165	\$4,005
2003	\$3,500	\$1,359	\$209	\$5,068
2004	\$4,380	\$1,701	\$261	\$6,342
2005	\$4,527	\$1,758	\$270	\$6,555
2006	\$4,527	\$1,758	\$270	\$6,555
2007	\$4,527	\$1,758	\$270	\$6,555
2008	\$4,527	\$1,758	\$270	\$6,555
2009	\$4,527	\$1,758	\$270	\$6,555
2010	\$4,527	\$1,758	\$270	\$6,555
2011	\$4,527	\$1,758	\$270	\$6,555
2012	\$4,527	\$1,758	\$270	\$6,555
2013	\$4,527	\$1,758	\$270	\$6,555
2014	\$4,527	\$1,758	\$270	\$6,555
2015	\$4,527	\$1,758	\$270	\$6,555
2016	\$4,527	\$1,758	\$270	\$6,555
2017	\$4,527	\$1,758	\$270	\$6,555
2018	\$4,527	\$1,758	\$270	\$6,555
2019	\$4,527	\$1,758	\$270	\$6,555
2020	\$4,527	\$1,758	\$270	\$6,555
2021	\$4,527	\$1,758	\$270	\$6,555
2022	\$4,527	\$1,758	\$270	\$6,555
2023	\$4,527	\$1,758	\$270	\$6,555
2024	\$4,527	\$1,758	\$270	\$6,555
2025	\$4,527	\$1,758	\$270	\$6,555
2026	\$4,527	\$1,758	\$270	\$6,555
	\$110,240	\$42,810	\$6,575	\$159,625

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
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
On-Campus Student Housing Development & Renovation (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	\$ 63,660	\$ 98,355	\$ 151,958	\$ 234,775	\$ 362,728
Utilities	0/100/0	\$ 83,158	\$ 85,653	\$ 88,222	\$ 90,869	\$ 93,595
Capital Equipment	0/100/0					
Total:		\$ 270,222	\$ 320,673	\$ 380,946	\$ 470,633	\$ 605,661
Building Renewal		\$0	\$0	\$0	\$0	\$0
Mediated Classroom/Social Science Building (Beneficial Occupancy (5/1/2003))						
Personal Services	100/0/0			\$709,300	\$887,600	\$923,000
ERE	100/0/0			\$149,300	\$185,300	\$192,700
Operations	100/0/0			\$149,800	\$222,300	\$231,100
Utilities	100/0/0			\$575,700	\$846,200	\$921,200
Capital Equipment	100/0/0			\$185,300		
Total:	100/0/0			\$1,769,400	\$2,141,400	\$2,268,000
Building Renewal				\$0	\$61,300.00	\$63,800
Infrastructure Improvements						
Personal Services						
ERE						
Operations						
Utilities						
Capital Equipment						
Total:				\$0	\$0	\$0
Building Renewal				\$0	\$0	\$0
Parking Structure VII						
Personal Services			\$19,700	\$20,500	\$21,300	\$22,200
ERE			\$4,400	\$4,600	\$4,800	\$4,900
Operations			\$6,500	\$6,800	\$7,000	\$7,300
Utilities						
Capital Equipment			\$10,500			
Total:			\$41,100	\$31,900	\$33,100	\$34,400
Building Renewal			\$0	\$0	\$0	\$0

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Beth Kohler, Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION – ADVICE ON PLAN TO
FINANCE PRELIMINARY ACTIVITIES FOR NEW STATE ARCHIVES
BUILDING

Request

The Arizona Department of Administration (ADOA) and the Arizona State Library, Archives, and Public Records (ASLAPR) request the Committee review the use of ASLAPR operating funds to fund preliminary activities for the new state archives building. The operating funds will be reimbursed from Certificates of Participation (COP) proceeds. Although Committee review is not required by statute, ADOA and ASLAPR are seeking guidance that the proposed method of financing the preconstruction costs is acceptable.

Recommendation

While no Committee action is required, the two Departments are seeking the Committee's advice. The JLBC Staff recommends that the Committee concur with the proposal. After consulting with Legislative Council, the JLBC Staff has concluded that the proposed plan is permissible under current statute.

Analysis

Laws 2001, Chapter 237 appropriated \$1,600,000 from the General Fund in FY 2003 to ADOA for COP costs for the lease-purchase of the design and construction of a new state archives building. The legislation also allows up to \$110,000 and 2 FTE Positions to manage the project and authorizes ADOA to issue up to \$20,000,000 in COPs to fund the project.

(Continued)

The bill as originally passed also contained a FY 2002 General Fund appropriation of \$1,600,000. This appropriation, however, was vetoed by the Governor.

In order to begin construction in early FY 2003, ADOA and ASLAPR propose to begin the project development in FY 2002. The agencies have developed a preliminary schedule and expenditure plan that will use \$100,000 from the ASLAPR FY 2002 operating budget to fund preconstruction administrative and design costs. ASLAPR will enter into an intergovernmental agreement with ADOA to hire a project manager, procure design services, develop schematic drawings, begin an environmental study of the building site, and for general administrative functions for the development of the lease-purchase agreement. The ASLAPR operating budget will be reimbursed from the proceeds of the COP issuance. A timeline for the project and preliminary cost estimates are included in the submitted materials.

After consulting with Legislative Council, the JLBC Staff has concluded that statute does not preclude the use of operating funds for these purposes nor prohibit the reimbursement of operating funds from COP proceeds.

ADOA plans to seek future JCCR review of schematic drawings and the construction contract. In addition, A.R.S. § 41-791.02 requires Committee review and approval of a lease-purchase agreement before the agreement takes effect. Based on the ADOA timeline, we estimate the COPs will be issued in November 2001, contingent upon Committee approval.

RS:BK:jb

ee Hull
vernor



J. Elliott Hibbs
Director

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

June 14, 2001

JUN 15 2001

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

RE: Request for placement on the JCCR Agenda - June 28, 2001

Dear Senator Solomon:

The Arizona Department of Administration (ADOA) and the Arizona State Library, Archives and Public Records request placement on the June 2001 agenda of the Joint Committee on Capital Review to discuss the following:

Request a favorable review to design and issue Certificates of Participation for the Polly Rosenbaum Archives Building per attached request.

Thank you for your attention to this matter. Do not hesitate to contact me at (602) 542-1500 if you wish to discuss this matter further.

Sincerely,

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

Robert Teel, Assistant Director
General Services Division

RT:BRR

Attachments

cc: Representative Laura Knaperek, Arizona State House of Representatives
J. Elliott Hibbs, Director, ADOA
Tom Betlach, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, Senior Fiscal Analyst, JLBC
GladysAnn Wells, Director, Library, Archives & Public Records
Bruce Ringwald, GSD General Manager, Construction Services
Alex Turner, Chief Operational Advisor, ADOA
Robert Smook, Legislative Liaison, ADOA

Background:

Laws 2001, Chapter 237, signed by Governor Hull April 24, 2001, appropriated \$1,600,000 from the state general fund in fiscal year 2002-2003 to the Department of Administration for the certificates of participation costs for the lease purchase of the design and construction of a state archives building and related infrastructure. Of the amounts appropriated, up to \$110,000 and 2 full-time employees may be allocated each fiscal year to oversee and manage the project until its completion.

Discussion:

Arizona Department of Administration and the Arizona State Library, Archives and Public Records have developed the attached preliminary schedule and expenditure plan to design and construct the Polly Rosenbaum Archives Building.

Request:

ADOA and ASLAPR propose to begin the project as follows:

1. ASLAPR fund as much as \$100,000 from fourth quarter library acquisitions funds to begin the following:
2. ADOA hiring of a project manager to oversee and manage the project.
3. Procurement of design services.
4. Develop preliminary schematic site and building drawings; Phase I environmental study of the Jackson school site and preliminary research to prepare for the issuance of the Certificates of Participation.
5. Issue the Certificates of Participation in the third quarter of FY 2002.
6. Reimburse the operating fund of ASLAPR and pay for the design services in the forth quarter from the funds derived from the issuance of the Certificates of Participation.
7. Continue with the Design drawings funded from the Certificates of Participation.

ADOA proposes to return to the JCCR for review of the schematic drawings and prior to signing the construction contract.

ARIZONA DEPARTMENT of ADMINISTRATION		CONSTRUCTION SERVICES	
PROJECT: Storage Facility for Arizona State Library, Archives and Public Records			
PROJECT NUMBER: 9400		DATE PREPARED: June 8, 2001	
PROJECT MANAGER:		REVISED :	
SENIOR PROJECT MANAGER: Bruce Ringwald			
DESCRIPTION		AMOUNT	
<u>FUNDING SOURCES:</u> <u>INDEX:</u> FY02 HB2632 Ch.237- First Leg. Ses.		\$	20,000,000
TOTAL FUNDING		\$20,000,000	
PROJECT COST:		ESTIMATE	
<u>Land Acquisition Costs:</u>			
Subtotal			\$0
<u>Professional Services:</u>			
1. A/E Fees		\$	1,500,000
2. Reimbursables			100,000
Subtotal			\$1,600,000
<u>Construction Services (GC):</u>			
1. Base Contract 99,550 SF		\$	13,428,810
2. Building Included			
3. Site Included			
4. Offsite Included			
Subtotal			\$13,428,810
<u>Separate Contracts:</u>			
1. Asbestos oversite		\$	15,000
2. Asbestos			38,000
3. Demolition			90,000
4. Testing Allowance			50,000
5. FF&E Verify			2,500,000
6. Phase I environmental			10,000
Subtotal			\$2,703,000
<u>Project Support:</u>			
1. ADOA Salaries		\$	258,190
2. ADOA Expenses			10,000
3. Risk Management Insurance			N/A
Subtotal			\$268,190
<u>Contingency Allowance:</u>			\$2,000,000
TOTAL PROJECT COST		\$	20,000,000

STATE OF ARIZONA

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CHRISTINE WEASON

DATE: June 21, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS - REPORT ON KARTCHNER CAVERNS STATE PARK

Request

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 for the quarter ending March 31, 2001.

Recommendation

This report is for information only and no Committee action is required. Cave construction continues to be on target for the planned November 2003 opening of the lower caverns. In response to concerns about the environmental conditions in the cave, Parks Staff hired a Cave Resources Manager in April who will monitor cave conditions.

Attendance continues to be strong at the Park. Since the park opened in November 1999, over 265,000 people have visited. Reservations are currently filling for Fall 2001. In total, the park has generated over \$4,200,000 in revenues. Revenues are deposited to the State Parks Enhancement Fund for park operating and development costs.

Analysis

The Arizona State Parks Board is required to report at the end of each calendar quarter to the Committee on the status of the development of Kartchner Caverns State Park. The report must include details of the actual and projected costs, quarterly expenditures and source of monies, and a project development timetable.

Financial Summary

As of the quarter ending March 31, 2000, a total of \$31,465,800 has been allocated to the park's development from 5 fund sources. Of this amount, all but \$3,172,800 or 10% of the total, has been expended or encumbered. The following table summarizes these amounts by fund source and percentage allocations:

(Continued)

Kartchner Caverns Construction Development Funding
(As of March 31, 2001)

<u>Fund Source</u>	<u>Approved Amount</u>	<u>Percent</u>	<u>Unobligated Balance</u>
General Fund	\$ 3,500,000	11.1%	\$ 0
Enhancement Fund	20,144,900	64.0%	2,585,800
Heritage Fund	5,174,500	16.4%	587,000
State Highway Fund	2,445,700	7.8%	0
National Recreational Trails Fund	200,700	0.6%	0
TOTAL	\$31,465,800	100%	\$3,172,800

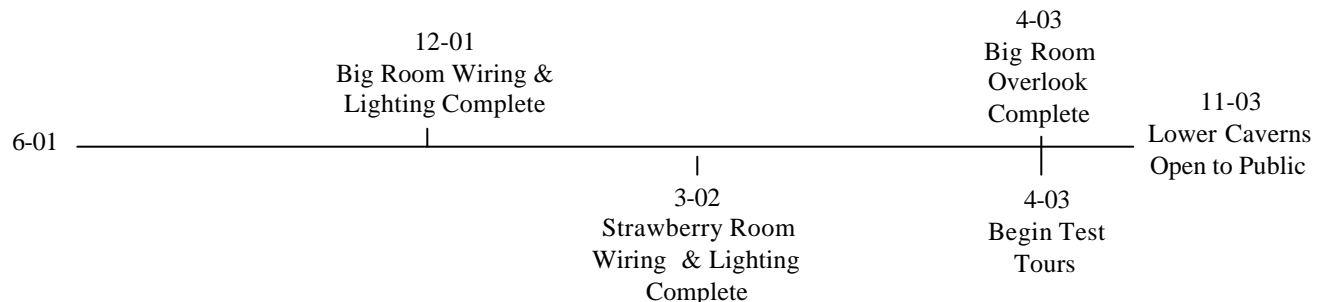
Environmental Conditions

Environmental conditions have normalized since last year's drought. At that time there were outside concerns about the low humidity level in the cave and the deteriorating effects of the dry conditions. In April, Parks Staff hired a Cave Resource Manager that will monitor environmental conditions and ensure future protection of the cave.

Project Timetable

A project timeline is required as part of the quarterly updates on Kartchner development. Trail construction continued through the winter and spring. Crews have been involved in breaking up rock, grading trail, putting down concrete, and putting up handrails. Parks Staff has established November 2003 as a completion date for the lower caverns. The target date assumes that during the summer months, no construction will occur due to roosting bats in the cave. It also assumes that construction will be at a reduced level in May and September when the bats are arriving and departing. This year the bats arrived in April. Staff were able to work until the beginning of May, however, using a phased retreat work plan developed by the Cave Resource Manager. This has allowed construction to proceed slightly ahead of schedule.

Parks Staff indicate that administrative facilities at the park are not adequate for all of the staff and functions supporting the park. They intend to propose a new administrative annex that will include an educational facility, a reservations center, and offices for various staff. The Committee will have an opportunity to review this proposal as part of the State Parks Enhancement Fund expenditures review this fall. The following timeline delineates target completion dates for projects leading to a November 2003 opening.



RS/CE:jb

May 25, 2001

Senator Ruth Solomon
Joint Committee on Capital Review
1700 West Washington
Phoenix, AZ 85007

MAY 29 2001

RE: KARTCHNER CAVERNS PROJECT STATUS

Dear Senator Solomon:

Pursuant to staff's request, 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 19 months. Over 265,000 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 2001 with reservations for fall 2001 filling rapidly. Total park revenues to date (5/19/01) are \$4.2 million.

Construction in Progress -- Construction in the lower cave continues while the park is open. Crews have just completed 8 months work inside the Big Room Complex. The bats returned to the cave in late April as expected but we were able to work until May 5 using a phased retreat work plan developed by the Cave Resource Manager.

Cavern Trail Construction -- The "Big Room" trail construction plan is divided in 2 units. These units or headings have crews working at each end of the trail, planning to meet in the middle.

Cul-de-Sac Heading -- Crews put maximum effort in completing rough grade concrete trails on this heading for the past 8 months. This effort resulted in completing the rough grade concrete trail to the "Key Hole". (This is the point where the Cul-de-Sac trail meets the Tarantula trail). Since rough grade was completed crews have been installing curbing and handrail. The curbs extend to the "Strawberry Room", while handrails have advanced 120 feet. This is due to the amount of clear trail needed to custom fabricate stainless steel handrail.

Tarantula Heading -- Again crews have put maximum effort into completing rough grade concrete trail to the "Key Hole" this has been completed. The only rough grade concrete trail work remaining is at the "Big Room Overlook". Essentially rough grade trail is complete from entrance to exit, only spur trails and overlook require rough grade concrete. This provides crews the advantage of paved work surfaces for hauling materials from outside into the cave. Crews continued to work on curbs and handrails along this section of trail.



Jane Dee Hull
Governor

State Parks
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Kenneth E. Travous
Executive Director

Arizona State Parks
1700 W. Washington
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602.542.4174
pr.state.az.us

602.285.3703
602 area code

General Fax:
602 542.4180

Office Fax:
602 542.4188

Senator Ruth Solomon

May 25, 2001

Page 2

Timeline -- Preliminary timelines have been developed for the lower cave trail construction. Although crews lost time last season due to the early return of the bats, our experience has allowed us to work faster putting construction 2 months in advance of our predicted timeline at this point. Should the bats leave as expected by the first week of September we will retain that lead.

Environment -- During last year's drought parks was under criticism that the cave was drying. Since then conditions have normalized. These events prompted the Arizona State Parks board to hire a Cave Resources Manager to work with staff to monitor the cave environment. Dr. Rickard S. Toomey joined the staff in April 2001. His primary role is to set up a Cave Management Plan and Cave Monitoring System to ensure the future protection of the cave.

Park Facilities -- The campground was a success this winter with the out of state visitors. The facility remained nearly full all season. Campground use has died down due to the winter visitors returning home. Summer visitors should arrive shortly after school lets out for the summer. Park administration facilities have proved inadequate for all the functions required to operate a park this size. The addition of a reservations system and the need to continually train staff and volunteers (almost 200 volunteers at this time) will require additional space. Staff will request proposals in 2002 for an annex to provide up to 6000 sq. ft. of additional space. The space will include an educational facility, a reservations center and offices for various staff.

Financial Status -- The budget for the development and construction is \$31,465,750 (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, 2001. As of March 31, 2001, 89.5 % 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,



Kenneth E. Travous
Executive Director

Copy: Representative Laura Knaperek, Vice Chair
Richard Stavneak, Director, JLBC
Thomas Betlach, Director, OSPB
Maria Baier, Office of the Governor
Chris Earnest, JLBC
Lorenzo Martinez, JLBC
Marcel Benberou, OSPB

**KARTCHNER CAVERNS STATE PARK
BUDGET AND EXPENDITURE STATUS
AS OF 3/31/01**

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

**Arizona State Parks
Kartchner Caverns State Park
Development Funds Available
As of March 31, 2001**

<u>Fund</u>	<u>\$ Amount</u>	<u>Percentage</u>
Arizona Heritage Fund	\$ 5,174,514	16.44%
Enhancement Fund	20,144,918	64.02%
General Fund	3,500,000	11.12%
ADOT	2,445,654	7.77%
Federal - NRTFA/RTP	200,664	0.64%
Total	\$ 31,465,750	100.00%

Note: Enhancement Fund does not include FY2001 revenue.

STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
NET AND EXPENDITURE STATUS THROUGH 03/31/01 3rd QTR FY01
BY FUND SOURCE

KC 03/31/01 BY FUND(\$)

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
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	10,064.54	0.00	4,935.46
CAVE ENVIRONMENT	*	EF	30,000.00	0.00	0.00	30,000.00
CAVE LIGHTING	*	EF	44,800.00	40,591.35	1,103.31	3,105.34
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	7,343,361.64	5,297,092.55	17,132.04	2,029,137.05
COMMUNICATIONS CABLING / RADIOS	*	EF	13,500.00	0.00	8,150.00	5,350.00
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	46,736.50	9,840.00	23,423.50
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,379,875.46	2,350,909.72	28,965.74	(0.00)
DIRECTORS CONTINGENCY	*	EF	39,664.56	0.00	0.00	39,664.56
GROUP RAMADA	*	EF	70,000.00	35,018.04	0.00	34,981.96
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	6,926.41	0.00	3,073.59
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	(0.00)
MISC. - CAVE SOUND SYSTEM	*	EF	27,858.15	27,858.15	0.00	0.00
MISC. - CORNERSTONE PLAQUE	*	EF	5,314.00	5,314.00	0.00	0.00
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	322,268.45	0.00	0.00	322,268.45
SEWAGE LIFT STATION REPAIR	*	EF	8,364.21	8,364.21	0.00	0.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	3,002.50	0.00	11,997.50
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	66,279.00	0.00	0.00
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - CAVE PALEONTOLOGY	*	EF	4,000.00	3,499.00	0.00	501.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	286,409.34	266,955.67	0.00	19,453.67
TRAM STORAGE / MAINT. / UTILITIES	*	EF	227,500.97	227,500.97	0.00	0.00
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	399,160.06	399,160.06	0.00	0.00
UTILITIES - EXTENSION TO CAVE (Incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
VISITOR CENTER - ROOF & ELECTRIC	*	EF	24,767.34	0.00	0.00	24,767.34
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - IMPROVEMENTS	*	EF	30,000.00	21,570.55	0.00	8,429.45
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
SUBTOTAL ENHANCEMENT FUND			20,144,918.03	17,493,965.08	65,191.09	2,585,761.86

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/01 3rd QTR FY01
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
CAVE LIGHTING	94	AHF/A&D	172,000.00	164,190.46	1,197.00	6,612.54
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	101,849.07	101,849.07	0.00	0.00
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,189.68	4,189.68	0.00	0.00
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,642.00	0.00	0.00
VISITOR CENTER - ROOF & ELECTRIC	94	AHF/A&D	21,919.25	0.00	0.00	21,919.25
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	582,400.00	582,400.00	0.00	0.00
SUBTOTAL AY94 AHF/A&D			900,000.00	870,271.21	1,197.00	28,531.79
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
SUBTOTAL AY95 AHF/A&D			1,205,000.00	1,205,000.00	0.00	0.00
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	854,867.00	0.00	0.00
SUBTOTAL AY96 AHF/A&D			1,496,514.40	1,496,514.40	0.00	0.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	18,825.85	0.00	44,347.15
CAVE LIGHTING	97	AHF/A&D	110,600.00	25,373.99	0.00	85,226.01
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	13,809.59	13,809.59	0.00	0.00
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	10,000.00	0.00	0.00
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	101,300.00	0.00	0.00	101,300.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	711,610.28	57,544.25	34,349.47
VISITOR CENTER - ROOF & ELECTRIC	97	AHF/A&D	13,313.41	0.00	0.00	13,313.41
SUBTOTAL AY97 AHF/A&D			1,392,000.00	828,630.87	57,544.25	505,824.88

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/01 3rd QTR. FY01
BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
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 - Other	*	EF	8,175.75	8,175.75	0.00	0.00
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	6,926.41	0.00	3,073.59
GROUP RAMADA	*	EF	70,000.00	35,018.04	0.00	34,981.96
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	10,064.54	0.00	4,935.46
SEWAGE LIFT STATION REPAIR	*	EF	8,364.21	8,364.21	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	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	3,002.50	0.00	11,997.50
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	13,809.59	13,809.59	0.00	0.00
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	66,279.00	0.00	0.00
TRAM STORAGE / MAINT. / UTILITIES	*	EF	227,500.97	227,500.97	0.00	0.00
COMMUNICATIONS CABLING / RADIOS	*	EF	13,500.00	0.00	8,150.00	5,350.00
SUBTOTAL SITE IMPROVEMENTS			3,430,178.43	3,337,035.28	8,150.00	84,993.15
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,160.06	399,160.06	0.00	0.00
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
SUBTOTAL UTILITIES			1,930,810.01	1,930,810.01	0.00	0.00
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,189.68	4,189.68	0.00	(0.00)
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - ROOF & ELECTRIC	94	AHF/A&D	21,919.25	0.00	0.00	21,919.25
VISITOR CENTER - ROOF & ELECTRIC	97	AHF/A&D	13,313.41	0.00	0.00	13,313.41
VISITOR CENTER - ROOF & ELECTRIC	*	EF	24,767.34	0.00	0.00	24,767.34
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,642.00	0.00	(0.00)
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	854,867.00	0.00	0.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	711,610.28	57,544.25	34,349.47
SUBTOTAL VISITOR CENTER			5,280,202.68	5,128,308.96	57,544.25	94,349.47

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 03/31/01 3rd QTR. FY01
BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	582,400.00	582,400.00	0.00	0.00
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
WATER / WASTEWATER - IMPROVEMENTS	*	EF	30,000.00	21,570.55	0.00	8,429.45
SUBTOTAL WATER / WASTEWATER			719,676.16	711,246.71	0.00	8,429.45
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	27,858.15	27,858.15	0.00	0.00
MISC. - CORNERSTONE PLAQUE	*	EF	5,314.00	5,314.00	0.00	0.00
SUBTOTAL MISCELLANEOUS			100,363.74	100,363.74	0.00	0.00
TUNNEL LINER / SPALLING	94	AHF/A&D	101,849.07	101,849.07	0.00	0.00
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	101,300.00	0.00	0.00	101,300.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	18,825.85	0.00	44,347.15
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
SUBTOTAL TUNNEL FINISHING			548,416.47	175,480.48	0.00	372,935.99
DIRECTORS CONTINGENCY	*	EF	39,664.56	0.00	0.00	39,664.56
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	322,268.45	0.00	0.00	322,268.45
SUBTOTAL PROPOSED CONSTRUCTION			322,268.45	0.00	0.00	322,268.45
TOTAL KARTCHNER ACQUIS. & DEVELOP.			31,465,750.50	28,169,057.93	123,932.34	3,172,760.23