

# **JOINT COMMITTEE ON CAPITAL REVIEW**

**Wednesday, September 21, 2016**

**Immediately Upon Adjournment of the JLBC Meeting**

**Senate Appropriations Room 109**

**JLBC**

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

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STEVE MONTENEGRO

JOINT COMMITTEE ON CAPITAL REVIEW  
Wednesday, September 21, 2016  
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Senate Appropriations, Room 109

### MEETING NOTICE

- Call to Order
- [Approval of Minutes of June 16, 2016.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA STATE PARKS BOARD](#)
  - A. [Review of FY 2017 Capital Expenditure Plan and Reallocation of Prior Year Capital Expenditure Plans.](#)
  - B. [Review of Cabin Installation Proposal.](#)
  - C. [Review of Cattail Cove State Park Redevelopment Plan.](#)
- 2. [ARIZONA DEPARTMENT OF ADMINISTRATION - Review of 1740 West Adams Renovation Plan.](#)
- 3. [NORTHERN ARIZONA UNIVERSITY - Review of FY 2017 Capital Improvement Plan for One-time Appropriation.](#)
- 4. [STATE DEPARTMENT OF CORRECTIONS - Review of Reallocation of FY 2017 Building Renewal Allocation Plan.](#)
- 5. [ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2017 Building Renewal Allocation Plan.](#)

6. DEPARTMENT OF TRANSPORTATION - Review of FY 2017 Building Renewal Allocation Plan.

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

9/14/16

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STATE OF ARIZONA

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### MINUTES OF THE MEETING

#### JOINT COMMITTEE ON CAPITAL REVIEW

June 16, 2016

Chairman Olson called the meeting to order at 3:51 p.m., Thursday, June 16, 2016 in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Vice-Chairman	Representative Olson, Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Farley	Representative Leach
	Senator Griffin	Representative Meyer
	Senator Yarbrough	
Absent:	Senator Hobbs	Representative Gray
	Senator Kavanagh	Representative Montenegro

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of April 5, 2016, Chairman Justin Olson stated that the minutes would stand approved.

#### ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2017 Building Renewal Allocation Plan.

Ms. Micaela Larkin, JLBC Staff, stated the Committee is required to review expenditure plans for building renewal monies prior to expenditure. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$5,464,300 from the Department of Corrections Building Renewal Fund to ADC for general building renewal. ADC requests the Committee review its FY 2017 Building Renewal Allocation Plan, which primarily funds structural repairs, replacement of obsolete and unreliable locking systems, and the replacement of evaporative cooling at certain medical units. In addition, the plan funds a variety of equipment replacements and upgrades in units across the state. The JLBC Staff presented options to the Committee.

Senator Yarbrough moved that the Committee give a favorable review to ADC's \$5,464,300 FY 2017 Building Renewal Allocation Plan.

(Continued)

(See Table 1). The favorable review includes the following provisions:

- A. ADC shall report any reallocations between projects to the JLBC Staff. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation.
- B. If an emergency arises that is not addressed by the existing expenditure plan:
1. ADC shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADC can proceed without Committee review.
  2. The Chairman can allow ADC to move forward with an emergency project of greater than \$50,000 without Committee review.
  3. The Chairman will notify ADC if he does not agree that the project is an emergency and that the project will require full Committee review.
- An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.
- C. If ADC adds a new non-emergency project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.

The motion carried.

<b>Table 1</b>	
<b>FY 2017 Building Renewal Allocation Plan</b>	
<u>Structural Repairs</u>	
Repair Deteriorated Plumbing Chase Walls - Eyman Meadows	\$1,441,000
Complex Structural Repairs - Yuma	457,500
Subtotal	\$1,898,500
<u>Locking &amp; Control Systems</u>	
Locking Systems - Tucson Santa Rita	\$725,000
Control Panel Replacement - Lewis (Bachman, Barchey, Buckley)	650,000
Subtotal	\$1,375,000
<u>Air Conditioning - Select Units</u>	
Air Conditioning - Lewis Stiner Health Unit	\$ 575,800
Air Conditioning - Eyman Meadows Health Unit	530,000
Subtotal	\$1,105,800
<u>Equipment Replacement, Upgrade, and System Improvements</u>	
Propane Tank Upgrade - Florence Globe	\$ 385,000
Flood Control Improvements - Perryville	250,000
Utility Tunnel Structural Repairs - Florence	250,000
Maximum Custody Perimeter Fence Upgrade - Perryville Lumley	200,000
Subtotal	\$ 1,085,000
<b>Building Renewal Subtotal</b>	<b>\$5,464,300</b>
Contingency	\$ 0
<b>TOTAL</b>	<b>\$5,464,300</b>

(Continued)

**ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/ARIZONA DEPARTMENT OF CORRECTIONS -  
Review of Lease-Purchase Refinancing for Kingman.**

Ms. Micaela Larkin, JLBC Staff, stated ADOA, in coordination with the ADC, requested review of the financing agreement of the Kingman private prison facility. The agreement is to generate cost savings for housing prisoners of at least \$25 million from FY 2017 to FY 2025. In addition, the savings may not vary by more than \$1 million per year during that time period. The JLBC Staff presented options to the Committee.

Mr. Charles Ryan, Director, ADC, responded to member questions.

Mr. Mike Kearns, Division Director, Administrative Services, ADC, responded to member questions.

Ms. Donna Hamm, Middle Ground Prison Reform spoke to the item.

*Senator Shooter moved that the Committee give a favorable review of the financing agreement with the following provisions:*

- A. ADOA is to submit a final debt service schedule associated with the financing agreement.*
- B. ADC is to report the use of \$2.0 million in unallocated FY 2017 savings to JLBC for review prior to expenditure.*

*Representative Meyer moved a substitute motion that the Committee give a favorable review of the financing agreement but it must exclude the Kingman adjustment. Division was called on the substitute motion and by show of hands of 4 ayes and 5 nays, the substitute motion failed.*

The original motion carried.

**ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2017 Building Renewal Allocation Plan.**

Ms. Rebecca Perrera, JLBC Staff, stated the Committee is required to review expenditure plans for building renewal monies prior to expenditure. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$27,000,000 for building renewal. This amount consists of \$8,000,000 from the General Fund and \$19,000,000 from the Capital Outlay Stabilization Fund (COSF). ADOA is requesting review of the full \$27,000,000 for building renewal projects in FY 2017. The JLBC Staff presented options to the Committee.

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

*Senator Shooter moved that the Committee give a favorable review of ADOA's FY 2017 \$27,000,000 Building Renewal Allocation Plan with the following modifications:*

- A. A review of the \$500,000 of the \$4.2 million allocation for the 1740 West Adams renovation. Of this amount, \$350,000 funds demolition and abatement and \$150,000 funds architectural and engineering design for major building systems. The remaining \$3,700,000 for the renovation of 1740 West Adams would be deferred until ADOA receives review from the Committee on their tenant relocation report pursuant to Laws 2016, Chapter 126.*

(Continued)

- B. *No review of the \$120,000 allocation for the repair of the 1938 Works Progress Administration Civic Building until the provisions pursuant to Laws 2016, Chapter 126 are met. Statute does not permit ADOA to spend the \$120,000 until matching funds from the City of Phoenix are received. There is currently no final agreement on the use of the Phoenix monies for the building. When ADOA and the Arizona Exposition and State Fair Board subsequently request review of the 1938 WPA Civic Building Project, they shall include information on how total project funds will be spent and if the repairs will be sufficient to make the building operational.*

*In addition, the review included the following provisions:*

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

- B. *The distribution of the emergency contingency allocation of \$598,000 be addressed as follows:*

- 1. ADOA shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADOA can proceed without Committee review.*
- 2. The Chairman can allow ADOA to move forward with an emergency project of greater than \$50,000 without Committee review.*
- 3. The Chairman will notify ADOA if he does not agree that the project is an emergency and that the project will require full Committee review.*

*An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity. Prior reviews also included this provision.*

- C. *If ADOA adds a new non-emergency project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.*

*The motion carried. (See Table 2)*

<b>Table 2</b>	
<b>FY 2017 Building Renewal Allocation Plan</b>	
<u>Major Building Renovation</u>	
DHS 1740 West Adams Renovation	\$ 500,000
<u>Fire &amp; Life Safety Projects</u>	
ADOA Building System Replace Fire and Life Safety Systems Statewide	\$ 5,000,000
<u>Building Shell/Interior Projects</u>	
ADOA Roof Replacement	\$ 1,000,000
Capitol Mall Repair or Replace Exterior Caulking and Windows	<u>500,000</u>
<i>Subtotal</i>	<i>\$ 1,500,000</i>
<u>Major Building Services Projects</u>	
ADOA Tucson Complex HVAC Replacement	\$ 2,500,000
ADOA Capitol Mall HVAC Replacement	4,000,000
DHS State Hospital HVAC Replacement	4,300,000
ASDB Tucson HVAC Replacement	250,000
ADOA Statewide HVAC Controls, Automation, and Replacement	800,000
Supreme Court Repair/Modernize Elevators	600,000
ADOA Capitol Mall Repair/Modernize Elevators	<u>1,000,000</u>
<i>Subtotal</i>	<i>\$13,450,000</i>
<u>Infrastructure</u>	
ADOA Statewide Replace/Repair Parking Lots	\$ 800,000
ADOA Capitol Mall Repair Storm Water Retention Systems	<u>200,000</u>
<i>Subtotal</i>	<i>\$ 1,000,000</i>
<u>Building Interiors and Finishes</u>	
Replace Floor Coverings Capitol Mall	\$ 250,000
<u>Preventative Maintenance</u>	
ADOA Capitol Mall Preventative Maintenance	\$ 300,000
<u>Other</u>	
Personnel Services/ERE Costs	\$ 275,000
Building Renewal Project Scoping	300,000
Risk Management Insurance Premium	7,000
Emergency Contingency	<u>598,000</u>
<i>Subtotal</i>	<i>\$ 1,180,000</i>
<b>TOTAL</b>	<b>\$23,180,000</b>

**ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of FY 2016 Capital Improvement Expenditures.**

Mr. Richard Stavneak, JLBC Director, stated the Committee is required to review the scope, purpose and estimated cost for capital improvements. The FY 2016 Capital Outlay Bill (Laws 2015, Chapter 9) appropriated \$1,000,000 from the Arizona Exposition and State Fair Fund to the Arizona Exposition and State Fair Board (AESF) for capital improvements. AESF is requesting Committee review of 6 capital projects with a total cost of \$291,000 in FY 2016. The JLBC Staff presented options to the Committee.

(Continued)



Senator Shooter moved that the Committee give a favorable review of AESF's \$291,000 expenditure plan for 6 capital projects:

1. Fence Repair along 19th Ave	\$ 50,000
2. Asphalt Repair near the Exhibits Building and the Grandstand Arena	\$100,000
3. Connect Coliseum Sump Pumps to Emergency Power Generator	\$ 16,000
4. Parking Entrance and LED Lighting	\$ 75,000
5. Portable Restroom Foundations and Urinal Replacement	\$ 20,000
6. Security Cameras	\$ 30,000

*The favorable review includes the following provisions:*

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

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

The motion carried.

#### **ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2017 Building Renewal Allocation Plan.**

Mr. Richard Stavneak, JLBC Director, stated the Committee is required to review expenditure plans for building renewal monies prior to expenditure. Arizona Game and Fish requests the Committee review its FY 2017 Building Renewal Allocation Plan for \$243,100 (*See Table 3*). Arizona Game and Fish initially requested review of their FY 2016 Building Renewal Allocation Plan, however, they informed JLBC Staff that they were actually requesting review of their FY 2017 Building Renewal Allocation Plan. As a result of these discussions, Mr. Stavneak said that we learned that the Game and Fish Department had spent their FY 2016 Building Renewal monies without Committee review. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$530,000 from the Game and Fish Fund for building renewal. The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review of the Arizona Game and Fish Department's FY 2017 Building Renewal Allocation Plan for \$243,100 from the Game and Fish Fund as shown in Table 3 below.

(Continued)

*The review included the provision that prior to expenditure and in accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department shall request Committee review of any remaining funds from the FY 2017 building renewal appropriation. The review requirement applies no matter the expenditure level for each project.*

<b>Table 3</b>	
<b>Building Renewal Projects</b>	
Pinetop Regional Office Project	\$ 148,500
State Headquarters Major Maintenance Fund Deposit	52,200
Preventative Maintenance	<u>42,400</u>
<b>Total</b>	<b>\$ 243,100</b>

The motion carried.

**DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS (DEMA) - Review of Proposed Expenditures from the Military Installation Fund.**

Mr. Eric Billings, JLBC Staff, stated the Committee is required to review the expenditure of all monies appropriated for land acquisition, capital projects and building renewal. DEMA is requesting the review of their plan to expend \$2,817,350 from the Military Installation Fund for 5 land purchases and 1 easement acquisition near existing military facilities. The JLBC Staff presented options to the Committee.

Mr. Travis Schulte, DEMA Legislative Polity Administrator and Coordinator for the Military Affairs Commission, responded to member questions.

*Senator Shooter moved that the Committee give a favorable review to \$1,442,350 of DEMA's plan to expend \$2,817,350 from the Military Installation Fund for 4 land purchases. The favorably reviewed property purchases were as follows:*

- *\$425,250 to purchase a 20.25-acre land parcel which is 0.75 miles west of Luke Air Force Base Auxiliary Field near Surprise.*
- *\$848,000 in total to purchase two separate 80-acre parcels (160 acres total) located 2.5 miles northwest of the Gila Bend Auxiliary Field.*
- *\$169,100 to purchase 52.64-acres 1.5 miles northeast of Gila Bend Auxiliary Field.*

*The favorable review includes the following provisions:*

- A. To the extent necessary, DEMA will adjust reviewed purchasing prices lower to comply with the Arizona Administrative Code provision that all purchases from the Military Installation Fund be equal to or less than their appraised value.*
- B. DEMA shall not increase any reviewed purchasing price by more than 10% without first seeking JCCR review.*

*The Committee deferred review of the following land and easement purchases near Davis-Monthan Air Force Base and Fort Huachuca in order to obtain more information:*

(Continued)

- \$475,000 to purchase a 9-acre parcel which is within the fence-line of Davis-Monthan AFB.
- \$900,000 to acquire easement rights to a 300-acre parcel which is located approximately 1 mile north of Fort Huachuca.

Senator Farley moved a substitute motion that the Committee give a favorable review to DEMA's expenditure plan from the Military Installation Fund. Division was called on the substitute motion and by a show of hands of 4 ayes and 5 nays, the substitute motion failed.

The original motion carried.

#### **ARIZONA STATE PARKS BOARD (ASP) - Review of Buckskin Sanitary District Lease and Easement Agreement.**

Ms. Krista MacGahan, JLBC Staff, stated ASP requested review of the proposed lease and easement agreement with Buckskin Sanitary District (District). The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review to the ASP lease and easement agreement with the District. ASP will provide a no cost 40-year land lease and easement to the District for construction of the new sanitation facilities that will be used for all District customers, including 2 state parks (Buckskin Mountain State Park and River Island State Park). The motion carried.

#### **ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of De-Icer Buildings Project.**

Mr. Ben Beutler, JLBC Staff, stated the Committee is required to review the scope, purpose and estimated cost before the release of monies for construction of a new capital project costing over \$250,000. ADOT is requesting Committee review of \$2,280,000 from the State Highway Fund for the construction of 4 de-icer buildings. The FY 2016 Capital Outlay Bill appropriated this amount for 5 buildings. The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review to the expenditure of \$2,037,300 by ADOT for the construction of 4 de-icer buildings to house de-icer chemicals and bulk sand used during winter months. The buildings are to be located at Ash Fork, Many Farms, Teec Nos Pos, and Willcox. The favorable review includes the provision that ADOT shall report any project reallocations above \$100,000 to the Committee. The motion carried.

#### **ARIZONA DEPARTMENT OF TRANSPORTATION - Review of Vehicle Wash Systems Project.**

Mr. Ben Beutler, JLBC Staff, stated the Committee is required to review the scope, purpose and estimated cost before the release of monies for construction of a new capital project costing over \$250,000. The FY 2015 Capital Outlay Bill (Laws 2014, Chapter 15) appropriated \$3,000,000 from the State Highway Fund to ADOT for 6 new vehicle wash systems. ADOT is requesting review of the department's \$2,265,300 expenditure plan for the new vehicle wash system buildings. The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review to the expenditure of \$2,265,300 by ADOT for the construction of 6 new vehicle wash systems. The vehicle wash systems are to be located at Chambers, Gila Bend, North Phoenix, Safford, Wilcox and Page. The favorable review includes the provision that ADOT shall report any project reallocations above \$100,000 to the Committee. The motion carried.

(Continued)

**ARIZONA STATE UNIVERSITY (ASU) - Review of Sun Devil Stadium Renovation Phase 3.**

Mr. Matt Beienburg, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. ASU requests Committee review of \$75,700,000 in system revenue bond issuances to fund the third and final phase of the renovation of Sun Devil Stadium. The JLBC Staff presented options to the Committee.

Mr. Steve Miller, Deputy Vice President, Public Affairs, ASU, responded to member questions.

Mr. Bruce Jensen, Executive Director, Capital Programs Management, ASU, responded to member questions.

Mr. Morgan Olsen, Executive Vice President, Treasurer and CFO, ASU, responded to member questions.

*Senator Shooter moved that the Committee give a favorable review of \$75,700,000 in system revenue bond issuances to fund the third and final phase of the renovation of Sun Devil Stadium. The total renovation project cost is \$268,700,000, including gift revenue. The favorable review includes the following standard university financing provisions shown below:*

Standard University Financing Provisions

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

The motion carried.

**ARIZONA STATE UNIVERSITY - Review of Biodesign C Building Financing Project.**

Mr. Matt Beienburg, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. ASU requests Committee review of \$120,000,000 in system revenue bond issuance to fund construction of the Biodesign C building. The JLBC Staff presented options to the Committee.

Mr. Morgan Olsen, Executive Vice President, Treasurer and CFO, ASU, responded to member questions.

*Senator Shooter moved that the Committee give a favorable review of \$120,000,000 in system revenue bond issuances to fund construction of the Biodesign C building. The bond debt service payments will be funded by indirect cost recovery and tuition revenues. The favorable review includes the following standard university financing provisions shown below:*

Standard University Financing Provisions

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

(Continued)

The motion carried.

**ARIZONA STATE UNIVERSITY - Review of Building Renewal and Renovation Projects.**

Mr. Matt Beienburg, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. ASU requests Committee review of \$40,000,000 in system revenue bond issuances to fund 3 building renewal and other renovation projects. The JLBC Staff presented options to the Committee.

*Senator Shooter moved that the Committee give a favorable review of \$40,000,000 in system revenue bond issuances to fund 3 building renewal and other renovation projects. The bond debt service payments will be funded by tuition revenues. The favorable review includes the following provision, along with the standard university financing provisions as shown below:*

- A. *By November 30, 2016, the Arizona Board of Regents (ABOR), shall report to the Committee for a review of their policy of determining the appropriate level of each University's financial liquidity and cash reserves. The report shall include metrics used to measure each University's days cash on hand, current levels of days cash on hand, and benchmarks used to develop the cash reserve policies. In addition, ABOR shall report on the potential future use of cash reserves to finance capital projects in place of using debt financing.*

Standard University Financing Provisions

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

The motion carried.

**UNIVERSITY OF ARIZONA (UA) - Review of Health Sciences Innovation Building.**

Mr. Patrick Moran, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. UA requests Committee review of \$165,000,000 in system revenue bond issuances to fund construction of the 212,000 square foot Health Sciences Innovation Building. The JLBC Staff presented options to the Committee.

Mr. Gregg Goldman, Senior Vice President for Business Affairs and Chief Financial Officer, UA, responded to member questions.

Mr. Kody Kelleher, Director, Government Affairs, ABOR, responded to member questions.

*Senator Yarbrough moved that the Committee give a favorable review to UA's \$165,000,000 in system revenue bond issuances to fund construction of the 212,000 square foot Health Sciences Innovation Building. The debt service payments will be funded by University of Arizona Health Science funds and other local funds. The favorable review includes the following standard university financing provisions shown below:*

(Continued)

Standard University Financing Provisions

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

The motion carried.

**UNIVERSITY OF ARIZONA - Review of Health Sciences Alvernon Way Project.**

Ms. Micaela Larkin, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. UA requests Committee review of \$9,300,000 in system revenue bond issuances to purchase and renovate real property at 655 N Alvernon Way in Tucson to be used for UA programs previously located in the Banner University Medical Center. The JLBC Staff presented options to the Committee.

Senator Yarbrough moved that the Committee give a favorable review to UA's \$9,300,000 in system revenue bond issuances to purchase and renovate real property at 655 North Alvernon Way in Tucson to be used for UA programs previously located in the Banner University Medical Center. The debt service payments will be funded by University of Arizona Health Science funds and other local funds. The favorable review includes the following standard university financing provisions shown below:

Standard University Financing Provisions

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

The motion carried.

**UNIVERSITY OF ARIZONA - Review of Phoenix Medical Campus Lease.**

Ms. Micaela Larkin, JLBC Staff, stated the Committee is required to review any university projects financed with system revenue bonds. UA requests Committee review of \$23,330,000 in system revenue bond issuances to purchase previously leased Phoenix Medical Campus buildings. The JLBC Staff presented options to the Committee.

Senator Yarbrough moved that the Committee give a favorable review of \$23,330,000 in system revenue bond issuances to purchase previously leased Phoenix Medical Campus buildings. The bond debt service payments will be funded by the savings generated through terminating the previous capital lease. The favorable review includes the following provision, along with the standard university financing provisions as shown below:

- A. *By November 30, 2016, the Arizona Board of Regents (ABOR), shall report to the Committee for a review of their policy of determining the appropriate level of each University's financial liquidity and*

(Continued)

*cash reserves. The report shall include metrics used to measure each University's days cash on hand, current levels of days cash on hand, and benchmarks used to develop the cash reserve policies. In addition, ABOR shall report on the potential future use of cash reserves to finance capital projects in place of using debt financing.*

A. Standard University Financing Provisions

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

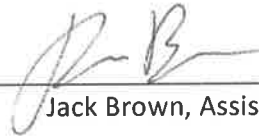
The motion carried.

Without objection, the meeting adjourned at 5:55 p.m.

Respectfully submitted:



Kristy Paddack, Secretary



Jack Brown, Assistant Director



Representative Justin Olson, Chairman







STATE OF ARIZONA

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DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Micaela Larkin, Senior Fiscal Analyst *ML*

SUBJECT: Arizona State Parks Board - Review of FY 2017 Capital Expenditure Plan and Reallocation of Prior Year Capital Expenditure Plans

### Request

Pursuant to A.R.S. § 41-1252 and A.R.S. § 5-382, The Arizona State Parks Board (ASPB) requests Committee review of FY 2017 capital projects funded from the State Lake Improvement Fund (SLIF), State Parks Revenue Fund (SPRF), and Federal Land and Water Conservation Fund (LWCF).

For FY 2017, ASPB requests review of \$2,459,000 for other projects at Dead Horse Ranch, Fool Hollow, Oracle, Red Rock, and Tonto Natural Bridge.

Pursuant to Committee provisions regarding reallocating expenditure plans, ASPB is also requesting the reallocation of \$1,387,300 in monies that were previously reviewed by JCCR.

### Recommendation

The Committee has at least the following 2 options:

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

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

- A. ASPB shall report any change in the FY 2017 spending plan to the JLBC Staff, including reallocations between projects. If there is a project reallocation greater than \$100,000, the JLBC Staff shall recommend that ASPB request Committee review of the reallocation.

(Continued)

- B. ASPB will provide JLBC Staff information by October 14 that details the previously reviewed projects and indicates which projects were cancelled or had costs savings that made monies available for the funding reallocations.
- C. ASPB shall report any further changes to the FY 2014, FY 2015, and FY 2016 spending plans to JLBC Staff, including reallocations between projects. If there is a project reallocation greater than \$100,000, the JLBC Staff shall recommend that ASPB request Committee review of the reallocation.
- D. Upon completion of the Rockin' River Ranch State Park planning process, ASPB shall submit the proposed park's Master Plan to the Committee, along with their timetable and projected costs.

#### FY 2017 Capital Expenditure Plan

#### **Analysis**

##### Fund Background

As federal monies, ASPB does not need JCCR review for the use of the Federal Land and Water Conservation Fund (LWCF). The fund is included to provide information on the total cost of the project. Under permanent law, Committee is to review expenditure of capital monies from SPRF and SLIF.

SPRF generates revenue from state parks user fees, concession sales, gift shop sales, donations and legislative appropriation. Capital projects funded by these monies are subject to capital review per A.R.S. § 41-511.21. Monies are also annually used for the operations of the ASPB. The fund generated revenue of \$16.6 million in FY 2016, and the balance of SPRF at the end of FY 2016 was \$12.0 million.

SLIF generates revenues primarily from state gasoline taxes paid for boating purposes, a portion of the watercraft license tax. As provided for by A.R.S. § 5-382, the use of SLIF monies requires review by the JCCR. The fund generates \$8.4 million annually in revenue. At the end of FY 2016, the balance of SLIF was \$9.7 million.

Federal Land and Water Conservation Fund (LWCF) is a federal fund. The LWCF provides matching grants to state and local governments for the development of public outdoor recreation programs and facilities. Expenditures from LWCF are not subject to Committee review, however, the Parks Board has provided this information to show the total costs of this specific project.

##### Project Expenditures

ASPB requests review of \$2.5 million in FY 2017 monies for the following 6 projects (*See Table 1*):

- \$685,000 for the construction of 4 new cabins at Dead Horse Ranch State Park and a new bathroom. This is separate from the cabin revenue sharing in another Parks agenda item. Parks will pay the full upfront costs of these cabins.
- \$385,000 for the upgrading the campground sites at Fool Hollow Lake State Park.
- \$400,000 for the removal of the septic system and the creation of a new septic system and the installation of 2 new compost toilets at Oracle State park.
- \$350,000 for the demolition of an old service building, the construction of a new service building in a remote area of the park, and a special use venue at Red Rock State Park
- \$175,000 at Red Rock State park for a pedestrian bridge replacement, and
- \$464,000 for pedestrian bridge replacement at Tonto Natural Bridge State Park.

(Continued)

**Table 1**

**FY 2017 Capital Expenditure Plan**

<b>Park Name – (Project Type)</b>	<b>SPRF</b>	<b>SLIF</b>	<b>FLWCF (Federal Matching Grants) <sup>1/</sup></b>	<b>Proposed Allocation</b>
Dead Horse Ranch Cabin and Restroom Project	\$ 342,500	\$ 0	\$ 342,500	\$ 685,000
Fool Hollow Campground Upgrades	0	192,500	192,500	385,000
Oracle Septic System	200,000	0	200,000	400,000
Red Rock Infrastructure	175,000	0	175,000	350,000
Red Rock Pedestrian Bridge	87,500	0	87,500	175,000
Tonto Natural Bridge Pedestrian Bridge	232,000	0	232,000	464,000
<b>Subtotal</b>	<b>\$1,037,000</b>	<b>\$ 192,500</b>	<b>\$1,229,500</b>	<b>\$2,459,000</b>

1/ LWCF does not need JCCR Review.

**Building Renewal Reallocations**

ASPB proposes the reallocation of \$712,200 in SPRF monies and \$675,100 in SLIF monies. The monies come from savings from other projects cancelled or completed under budget in the FY 2014, FY 2015, and FY 2016 Capital Expenditure Plans. With the funds, ASPB plans to redirect monies to 6 existing projects and one new project. The new project is to design/develop the use plan for the Rockin' River State Park property in Central Arizona.

The primary proposed adjustments would be as follows:

- \$300,000 for the Kartchner Cave Lighting Project. The lighting project will benefit the energy costs and long term stability of the cave system.
- \$248,900 for the Alamo Lake Water and Wastewater Project to expand efforts to retrofit water, wastewater, and sanitary facilities to the Arizona Department of Environmental Quality standards.
- \$214,300 for the Lake Havasu Restroom and Lift Station Project to continue efforts to improve the facilities at the Lake Havasu State Park.
- \$200,000 to begin Rockin' River State Park planning. The state purchased this 209 acre ranch located on the Verde River in 2008. This new project would involve developing a Master Plan for the property to facilitate the eventual opening as a State Park. The Committee may consider a provision requiring ASPB to submit the completed Master Plan to the Committee.
- \$55,200 for the Roper Lake Waste Water Project.
- \$21,000 for the Fort Verde Adobe Stabilization Project.
- \$13,500 for Jerome State Park Roofing Project.

The Board's submission did not clearly delineate cancelled projects or costs savings that allowed ASPB to reallocate the \$1.4 million for the above projects. Because of this, the Committee may consider a provision requiring ASPB to provide additional data to JLBC Staff delineating the original projects, and providing data showing the cost savings or cancellations that made monies available for these changes.

RS/ML:kp



**Doug Ducey**  
Governor

**Sue Black**  
Executive Director



September 1, 2016



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

RE: Request for JCCR review of FY 2017 Capital Development Program and  
prior year Capital Development Program funding adjustments

Dear Senator Shooter:

Annually, Arizona State Parks (ASP) requests review and approval by the JCCR of the agency's overall Capital Development Program. ASP has undertaken an in-depth analysis of its Capital Development Program.

There are no General Funds appropriated to ASP. Funding for this request includes; State Parks Revenue Fund (SPRF) and State Lake Improvement Fund (SLIF). With JCCR favorable recommendation, these funds can be utilized to leverage matching Federal Land and Water Conservation Fund (LWCF) grants and fully fund the recommended projects, while also providing an adequate cash flow for agency operational needs.

The projects support several park system objectives, including: public health and safety (PHS); regulatory compliance requirements; increased visitors and revenues; asset and resource protection.

Specific project funding details, project descriptions and requested actions are attached.

Sincerely,

Sue Black, Executive Director

cc: Richard Stavneak, Director JLBC  
Lorenzo Romero, Director OSPB

## **I. Prior Year Capital Development Program**

ASP recently completed a status review of open capital projects. As a result \$1.4 of capital fund capacity has been identified. ASP needs to reallocate those funds to augment the following list of high priority projects, previously given favorable review by the JCCR. Reallocation of SPRF \$712,200 and SLIF \$675,100 capital project funds would provide total funding of \$3,078,500 sufficient to complete the following:

1. **Alamo Lake State Park: Water & Wastewater Upgrades**  
Total Project Budget: \$353,900
2. **Buckskin Mountain State Park: Campground Electrical Upgrades**  
Total Project Budget: \$440,600
3. **Fort Verde State Historic Park: Adobe Stabilization**  
Total Project Budget: \$121,000
4. **Jerome State Historic Park: Douglas Mansion Roof Replacement**  
Total Project Budget: \$138,500
5. **Kartchner Caverns State Park: Cave Lighting System Replacement**  
Total Project Budget: \$450,000
6. **Lake Havasu State Park: Restrooms and Lift Station**  
Total Project Budget: \$1,144,300
7. **Rockin River State Park: Planning and Initial Development**  
Total Project Budget: \$200,000
8. **Roper Lake State Park: Waste Water System Upgrades**  
Total Project Budget: \$230,200

## **II. FY 2017 Capital Development Program**

Because there are no General Funds appropriated to Arizona State Parks, ASP will utilize three funding sources in the FY 2017 Capital Development Program: \$2.3 million of grants from the Federal Land and Water Conservation Fund (LWCF), \$6.0 million from the State Lake Improvement Fund (SLIF) and \$1.5 million from the State Parks Revenue Fund (SPRF) (Laws 2016, Chapter 126). Below are project descriptions and cost estimates.

### **Cattail Cove State Park**

Project: New Multi-Use Campground, Marina, Boat Launch, and Picnic and Park Amenities

Budget: \$6,383,500

Project Description: (Revenue Generator) The project will entail the design and construction of all camping related infrastructure: RV camp sites, cabins, roads, parking, restroom shower utilities and waste water systems. A conceptual Master Plan has been developed. A Request for Proposal will be issued for a partnership agreement for the development of a marina with food and beverage services.

### **Dead Horse Ranch State Park**

Project: Park Cabin and Restroom Project

Budget: \$685,000

Project Description: (Revenue Generator) ASP will be constructing four new rustic cabins in the campground along with constructing a new restroom building to service the cabins and the surrounding facilities.

**Fool Hollow Lake State Park**

Project: Campground Upgrades

Budget: \$385,000

Project Description: (Revenue Generator) ASP will be upgrading the park's campground area with updated electrical lines, campsite pedestals and primitive host sites.

**Oracle State Park**

Project: Septic System Improvement

Budget: \$400,000

Project Description: (Future Revenue Infrastructure) ASP will be removing an existing cesspool/septic system that is in need of replacement. The project will replace it with a new septic tank and leach field system. The project will also include the installation of two new compost toilets at two major trailheads in the park.

**Red Rock State Park**

Project 1: Pedestrian Bridge Replacement Project

Budget: \$175,000

Project Description: ASP will be replacing three failing bridge sections within the trail system of the park.

Project 2: Infrastructure Renewal/ Service Building

Budget: \$350,000

Project Description: (Revenue Generator/PHS) ASP will be demolishing the existing maintenance / service building and reconstructing it in a new remote location within the park. In place of the present building, ASP will construct a new day use special events venue.

**Statewide Cabin Deployment Plan**

Project: Cabin Deployment Plan

Budget: \$963,900

Project Description: (Revenue Generator) ASP is releasing a Request for Proposal soliciting a Partnership Agreement for Capital Improvements at State Parks. The partner will deliver and install pre-engineered park cabins. The requested funding provides ASP with the resources necessary to begin site engineering and to construct foundations and utilities needed for the cabins.

**Tonto Natural Bridge State Park**

Project: Pedestrian Bridge Replacement Project

Budget: \$463,900

Project Description: (PHS) ASP will replace an existing pedestrian bridge spanning a small stream that is currently failing. The new bridge will be an engineered suspension bridge. In addition to the bridge replacement, ASP will make improvements to the existing trail by adding new boardwalk sections along the trail.





STATE OF ARIZONA

## Joint Committee on Capital Review

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RICK GRAY  
VINCE LEACH  
ERIC MEYER, M.D.  
STEVE MONTENEGRO

DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Micaela Larkin, Senior Fiscal Analyst *ML*

SUBJECT: Arizona State Parks – Review of Cabin Installation Proposal

### Request

Pursuant to A.R.S. § 41-1252 and A.R.S. § 5-382, the Arizona State Parks Board (ASPB) is requesting review of its \$963,300 expenditure plan for the installation of 100 cabins at parks operated by ASPB. The monies would be used to prepare sites for pre-engineered cabins and for the start-up costs of partnering with a vendor to deliver and install the cabins. Of this amount, ASPB proposes allocation \$463,000 from the State Parks Recreation Fund (SPRF) and \$500,000 from the State Lake Improvement Fund (SLIF) account.

### Recommendation

The Committee has at least the following 2 options:

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

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

- A. The State Parks Board shall submit the final terms reached with the vendor, the locations of the cabins, and the timeline for opening the cabins to JLBC Staff.

(Continued)



## Analysis

### Background

ASPB currently operates 28 cabins across the state park system. The Parks proposals would expand capacity by another 100 cabins. These cabins typically include electricity, beds (bunk beds or full size), table/chairs and dressers. Overnight fees typically range from \$60 to \$70 per night. The cabins are at the following locations: Roper Lake (8), Lyman Lake (8), Dead Horse Ranch (8), and Alamo Lake (4).

ASPB proposes locating the 100 additional cabins at a variety of state parks, some of which currently house the existing cabins along with others that do not currently have cabins. Along with the 4 additional cabins at Dead Horse State Park funded in another Parks agenda item (*see FY 2017 Capital Expenditure Plan* memo), the state upon completion of these projects will have 132 cabins available for rental. *Table 1* below displays the locations for the 100 cabins proposal:

<b>Table 1</b>			
<b>Arizona State Parks Proposed Cabins</b>			
<b><u>Park Name</u></b>	<b><u># of Cabins</u></b>	<b><u>General Location</u></b>	<b><u>FY 2016 Park Attendance</u></b>
Cattail Cove State Park	30	Lake Havasu	58,127
Lost Dutchman State Park	20	Apache Junction	159,765
Dead Horse State Park	20	Cottonwood	162,370
Roper State Lake Park	10	Safford	68,206
Alamo Lake	10	Wenden	40,313
Buckskin Mountain State Park	<u>10</u>	Parker Strip	70,262
<b>Statewide</b>	<b>100</b>		

### Vendor Proposal

ASPB plans to issue a Request for Proposals (RFP) for 100 pre-engineered cabins across the state park system. While ASPB has not issued a formal RFP for the cabins, the expenditure plan is based on broad estimates for the transaction. Under the ASPB proposal, the state would make a 10% down payment on each cabin, which has an average purchase price of \$45,000. In addition to the \$4,500, ASPB would expend approximately another \$5,100 per cabin for site preparation, which includes a concrete foundation and running electricity to the site. After making the down payment and preparing the site, the vendor would deliver the cabins for use as rentals.

In exchange for the vendor providing the cabin after only the 10% down payment, ASPB would enter into a revenue sharing agreement with the vendor, which is assumed to be a 50/50 sharing of rental fees, based on information provided by ASPB. After 6 years or the agreed upon term, the state can pay \$4,500 to complete the purchase of the cabins and begin to collect 100% of the revenues. The cabins have an expected life of 25 years, as estimated by ASPB. Since ASPB would be responsible for maintenance and repairs for the cabins, building renewal costs could be significant to maintain the 25 year life span for the cabin units. Parks believes that the long term building renewal costs will be covered by the increased revenue stream from the cabins.

(Continued)

#### Funding

ASPB would expend \$963,300 for the construction and delivery of 100 cabins. Of this amount, they propose allocating \$463,900 from the SPRF and \$500,000 from SLIF. Statute mandates JCCR review of expenditures from SPRF for capital projects and for SLIF projects.

#### Revenues/Operating Costs

The 28 existing cabins currently owned by ASPB have a statewide daily average occupancy rate of 51.6%. During peak times in June and July, the average occupancy ranges from 60.5 to 76.2%. While occupancy rates are below 100% on a monthly basis, ASPB indicates that during peak season weekend nights are typically completely reserved, thereby limiting potential revenue.

Assuming 50% occupancy and the \$60 rental fee per night, ASPB assumes that the cabins will generate revenue of \$1.1 million. After factoring in the 50/50 revenue sharing, ASPB would retain approximately \$550,000.

In terms of operating costs, ASPB projects the cabins will cost \$150,000 per year in the first year of the operation. With \$550,000 in revenues, this suggests a short term operating profit of \$400,000 per year.

After six years, ASPB may purchase the cabins for an additional \$450,000 payment to the vendor. Assuming 2% growth, ASPB estimates annual revenue at this 6th year would be \$1.2 million with the state retaining all revenues. Expenses at this timeframe are assumed by ASPB to be \$170,000, for net operating profit of \$1.0 million.

We would note, however, the ASPB profits estimates depend on statewide vacancy rates staying at existing levels. Parks has not conducted a formal analysis of the demand for additional cabins. At this time, it is unclear whether the state can maintain its approximate 50% vacancy rate when the cabin system is expanding from 28 to 132 units.

In addition, the profit estimates include no funding for long-term building renewal projects. These costs could be significant in later years in order to maintain the 25 year lifespan of the cabin units.

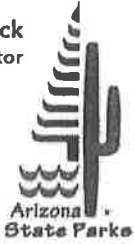
Given that the contract terms with the vendor are not finalized, the Committee consider a provision that ASPB submit to JLBC staff the final terms reached with the vendor, the locations of the cabins, and the time for opening the cabins.

RS/ML:kp



**Doug Ducey**  
Governor

**Sue Black**  
Executive Director



September 1, 2016



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

RE: Request for JCCR review of FY 2017 Capital Development Program and  
prior year Capital Development Program funding adjustments

Dear Senator Shooter:

Annually, Arizona State Parks (ASP) requests review and approval by the JCCR of the agency's overall Capital Development Program. ASP has undertaken an in-depth analysis of its Capital Development Program.

There are no General Funds appropriated to ASP. Funding for this request includes; State Parks Revenue Fund (SPRF) and State Lake Improvement Fund (SLIF). With JCCR favorable recommendation, these funds can be utilized to leverage matching Federal Land and Water Conservation Fund (LWCF) grants and fully fund the recommended projects, while also providing an adequate cash flow for agency operational needs.

The projects support several park system objectives, including: public health and safety (PHS); regulatory compliance requirements; increased visitors and revenues; asset and resource protection.

Specific project funding details, project descriptions and requested actions are attached.

Sincerely,

Sue Black, Executive Director

cc: Richard Stavneak, Director JLBC  
Lorenzo Romero, Director OSPB

## **I. Prior Year Capital Development Program**

ASP recently completed a status review of open capital projects. As a result \$1.4 of capital fund capacity has been identified. ASP needs to reallocate those funds to augment the following list of high priority projects, previously given favorable review by the JCCR. Reallocation of SPRF \$712,200 and SLIF \$675,100 capital project funds would provide total funding of \$3,078,500 sufficient to complete the following:

1. **Alamo Lake State Park: Water & Wastewater Upgrades**  
Total Project Budget: \$353,900
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8. **Roper Lake State Park: Waste Water System Upgrades**  
Total Project Budget: \$230,200

## **II. FY 2017 Capital Development Program**

Because there are no General Funds appropriated to Arizona State Parks, ASP will utilize three funding sources in the FY 2017 Capital Development Program: \$2.3 million of grants from the Federal Land and Water Conservation Fund (LWCF), \$6.0 million from the State Lake Improvement Fund (SLIF) and \$1.5 million from the State Parks Revenue Fund (SPRF) (Laws 2016, Chapter 126). Below are project descriptions and cost estimates.

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Project: New Multi-Use Campground, Marina, Boat Launch, and Picnic and Park Amenities

Budget: \$6,383,500

Project Description: (Revenue Generator) The project will entail the design and construction of all camping related infrastructure: RV camp sites, cabins, roads, parking, restroom shower utilities and waste water systems. A conceptual Master Plan has been developed. A Request for Proposal will be issued for a partnership agreement for the development of a marina with food and beverage services.

### **Dead Horse Ranch State Park**

Project: Park Cabin and Restroom Project

Budget: \$685,000

Project Description: (Revenue Generator) ASP will be constructing four new rustic cabins in the campground along with constructing a new restroom building to service the cabins and the surrounding facilities.

**Fool Hollow Lake State Park**

Project: Campground Upgrades

Budget: \$385,000

Project Description: (Revenue Generator) ASP will be upgrading the park's campground area with updated electrical lines, campsite pedestals and primitive host sites.

**Oracle State Park**

Project: Septic System Improvement

Budget: \$400,000

Project Description: (Future Revenue Infrastructure) ASP will be removing an existing cesspool/septic system that is in need of replacement. The project will replace it with a new septic tank and leach field system. The project will also include the installation of two new compost toilets at two major trailheads in the park.

**Red Rock State Park**

Project 1: Pedestrian Bridge Replacement Project

Budget: \$175,000

Project Description: ASP will be replacing three failing bridge sections within the trail system of the park.

Project 2: Infrastructure Renewal/ Service Building

Budget: \$350,000

Project Description: (Revenue Generator/PHS) ASP will be demolishing the existing maintenance / service building and reconstructing it in a new remote location within the park. In place of the present building, ASP will construct a new day use special events venue.

**Statewide Cabin Deployment Plan**

Project: Cabin Deployment Plan

Budget: \$963,900

Project Description: (Revenue Generator) ASP is releasing a Request for Proposal soliciting a Partnership Agreement for Capital Improvements at State Parks. The partner will deliver and install pre-engineered park cabins. The requested funding provides ASP with the resources necessary to begin site engineering and to construct foundations and utilities needed for the cabins.

**Tonto Natural Bridge State Park**

Project: Pedestrian Bridge Replacement Project

Budget: \$463,900

Project Description: (PHS) ASP will replace an existing pedestrian bridge spanning a small stream that is currently failing. The new bridge will be an engineered suspension bridge. In addition to the bridge replacement, ASP will make improvements to the existing trail by adding new boardwalk sections along the trail.





STATE OF ARIZONA

## Joint Committee on Capital Review

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ERIC MEYER, M.D.  
STEVE MONTENEGRO

DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Micaela Larkin, Senior Fiscal Analyst *ML*

SUBJECT: Arizona State Parks Board – Review of Cattail Cove State Park Redevelopment Plan

### Request

Pursuant to A.R.S. § 41-1252 and A.R.S. § 5-382, the Arizona State Parks Board (ASPB) is requesting review of its \$6.4 million expenditure plan for the redevelopment of Cattail Cove State Park, which is located on Lake Havasu. The plan would redevelop the adjacent marina and boat ramp, along with adding a restaurant, through the use of a private vendor which would involve a revenue sharing agreement for slip fees and food/beverage sales. In addition, 100 camping sites would be refurbished and 30 cabins would be added (see *Arizona State Parks Board Cabin Installation Proposal* item.)

### Recommendation

The Committee has at least the following 2 options:

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

Under either option, the Committee may consider following provisions:

- A. The ASPB shall provide the Committee with a comprehensive estimate of the ongoing operating expenditures of the renovated Cattail Cove, including staffing and maintenance costs by October 28, 2016.

(Continued)

- B. The ASPB shall submit to the Committee the final terms reached with the Cattail Cove vendor, including the level of revenue sharing and any other major contractual terms. The JCCR Chairman shall determine whether the terms and conditions warrant further committee review.
- C. The ASPB shall submit to the Committee by October 21, 2016 a report on its agreement with a private vendor to develop Contact Point State Park. The report shall include the potential scope of the park, the revenue and cost-sharing arrangements between the vendor and the state, and any other major contractual terms. ASPB shall also report on any future plans for development of Contact Point State Park beyond the current agreement. The JCCR Chairman shall determine whether the terms and conditions warrant further committee review.

## **Analysis**

### Background

Cattail Cove is an Arizona State Park located on the shore of Lake Havasu on public land managed by ASPB. In 1973, ADC entered into a long term concessionaire agreement with a vendor to develop a privately operated RV park on the north side of the property. In 2015, the contract was not renewed. ASPB has demolished 60% of the commercial property. They are currently pursuing a vendor to complete the building demolition.

ASPB would redevelop the Cattail Cove site with Recreational Vehicle (RV) campsites, cabins, and restroom and shower facilities. ASPB would also issue a Request for Proposals (RFP) to enter into a new concessionaire agreement for the redevelopment of the marina and commercial operations.

Cattail Cove is one of two existing Lake Havasu State Park areas overseen by ASPB. To the north of Cattail Cove, Lake Havasu State Park handles the majority of the parking and boat launches in the area. The boat launch and parking were recently renovated. In FY 2016, 440,692 people visited the Lake Havasu State Park.

In between the existing state parks – Lake Havasu (north end) and Cattail Cove (south end), ASPB has long-term plans to open a second site near Lake Havasu State Park. Named Contact Point, there are currently no existing facilities at this location. ASPB released a RFP for a concessionaire to develop and operate a marina and other commercial activities. These activities would include boat storage, rentals and slips, as well as a fueling station and parking areas. ASPB awarded a contract to a vendor in August 2016. Given the substantial scope of the project, the Committee may consider a provision that ASPB submit to JCCR the major contract terms reached with the concessionaire for Contact Point State Park, and any future plans for the Park. Upon receiving this information, the JCCR Chairman would determine whether the terms and conditions warrant further committee review.

Cattail Cove is near the southern end of the lake. ASPB believes that a renovated site will ease congestion at Lake Havasu State Park and provide additional camping and RV sites. In FY 2016, ASPB reported 58,127 visitors to Cattail Cove. ASPB has not completed an independent demand analysis, but they believe the park's location and more favorable boat launch conditions should provide for visitation to fill the increased supply resulting from the redevelopment proposal. *Appendix A* provides an image of the park's layout.

In addition, ASPB believes there will be sufficient vendor interest in operating the marina and associated restaurant. The agency has indicated they have received interest in the property from several concessionaires, ranging from local to national operators. For the marina and restaurant, ASPB will issue an RFP for a concessionaire who will pay for the construction of those facilities. In exchange for funding capital costs, ASPB will enter into a revenue sharing agreement with the vendor.

(Continued)



Under this agreement, the vendor would retain most marina/restaurant related revenues, with ASPB receiving up to 10% of receipts based on current concessionaire agreements.

#### Proposed Expenditures

The expenditure plan will fund design costs, along with renovations to camping section of the park. This would include items such as restrooms, RV site construction, and other infrastructure (such as utilities). In addition to the core improvements to the property, ASPB will place 30 cabins from its related proposal on the site of Cattail Cove (see *Arizona State Parks Board Cabin Installation Proposal* item.) The impact of these cabins in terms of cost and revenue estimate have been excluded from this analysis.

<b>Table 1</b>	
<b>FY 2017 Cattail Cove Redevelopment Expenditure Plan</b>	
<u>Areas</u>	
Restroom/showers	\$1,500,000
RV Site Construction	650,000
Picnic/Public Facilities	275,000
Beach Access	250,000
Cabins Infrastructure	250,000
Playground	<u>100,000</u>
Subtotal	\$3,025,000
<u>Infrastructure</u>	
Sewer System	\$ 850,000
Hard Surface	650,000
Power, Phone, Cable	400,000
Water System	350,000
Lighting	250,000
Landscaping	250,000
Mobilization	<u>150,000</u>
Subtotal	\$ 2,900,000
<u>Design</u>	\$400,000
<b>Cattail Cove Subtotal</b>	<b>\$6,325,000</b>
Contingency	<u>\$ 58,500</u>
<b>TOTAL</b>	<b>\$6,383,500</b>

As can be seen in *Table 1* above, the \$6.4 million expenditure plan costs do not include the redevelopment of the marina area and its associated restaurant area, as the vendor would incur those costs. The Cabin Infrastructure line above is for the development of roads necessary for the cabin area.

At the present time, the site has 61 camping and RV sites, as well as 31 primitive boat-in camping sites. The renovated campground will have 100 camping sites and 30 cabins.

#### Funding

For the \$6.4 million project, ASPB proposes using \$5,307,500 of State Lake Improvement Fund (SLIF) monies and \$1,076,000 from Federal Land and Water Conservation Fund (LWCF) monies.

(Continued)

The LWCF provides grants to state and local governments for the development of public outdoor recreation programs and facilities. Expenditures from LWCF are not subject to Committee review, however, the Parks Board has provided this information to show the total costs of this specific project. Statute mandates JCCR review of expenditures for SLIF projects.

#### Operating Revenues

Based on ASPB staff analysis, the redeveloped Cattail Cove is expected to generate \$1.5 million of annual revenue from the operation of the park, cabin, and camping areas. The sum of \$120,600 will be generated by day and annual use passes. ASPB estimates that the remainder of the revenue will come from operating 100 camping sites at 75% occupancy at \$50 a day. ASPB based their estimate on past use and anticipating demand caused by the closing of another marina property nearby on the California side of the river.

Additional revenue will be generated from the concession contract for the marina and commercial facilities. ASPB reports that typical concession contracts range from 8 to 10% of the income generated by the commercial activities: restaurant, marina, and other services. Given the uncertainty of the final vendor terms, the Committee may consider a provision that the ASPB shall submit the final terms including the level of revenue sharing and any other major contractual terms.

#### Operating Costs

ASPB has not submitted a list of the operating expenses associated with the refurbished park. The Committee may consider a provision that ASPB provide the Committee with a comprehensive estimate of the operating expenditures of Cattail Cove, including staffing and maintenance costs.

#### Net Operating Profit

As stated above, ASPB expects the new Cattail Cove State Park campgrounds will generate at least \$1.5 million in annual revenues. Additional revenues will be available from the concession contract. Actual revenues for Cattail Cove will be dependent on the actual occupancy rates, the final concession contract, and the costs of maintaining the campground.

Given incomplete data on projected revenues and operating costs, the JLBC Staff does not currently have an estimate of the net operating profit for the proposed newly renovated Cattail Cove State Park.

RS/ML: kp

Appendix A: Cattail Cove Project Plans



SAND POINT MARINA AT CATTAIL COVE STATE PARK

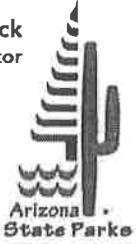
WOOD/PATEL  
MISSION. CLIENT SERVICE.

LOGAN SIMPSON



**Doug Ducey**  
Governor

**Sue Black**  
Executive Director



September 1, 2016



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

RE: Request for JCCR review of FY 2017 Capital Development Program and  
prior year Capital Development Program funding adjustments

Dear Senator Shooter:

Annually, Arizona State Parks (ASP) requests review and approval by the JCCR of the agency's overall Capital Development Program. ASP has undertaken an in-depth analysis of its Capital Development Program.

There are no General Funds appropriated to ASP. Funding for this request includes; State Parks Revenue Fund (SPRF) and State Lake Improvement Fund (SLIF). With JCCR favorable recommendation, these funds can be utilized to leverage matching Federal Land and Water Conservation Fund (LWCF) grants and fully fund the recommended projects, while also providing an adequate cash flow for agency operational needs.

The projects support several park system objectives, including: public health and safety (PHS); regulatory compliance requirements; increased visitors and revenues; asset and resource protection.

Specific project funding details, project descriptions and requested actions are attached.

Sincerely,

Sue Black, Executive Director

cc: Richard Stavneak, Director JLBC  
Lorenzo Romero, Director OSPB

**I. Prior Year Capital Development Program**

ASP recently completed a status review of open capital projects. As a result \$1.4 of capital fund capacity has been identified. ASP needs to reallocate those funds to augment the following list of high priority projects, previously given favorable review by the JCCR. Reallocation of SPRF \$712,200 and SLIF \$675,100 capital project funds would provide total funding of \$3,078,500 sufficient to complete the following:

1. **Alamo Lake State Park: Water & Wastewater Upgrades**  
Total Project Budget: \$353,900
2. **Buckskin Mountain State Park: Campground Electrical Upgrades**  
Total Project Budget: \$440,600
3. **Fort Verde State Historic Park: Adobe Stabilization**  
Total Project Budget: \$121,000
4. **Jerome State Historic Park: Douglas Mansion Roof Replacement**  
Total Project Budget: \$138,500
5. **Kartchner Caverns State Park: Cave Lighting System Replacement**  
Total Project Budget: \$450,000
6. **Lake Havasu State Park: Restrooms and Lift Station**  
Total Project Budget: \$1,144,300
7. **Rockin River State Park: Planning and Initial Development**  
Total Project Budget: \$200,000
8. **Roper Lake State Park: Waste Water System Upgrades**  
Total Project Budget: \$230,200

**II. FY 2017 Capital Development Program**

Because there are no General Funds appropriated to Arizona State Parks, ASP will utilize three funding sources in the FY 2017 Capital Development Program: \$2.3 million of grants from the Federal Land and Water Conservation Fund (LWCF), \$6.0 million from the State Lake Improvement Fund (SLIF) and \$1.5 million from the State Parks Revenue Fund (SPRF) (Laws 2016, Chapter 126). Below are project descriptions and cost estimates.

**Cattail Cove State Park**

Project: New Multi-Use Campground, Marina, Boat Launch, and Picnic and Park Amenities

Budget: \$6,383,500

Project Description: (Revenue Generator) The project will entail the design and construction of all camping related infrastructure: RV camp sites, cabins, roads, parking, restroom shower utilities and waste water systems. A conceptual Master Plan has been developed. A Request for Proposal will be issued for a partnership agreement for the development of a marina with food and beverage services.

**Dead Horse Ranch State Park**

Project: Park Cabin and Restroom Project

Budget: \$685,000

Project Description: (Revenue Generator) ASP will be constructing four new rustic cabins in the campground along with constructing a new restroom building to service the cabins and the surrounding facilities.

**Fool Hollow Lake State Park**

Project: Campground Upgrades

Budget: \$385,000

Project Description: (Revenue Generator) ASP will be upgrading the park's campground area with updated electrical lines, campsite pedestals and primitive host sites.

**Oracle State Park**

Project: Septic System Improvement

Budget: \$400,000

Project Description: (Future Revenue Infrastructure) ASP will be removing an existing cesspool/septic system that is in need of replacement. The project will replace it with a new septic tank and leach field system. The project will also include the installation of two new compost toilets at two major trailheads in the park.

**Red Rock State Park**

Project 1: Pedestrian Bridge Replacement Project

Budget: \$175,000

Project Description: ASP will be replacing three failing bridge sections within the trail system of the park.

Project 2: Infrastructure Renewal/ Service Building

Budget: \$350,000

Project Description: (Revenue Generator/PHS) ASP will be demolishing the existing maintenance / service building and reconstructing it in a new remote location within the park. In place of the present building, ASP will construct a new day use special events venue.

**Statewide Cabin Deployment Plan**

Project: Cabin Deployment Plan

Budget: \$963,900

Project Description: (Revenue Generator) ASP is releasing a Request for Proposal soliciting a Partnership Agreement for Capital Improvements at State Parks. The partner will deliver and install pre-engineered park cabins. The requested funding provides ASP with the resources necessary to begin site engineering and to construct foundations and utilities needed for the cabins.

**Tonto Natural Bridge State Park**

Project: Pedestrian Bridge Replacement Project

Budget: \$463,900

Project Description: (PHS) ASP will replace an existing pedestrian bridge spanning a small stream that is currently failing. The new bridge will be an engineered suspension bridge. In addition to the bridge replacement, ASP will make improvements to the existing trail by adding new boardwalk sections along the trail.





STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

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

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

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HOUSE OF  
REPRESENTATIVES

JUSTIN OLSON  
CHAIRMAN 2016  
LELA ALSTON  
RICK GRAY  
VINCE LEACH  
ERIC MEYER, M.D.  
STEVE MONTENEGRO

DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Rebecca Perrera, Fiscal Analyst *RP*

SUBJECT: Arizona Department of Administration - Review of 1740 West Adams Renovation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. At the June 2016 meeting, the Committee favorably reviewed Arizona Department of Administration (ADOA) building renewal projects totaling \$23,180,000. This amount included \$500,000 of the \$4,200,000 million allocated for the 1740 West Adams project for demolition and major building system design. The Committee deferred the review of the remaining \$3,700,000 million until ADOA submitted the tenant relocation plan.

ADOA is now requesting review of both the tenant relocation plan and the remaining \$3,700,000 million expenditure plan.

### Recommendation

The Committee has at least the following 2 options:

1. A favorable review of the \$3,700,000 request and the tenant relocation plan.
2. An unfavorable review.

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

- A. ADOA shall report to the JLBC Staff on the space allocations when they are finalized but no later than December 30, 2016. The report shall include ADOA's process to solicit agency feedback and

(Continued)



their modifications to their plan based on this feedback. If there is significant change of 20% or more to the space allocations or a change to the proposed tenants, ADOA shall report these changes to the JCCR Chairman, who shall determine whether a further review from the Committee is warranted.

## **Analysis**

### **Tenant Relocation Plan**

The FY 2017 Capital Outlay bill allocated \$4.2 million from ADOA's building renewal appropriation for the renovation of the Department of Health Services (DHS) 1740 West Adams building. The building consists of approximately 84,900 square feet and includes 4 floors. A majority of the space has been vacant most of FY 2016 because DHS is consolidating its behavioral health staff with AHCCCS. Laws 2016, Chapter 126 requires ADOA to submit to JCCR a report for review on tenant relocation, including any planned consolidation of state agencies, the current commitment of new tenants and the timeline and estimated costs for relocation.

*Appendix A* includes ADOA's finalized tenant list. The plan includes the relocation of most of the state's 90/10 regulatory boards along with a few other small agencies. The proposal would facilitate part of the Governor's proposal to consolidate these health boards. Although the bill did not pass, HB 2501 in the Second Regular Session would have subjected these boards to the oversight of DHS. The Governor's proposal was in response to a recent U.S. Supreme court ruling which outlined several safeguards for occupational licensing boards to avoid antitrust law violations. While the building renovations would allow the health boards to be located in the same building, it does not change their operational independence.

ADOA's proposed space allocation includes 250 square feet per FTE and a total of 3,300 square feet for shared space including bathrooms, kitchen facilities, conference rooms, and a boardroom. According to ADOA, the space allocation is an estimate based on current headcount. According to ADOA, 250 square feet per FTE is an industry standard for administrative space. The proposed space allocation will generate \$1.5 million in rent savings (see *Appendix A*). The savings are generated by relocating some agencies from space that is more expensive and downsizing the amount of space each agency is allocated.

### **Agency Concerns**

Prior to submitting its tenant space plan to the JLBC, ADOA did not confer with the effected agencies. As a result, the JLBC Staff solicited input from the proposed 1740 tenants. In general, agencies expressed concern over their lack of input in the process. Specific concerns include:

- The sharing of common board space, conference rooms, and hearing rooms due to frequent or inflexible meeting requirements.
- Significant use of cubicle space. Agencies that conduct sensitive investigations expressed concerns about privacy.
- Some agencies conduct jurisprudence exams or classes either during the day or on the weekend, which could require additional parking or access requirements.
- The use of incorrect FTE counts. Since the agencies' space allocation is based on 250 square feet per FTE, some agencies felt that they did not receive an appropriate space allocation.

The Committee may consider a provision requiring ADOA report to the JLBC Staff on the space allocations when they are finalized but no later than December 30, 2016. The report shall include ADOA's process to solicit agency feedback and their modifications to their plan based on this feedback.

(Continued)

If there is significant change of 20% or more to the space allocations or a change to the proposed tenants, ADOA shall report these changes to the JCCR Chairman, who shall determine whether a further review from the Committee is warranted.

#### 1740 West Adams Building Renovation

The total project costs include updating fire and life safety systems, HVAC, plumbing and electrical components. In addition, the project includes reconfiguring the office space. As identified in *Table 1* below, ADOA plans to spend \$350,000 on demolition, \$420,000 on architectural and engineering design and \$3.4 million on construction costs (see *Table 1*). The total cost per square foot is \$49, which is considerably lower than past state renovation projects.

<b>Table 1</b>	
<b>1740 West Adams Building Renovation</b>	
<b>Estimated Cost</b>	
<b>Current Request</b>	
Architectural and Engineering Design	\$270,000
Construction	<u>3,430,000</u>
<b>Total</b>	<b>3,700,000</b>

ADOA reports that asbestos abatement and demolition began in August 2016. Construction is scheduled to begin in November 2016. The renovation would be complete by May 1, 2017 and agencies would move into the building by the end of FY 2017.

#### Relocation Costs

The FY 2017 budget appropriates \$576,800 from Other Funds for costs incurred by agencies relocated to the renovated DHS building. *Appendix B* outlines ADOA's proposed allocation of these funds. The proposed costs include physical moving costs in addition to furniture costs and Information Technology networking costs.

#### Agency Relocations

##### *Relocated from Double Tree*

ADOA plans to relocate the Medical Board, Osteopathic Examiners Board, and Veterinary Medical Examining Board, which reside in state-owned space on Doubletree Road located in Scottsdale. During the FY 2017 budget process, the Governor's Office proposed selling the state buildings located at the Doubletree Road.

##### *Relocated from Other State Buildings*

ADOA also plans to relocate a majority of the state agencies located at 1400 West Washington. These agencies include:

- Board of Acupuncture Examiners
- ADOA Central Services bureau/State Board's Office
- Office of Administrative Hearings
- Board of Barbers
- State Board of Funeral Directors and Embalmers
- Board of Homeopathic and Integrated Medicine Examiners
- Board Massage Therapy
- Naturopathic Physicians Medical Board
- Nursing Care Institution Administrators Board
- State Board of Dispensing Opticians

(Continued)

- State Board of Optometry
- Personnel Board
- State Board of Podiatry Examiners
- State Board for Private Postsecondary Education
- State Board of Psychologist Examiners
- Board of Respiratory Care Examiners

In addition, ADOA plans to relocate the State Board of Pharmacy, which is currently located at 1616 West Adams.

ADOA's FY 2018 Budget request includes a request for \$10.1 million to renovate 1400 West Washington. Once renovated, ADOA proposes relocating the state agencies from state-owned space at 2910 North 44<sup>th</sup> Street including the Department of Financial Institutions, the Department of Insurance, the State Department of Real Estate, and the Auditor General. ADOA proposes to sell the 2910 North 44<sup>th</sup> Street building.

*Relocated from Privately Lease Space*

In addition, ADOA plans to relocate several agencies from privately leases space including:

- Board of Behavioral Health Examiners
- State Board of Chiropractic Examiners
- Board of Cosmetology
- State Board of Dental Examiners
- State Board of Nursing
- Board of Occupational Therapy
- Board of Physical Therapy Examiners

ADOA reports that most leases have a termination clause that permits termination without penalty if ADOA directs the agency to a state-owned facility. The State Board of Nursing has a \$91,200 termination policy. Therefore, ADOA would delay the relocation until the lease expires in October 2017.

ADOA Non-Health Board Consolidation Study

Laws 2017, Chapter 371 required ADOA to conduct a study regarding the transfer of all non-health regulatory boards and occupational licenses to a new licensing and regulatory division within their agency. ADOA contracted with a consultant to conduct the study. In the consultant's report, the consultant made several recommendations with the perspective of board consolidation including:

1. Relocating boards to state-owned space on the Capitol Mall
2. Developing a centralized licensing application database
3. Consolidating license application intake
4. Developing a centralized database for board documents and scanning paper records to an electronic platform
5. Consolidating the complaint intake process
6. Implementing a centralized program to track licensing disciplinary action and corrective actions.

The consultant estimated cost savings of approximately \$1.4 million including \$440,000 from rent savings. ADOA's study included some of the proposed 1740 West Adams tenants. However, not all non-health boards will be relocated to the renovated building. It is currently unclear how the recommendations in the study will be implemented in conjunction with the relocations.

## Appendix A

## 1740 WEST ADAMS STREET SPACE ALLOCATION PLAN

Backfill Agency	FTE	Adjusted RSF		Current Rent	Projected Rent	Net Difference	Current Location	Space Type	Space Disposition
		Current RSF 1/	250 RSF/FTE						
Health Services, Department of	10	77,474	15,427	\$1,013,360	\$201,785	(\$811,575)	1740 W Adams	State-owned	DHS retains space in basement
Medical Examiners	42	15,294	10,500	\$200,046	\$137,340	(\$62,706)	9535/3545 Doubletree Ranch Rd.	State-owned	Sell
Osteopath	5	2,821	1,250	\$36,899	\$16,350	(\$20,549)	9535/3545 Doubletree Ranch Rd.	State-owned	Sell
Veterinarian	5	1,932	1,250	\$25,271	\$16,350	(\$8,921)	9535/3545 Doubletree Ranch Rd.	State-owned	Sell
Psychologists	4	1,567	1,000	\$20,496	\$13,080	(\$7,416)	1400 West Washington	State-owned	Renovate & backfill
Respiratory	3	1,512	750	\$19,777	\$9,810	(\$9,967)	1400 West Washington	State-owned	Renovate & backfill
Massage Therapy	4	2,172	1,000	\$28,410	\$13,080	(\$15,330)	1400 West Washington	State-owned	Renovate & backfill
Nursing Care and Asst Living Admin.	4	1,757	1,000	\$22,982	\$13,080	(\$9,902)	1400 West Washington	State-owned	Renovate & backfill
State Boards & Central Services	10	3,317	2,500	\$43,386	\$32,700	(\$10,686)	1400 West Washington	State-owned	Renovate & backfill
Podiatry Examiners	1	340	250	\$4,447	\$3,270	(\$1,177)	1400 West Washington	State-owned	Renovate & backfill
Optometry	2	701	500	\$9,169	\$6,540	(\$2,629)	1400 West Washington	State-owned	Renovate & backfill
Funeral Directors	3	1,162	750	\$15,199	\$9,810	(\$5,389)	1400 West Washington	State-owned	Renovate & backfill
Naturopath	2	619	500	\$8,097	\$6,540	(\$1,557)	1400 West Washington	State-owned	Renovate & backfill
Dispensing Opticians	1	502	250	\$6,566	\$3,270	(\$3,296)	1400 West Washington	State-owned	Renovate & backfill
Acupuncture	1	354	250	\$4,630	\$3,270	(\$1,360)	1400 West Washington	State-owned	Renovate & backfill
Homeopathic physicians	1	385	250	\$5,036	\$3,270	(\$1,766)	1400 West Washington	State-owned	Renovate & backfill
Personnel Board	2	1,892	500	\$24,747	\$6,540	(\$18,207)	1401 West Washington	State-owned	Renovate & backfill
Administrative Hearings	12	15,631	3,000	\$204,453	\$39,240	(\$165,213)	1400 West Washington	State-owned	Renovate & backfill
Barber Board	4	957	1,000	\$12,518	\$13,080	\$562	1400 West Washington	State-owned	Renovate & backfill
Private Post Secondary Education	5	1,292	1,250	\$16,899	\$16,350	(\$549)	1400 West Washington	State-owned	Renovate & backfill
Pharmacy Board	18	9,007	4,500	\$117,812	\$58,860	(\$58,952)	1616 W Adams	State-owned	Backfill
Behavioral Health Examiners	15	5,760	3,750	\$96,019	\$49,050	(\$46,969)	3443 N. Central, Suite 1700	Private lease	Lease expires 12/31/2020 <sup>2/</sup>
Chiropractic Examiners	4	2,844	1,000	\$47,637	\$13,080	(\$34,557)	1951 W. Camelback Rd., Suite 330	Private lease	Lease expires 4/30/2020 <sup>2/</sup>
Dental Examiners	9	5,128	2,250	\$61,536	\$29,430	(\$32,106)	4205 N 7th Ave., Suites 207 & 300	Private lease	Lease expires 11/30/2020 <sup>2/</sup>
Physical Therapy Examiners	4	978	1,000	\$12,225	\$13,080	\$855	4205 N 7th Ave. #208	Private lease	Lease expires 7/14/2018 <sup>2/</sup>
Cosmetology	17	6,400	4,250	\$126,400	\$55,590	(\$70,810)	1721 E. Broadway	Private lease	Lease in in holdover (6/30/2016) <sup>3/</sup>
Occupational Therapy	2	1,295	500	\$14,893	\$6,540	(\$8,353)	4205 N. 7th Avenue, Suite 305	Private lease	Lease is in holdover (11/30/2014) <sup>3/</sup>
Nursing Board	55	13,847	13,750	\$287,325	\$179,850	(\$107,475)	4747 N. 7th St.	Private lease	Lease expires 9/30/2017 <sup>4/</sup>
Building Common/Flex Space	-	-	3,297	-	-	-			
<b>Total</b>	<b>245</b>	<b>176,940</b>	<b>77,474</b>	<b>\$2,486,234</b>	<b>\$970,235</b>	<b>(\$1,515,999)</b>			

1/ RSF= Rentable Square Feet

2/ Termination clause permits termination if ADOA directs to state-owned facility; no penalty for early termination

3/ 30 days notice requirement as long as lease is not renewed

4/ 120 days notice required; \$91,160 lease termination penalty. ADOA intends to wait for lease termination to relocate the agency.

## Appendix B

**1740 WEST ADAMS STREET SPACE ALLOCATION PLAN**

<b>Backfill Agency</b>	<b>Physical Move Expenses</b>	<b>Modular Re-configuration</b>	<b>IT/Cabling</b>	<b>Total Expenses</b>
*Health Services, Department of	\$ 5,886	\$ 12,612	\$ 5,045	\$ 23,543
Medical Examiners	\$ 24,720	\$ 52,971	\$ 21,189	\$ 98,880
Osteopath	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Veterinarian	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Psychologists	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Respiratory	\$ 1,766	\$ 3,784	\$ 1,513	\$ 7,063
Massage Therapy	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Nursing Care and Asst Living Admin.	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
State Boards & Central Services	\$ 5,886	\$ 12,612	\$ 5,045	\$ 23,543
Podiatry Examiners	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Optometry	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Funeral Directors	\$ 1,766	\$ 3,784	\$ 1,513	\$ 7,063
Naturopath	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Dispensing Opticians	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Acupuncture	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Homeopathic physicians	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Personnel Board	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Administrative Hearings	\$ 7,063	\$ 15,135	\$ 6,054	\$ 28,251
Barber Board	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Private Post Secondary Education	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Pharmacy Board	\$ 10,594	\$ 22,702	\$ 9,081	\$ 42,377
Behavioral Health Examiners	\$ 8,829	\$ 18,918	\$ 7,567	\$ 35,314
Chiropractic Examiners	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Dental Examiners	\$ 5,297	\$ 11,351	\$ 4,540	\$ 21,189
Physical Therapy Examiners	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Cosmetology	\$ 10,006	\$ 21,441	\$ 8,576	\$ 40,023
Occupational Therapy	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Nursing Board	\$ 32,371	\$ 69,367	\$ 27,747	\$ 129,486
Building Common/Flex Space				
	\$ 144,200	\$ 309,000	\$ 123,600	\$ 576,800

Physical move, modular furniture and IT/cabling costs are estimates based on historical project costs and do not include any special needs or circumstances a board may have.

The modular reconfiguration estimates include costs for design, inventory, reconfiguration and the purchase of any miscellaneous parts or pieces needed to complete the re-configuration

**Douglas A. Ducey**  
Governor



**Craig C. Brown**  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

**OFFICE OF THE DIRECTOR**

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

August 24, 2016



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

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

Re: 1740 West Adams Renovation Plan

Dear Representative Olson and Senator Shooter:

Laws 2016, Second Regular Session, Chapter 126, and (SB 1527) appropriated \$27,000,000 to the Arizona Department of Administration (ADOA) for building renewal. Of the amount appropriated, ADOA is directed to allocate \$4,200,000 for the renovation of the ADOA owned/managed facility at 1740 West Adams in the Governmental Mall.

At its June 16, 2016 meeting the Joint Committee on Capital Review (JCCR) gave favorable review of the ADOA's Building Renewal Allocation Plan, including a favorable review of \$500,000 of the 1740 West Adams allocation for the demolition, abatement, engineering, and design. It deferred review of the \$3,700,000 balance of the 1740 West Adams allocation pending JCCR review of ADOA's tenant relocation plan.

The ADOA requests review of the 1740 West Adams tenant relocation plan provided as an attachment hereto. The review of the plan is critical given the time sensitive nature of the construction portion of the renovation project.

The Honorable Justin Olson  
The Honorable Don Shooter  
August 24, 2016  
Page 2 of 2

If you have any questions regarding ADOA's 1740 West Adams tenant relocation plan, please contact Nola Barnes, Assistant Director, ADOA General Services Division, at 602-542-1954.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Brown', with a long horizontal flourish extending to the right.

Craig C. Brown

Attachment

cc: Richard Stavneak, Director, JLBC Staff  
Rebecca Perrera, Fiscal Analyst, JLBC Staff  
Lorenzo Romero, Director, OSPB  
Bill Greeney, Assistant Director, OSPB  
Ryan Vergara, Capital Analyst, OSPB  
Kevin Donnellan, Deputy Director, ADOA  
Derik Leavitt, Assistant Director, ADOA  
Nola Barnes, Assistant Director, ADOA/GSD  
John Hauptman, General Manager, ADOA/GSD/PCS

# 1740 WEST ADAMS STREET SPACE ALLOCATION PLAN

Backfill Agency	FTE	Current RSF	Adjusted RSF	Projected Rent Payment		Net Difference in		Space Type	Space Disposition	Projected Move-In Date	Physical Move Expenses	Modular Re-configuration	IT/Cabling	Total Expenses
				Current Rent Payment	Adjusted RSF	Rent	From							
*Health Services, Department of Medical Examiners	10	77,474	15,427	\$1,013,360	\$201,785	(\$811,575)	1740 W Adams	State-owned	DHS retains space in basement per its requirements	May/June 2017	\$ 5,886	\$ 12,612	\$ 5,045	\$ 23,543
Osteopath	42	15,294	10,500	\$200,046	\$137,340	(\$62,706)	9535/3545 Doubletree Ranch Road	State-owned	Sell	May/June 2017	\$ 24,720	\$ 52,971	\$ 21,189	\$ 98,880
Veterinarian	5	2,821	1,250	\$36,899	\$16,350	(\$20,549)	9535/3545 Doubletree Ranch Road	State-owned	Sell	May/June 2017	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Psychologists	5	1,932	1,250	\$25,271	\$16,350	(\$8,921)	9535/3545 Doubletree Ranch Road	State-owned	Sell	May/June 2017	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Respiratory	4	1,567	1,000	\$20,496	\$13,080	(\$7,416)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Massage Therapy	3	1,512	750	\$19,777	\$9,810	(\$9,967)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 1,766	\$ 3,784	\$ 1,513	\$ 7,063
Nursing Care and Asst Living Administrator	4	2,172	1,000	\$28,410	\$13,080	(\$15,330)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
State Boards & Central Services	10	3,317	2,500	\$43,386	\$32,700	(\$10,686)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 5,886	\$ 12,612	\$ 5,045	\$ 23,543
Podiatry Examiners	1	340	250	\$4,447	\$3,270	(\$1,177)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Optometry	2	701	500	\$9,169	\$6,540	(\$2,629)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Funeral Directors	3	1,162	750	\$15,199	\$9,810	(\$5,389)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 1,766	\$ 3,784	\$ 1,513	\$ 7,063
Naturopath	2	619	500	\$8,097	\$6,540	(\$1,557)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Dispensing Opticians	1	502	250	\$6,566	\$3,270	(\$3,296)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Acupuncture	1	354	250	\$4,630	\$3,270	(\$1,360)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Homeopathic physicians	1	385	250	\$5,036	\$3,270	(\$1,766)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 589	\$ 1,261	\$ 504	\$ 2,354
Personnel Board	2	1,892	500	\$24,747	\$6,540	(\$18,207)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Administrative Hearings	12	15,631	3,000	\$204,453	\$39,240	(\$165,213)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 7,063	\$ 15,135	\$ 6,054	\$ 28,251
Barber Board	4	957	1,000	\$12,518	\$13,080	\$562	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Private Post Secondary Education	5	1,292	1,250	\$16,899	\$16,350	(\$549)	1400 West Washington	State-owned	Renovate & backfill	May/June 2017	\$ 2,943	\$ 6,306	\$ 2,522	\$ 11,771
Pharmacy Board	18	9,007	4,500	\$117,812	\$58,860	(\$58,952)	1616 W Adams	State-owned	Backfill	May/June 2017	\$ 10,594	\$ 22,702	\$ 9,081	\$ 42,377
Behavioral Health Examiners	15	5,760	3,750	\$96,019	\$49,050	(\$46,969)	3443 N. Central, Suite 1700	Private lease	Lease expires 12/31/2020. Termination clause permits termination if ADOA directs to state-owned facility; no penalty	May/June 2017	\$ 8,829	\$ 18,918	\$ 7,567	\$ 35,314
Chiropractic Examiners	4	2,844	1,000	\$47,637	\$13,080	(\$34,557)	1951 W. Camelback Rd., Suite 330	Private lease	Lease expires 4/30/2020. Termination clause permits termination if ADOA directs to state-owned facility; no penalty	May/June 2017	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Dental Examiners	9	5,128	2,250	\$61,536	\$29,430	(\$32,106)	4205 N 7th Ave., Suites 207 & 300	Private lease	Lease expires 11/30/2020. See termination clause above.	May/June 2017	\$ 5,297	\$ 11,351	\$ 4,540	\$ 21,189
Physical Therapy Examiners	4	978	1,000	\$12,225	\$13,080	\$855	4205 N 7th Ave. #208	Private lease	Lease expires 7/14/2018. See termination clause above.	May/June 2017	\$ 2,354	\$ 5,045	\$ 2,018	\$ 9,417
Cosmetology	17	6,400	4,250	\$126,400	\$55,590	(\$70,810)	1721 E. Broadway	Private lease	Lease in in holdover (6/30/2016). 30 days notice requirement as long as lease is not renewed. New one (1) year lease in	May/June 2017	\$ 10,006	\$ 21,441	\$ 8,576	\$ 40,023
Occupational Therapy	2	1,295	900	\$14,893	\$6,540	(\$8,353)	4205 N. 7th Avenue, Suite 305	Private lease	Lease is in holdover (11/30/2014). 30 days notice requirement as long as lease is not renewed.	May/June 2017	\$ 1,177	\$ 2,522	\$ 1,009	\$ 4,709
Nursing Board	55	13,847	13,750	\$287,325	\$179,850	(\$107,475)	4747 N. 7th St.	Private lease	Lease expires 9/30/2017. 120 days notice required; \$91,160 lease termination penalty. ADOA intends to wait for lease	October 2017	\$ 32,371	\$ 69,367	\$ 27,747	\$ 129,486
Building Common/Flex Space			3,297											
	243	176,940	77,474	\$2,486,234	\$970,235	(\$1,515,999)					\$ 144,200	\$ 309,000	\$ 123,600	\$ 576,800

Laws 2016, 2nd Regular Session, Chapter 126 (SB1527) states that before spending any funds related to the 1740 West Adams St. renovation, ADOA shall submit a report on tenant relocation, including any planned reconsolidation of state agencies, the current commitment of new tenants and the timeline and estimated costs for relocation for review by the Joint Committee on Capital Review.

The RSF reflected for the agencies are the existing RSF. ADOA assumes that operational efficiencies would reduce the total footprint actually required.

Physical move, modular furniture and IT/cabling costs are estimates based on historical project costs and do not include any special needs or circumstances a board may have.

The modular reconfiguration estimates include costs for design, inventory, reconfiguration and the purchase of any miscellaneous parts or pieces needed to complete the re-configuration.

\* The adjusted RSF for the Department of Health Services is based on the agency retaining the basement of 1740 W. Adams







STATE OF ARIZONA

## Joint Committee on Capital Review

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DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Tom Ritland, Senior Fiscal Analyst *T.R.*

SUBJECT: Northern Arizona University - Review of FY 2017 Capital Improvement Plan for One-time Appropriation

### Request

Pursuant to Laws 2016, Chapter 117 and in accordance with A.R.S. § 41-1252, Northern Arizona University (NAU) requests Committee review of its expenditure plan for several capital improvement projects that will be funded with \$4,000,000 in one-time monies appropriated in the FY 2017 budget.

### Recommendation

The Committee has at least the following 2 options:

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

### Analysis

The FY 2017 budget appropriated a total of \$19.0 million to the universities from the General Fund for one-time operating expenditures or capital improvements. Of this amount, \$4.0 million was appropriated to NAU, \$8.0 million to the University of Arizona, and \$7.0 million to Arizona State University.

NAU plans to use their one-time \$4.0 million appropriation on the following capital improvement projects at the Flagstaff campus:

(Continued)

- \$2,000,000 for underground utility infrastructure improvements. Of this amount, NAU will use \$1,200,000 to replace an underground waterline that was originally installed in 1940 and has failed multiple times over the past 10 years. The sum of \$320,000 will be used to replace a high temperature hot water line originally installed in 2005 that has failed due to corrosion from groundwater. The sum of \$300,000 will be used to replace an underground gas line installed in the 1950's that has several leaks. NAU has already started work on these projects and expect them to be complete by October 2016. They are seeking reimbursement for project costs. NAU did not provide additional detail for the remaining \$180,000.
- \$1,000,000 for academic building improvements to the College of Engineering, Forestry and Natural Sciences. NAU will use these funds to reconfigure 33,000 square feet of space in the college to accommodate projected enrollment increases. In 2006 there were 936 students enrolled in engineering programs and NAU projects enrollment to increase past 2,500 students by 2020. NAU began this project in July 2016 and expects to complete it in October 2016. They are seeking reimbursement for project costs.
- \$500,000 for campus wiring upgrades. NAU will use these funds to improve network speeds in student housing and administrative offices that currently have wiring that only supports speeds of 10 mega-bits per second. Other areas of campus have wiring that allows for network speeds of at least 100 mega-bits per second.
- \$500,000 for fire life safety. NAU will use these funds to update aging fire detection and notification systems, smoke detection, ADA compliant occupant notification, unprotected stairwells, sprinkler activation alarm and system supervision, inoperable door release devices, exit and emergency illumination, and communication to NAU police. The funds will also be used to update the elevators in several building with new control panels and communication systems, door closure sensors, system hydraulics, and interiors.

<u>Project</u>	<u>Allocation</u>
Underground Utility Infrastructure Improvements	\$2,000,000
Academic Building Improvements	1,000,000
Campus Wiring Upgrades	500,000
Fire Life Safety	<u>500,000</u>
<b>Total</b>	<b>\$4,000,000</b>

RS/TR:kp



**NORTHERN  
ARIZONA  
UNIVERSITY**

**Office of the Vice President  
for Finance and  
Administration**

**Northern Arizona University**  
PO Box 4088  
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August 30, 2016



The Honorable Justin Olson, Chairman  
Joint Committee on Capital Review  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007-2890

RE: Northern Arizona University (NAU) Capital Projects for Review

Dear Representative Olson,

Pursuant to Laws 2016, Chapter 117 and in accordance with A.R.S 41-1252, the Arizona Board of Regents requests the attached list of capital/building renewal projects for NAU be placed on the next Joint Committee on Capital Review agenda for review.

If you have any questions or need additional clarifications regarding the enclosed information, please contact me at (928) 523-8871.

Sincerely,

  
Jennus L. Burton  
Vice President for Finance and Administration

Attachment

cc: Richard Stavneak, Director, JLBC  
Tom Ritland, Fiscal Analyst, JLBC  
Eileen Klein, President, ABOR  
Lorenzo Martinez, Associate Vice President, ABOR  
Rita Hartung Cheng, President, NAU  
Christy Farley, Vice President of Government Affairs, NAU



Northern Arizona University is appreciative of the state's reinvestment in the state's public universities for fiscal year 2017 including a \$4 million one-time appropriation for NAU. We look forward to continuing to build on this year's initial investment to our base appropriation with a student centered funding model that is based on sharing the cost of a university education for Arizona resident students. This funding model is very important to NAU and we are committed to managing the university's costs to fit within our operational and financial strategy of maintaining a balanced budget, retaining the PLEDGE guaranteed tuition program and making the investments necessary to meet the ABOR Enterprise 2025 goals.

NAU plans to utilize the state's one-time investment for FY17 to address critical infrastructure needs. Infrastructure investments are an ongoing need and priority for NAU as it supports an increasing number of students enrolled on the Flagstaff Campus, and must continuously address the effects of age and weather on our facilities and infrastructure.

With a deferred maintenance balance of \$119 million based on the state's formula, there are many critical areas where NAU can direct one time funds to support its infrastructure. Investments from the state appropriation of \$4 million for FY17 will include projects for classroom renovations and technology remediation, fire life safety, utility infrastructure and other deferred maintenance investments. These investments are critical to support a safe environment for students, faculty and staff and are also an important investment for recruiting and retaining students. The specific listing of buildings and areas to be addressed are included below:

### Capital Projects

#### Underground Utility Infrastructure Improvements: \$2 million

NAU must address issues related to an aging infrastructure on an ongoing basis throughout the year. The three projects listed below represent unexpected utility infrastructure issues that have recently arisen and which must be addressed prior to the start of the upcoming winter season.

- North Campus underground waterline replacement
  - This waterline was originally installed in the 1940's and has failed at several points in the past 10 years.
  - Estimated cost of replacement is \$1.2 million
  - This project is already in progress due to urgency and timing of the upcoming school year. The project was started in June 2016 and is estimated to be completed by early September 2016.
  - We are seeking reimbursement for project costs.

- High temperature hot water line replacement on south campus
  - This hot water line was installed around 2005 and sections have failed over the past two years due to corrosion from groundwater. The most recent failure resulted in a leak that was losing over 20,000 gallons per day.
  - Estimated cost of replacement is approximately \$320,000
  - This project is already in progress due to urgency and timing of the winter heating season. The project was started on August 22, 2016 and is estimated to be completed by early October 2016.
  - We are seeking reimbursement for project costs.
- Underground gas line replacement in south/central campus
  - This gas line was installed in the 1950's and has developed several leaks this past year.
  - Estimated cost of replacement is approximately \$300,000
  - This project is scheduled to begin the first part of September 2016 due to the urgency and timing of the winter heating season with an anticipated completion date of early October 2016.
  - We will seek reimbursement for project costs.

#### **Academic Building Improvements: \$1 million**

With growing enrollments, NAU must address the issues that stem from a declining amount of academic square feet per student and from the associated impact of higher levels of use on existing facilities. NAU's academic square footage per student on the Flagstaff campus has declined by more than 18% since 2007. Over this period, the university welcomed an ever-increasing student population, with year-over-year record-setting enrollment. To help address these issues, the following projects are planned to address capacity issues by utilizing existing space.

- Reconfigure existing space in the College of Engineering, Forestry and Natural Sciences which has the most significant space capacity issues due to increasing enrollments and renovations to accommodate the new School of Informatics, Computing and Cyber Systems.
  - Need: While the university is growing as a whole, our College of Engineering is one of the (if not the fastest) growing colleges at the university. In 2006 there were 936 students enrolled in our engineering programs. Enrollment is projected to hit over 2,500 students by the year 2020. In 2015, NAU planned on addressing this issue by adding 21,000 sq. ft. of lab and classroom space for our engineering programs, but this project was withdrawn from JCCR consideration as we implemented the university's 2016 budget. Since the delay of this project we have emptied supply closets and other similar areas to try to accommodate the ever-growing student population. While an addition to the existing engineering building remains necessary, the reconfiguring of its current space is a necessary measure to accommodate our engineering students.
  - Square footage affected: approximately 33,000

- In order to help accommodate this year's engineering student population, this project was started in July 2016 with an anticipated completion date of mid-October 2016
- We are seeking reimbursement for project costs.

#### **Campus Wiring Upgrades: \$.5 million**

To accommodate the steady advances in technology, and the additional infrastructure needed for increased use of technology throughout campus for a growing student population, NAU must invest in its technological infrastructure. Beyond the technology that is available to students and faculty in the classroom, a very important component of the overall infrastructure is the wiring within campus buildings that either directly house students, or house important administrative offices who support students. The wiring in the buildings listed below are serviced by wiring that can only support 10Mb/s (mega-bits per second) network speeds while all other areas on campus are capable of at least 100 Mb/s. This slow network speed creates system application issues with slow response times or failures. As is evident by the cost estimates below, the university will need to contribute additional resources, above the \$.5 million, in order to cover the total cost of the following wiring upgrades:

- Gammage – approximately \$307,000
- DuBois Student Center – approximately \$76,000
- Geology Building and Annex – approximately \$99,000
- Liberal Arts Building- approximately \$101,000
- Riles Building – approximately \$122,000
- Rolle Activity Center – approximately \$84,000
- Social and Behavioral Sciences Building, West – approximately \$296,000
- University Union – approximately \$179,00

#### **Fire Life Safety: \$.5 million**

Maintaining the investments that have been made in the existing campus infrastructure, and providing a safe campus are NAU priorities. This requires regular maintenance of fire sprinkler and fire alarm systems along with elevators. The appropriation of one-time dollars by the Legislature will allow us to address several maintenance items sooner that would otherwise have been postponed. The buildings that are listed below have fire sprinkler system issues, fire alarm issues or elevator citations/deficiencies. NAU plans to initiate projects to address issues included on this building listing in FY17. It is likely that the university will need to contribute additional resources in this area to cover costs and some projects will likely be postponed to future fiscal years. Final decisions on specific project priority are still underway.

#### **GENERAL SCOPE:**

The general scope of work for the fire system includes upgrades for code compliance and addressing aging infrastructure such as detection and notification systems, smoke detection, ADA compliant occupant notification, unprotected stairwells, sprinkler activation alarm and

system supervision, inoperable door release devices, exit and emergency illumination, and communication to NAU PD.

The specifics vary for each building; however, an 84-page detailed summary is available if needed.

The general scope of work for the elevators includes system modernization, addressing aging infrastructure such as out of date control panels and communication systems, door closure sensors, system hydraulics, and wear and tear on the interiors.

#### Fire Sprinkler System and Alarms

- Adel Math
- Anthropology
- Babbitt Administration Center
- Bilby Research
- DuBois Student Center
- Eastburn Education
- Information Technology Services Annex
- Institute Human Development
- Learning Resource Center
- Performing Fine Arts
- Peterson
- Rolle Activity Center
- Sculpture Studio
- South Boiler Plant

#### Elevators

- Adel Math
- Ardrey Auditorium
- Babbitt Administrative Center
- Biology
- Cline Library
- DuBois Student Center
- Eastburn Education
- Gammage
- Geology
- Nursing Science
- Old Main
- Performing Fine Arts
- Riles
- Rolle Activity Center







STATE OF ARIZONA

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DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Micaela Larkin, Senior Fiscal Analyst *ML*

SUBJECT: Arizona Department of Corrections - Review of Reallocation of FY 2017 Building Renewal Allocation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. Laws 2016, Chapter 126 appropriated a total of \$5,464,300 from the Department of Corrections Building Renewal Fund to the Arizona Department of Corrections (ADC) for general building renewal. In June 2016, the Joint Committee on Capital Review (JCCR) favorably reviewed ADC's FY 2017 Building Renewal Allocation Plan. ADC is proposing to delay the repair of deteriorated walls in some units at Arizona State Prison Complex Eyman and several smaller projects in order to prioritize the need for an electrical upgrade at Florence Central Unit and to make structural repairs to 2 units at Eyman Rynning with critical and immediate needs. Due to this change, ADC is requesting reallocation of its 2017 building renewal expenditure plan.

### Recommendation

The Committee has at least the following 2 options:

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

Under either option, the JLBC Staff recommends the following standard provisions:

(Continued)

- A. ADC shall report any further reallocations between projects to the JLBC Staff. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation. Prior reviews also included this provision.
- B. If an emergency arises that is not addressed by the existing expenditure plan:
1. ADC shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADC can proceed without Committee review.
  2. The Chairman can allow ADC to move forward with an emergency project of greater than \$50,000 without Committee review.
  3. The Chairman will notify ADC if he does not agree that the project is an emergency and that the project will require full Committee review.
- An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.
- C. If ADC adds a new non-emergency project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.

### **Analysis**

A total of \$5,464,300 was appropriated to ADC for building renewal in FY 2017 from the Department of Corrections Building Renewal Fund. The Committee favorably reviewed the FY 2017 allocation plan in June 2016, but ADC is now requesting to reallocate some of the funds. *Table 1* shows the proposed reallocations.

ADC has decided to delay projects in the June 2016 plan in order to pay for immediate needs. The revised plan is based on projections by the department prior to undertaking the procurement process and accepting bids.

#### Revised FY 2017 Building Renewal Allocation

ADC is now requesting to reallocate \$2,148,500 for 3 projects:

- \$1,244,500 for electrical upgrades at the APSC - Florence Central Unit. The unit experienced power failure for 5 days. Major electrical components and the emergency generator were damaged. Of this amount, ADC plans to spend \$675,000 for the new generator, and the remaining \$569,500 for other equipment and labor for the project. This electrical unit supports both the correctional industries operations and the maximum custody Central Unit.
- \$904,000 for structural repairs to the roof system in 2 units at ASPC - Eyman Rynning. Prolonged use of evaporative coolers has deteriorated steel structures and equipment at many ADC facilities. Of this amount, ADC plans to spend \$510,700 to repair and replace the structure used for inmates with disciplinary issues. The remaining \$393,300 will be used to restore the roof system at the unit's dining hall.

ADC reports that ongoing damage has threatened the integrity of the unit's dining unit and detention building. ADC has surveyed locations across the state, and the department identified

(Continued)

both of these projects critical. The department's engineer observed addition decay and deterioration, and ADC is prioritizing these projects to prevent the buildings being unsafe to occupy.

Delayed Projects

ADC reports that it will delay 3 projects to fund the \$2,148,500 costs for the new projects with the following reductions:

- \$(1,441,000) for the repair of deteriorated plumbing walls at ASPC - Eyman Meadows.
- \$(457,500) for the repair of deteriorated buildings at ASPC - Yuma.
- \$(250,000) allocated for the redesign of the drainage plan for the ASPC - Perryville.

<b>Table 1</b>			
<b>FY 2017 Building Renewal Allocation Plan</b>			
<u>Structural Repairs</u>	<b>Approved Allocation</b>	<b>Difference</b>	<b>Revised Allocation</b>
Repair Deteriorated Roof System of Detention Unit - Eyman Rynning	\$ 0	\$ 510,700	\$ 510,700
Repair Deteriorated Roof System of Dining Unit - Eyman Rynning	0	\$ 393,300	393,300
Repair Deteriorated Plumbing Chase Walls - Eyman Meadows	\$1,441,000	(1,441,000)	0
Complex Structural Repairs - Yuma	<u>457,500</u>	<u>(457,500)</u>	<u>0</u>
<i>Subtotal</i>	<i>\$1,898,500</i>	<i>\$ (994,500)</i>	<i>\$ 904,000</i>
<u>Locking &amp; Control Systems</u>			
Locking Systems - Tucson Santa Rita	\$ 725,000	\$ 0	\$ 725,000
Control Panel Replacement - Lewis (Bachman, Barchey, Buckley)	<u>650,000</u>	<u>0</u>	<u>650,000</u>
<i>Subtotal</i>	<i>\$1,375,000</i>	<i>\$ 0</i>	<i>\$1,375,000</i>
<u>Air Conditioning - Select Units</u>			
Air Conditioning - Lewis Stiner Health Unit	\$ 575,800	\$ 0	\$ 575,800
Air Conditioning - Eyman Meadows Health Unit	<u>530,000</u>	<u>0</u>	<u>530,000</u>
<i>Subtotal</i>	<i>\$1,105,800</i>	<i>\$ 0</i>	<i>\$1,105,800</i>
<u>Equipment Replacement, Upgrade, and System Improvements</u>			
Electrical Upgrade - ASPC Florence	\$ 0	\$1,244,500	\$1,244,500
Propane Tank Upgrade - Florence Globe	385,000	0	385,000
Flood Control Improvements - Perryville	250,000	(250,000)	0
Utility Tunnel Structural Repairs - Florence	250,000	0	250,000
Maximum Custody Perimeter Fence Upgrade - Perryville Lumley	<u>200,000</u>	<u>0</u>	<u>200,000</u>
<i>Subtotal</i>	<i>\$ 1,085,000</i>	<i>\$ 994,500</i>	<i>\$2,079,500</i>
<b>Building Renewal Subtotal</b>	<b>\$5,464,300</b>	<b>\$ 0</b>	<b>\$5,464,300</b>
Contingency	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<b>\$5,464,300</b>	<b>\$ 0</b>	<b>\$5,464,300</b>

RS/ML:kp

## Appendix A: Pictures of Deterioration

### 1. Rynning Dining Unit – Dusted Roof Deck and Cooler



### 2. Rynning Dining Unit – Structural Damage



3. Rynning Detention Unit \_ Rusted Roof



4. Electrical Corrosion Due to Cooler





DOUGLAS A. DUCEY  
GOVERNOR

# Arizona Department of Corrections

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



CHARLES L. RYAN  
DIRECTOR

September 2, 2016

The Honorable Justin Olson, Chairman  
Joint Committee on Capital Review  
1716 West Adams  
Phoenix, Arizona 85007



Re: Submission for reallocation of the FY 2017 Building Renewal Plan

Dear Representative Olson:

The Arizona Department of Corrections (ADC) requests placement on the next meeting agenda of the Joint Committee on Capital Review (JCCR). ADC is seeking authorization to reallocate the FY 2017 Building Renewal Plan, which was approved by JCCR at its June 16, 2016 meeting.

In FY 2017 \$5,464,300 is appropriated to ADC for building renewal. Reallocation of the plan is required to address an electrical upgrade/generator replacement at ASPC-Florence Central Unit, structural issues at ASPC-Eyman Rynning Unit detention, and dining room repairs at ASPC-Eyman Rynning Unit. Supporting documentation for the revised plan is enclosed.

If you have any questions regarding any of the proposed items presented in the plan, please contact Michael Kearns, Division Director, ADC Administrative Services Division, at (602) 542-1160.

Sincerely,

  
Charles L. Ryan  
Director

Enclosure

cc: The Honorable Don Shooter, Vice-Chairman, JCCR  
Lorenzo Romero, Director, Office of Strategic Planning and Budgeting  
Richard Stavneak, Director, Joint Legislative Budget Committee  
Ryan Vergara, Budget Analyst, Office of Strategic Planning and Budgeting  
Micaela Larkin, Fiscal Analyst, Joint Legislative Budget Committee

**ARIZONA DEPARTMENT OF CORRECTIONS  
FY 2017 BUILDING RENEWAL REALLOCATION PLAN**

LOCATION	PROJECT DESCRIPTION	APPROVED	REALLOCATION
ASPC-Lewis Stiner Unit	Health unit air conditioning conversion	\$ 575,800	\$ 575,800
ASPC-Eyman Meadows Unit	Health unit air conditioning conversion	\$ 530,000	\$ 530,000
ASPC-Florence Globe Unit	Propane tank and system upgrade	\$ 385,000	\$ 385,000
ASPC-Perryville Lumley Unit	Maximum custody perimeter fence upgrade	\$ 200,000	\$ 200,000
ASPC-Tucson Santa Rita Unit	Locking system upgrade	\$ 725,000	\$ 725,000
ASPC-Yuma	Complex structural repairs	\$ 457,500	\$ - <sup>1</sup>
ASPC-Perryville	Flood control improvements	\$ 250,000	\$ - <sup>1</sup>
ASPC-Eyman Meadows Unit	Repair deteriorated plumbing chase walls	\$ 1,441,000	\$ - <sup>1</sup>
ASPC-Florence	Utility tunnel structural repairs	\$ 250,000	\$ 250,000
ASPC-Lewis	Control room locking panel upgrades (Bachman, Barchey, Buckley)	\$ 650,000	\$ 650,000
ASPC-Florence Central Unit	Electrical upgrade & generator replacement	\$ -	\$ 1,244,505
ASPC-Eyman Rynning Unit	Detention unit structural repairs	\$ -	\$ 510,705
ASPC-Eyman Rynning Unit	Dining room repairs (structural repair/cooling system upgrade)	\$ -	\$ 393,290
TOTAL		<u>\$ 5,464,300</u>	<u>\$ 5,464,300</u>
FUND SOURCE			
BUILDING RENEWAL FUND		\$ 5,464,300	\$ 5,464,300
TOTAL FUND		<u>\$ 5,464,300</u>	<u>\$ 5,464,300</u>

<sup>1</sup> Project will be deferred until funding is available.



Arizona Department of Corrections  
FY 2017 Building Renewal Reallocation Plan (continued)

The ADC reallocation plan includes deferring three projects that were approved by JCCR at its June 16, 2016 meeting to a later. This will make funding available for three projects that have become a major priority. The three projects being deferred are: (1) ASPC-Yuma complex structural repairs; (2) ASPC-Perryville flood control improvements, and (3) ASPC-Eyman Meadows Unit plumbing chase wall repairs. The three new priority projects are summarized below:

**ASPC-Florence Central Unit Electrical Upgrade: \$1,244,505**

The Florence Central unit experienced a major, 5 day long power failure in July 2015. As a result of that failure, major electrical components as well as the emergency generator were damaged. The current electrical system is in need of repairs and upgrades and a new emergency generator is needed to provide emergency power in the event of a power failure. This electrical system also supports ACI operations. It is critical that these upgrades and generator replacement are completed as soon as possible to keep a large portion of the maximum custody Central unit operational as well as ACI operations functional.

**ASPC-Eyman Rynning Unit Detention Structural Repairs: \$510,705**

The structural integrity of the roof system at the ASPC-Eyman Rynning Unit detention building has deteriorated to the point that structural repairs must be completed to avoid failure and building abandonment. Due to prolonged use of evaporative coolers, steel structural members have deteriorated to the point of approaching failure and must be repaired or replaced. This unit serves at the "lock up" building for the ASPC-Eyman complex and is utilized to house inmates with major disciplinary issues. The detention unit is critical to the safe operation of the complex.

**ASPC-Eyman Rynning unit dining room: \$393,390**

The structural integrity of the roof system at the ASPC-Eyman Rynning Unit dining building has deteriorated to the point that structural repairs must be completed to avoid failure and building abandonment. Due to prolonged use of evaporative coolers, steel structural members have deteriorated to the point of approaching failure and must be repaired or replaced. This building is critical to the operation of the Rynning Unit.





STATE OF ARIZONA

## Joint Committee on Capital Review

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ERIC MEYER, M.D.  
STEVE MONTENEGRO

DATE: September 14, 2016

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Ben Murphy, Fiscal Analyst *BM*

SUBJECT: Arizona Game and Fish Department - Review of FY 2017 Building Renewal Allocation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Game & Fish Department requests the Committee review its FY 2017 Building Renewal Allocation Plan for \$182,800. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$530,000 from the Game and Fish Fund for building renewal. The Arizona Game and Fish Department (AGFD) is requesting Committee review of 3 capital projects with a total cost of \$182,800 in FY 2017. Together with items reviewed at the June 2016 JCCR meeting, the Arizona Game and Fish Department would have \$104,100 remaining of the FY 2017 appropriation.

### Recommendation

The Committee has at least the following 2 options:

1. A favorable review
2. An unfavorable review

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

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

- A. Prior to expenditure and in accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department shall request Committee review of any remaining funds from the FY 2017 or prior year capital appropriations.

(Continued)

B. The distribution of the emergency allocation of \$75,000 shall be addressed as follows:

1. AGFD shall notify the Chairman and JLBC Staff that they plan to spend monies on an emergency project. The Chairman can allow AGFD to move forward with an emergency project without Committee review.
2. The Chairman will notify AGFD if he does not agree that a project is an emergency and that the project will require full Committee review.

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

C. In accordance with A.R.S. § 41-1252, if AGFD adds a new non-emergency project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.

### Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. A total of \$530,000 is appropriated to AGFD for building renewal in FY 2017. Under the current proposal, AGFD expects to allocate \$182,800 between 3 projects: \$68,700 for hatchery residences re-roofing, \$39,100 for Tucson Regional Office restroom renovations, and \$75,000 for an AGFD emergency allocation. (See Table 1)

Table 1	
FY 2017 Building Renewal Projects	
Hatchery Residential Roofing Replacement Project	\$ 68,700
Tucson Regional Office Restroom Renovations Project	39,100
AGFD Emergency Allocation	<u>75,000</u>
<b>Total</b>	<b>\$182,800</b>

#### Hatchery Residential Roofing Replacement Project

Due to the isolated location and 24-hour nature of fish hatchery operations, the majority of hatchery staff resides on-site in AGFD housing. AGFD intends to demolish and dispose of the old shingle roofing on its hatchery residences and replace it with new standing seam metal roofing. Standing seam metal roofing is a more expensive alternative to shingle roofing, however, AGFD has selected this material due to it being more durable and weather-resistant.

AGFD requests roofing replacements for 2 residences at Canyon Creek Hatchery, located approximately 45 miles east of Payson on State Highway 260. AGFD also requests roofing replacements for a single residence at Tonto Creek Hatchery, located approximately 21 miles east of Payson off of State Highway 260. Additionally, AGFD requests for this project a 10% contingency of \$6,200, for the possibility that AGFD must replace roof sheeting or repair other structural damage. The expected prices are based on preapproved vendors identified by the state. The project cost is \$68,700. (See Table 2)

(Continued)

Table 2 Hatchery Residential Roofing Replacement			
<u>Residence</u>	<u>SF of roofing</u>	<u>Cost/SF of roofing</u>	<u>Cost</u>
Canyon Creek Residence 003	1,730	\$10.87	\$18,800
Canyon Creek Residence 008	2,850	\$10.87	31,000
Tonto Creek Residence 005	1,112	\$11.39	12,700
10% Contingency			6,200
<b>Total</b>	<b>5,692</b>		<b>\$68,700</b>

#### Tucson Regional Office Restroom Renovations Project

AGFD Regional Offices provide hunting and fishing license sales and boating registration services. The Tucson Regional Office completed major renovations in FY 2015 and FY 2016, although neither its employee nor its public restrooms have been renovated since 1997. The remodeling plans are comprehensive, including removal and replacement of all flooring tile, wall tile, lavatories, sinks, mirrors and toilets; the painting of all walls, doors and ceilings; and the lamination of lavatory counters.

Four restrooms are scheduled for renovation, 2 of which are employee restrooms and 2 of which are public restrooms. The project cost is \$39,100. (See Table 3)

Table 3 Tucson Regional Office Restroom Renovation		
<u>Facility</u>	<u>SF</u>	<u>Cost/SF</u>
Employee restrooms (2)	192 each (384 combined)	\$61
Public restrooms (2)	120 each (240 combined)	\$65

#### AGFD Emergency Allocation

AGFD requests an Emergency Allocation of \$75,000 to provide emergency funding for cases in which crucial infrastructure and equipment unexpectedly fails and must be repaired.

RS/BM:kp



THE STATE OF ARIZONA  
**GAME AND FISH DEPARTMENT**

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PHOENIX, AZ 85086-5000  
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September 1, 2016

Representative Justin Olson, Chairman  
Joint Committee on Capital Review  
Arizona House of Representatives  
Capitol Complex  
1700 W. Washington  
Phoenix, AZ 85007-2890



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

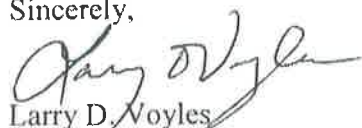
Honorable Representative Olson:

The Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review the Arizona Game and Fish Building Renewal Expenditure Plan (Remaining FY17 Appropriated Funds). Note that \$240,100 of the \$530,000 appropriation was approved for expenditure at the June 16, 2016 meeting with the provision that prior to any additional expenditure and in accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department shall request Committee review of any remaining funds from the FY 2017 Building Renewal appropriation.

The following information for this review is attached:

1. Arizona Game and Fish Partial Building Renewal Expenditure Plan –FY17 Appropriation

Sincerely,

  
Larry D. Voyles  
Director

## Arizona Game and Fish Partial Building Renewal Expenditure Plan – FY17

**Project: Hatchery Residential Roofing Replacement**  
**Project Category: Preservation of Assets; Building Shell**

**Need:** The Arizona Game and Fish AGFD (AGFD) owns and operates six fish hatcheries in the state. These hatcheries stock over 400,000 pounds of fish in lakes statewide, supporting recreational fishing opportunity that yields a positive economic impact of over \$400 million. Due to the location and the nature of fish hatchery operations and maintenance the majority of hatchery staff live on station in AGFD furnished housing. AGFD strives to maintain these facilities in good condition as part of its on-going facility cyclic maintenance plan. Additionally, roofing at hatchery facilities is being upgraded from shingle type to a standing seam metal roof, which has proven to be a positive cost benefit. Currently, three residential roofs have reached the end of their useful life and are scheduled for re-roofing:

### **Canyon Creek Hatchery Residence 003 (ADOA No. GF-7-004-0030; 1,570 sqft building)**

Cost Estimate based on 1,730 sqft roofing:

Demolition and Disposal of Old Roofing: \$.75/sqft X 1,730 = \$1,298

Installation of New Roof \$10.12/sqft X 1,730 = \$17,508\*

**Total: \$18,806**

\*includes standing seam metal roofing material cost, roofing labor, metal roof trim materials and supplies, metal roof equipment allowance, remote location factor)



### **Canyon Creek Hatchery Residence 008 (ADOA No. GF-7-004-0080; 2,590 sqft building)**

Cost Estimate based on 2,850 sqft roofing:

Demolition and Disposal of Old Roofing: \$.75/sqft X 2,850 = \$2,138

Installation of New Roof \$10.12/sqft X 2,850 = \$28,842\*

**Total: \$30,980**

\*includes standing seam metal roofing material cost, roofing labor, metal roof trim materials and supplies, metal roof equipment allowance, remote location factor)

### **Tonto Creek Hatchery Residence 005 (ADOA No. GF-7-003-0050; 1010 sqft modular building)**

Cost Estimate based on 1,112 sqft roofing:

Demolition and Disposal of Old Roofing: \$.75/sqft X 1,112 = \$834

Installation of New Roof \$9.89/sqft X 1,112 = \$11,832\*

**Total: \$12,666**

\*includes standing seam metal roofing material cost, roofing labor, metal roof trim materials and supplies, metal roof equipment allowance)

In case the need arises to replace roof sheeting or repair other structural damage, AGFD is asking for a 10% contingency, which would only be expended if needed, on these projects.

**Total Contingency: \$6,245**

**Total Hatchery Roofing Replacement Estimate: \$68,697**

**Impact of Not Approving this Request:** AGFD is committed to providing a safe, quality work and living environment to its hatchery employees. Continued deferred maintenance will result in dilapidated facilities, poor living conditions, and in some cases, health and safety implications.

**Project: Tucson Regional Office Restroom Renovations**  
**Project Category: Preservation of Assets; Interior Finishes**

**Need:** AGFD owns and operates six Regional Offices around the state (Pinetop, Flagstaff, Kingman, Yuma, Tucson and Mesa). These offices are typically occupied by 25 to 35 permanent staff and also act as a base station for law enforcement officers and other field personnel. They are also AGFD's primary customer service locations throughout the state, providing hunting and fishing license sales, boating registration and a variety of information resources regarding Arizona's wildlife. Major renovations to the Tucson Regional Office were completed in FY15 and FY16 which included a lobby/front office remodel, new interior flooring, interior and exterior painting, lighting upgrades and ADA improvements. However, budget constraints precluded restroom renovations, which are sorely needed. Neither the public restrooms nor the employee restrooms have been upgraded since 1997. Renovation of these facilities will complete the full scope of renovation for this Regional Office. Four restrooms are scheduled for renovation:

**Employee Restrooms (2) with/Showers; 192 sqft each**

**Scope Per Established Specifications:** Remove and replace all flooring and wall tile including new backer board; remove and replace all metal partitions; remove and replace all lavatories, sink fixtures, shower fixtures, soap dispensers, mirrors, toilets and urinals; replace lighting fixtures, paint all walls, doors and ceilings; remove and replace lavatory counter/laminate top, and base; proper disposal of all materials and debris

**Cost Estimate: AGFD JOC Contractor Bid: \$23,550**

**Public Restrooms (2); 120 sqft each**

**Scope Per Established Specifications:** Remove and replace all flooring and wall tile including new backer board; remove and replace all metal partitions; remove and replace all lavatories, sink fixtures, soap dispensers, mirrors, toilets and urinals; replace lighting fixtures, paint all walls, doors and ceilings; remove and replace lavatory counter/laminate top, and base; proper disposal of all materials and debris

**Cost Estimate: AGFD JOC Contractor Bid: \$15,595**

**Total Tucson Regional Office Restroom Renovations: \$39,145**

**Impact of Not Approving this Request:** AGFD is committed to providing a safe, quality work environment to its hatchery employees. Continued deferred maintenance will result in dilapidated facilities, poor working conditions, and poor public perception and in some cases, health and safety implications.

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**Project: AGFD Emergency Allocation**  
**Project Category: Preservation of Assets; Health and Safety**

**Need:** AGFD maintains more than three hundred facilities within its building and infrastructure system statewide, which comprises a great diversity of types including administrative offices, administrative sites, shooting ranges, actively and passively managed wildlife areas, dams, boating facilities and other recreational improvements. Facilities range in age from historic structures constructed in the 1930s to recently constructed operational and administrative facilities. It is critical that AGFD executes a comprehensive maintenance program that includes scheduled replacement or renovation of major building systems and other infrastructure, circumventing costly repairs and preserving the value and useful life of these mission critical assets. However, given this maintenance burden it is difficult if not impossible to anticipate the timing and



nature of all building component failures. In the event of unexpected critical breakdowns or imminent failures, AGFD requires the fiscal agility to remedy those events in an expeditious manner. Accordingly, AGFD is requesting the following:

**AGFD Emergency Allocation: \$75,000**

**Expenditure Categories**

1. *Emergency Maintenance and Repairs:* Unscheduled and unanticipated building system or equipment repairs requiring immediate response in order to maintain functionality of essential facilities and infrastructure.
2. *Corrective Maintenance:* These maintenance activities are typically related to health, safety or accessibility concerns as determined by the Department's Loss Prevention Coordinator or Engineering staff, and require a timely response

**The distribution of the Emergency Allocation of \$75,000 shall be addressed as follows:**

- AGFD shall notify the Chairman and JLBC staff that they plan to spend less than \$25,000 on an emergency maintenance and repair or corrective maintenance project. AGFD can proceed without Committee review
- The Chairman can allow AGFD to expend more than \$25,000 on an emergency maintenance and repair or corrective maintenance project without Committee review
- The Chairman will notify AGFD if he does not agree that the project is an emergency or urgent corrective action and that the project will require full Committee review

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**AGFD BUILDING RENEWAL EXPENDITURE REQUEST SUMMARY**

HATCHERY RESIDENCES RE-ROOFING	\$68,697
TUCSON REGIONAL OFFICE RESTROOM RENOVATIONS	\$39,145
AGFD EMERGENCY ALLOCATION	\$75,000
<b>TOTAL:</b>	<b>\$182,842</b>

**AGFD BUILDING RENEWAL FY2017 EXPENDITURE SUMMARY**

TOTAL APPROPRIATION	\$530,000
PRIOR APPROVED EXPENDITURE REQUESTS	\$243,100
CURRENT EXPENDITURE REQUEST	\$182,842
<b>TOTAL REMAINING APPROPRIATION BALANCE:</b>	<b>\$104,058</b>

In accordance with A.R.S. 41-1252 A(4), AGFD shall request Committee review of remaining funds from the FY2017 Building Renewal Appropriation.





STATE OF ARIZONA

## Joint Committee on Capital Review

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ERIC MEYER, M.D.  
STEVE MONTENEGRO

DATE: September 14, 2015

TO: Representative Justin Olson, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Ben Murphy, Assistant Fiscal Analyst *BM*

SUBJECT: Arizona Department of Transportation - Review of FY 2017 Building Renewal Allocation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) submitted a request that the Committee review its \$4,232,300 FY 2017 Building Renewal Allocation Plan.

ADOT has allocated \$4,000,000 from the State Highway Fund among 153 projects, leaving a contingency balance of \$100,000 and \$100,000 for project management support. ADOT has allocated \$232,300 from the State Aviation Fund for 14 projects, with a contingency of \$2,000.

### Recommendation

The Committee has at least the following 2 options:

1. A favorable review
2. An unfavorable review

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

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

(Continued)

## Analysis

The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$4,232,300 for building renewal in FY 2017, including \$4,000,000 from the State Highway Fund and \$232,300 from the State Aviation Fund. The FY 2017 Building Renewal appropriation represents 32.6% of the amount generated by the revised building renewal formula for the ADOT Building System and 100% for the Grand Canyon Airport building renewal formula for FY 2017. The formula is based on the square footage and replacement cost of existing buildings.

ADOT expects to allocate the Building Renewal monies from the State Highway Fund in the following categories for 153 projects:

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Building Systems (HVAC, Electrical, Plumbing)	46	\$1,603,200	40%
Fire/Life/Safety	17	453,000	11%
Remodel	6	430,000	11%
Infrastructure (Sewers, Wells)	14	367,500	9%
Exterior Preservation (Doors, Windows, Siding)	34	351,300	9%
Interior Finishes (Paint, Carpet, Tile)	18	328,700	8%
Roof Repairs/Replacement	14	209,800	5%
Americans with Disabilities Act	4	56,500	1%
Project Support Management	NA	100,000	3%
Contingency	NA	100,000	3%
<b>Total</b>	<b>153</b>	<b>\$4,000,000</b>	<b>100%</b>

Of the 153 State Highway Fund projects, the following 10 projects require \$100,000 or more:

<u>Project</u>	<u>Allocation</u>
<b>Remodel</b>	
1801 W Jefferson Building - Renovate Second Floor Restrooms	\$ 150,000
<b>Fire/Life/Safety</b>	
1801 W Jefferson Building - Replace Fire Alarm Panel	145,000
Phoenix Equipment Services Site - Replace Fire Alarm Panel and Devices	140,000
<b>Building Systems (HVAC, Electrical, Plumbing)</b>	
1801 W Jefferson Building - Replace Air Handler Unit on Fourth Floor	140,000
Sunset Point Rest Area Building - Repair Water Control System	135,000
Tucson East MVD Building - Replace 11 Split System Heat Pumps	132,000
Administration Building - Replace Data Center Equipment	130,000
Facilities Management Building - Replacement of Air Handler Unit and Ducting	120,000
West Phoenix MVD Building - Replace Unserviceable Boilers and Piping	100,000
<b>Interior Finishes (Paint, Carpet, Tile)</b>	
Phoenix Regional Lab Building - Renovate Lab and Offices	100,000
<b>Total</b>	<b>\$1,292,000</b>

(Continued)

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund in the following categories for 14 projects:

<u>Category</u>	<u>Projects</u>	<u>State Aviation Fund</u>	<u>% of Total</u>
Infrastructure (Sewers, Wells)	3	\$165,300	71%
Building Systems (HVAC, Electrical, Plumbing)	4	26,000	11%
Interior Finishes (Paint, Carpet, Tile)	2	20,000	9%
Exterior Preservation (Doors, Windows, Siding)	1	10,000	4%
Fire/Life Safety	2	4,000	2%
Roof/Repairs Replacement	1	3,000	1%
Americans with Disabilities Act	1	2,000	1%
Contingency	<u>NA</u>	<u>2,000</u>	<u>1%</u>
<b>Total</b>	<b>14</b>	<b>\$232,300</b>	<b>100%</b>

The attached material submitted by ADOT lists each project and its estimated cost.

RS/BM:lm



Director's Office

Douglas A. Ducey, Governor

John S. Halikowski, Director

Scott Omer, Deputy Director for Operations

Kevin Biesty, Deputy Director for Policy

Dallas Hammit, Deputy Director for Transportation

September 7, 2016

The Honorable Justin Olson  
Chairman, Joint Committee on Capital Review  
1700 W Washington St.  
Phoenix, AZ 85007



Dear Representative Olson:

We respectfully request that ADOT's planned FY2017 Building Renewal projects be placed on the next JCCR meeting agenda for review and approval.

The following summary outlines the scope of work:

**Renewal Projects – State Highway Fund:**

Category 1- Fire/Life/Safety	\$ 453,000
Category 2- Roof Repairs/Replacement	209,800
Category 3- Preservation of Asset	351,330
Category 4- Major Building Systems	1,603,170
Category 5- Interior Building Finishes	328,700
Category 6- Reconfigure Occupied Space	430,000
Category 7- ADA Compliance	56,500
Category 8- Infrastructure	367,500
Project Management Support	100,000
Contingence	<u>100,000</u>
Subtotal	<u>\$ 4,000,000</u>

**Renewal Projects – State Aviation Fund:**

Category 1- Fire/Life/Safety	\$ 4,000
Category 2- Roof Repairs/Replacement	\$ 3,000
Category 3- Preservation of Asset	\$ 10,000
Category 4- Major Building Systems	\$ 26,000
Category 5- Interior Building Finishes	\$ 20,000
Category 7- ADA Compliance	\$ 2,000
Category 8- Infrastructure	\$ 165,300
Contingence	<u>\$ 2,000</u>
Subtotal	<u>\$ 232,300</u>

Total FY2017 \$ 4,232,300

The Honorable Justin Olson, Chairman  
Joint Committee on Capital Review  
September 7, 2016  
Page two

Project details are attached. Your favorable review and approval of our request is appreciated.

Sincerely,



John H. Halikowski

Attachments

C: Richard Stavneak, JLBC  
Ben Beutler, JLBC  
Charles Martin, OSPB  
John Hetzel, ADOT

**STATE OF ARIZONA**  
**FY 2017 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2017 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
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**STATE HIGHWAY FUND**

<b>CATEGORY 1 - FIRE/LIFE SAFETY</b>	
Safford Maintenance Facilities Dock/Canopy Bldg 2130 - Install bird netting; health hazard	\$ 6,000
Tucson West Construction Office Bldg 2612 - Replace failed fire alarm panel	\$ 8,000
Tucson Southcentral Construction Office Bldg 2659 - Replace failed fire alarm panel	\$ 8,000
Douglas Intern POE Site 287 - Replace failed fire alarm panels	\$ 20,000
Nogales POE Site 283 - Replace failed fire alarm panels	\$ 20,000
Sign Shop Bldg 1742 - Replace fire panel and devices	\$ 12,000
1801 W Jefferson Bldg 1006 - Replace fire alarm panel	\$ 145,000
Avondale MVD Bldg 1602 - Replace fire alarm panel and devices	\$ 15,000
Phoenix Equipment Services Site 050 - Replace fire alarm panel and devices	\$ 140,000
Phoenix Maint District Bldg 1701 - Replace fire alarm panel and devices	\$ 40,000
Happy Valley Maint Office Bldg 1241 - Replace fire alarm panel and devices	\$ 5,000
Happy Valley Maint Storage Bldg 1242 - Replace fire alarm panel and devices	\$ 5,000
Happy Valley Conference Bldg 1248 - Replace fire alarm panel and devices	\$ 5,000
Happy Valley Landscape Maint Office Bldg 1255 - Replace fire alarm panel and devices	\$ 7,000
Deer Valley Construction Office Bldg 1250 - Replace fire alarm panel and devices	\$ 7,000
ADOT Statewide - Asbestos and lead paint abatement	\$ 5,000
ADOT Statewide - Repair fire alarm panels	\$ 5,000
<b>TOTAL</b>	<b>\$ 453,000</b>

<b>CATEGORY 2 - ROOFS</b>	
Gray Mountain Tool Shed Bldg 3209 - Replace roofing on tool shed	\$ 12,000
Keams Canyon Liquid Deicer Bldg 3670 - Repair canopy roof cover and repair concrete floor	\$ 30,000
Teec Nos Pos Liquid Deicer Bldg 3867 - Repair canopy over tank	\$ 10,000
Ganado Liquid Deicer Bldg 3838 - Repair canopy roof cover and repair concrete floor	\$ 30,000
Douglas Maintenance Storage Office Bldg 2121 - Repair/foam roof	\$ 24,000
Tucson West Construction Office Bldg 2612 - Apply white roof coating	\$ 7,500
Tucson Southcentral Construction Office Bldg 2659 - Apply white roof coating	\$ 7,500
Yuma Signing & Striping Bldg 2634 - Foam roof to seal	\$ 10,000
Parker MVD Bldg 2614 - Apply white roof coating	\$ 9,000
Tucson CDL Bldg 2159 - Reseal/replace roof	\$ 15,000
San Simon POE WB Bldg 2018 - Recoat rubber roof with white	\$ 9,800
San Simon POE EB Office Bldg 2110 - Repair roof and trim	\$ 10,000
Data Collections Bldg 1021 - Replace roof	\$ 30,000
ADOT Statewide - Repair roofs	\$ 5,000
<b>TOTAL</b>	<b>\$ 209,800</b>

<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	
Gray Mountain Salt Barn Bldg 3209 - Replace man door on salt barn	\$ 3,000
Gray Mountain Equip Barn Bldg 3197 - Paint exterior	\$ 10,000
Gray Mountain Residences Bldg 3198,3199,3200,3201,3202 - Repaint exterior	\$ 15,000
Gray Mountain Residences Bldg 3198,3199,3200,3201,3202 - Replace windows and trim	\$ 10,000
Gray Mountain Spreader Rack Bldg 3447 - Scrape off rust and old paint, prime and repaint	\$ 20,000
E Flagstaff Spreader Rack Bldg 3147 - Paint spreader rack	\$ 30,000
Oak Creek Rim Camp Bldg 3128 - Replace exterior siding, bottom plate and interior insulation on west wall	\$ 25,000
Williams Pumphouse Bldg 3107 - Repaint pumphouse	\$ 3,000
Williams Truck Fill Bldg 3503 - Paint truck fill	\$ 3,000
Williams Crew Room Building Bldg 3114 - Paint exterior	\$ 4,000
Williams Spreader Rack Bldg 3252 - Paint spreader rack	\$ 20,000
St Johns Storage Bldg 3398 - Scrape old paint and repaint building	\$ 10,000
Keams Canyon Equip Storage Bldg 3306 - R&R damaged siding, bent "C" channel, & trim wrap	\$ 8,138
Keams Canyon Office Modular Bldg 3308 - Replace damaged metal siding with vinyl	\$ 10,000
Keams Canyon Equip Storage Bldg 3306 - Replace 2 doors w/ insulated doors.	\$ 8,500
Keams Canyon Bldg 3308 - Replace doors w/ insul, 5 windows w/ energy efficient.	\$ 8,587
Needle Mt. Maintenance Bldg 3006 - Repair termite damage at front of building	\$ 2,500
Needle Mountain Office/Equip Storage Bldg 3011 - Repair and repaint exterior	\$ 10,000
Needle Mtn Office Maint Modular Bldg 3006 - Replace front siding	\$ 5,000
Needle Mtn Fuel Island Bldg 3527 - Repaint exterior	\$ 2,500
Teec Nos Pos POE Office Bldg 3364 - Replace trailer skirting	\$ 8,000
Roosevelt Spreader Rack Bldg 2414 - Repaint	\$ 5,000
Globe Maintenance Shed Bldg 2081 - Replace falling insulation	\$ 15,000
Tucson Grant Rd Fuel Station Bldg 2189 - Repaint wooden trim	\$ 3,500



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Project Description	Estimated Cost
Tucson Grant Rd Fuel Station Bldg 2554 - Repaint wooden trim	\$ 2,500
Tucson Grant Rd Shed Bldg 2558 - Repair/replace wood trim & repaint building	\$ 5,000
San Simon POE EB Office Bldg 2446 - Repair exterior trim and repaint	\$ 18,000
San Simon POE WB Office Bldg 2109 - Repair exterior trim and repaint	\$ 18,000
San Simon POE WB Wellhouse Bldg 2211 - Repair exterior trim and repaint	\$ 15,000
Traffic Operations Center Bldg 1711 - Replace unserviceable caulking	\$ 11,305
Phoenix Maint District Bldg 1703 - Replace leaking windows	\$ 10,000
Phoenix Maint District Bldg 1703 - Replace very old split system heat pump	\$ 9,800
Chandler Construction Office Bldg 1521 - Repaint exterior	\$ 8,000
Data Collections Bldg 1021 - Repaint exterior	\$ 14,000
<b>TOTAL</b>	<b>\$ 351,330</b>

**CATEGORY 4 - MAJOR BUILDING SYSTEMS**

Gray Mountain Main Office Bldg 3205 - Replace old heat pump unit	\$ 10,000
Gray Mountain Maintenance Yard Pump House Bldg 3195 - Repair plumbing and replace pumps	\$ 18,000
E Flagstaff Signing and Striping Bldg 3175 - Replace 2 old 200k BTU unit heaters	\$ 6,000
E Flagstaff Traffic Signals Warehouse Bldg 3176 - Replace old 200k BTU heater	\$ 3,000
E Flagstaff Sign Storage Bldg 3174 - Replace 2 old 175k BTU unit heaters	\$ 6,000
Marble Canyon Visitor Center Bldg 3244 - Replace 2 each old HVAC systems	\$ 24,000
Sunset Point Rest Area Bldg 3755 - Repair water control system	\$ 135,000
Cordes Jct Maintenance Equipment Storage Bldg 3088 - Replace 2 unserviceable hanging 200k furnaces	\$ 12,000
Douglas Maintenance Tool Room Bldg 2122 - Reconfigure lighting, electrical and HVAC	\$ 10,000
Douglas Maintenance Storage/Office Bldg 2121 - Convert light fixtures from T12 to T8	\$ 5,000
Douglas Maintenance Office Bldg 2120 - Replace unserviceable HVAC unit	\$ 12,500
Benson Construction Office Bldg 2101 - Replace 4 each unserviceable HVAC units	\$ 48,000
Nogales Roadway Maint Office Bldg 2171 - Replace old 4 ton split system heat pump unit	\$ 10,000
Yuma Maintenance Office Bldg 2032 - Replace or reseal windows	\$ 7,500
Casa Grande MVD Bldg 2070 - Replace six split heat pumps and one a/c unit	\$ 72,000
Tucson East MVD Bldg 2151 - Replace eleven split system heat pumps	\$ 132,000
Tucson East MVD Bldg 2151 - Replace/relamp/reballast light fixtures	\$ 5,000
San Simon POE WB Office Bldg 2108 - Replace old HVAC units	\$ 43,000
San Simon POE WB Office Bldg 2018 - Replace old HVAC unit	\$ 12,000
San Simon POE EB Office Bldg 2110 - Replace old HVAC unit	\$ 15,000
San Simon POE EB Office Bldg 2446 - Replace old HVAC unit	\$ 4,000
San Simon POE Canopy Bldg 2448 - Convert exterior lighting from quartz to more efficient type	\$ 4,000
Central Materials Lab Bldg 1121 - Rebuild dust collector system	\$ 55,000
Engineering Bldg 1004 - Design for required modifications of chiller plant piping and heat plate	\$ 30,000
Traffic Operations Warehouse Bldg 1743 - Replace 2 old evaporative coolers	\$ 8,970
1801 W Jefferson Bldg 1006 - Replace air handler coils & valves on 2nd floor	\$ 64,000
Administration Bldg 1005B - Replace Data Center CRAC Units	\$ 130,000
Facilities Management Bldg 1002 - Replacement of south AHU and ducting	\$ 120,000
Scottsdale MVD Bldg 1211 - Replace HVAC control system	\$ 15,000
SE Mesa MVD Bldg 1331 - Replace HVAC control system	\$ 15,000
1801 W Jefferson Bldg 1006 - Replace air handler unit on 4th floor	\$ 140,000
West Phoenix MVD Bldg 1651 - Replace unserviceable boilers and piping	\$ 100,000
Third Party QA Office Bldg 1411 - Replace 7 roof top heat pumps & controls	\$ 90,000
Phoenix Equipment Services Bldg 1756 - Reinsulate hot water equipment and other repairs	\$ 10,000
Phoenix Equipment Services Bldg 1755 - Replace 6 unserviceable evap coolers	\$ 72,000
Phoenix Equipment Services Bldg 1761 - Replace 2 unserviceable evap coolers	\$ 9,200
Happy Valley Maint Office Bldg 1241 - Replace 3 split system heat pumps with controller	\$ 40,000
Durango Maint Office Bldg 1729 - Replace 5 rooftop heat pumps with controller	\$ 70,000
ADOT Statewide - Repair HVAC systems	\$ 5,000
ADOT Statewide - Repair HVAC systems in MVD buildings	\$ 5,000
ADOT Statewide - Repair HVAC systems in SEO buildings	\$ 5,000
ADOT Statewide - Repair HVAC systems at Ports of Entry	\$ 5,000
ADOT Statewide - Repair plumbing systems	\$ 5,000
ADOT Statewide - Repair electrical systems	\$ 5,000
ADOT Statewide - Repair elevator systems	\$ 5,000
ADOT Statewide - Retrofit unserviceable light fixtures	\$ 5,000
<b>TOTAL</b>	<b>\$ 1,603,170</b>

**CATEGORY 5 - INTERIOR BUILDING FINISHES**

Cottonwood MVD Bldg 3098 - Replace unservicable flooring	\$ 11,000
Cottonwood MVD Bldg 3098 - Replace unservicable countertops in restrooms	\$ 3,200
Kingman POE Bldg 3030 - Remove & replace flooring in public restrooms	\$ 3,500
Gray Mountain Residence Bldg 3199 - Renovate bathroom	\$ 15,000
Holbrook Construction Module Bldg 3260 - Replace flooring	\$ 18,000

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Project Description	Estimated Cost
Globe District Lab Bldg 2078 - Abate and replace failing flooring	\$ 18,000
Globe District Lab Bldg 2078 - Repaint interior	\$ 10,000
Douglas Maintenance Office Bldg 2120 - Replace failing flooring in offices	\$ 6,000
Quartzsite Maintenance Office Bldg 2066 - Replace unserviceable flooring	\$ 14,000
Yuma Construction Office Bldg 2033 - Replace unserviceable flooring	\$ 15,000
San Simon POE EB Office Bldg 2446 - Replace flooring and repaint interior	\$ 13,000
Globe Equip Serv Shop Bldg 2082 - Paint offices and breakroom	\$ 5,000
Globe Equip Serv Shop Bldg 2082 - Replace VCT	\$ 4,000
Nogales POE Bldg 2270 - Repaint interior walls	\$ 18,000
Central Materials Lab Bldg 1121 - Renovate lab and offices	\$ 60,000
Phoenix Regional Lab Bldg 1701 - Renovate lab and offices	\$ 100,000
ADOT Statewide - Repair/replace casework in MVD offices	\$ 10,000
ADOT Statewide - Repair/replace flooring	\$ 5,000
<b>TOTAL</b>	<b>\$ 328,700</b>

<b>CATEGORY 6 - RECONFIGURE OCCUPIED SPACE</b>	
Nogales POE Truck Inspection Bldg 2270 - Repaint safety striping	\$ 10,000
1801 Building Bldg 1006 - Renovate space for TSMO Admin Section & replace first floor sprinkler heads	\$ 85,000
Administration Bldg 1005A - Renovate Communications Room 101 for abatement of asbestos ceiling	\$ 70,000
1801 W Jefferson Bldg 1006 - Renovate second floor restrooms because of leaking plumbing lines	\$ 150,000
Facilities Management Bldg 1002 - Renovate mail room areas	\$ 60,000
Data Collections Bldg 1021 - Renovate office space	\$ 55,000
<b>TOTAL</b>	<b>\$ 430,000</b>

<b>CATEGORY 7 - ADA COMPLIANCE</b>	
Window Rock MVD Bldg 3362 - Replace handicap ramp concrete floor	\$ 9,500
Teec Nos Pos POE Office Bldg 3364 - Replace canopy and ADA ramp	\$ 32,000
Tucson CDL Bldg 2159 - Repair main entrance for safety and to bring into ADA compliance	\$ 10,000
ADOT Statewide - ADA compliance repairs/renovations	\$ 5,000
<b>TOTAL</b>	<b>\$ 56,500</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
E Flagstaff Maintenance Yard Site 412 - Install awning over boot oil spray bar cleaning trough	\$ 20,000
Gray Mountain Water Tank Bldg 3509 - Repair water storage tank	\$ 5,000
Gray Mountain Maintenance Yard Site 404 - Repair leachfield & well	\$ 20,000
Ganado Maintenance Yard Site 421 - Replace leachfield and septic tank	\$ 90,000
Globe Yard Site 228 - Assess water distribution system including fire suppression line	\$ 30,000
St David Maintenance Yard Site 248 - Perform well repairs	\$ 20,000
Tucson Grant Road Ops Yard Site 293 - Landfill gas mitigation per consultant recommendations	\$ 20,000
Yuma Equipment Services Shop Bldg 2034 - Rehabilitate vehicle wash rack oil water separator	\$ 30,000
Yuma MVD Site 210 - Fill cracks, re-seal, re-stripe parking lot	\$ 7,500
Parker POE Site 294 - Replace failing 50-60 year old cast iron sewer pipe	\$ 20,000
Durango Maintenance Wash Rack Bldg 1739 - Connect oil/water separator to sanitary sewer system	\$ 70,000
Data Collections Bldg 1021 - Repair fencing and gates	\$ 25,000
ADOT Statewide - Repair parking lot pavements/curbing/stripping	\$ 5,000
ADOT Statewide - Repair site wells, water, and wastewater system deficiencies	\$ 5,000
<b>TOTAL</b>	<b>\$ 367,500</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 3,800,000</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 100,000</b>
<b>CONTINGENCY</b>	<b>\$ 100,000</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 4,000,000</b>

<b>RECAP</b>	
<b>CATEGORY 1 - FIRE/LIFE/SAFETY</b>	<b>\$ 453,000</b>
<b>CATEGORY 2 - ROOFS</b>	<b>\$ 209,800</b>
<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	<b>\$ 351,330</b>
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 1,603,170</b>
<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	<b>\$ 328,700</b>
<b>CATEGORY 6 - RECONFIGURE OR REMODEL</b>	<b>\$ 430,000</b>
<b>CATEGORY 7 - ADA COMPLIANCE</b>	<b>\$ 56,500</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 367,500</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 100,000</b>

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Project Description	Estimated Cost
CONTINGENCY	\$ 100,000
<b>TOTAL</b>	<b>\$ 4,000,000</b>

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Project Description	Estimated Cost
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**STATE AVIATION FUND**

<b>CATEGORY 1 - FIRE AND LIFE SAFETY</b>	
Grand Canyon Airport Site 463 - Fire alarm & sprinkler repair	\$ 2,000
Grand Canyon Airport Site 463 - Asbestos & lead paint abatement	\$ 2,000
<b>TOTAL</b>	<b>\$ 4,000</b>

<b>CATEGORY 2 - ROOFS</b>	
Grand Canyon Airport Site 463 - Roof repairs	\$ 3,000
<b>TOTAL</b>	<b>\$ 3,000</b>

<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	
Grand Canyon Airport Site 463 - Repaint exterior	\$ 10,000
<b>TOTAL</b>	<b>\$ 10,000</b>

<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	
Grand Canyon Airport Site 463 - Electrical repairs	\$ 3,000
Grand Canyon Airport Site 463 - HVAC repairs	\$ 13,000
Grand Canyon Airport Site 463 - Plumbing Repairs	\$ 5,000
Grand Canyon Airport Site 463 - Window replacement/repair	\$ 5,000
<b>TOTAL</b>	<b>\$ 26,000</b>

<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	
Grand Canyon Airport Site 463 - Replace unservicable flooring	\$ 10,000
Grand Canyon Airport Site 463 - Repaint interior	\$ 10,000
<b>TOTAL</b>	<b>\$ 20,000</b>

<b>CATEGORY 7 - ADA</b>	
Grand Canyon Airport Terminal Bldg 3551 - ADA repairs	\$ 2,000
<b>TOTAL</b>	<b>\$ 2,000</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
Grand Canyon Airport Site 463 - Water and waste water system repairs	\$ 10,000
Grand Canyon Airport Site 463 - Pavement/sidewalk/signage repairs	\$ 153,300
Grand Canyon Airport Site 463 - Fencing and barrier wall repairs	\$ 2,000
<b>TOTAL</b>	<b>\$ 165,300</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 230,300</b>
<b>CONTINGENCY (Project Management)</b>	<b>\$ 2,000</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 232,300</b>

<b>RECAP</b>	
<b>CATEGORY 1 - FIRE AND LIFE SAFETY</b>	<b>\$ 4,000</b>
<b>CATEGORY 2 - ROOFS</b>	<b>\$ 3,000</b>
<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	<b>\$ 10,000</b>
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 26,000</b>
<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	<b>\$ 20,000</b>
<b>CATEGORY 6 - RECONFIGURE OCCUPIED SPACE</b>	<b>\$ 2,000</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 165,300</b>
<b>CONTINGENCY (Project Management)</b>	<b>\$ 2,000</b>
<b>TOTAL</b>	<b>\$ 232,300</b>