

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, September 21, 2022

9:45 a.m. or Upon Adjournment of the JLBC Meeting

House Hearing Room 1



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN

LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN

REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

JOINT COMMITTEE ON CAPITAL REVIEW
Wednesday, September 21, 2022
9:45 A.M. or Upon Adjournment of the JLBC Meeting
House Hearing Room 1

MEETING NOTICE

- Call to Order
- Approval of Minutes of July 14, 2022.
- 1. ARIZONA DEPARTMENT OF CORRECTIONS - Review of HVAC and Door, Lock and Fire System Replacement Project.
- 2. DEPARTMENT OF PUBLIC SAFETY - Review of Remote Housing Replacement.
- 3. *ARIZONA DEPARTMENT OF ADMINISTRATION - Review of Demolition Projects.
- 4. *ARIZONA DEPARTMENT OF ADMINISTRATION/SCHOOL FACILITIES DIVISION - Review of Minimum Adequacy Guidelines Rulemaking Fiscal Impact.
- 5. *ARIZONA DEPARTMENT OF ADMINISTRATION/JUDICIARY - Review of Air Handler and Sewer Replacement Project.
- 6. *ARIZONA SCHOOLS FOR THE DEAF AND THE BLIND - Review of FY 2023 Capital Projects.
- 7. *ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of Capital Improvement Projects.
- 8. *DEPARTMENT OF LIQUOR LICENSES AND CONTROL - Review of Space Reconfiguration.

9. *ARIZONA PIONEERS' HOME - Review of FY 2023 Capital Improvement Projects.
 10. *ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2023 Building Renewal Allocation Plan.
 11. *NORTHERN ARIZONA UNIVERSITY - Review of Capital Projects.
 12. *UNIVERSITY OF ARIZONA - Review of Veterinary Diagnostic Laboratory Projects.
- * Consent Agenda - These items will be considered in one motion and no testimony will be taken.

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

09/09/2022

lm

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 926-5491.



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

July 14, 2022

The Chairman called the meeting to order at 10:24 a.m., Thursday, July 14, 2022 in House Hearing Room

1. The following were present:

Members:	Senator Gowan, Vice-Chairman	Representative Cobb, Chairman
	Senator Gray	Representative Bolding
	Senator Leach	Representative Kavanagh
		Representative Osborne
		Representative Sierra

Absent:	Senator Alston	Representative Schwiebert
	Senator Bowie	Representative Toma
	Senator Kerr	

Excused: Senator Rios

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of April 20, 2022. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

1A. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of FY 2023 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires agencies to request review of expenditure plans for building renewal monies. The FY 2023 budget appropriates a total of \$53,594,200 for building renewal. Of this amount, \$37,594,200 is from the General Fund and \$16,000,000 is from the Capital Outlay Stabilization Fund (COSF). ADOA requested JCCR review its FY 2023 expenditure plan. The JLBC Staff provided options and a potential provision:

(Continued)

- A. *Prior to expending the emergency contingency allocation of \$1,102,000, ADOA shall report the use of the funds to JLBC.*

1B. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2022 Rent Exemption.

A.R.S. § 41-792.01D authorizes the Director of ADOA, on recommendation from the JCCR to grant a full or partial exemption from the payment of state-owned rental fees if an agency has vacated its space or if an agency does not have the financial resources to make the payment. ADOA requested JCCR review a full FY 2022 rent exemption of \$12,200 for the State Board of Equalization. The JLBC Staff provided options.

2. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AHCCCS - Review of Behavioral Transitional Shelter.

A.R.S. § 41-1252 requires Committee review of the scope, purpose and estimated cost of projects with a total cost of more than \$250,000. ADOA requested Committee review of a \$5,300,000 project to construct a Behavioral Health Transitional Shelter on behalf of the Arizona Health Care Cost Containment System (AHCCCS). The JLBC Staff provided options and a potential provision:

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to pay ongoing operations and maintenance costs for the Behavioral Health Transitional Shelter.*

4. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2023 Building Renewal, Property Maintenance, and Dam Maintenance Allocations and Other Capital Projects.

A.R.S. § 41-1252 requires the Committee to review expenditure plans for monies appropriated for building renewal and capital projects and for any project with an estimated cost of more than \$250,000. AGFD requested the Committee review of a total of \$3,757,600 for 25 projects. This included \$1.85 million appropriated in the FY 2023 budget consisting of \$1.46 million for 19 building renewal projects, \$300,000 for property maintenance, and \$150,000 for dam maintenance and \$1.9 million for 4 projects from other department funds consisting of \$978,000 from the State Lake Improvement Fund for a boat ramp, \$752,000 for 2 projects from Dingell-Johnson boat monies, and \$150,000 from department funds for a wildlife center quarantine building. The JLBC Staff provided options.

5. ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2023 Building Renewal Allocation Plan.

A.R.S. § 41-1252A4 & C require the Committee to review expenditure plans for all monies appropriated for capital projects and to review all capital projects exceeding \$250,000. ASPB requested Committee review of capital project requests totaling \$23,260,400 in FY 2023, \$19,143,800 in FY 2024, and \$19,117,300 in FY 2025. The JLBC Staff provided options and potential provisions:

- A. *Pursuant to Laws 2022, Chapter 309, Sections 6, 19 and 20, prior to ASPB using more than 10% of a specific project's budget for another project listed in the same section, ASPB shall submit the proposed expenditure plan and funding reallocation to the Committee for review.*

(Continued)

- B. *ASPB may not use any monies appropriated for a specific project in Laws 2022, Chapter 309, Sections 6, 19 and 20 for a new project not listed in those sections without the Legislature amending Chapter 309.*

Senator Gowan moved that the Committee recommend the agency request in consent agenda item 1B concerning a rent exemption and give a favorable review of the agency requests in consent agenda items 1A, 2, 4, and 5 with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

3. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2023 Capital Projects.

Mr. Geoffrey Paulsen, JLBC Staff, stated A.R.S. § 14-1252 requires the Committee to review expenditure plans for monies appropriated for building renewal and capital projects. The FY 2023 Capital Outlay Bill appropriated \$36,415,400 to ADC for building renewal, \$47,600,000 to replace evaporative cooling systems with air conditioning, and \$20,400,000 for door, lock and fire system replacements. The JLBC Staff provided options.

Senator Gowan moved that the Committee give a favorable review to the building renewal expenditure plan totaling \$36,415,400, and required ADC to return to the committee for review at the next JCCR meeting with more information on the air conditioning and door, lock and fire system replacement projects. The motion carried.

6. DEPARTMENT OF TRANSPORTATION (ADOT) - Review of ADOT Facilities.

Mr. Stefan Shepherd, JLBC Staff, stated A.R.S. § 41-1252 requires the Committee to review expenditure plans for capital projects. ADOT requested Committee review of the following projects:

- \$9,309,300 for the 206 Annex Building renovation,
- \$2,124,000 for the Tucson Signal Equipment Repair Shop relocation,
- \$3,026,900 for Vehicle Fueling Facilities replacement (Tucson, St. David, Willcox and Three Points),
- \$1,200,000 for the De-Icer Material Storage Barn in Superior,
- \$10,735,000 for the New Maintenance Facility in Wickenburg (including \$7,750,000 previously reviewed by the Committee at its October 2021 meeting),
- \$2,171,200 for the Vehicle Fueling Facilities replacement (Flagstaff, Holbrook and Kingman), and
- \$2,350,000 for New Liquid Brine Tanks (Globe, Show Low, Prescott Valley, and Keams Canyon).

The JLBC Staff provided options.

Ms. Katy Proctor, Director of Government Relations and Rules, ADOT, responded to member questions.


Senator Gowan moved that the Committee give a favorable review to the department's request. The motion carried.

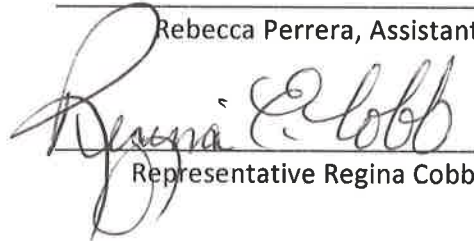
Without objection, the meeting adjourned at 10:38 a.m.

Respectfully submitted:


Kristy Paddack, Secretary

Rebecca Perrera


Rebecca Perrera, Assistant Director


Representative Regina Cobb, Chairman



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlb.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Geoffrey Paulsen, Principal Fiscal Analyst

SUBJECT: Arizona Department of Corrections - Review of HVAC and Door, Lock and Fire System Replacement Projects

Request

A.R.S. § 14-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Arizona Department of Corrections (ADC) is requesting review of \$68,000,000 in capital expenditures. There are 2 components to the department's request:

1. ADC is requesting review of its expenditure plan for the first year of a 4-year project to replace evaporative cooling systems with air conditioning. The FY 2023 Capital Outlay Bill appropriated \$47,600,000 from the General Fund to ADC for this purpose.
2. ADC is also requesting the Committee review its expenditure plan for door, lock and fire system replacements. The FY 2023 Capital Outlay Bill appropriated a total of \$20,400,000 from the General Fund to ADC for this purpose.

Committee Options

The Committee has at least the following options:

1. A favorable review of the requests.
2. A favorable review of the full \$20,400,000 requested for door, lock and fire system replacement, and \$38,895,100 for HVAC, which excludes the \$8.7 million contingency portion of the expenditure plan. (Chairman's option).
3. An unfavorable review of the requests.

(Continued)

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

- A. Upon procurement of a vendor contract for HVAC replacement, the department shall report back to the Committee on the actual cost of the HVAC replacement project.
- B. If the actual cost of the HVAC contract is less than the amount reviewed, the department shall return to the Committee for review of the difference prior to spending these savings on other HVAC projects.

Key Points

- 1) The FY 2023 budget included \$47.6 million for the first year of a 4-year project to replace all evaporative cooling systems with air conditioning.
- 2) With the FY 2023 appropriation, ADC plans to install 286 HVAC units at the Eyman and Perryville prisons.
- 3) The FY 2023 budget included \$20.4 million for door, lock and fire system replacements. ADC's proposal includes the following:
 - a. \$15.4 million for fire system upgrades at the Lewis prison;
 - b. \$4.2 million for door and lock replacements at the Tucson, Eyman and Perryville prisons;
 - c. \$739,400 for other costs.

Analysis

At the July 2022 JCCR meeting, ADC requested review of a total of \$104.4 million for FY 2023 capital projects. Due to a lack of detail on some of the funding, the Committee only reviewed \$36.4 million for Building Renewal, and required the department to resubmit the remaining \$68.0 million with a more detailed expenditure plan. ADC has now submitted updated information for the remaining monies.

Statewide Heating, Ventilation and Air Conditioning (HVAC) Replacement Project

The FY 2023 Capital Outlay Bill appropriated \$47.6 million from the General Fund to ADC for the first-year of a 4-year project to replace evaporative cooling systems in prison units with air conditioning. The total 4-year cost is expected to be \$132.8 million. ADC proposes to install a total of 198 units at the Eyman prison (\$26.9 million) and 88 new units at the Perryville prison (\$12.0 million). ADC has allocated the remaining \$8.7 million for contingencies. Due to the magnitude of the contingency, the Chairman is proposing to exclude the \$8.7 million from the favorable review. The contingency would be further reviewed at future meetings when the project cost is solidified.

ADC reports that the air conditioning units themselves make up only \$4.5 million of the estimated cost of the project. The major cost factor is the cost to replace the ductwork, which accounts for \$20.5 million of the cost.

ADC's expenditure plan is based on the actual costs of an HVAC upgrade project in 2020 completed at the Eyman prison. Due to recent inflation and supply chain issues, ADC has assumed a 6% inflation factor over the 2020 project costs (see *Table 1* for a detailed expenditure plan).

The 2020 project covered 1 housing unit and 4 air conditioning units at a cost of about \$580,000. Because of the challenge with extrapolating the cost of a small project to one of the size ADC is proposing, the Committee may consider Provision A, which would require the department to report to

(Continued)

the Committee on the actual cost of the HVAC project upon procuring a vendor. The Committee may also consider Provision B, which would require the department to seek further review of any savings if the actual cost of the project is less than the amount reviewed by the Committee.

Table 1	
HVAC Replacement Project Expenditure Plan	
	<u>Cost</u>
HVAC Unit – 12.5 Ton (286)	\$ 4,460,500
Ductwork/Other HVAC	20,493,700
Electrical	4,887,400
General Contracting Costs	3,980,800
Materials	960,900
Site Work	894,600
Other Costs	962,400
Inflation (6%)	<u>2,254,800</u>
<i>Subtotal</i>	<i>\$ 38,895,100</i>
Contingency Allocation	<u>\$ 8,704,900</u>
Total Cost	\$ 47,600,000

Door, Lock and Fire System Replacements

The FY 2023 Capital Outlay Bill appropriated \$20.4 million from the General Fund to ADC to replace doors, locks and fire suppression systems. ADC's proposed expenditure plan allocates \$15.4 million to replace the fire systems at the Lewis prison, \$4.2 million for door and lock upgrades at the Eyman, Tucson and Perryville prisons, and \$332,100 to upgrade perimeter security at the Perryville prison (see *Table 2* below for detailed expenditure plans). ADC has allocated the remaining \$407,300 for contingencies.

ADC reports that fire system upgrades will be completed in the Stiner, Bachman, Barchey, Eagle Point, Sunrise and Rast units at the Lewis prison. ADC reports that the project will completely replace the existing fire system, including all electronic devices, alarm panels, computers, monitors, system hardware and software. The replacement will also require the underground installation of new fiber optic cables between buildings to a central system.

ADC expects to replace a total of 1,081 doors, including cell doors, pod doors and shower doors. The cost per door ranges from \$1,790 to \$2,000. ADC reports that it will purchase 2,125 total locks, including cell door and food trap locks. ADC plans to purchase 3 types of locks, ranging in cost from \$263 to \$339 each.

Quarterly Reports

Pursuant to A.R.S. § 41-794, ADC is required to submit quarterly reports to JLBC Staff on the status of all capital projects and capital expenditures for which monies are appropriated. These reports are intended to track each agency's actual expenditures.

(Continued)

Table 2

Door, Lock and Fire System Replacement Expenditure Plan

	<u>Cost</u>
<u>Fire Alarm Systems (Lewis)</u>	
Equipment	\$ 8,609,400
Installation	3,338,200
General Contracting/Engineering/Planning	2,851,000
Demolition/Finishing	212,200
Contingency	<u>400,000</u>
<i>Fire Alarm System Subtotal</i>	<i>\$15,410,800</i>
<u>Doors and Locks (Eyman, Tucson, Perryville)</u>	
Doors	\$ 2,041,700
Locks	773,700
Installation	1,158,800
Hardware	51,500
Other Costs	99,100
Incidentals	<u>125,000</u>
<i>Doors and Locks Subtotal</i>	<i>\$ 4,249,800</i>
<u>Perimeter Security Upgrades (Perryville)</u>	
Razor Wire	\$ 212,600
Main Gate Control Wire	55,000
Chain Link Fencing	32,500
Walk Through Gates	<u>32,000</u>
<i>Perimeter Security Subtotal</i>	<i>\$ 332,100</i>
Additional Agency Contingency	\$ 407,300
Total Cost	\$20,400,000

GP:lm



DOUGLAS A. DUCEY
GOVERNOR

Arizona Department of Corrections Rehabilitation & Reentry

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



DAVID SHINN
DIRECTOR

August 31, 2022

The Honorable Regina E. Cobb, Chairman
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007

The Honorable David M. Gowan, Vice-Chairman
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007



RE: Submission for Review of FY2023 Statewide Replacement of Evaporative Cooling Systems and Statewide Door, Lock and Fire Systems Replacement Funding

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Corrections, Rehabilitation, & Reentry (ADCRR) requests placement on the next meeting agenda of the Joint Legislative Committee on Capital Review (JCCR) to review plans for the FY2023 Statewide Replacement of Evaporative Cooling Systems and Statewide Door, Lock and Fire Systems Replacement Funding. The attachments detail the projects that will be completed with the FY2023 allocations.

As always, if I can provide additional information, please do not hesitate to contact me.

Sincerely,


David Shinn

David Shinn
Director

Enclosures

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
Geoffrey Paulsen, Senior Fiscal Analyst, Joint Legislative Budget Committee
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Caroline Dudas, Budget Analyst, Governor's Office of Strategic Planning and Budgeting

ADCRR DOOR, LOCK AND FIRE SYSTEMS REPLACEMENT PROJECT DETAILS

Location	Unit	Details	Cost
Eyman	Rynning Max	Locking Systems Upgrade - Shower Bathroom Doors, Locks, Trap Locks and Installation (192)	471,552
	SMU Max	Locking Systems Upgrade - Shower Bathroom Doors, Locks, Trap Locks and Installation (184)	451,904
Lewis	Rast	Fire Systems Upgrade**	828,193
	Stiner	Fire Systems Upgrade including Engineering, Design, Permits, Bonds, Drafts, Drawings, Contingency	3,643,301
	Bachman	Fire Systems Upgrade including Engineering, Design, Permits, Bonds, Drafts, Drawings, Contingency	2,951,736
	Barchey	Fire Systems Upgrade including Engineering, Design, Permits, Bonds, Drafts, Drawings, Contingency	3,297,518
	Eagle Point	Fire Systems Upgrade including Engineering, Design, Permits, Bonds, Drafts, Drawings, Contingency	3,275,670
	Sunrise	Fire Systems Upgrade including Engineering, Design, Permits, Bonds, Drafts, Drawings, Contingency	1,414,404
Perryville	Lumley	Manual and Electrical Security Upgrades - chain link fencing, gate controls and razor wire	332,125
	Lumley	Manual and Electrical Security Upgrades - Cell Doors, Glass for doors, locks, paracentric keys and demo/installation	1,787,696
Tucson	Manzanita	Door Controls - Pod Doors, Detention Cell Doors, and Shower Doors	53,196
		Hinges, Studs, Fasteners, Locks and Incidentals	13,875
		Contractor Installation	40,000
	Winchester	Door Controls - Pod Doors, Detention Cell Doors, and Shower Doors	64,296
		Hinges, Studs, Fasteners, Locks and Incidentals	16,097
		Contractor Installation	40,000
	Santa Rita	Door Controls - 259 Doors	463,610
		Hinges, Studs, Fasteners, Locks and Incidentals	297,570
		Contractor Installation	550,000
		Agency Contingency	407,257
Total Cost			20,400,000

** Fire System Upgrade includes all Fire Alarm Equipment, Demo, Electrical and Communication installation, and finishes. Fire Alarm Equipment includes: All electronic devices and enclosures to include fire alarm panels, sub panels, initiation devices, notification devices, computers, monitors, hardware, software, fiber converters, etc..

Electrical Installation includes everything needed to get line voltage to fire alarm equipment including electrical wire, conduit, boxes, fittings, etc..

Communication Installation includes all electronic wiring and pathways to connect fire alarm equipment to include fiber, low voltage wiring, connectors, contractor to install fiber system, etc..

**ADCRR EVAPORATIVE COOLING SYSTEM REPLACEMENT
PROJECT DETAILS**

ASPC Eyman				
Housing Unit	Size	No of A/C Units	Cost per Unit	Total Cost
Meadows	12.5 ton	42	135,997	5,711,874
Browning	12.5 ton	72	135,997	9,791,784
SMU	12.5 ton	32	135,997	4,351,904
Cook	12.5 ton	35	135,997	4,759,895
Rynning	12.5 ton	17	135,997	2,311,949
Contingencies				3,800,000
Eyman Total		198		30,727,406
ASPC Perryville				
Lumley	12.5 ton	24	135,997	3,263,928
Santa Cruz	12.5 ton	32	135,997	4,351,904
San Pedro	12.5 ton	16	135,997	2,175,952
Santa Maria	12.5 ton	16	135,997	2,175,952
Contingencies				1,800,000
Total Perryville		88		13,767,736
Agency Contingency				3,104,858
Total Evaporative Cooling System Replacement				47,600,000



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Senior Fiscal Analyst

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

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Department of Public Safety (DPS) requests review of its plan to spend \$9,750,000 from the General Fund appropriated in the FY 2023 Capital Outlay Bill for the purchase and installation of remote housing units and the purchase of existing housing units.

Committee Options

The Committee has at least the following 3 options:

1. A favorable review of the request.
2. A favorable review of \$7,750,000 appropriated from the General Fund in the FY 2023 Capital Outlay Bill for the purchase and installation of remote housing units only, which excludes the \$2,000,000 to purchase existing houses pending additional information. (Chairman's option).
3. An unfavorable review of the request.

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

- A. On or before December 1, 2022, the department shall report to the JCCR Chairman and JLBC Staff on the geographic areas proposed for existing home purchases. The report shall include the areas selected, the availability of homes in the selected areas, and the justification for choosing each area.

(Continued)

Key Points

- 1) DPS currently has 60 remote housing units for highway patrol troopers.
- 2) DPS proposes spending \$9.8 million to purchase and install at least 20 new housing units across the state to replace existing units and purchase 5 existing housing units.
- 3) With the replacement of the 20 units, no unit would have been installed prior to the year 2000.
- 4) DPS has awarded a contract to a vendor to purchase and install remote housing units. The contractor estimates the cost to install the housing units at an average price per home of \$367,500.

Analysis

Background

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

DPS reports that these units have a useful life of 20-25 years. DPS plans to replace any unit built before the year 2000. According to DPS, temporary fixes are not cost effective and the units need to be replaced.

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

Procurement Process

DPS collaborated with the Arizona Department of Administration (ADOA) to implement a new statewide contract for modular housing units. The quotes listed in *Table 1* below were provided by the selected contractor after site visits to each of the locations.

The sizes of the homes will be 1,600 square feet with 3 bedrooms and 2 bathrooms. The department anticipates the purchase and installation of all 20 housing units will be completed by June 2025.

Current Request

The FY 2023 budget included a \$9.8 million appropriation for DPS to purchase and install 25 remote housing units and purchase 5 existing housing units. The department is proposing to expend \$7.8 million to replace 20 housing units, with \$400,000 of the funding set aside as contingency. This equates to an average price per home of \$367,500. For reference, the prior remote housing units were installed at an average price per home of approximately \$300,000. DPS states that costs for installing remote housing units have increased primarily due to inflation.

(Continued)

The installation of the new modular homes includes the following work: demolition and abatement of existing unit, site preparation and upgrade of utilities, foundation and masonry walls, sidewalks, stairs, and landscaping. Fencing and covered carports may be added depending on the availability of funding. *Table 1* below lists the proposed expenditures on the 20 modular homes, including the location of each home. The department states the variations in the estimates are due to site conditions, demolition concerns, and other conditions.

Table 1	
Remote Housing Unit Expenditure Plan	
<u>Modular Homes</u>	<u>Cost Estimate</u>
Dateland	\$ 364,700
Gila Bend	398,700
Many Farms	377,500
Many Farms	377,800
Quartzite	341,100
Quartzite	377,500
Quartzite	341,000
Quartzite	341,000
Salome	341,100
Salome	369,000
Salome	370,700
Salome	370,700
Salome	370,700
Sanders	369,000
Sanders	369,000
Sanders	369,000
Sanders	369,000
Seligman	375,700
Valle	378,600
Valle	<u>378,500</u>
Total Cost	\$7,350,300

The department intends to use the remaining \$2.0 million of appropriated funds to purchase 5 existing homes in areas of need. DPS is currently working with ADOA and other state partners on possible locations for these homes. Given the lack of information on the purchase of existing homes, the Chairman is proposing to defer this portion of the DPS request. To facilitate a decision on this funding, the Committee may consider a provision which would require the department to report back to the Committee by December 1 on the geographic areas proposed for the purchase of existing homes along with an analysis of the available housing stock in those areas.

JJ:lm



ARIZONA DEPARTMENT OF PUBLIC SAFETY

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

"Courteous Vigilance"

DOUGLAS A. DUCEY HESTON SILBERT
Governor Director



August 31, 2022

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

Dear Chairman Cobb,

Laws 2022, Chapter 309 (Senate Bill 2858) appropriates \$9,750,000 from the General Fund to the Department of Public Safety to replace 25 remote housing units and to purchase five new housing units. Based on cost estimates received from the contract vendor, our intent is to purchase a minimum of twenty housing units to be placed in identified areas of the state that strategically service the needs of the motoring public and to continue to work on the five new house locations.

As shown in the attachment, we intend to install a minimum of 20 new housing units by using the existing modular building contract and a standard housing plan.

Per A.R.S. 41-1252(c), the JCCR must review the intended scope, purpose, and estimated cost of this project before the Department can expend the monies. With this letter, we request placement on the next available agenda. We understand that the JCCR is tentatively scheduled to meet on September 21, 2022.

We can provide additional information to your staff prior to the meeting date. If you have any questions, please contact Phil Case, DPS Comptroller, at (602) 223-2463.

Sincerely,

Heston Silbert, Colonel
Director

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

Attachment

Arizona Department of Public Safety (DPS)

Remote Housing Replacement

Laws 2022, Chapter 309 (Senate Bill 2858)

\$9,750,000

Summary

Laws 2022, Chapter 209 (SB2858) allocated \$9,750,000 to the Arizona Department of Public Safety (DPS) for remote housing replacement. Section 15.B.2 requires the DPS to present the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR) for review

Purpose

To support Arizona's vast highway system while improving highway safety and providing emergency response, state troopers are stationed at reasonable travel intervals throughout the State. With great distances between Arizona's centers of population, remote housing compounds are necessary. The most cost-effective solution at these remote locations is modular housing. This appropriation is just a small piece of an ongoing plan to improve existing remote housing units in rural Arizona. Newer units are far more energy efficient and cost less to operate and maintain. Better living conditions offer more incentive for state troopers and their families to relocate to rural areas of the State.

DPS has approximately 60 residential units across the State. With a useful life of 20-25 years, approximately three units require replacement each year. Due to budget limitations, numerous units considerably exceed their useful life, with some units exceeding 50 years old. Older units are poorly insulated, no longer code compliant, and have rapidly deteriorating building systems. Temporary fixes to these units are not cost-effective and immediate replacement is required.

Below are the most critical remote housing locations:

Priority	Location	Bldg #	SF	Year	Address	Zip Code
1	Gila Bend	M-062	1,080	1973	1450 E Papago St (AZ85 MP121)	85337
2	Many Farms (South)	M-366	1,330	1995	US 191, MP 461 (ADOT Yard)	86538
3	Dateland (North)	M-383	1,400	1997	1450 N Avenue 64 E	85333
4	Sanders	M-344	1,456	1993	Claymine Road	86512
5	Quartzsite	M-332	1,440	1992	800 E Kuehn Street	85346
6	Salome	M-370	1,352	1995	40338 S Dakota Place, Lot 99	85348
7	Valle (West)	M-385	1,421	1998	748 Valle Rd #A	86046
8	Quartzsite	M-333	1,440	1992	802 E Kuehn Street	85346
9	Sanders	M-342	1,456	1993	Claymine Road	86512
10	Salome	M-371	1,352	1995	40339 Wyoming Way, Lot 94	85348
11	Quartzsite	M-334	1,440	1992	804 E Kuehn Street	85346
12	Sanders	M-343	1,456	1993	Claymine Road	86512
13	Many Farms (North)	M-367	1,330	1995	US 191, MP 461 (ADOT Yard)	86540
14	Salome	M-372	1,352	1995	40036 S Colorado Way, Lot 2	85348
15	Valle (East)	M-386	1,421	1998	748 Valle Rd #B	86046
16	Sanders	M-345	1,456	1993	Claymine Road	86512
17	Quartzsite	M-335	1,440	1992	806 E Kuehn Street	85346
18	Sanders	M-346	1,456	1993	Claymine Road	86512
19	Salome	M-378	1,421	1996	40022 S Colorado Way, Lot 1	85348
20	Seligman	M-459	1,490	2000	54540 N 4th Avenue #C	86337
21	Seligman	M-460	1,490	2000	54560 N 4th Avenue #D	86337
22	Seligman	M-461	1,490	2000	54580 N 4th Avenue #E	86337
23	Wikieup	M-494	1,400	2001	17909 S Hwy 93	85360
24	Wikieup	M-495	1,400	2001	17909 S Hwy 93	85360
25	Wikieup	M-496	1,400	2001	17909 S Hwy 93	85360

Scope

In addition to the purchase of replacement manufactured homes, the following scope of work is required:

- Demolition/abatement of existing unit
- Site preparation/upgrade on-site utilities
- Foundation/masonry stem walls
- Sidewalks

Procurement Method Pricing and Cost Breakdown

DPS and ADOA worked diligently over the last few years to obtain a contract with a vendor. A standard floor plan has been selected to minimize costs and the amount of site work required for installation. The standard housing unit is a 1,600 square foot, three-bedroom, two-bath unit to include a covered patio in both the front and back of the unit. Fencing and covered carports may be added, dependent on funds, but are not included in the standard floor plan.

The priority list was provided to the contracted vendor, and they provided an estimate for each of the twenty locations, without contingencies.

Contracted Vendor Estimate		
1	Gila Bend M-062	\$398,684.86
2	Many Farms M-366	\$377,555.85
3	Dateland (North) M-383	\$364,696.82
4	Sanders M-344	\$369,024.78
5	Quartzite M-332	\$341,055.16
6	Salome M-370	\$341,055.16
7	Valle M-385	\$378,559.57
8	Quartzite M-333	\$377,555.85
9	Salome M-342	\$369,024.78
10	Salome M-371	\$370,696.32
11	Quartzite M-334	\$341,055.16
12	Sanders M-343	\$369,024.78
13	Many Farms (North) M-367	\$377,555.85
14	Salome M-372	\$370,696.32
15	Valle M-386	\$378,559.57
16	Sanders M-345	\$369,024.78
17	Quartzite M-335	\$341,055.16
18	Sanders M-346	\$369,024.78
19	Salome M-378	\$370,696.32
20	Seligman M-459 (est)	\$375,696.00
Total Estimate		\$7,350,297.84

Note: Of the \$9,750,000 appropriation, \$7,750,000 was intended for replacement homes and \$2,000,000 was intended for new homes. Of the replacement funding, the \$399,702.16 above the total cost estimate will be utilized as a contingency fund for unplanned expenses.

Itemized quote items for Gila Bend – First home

1	State Manufactured Home inspections for the home and all accessory components (i.e., awnings, air conditioner, and steps)	\$ 1,200.00
2	Disconnect utilities and make allocations to protect existing septic, water line, and electric panel	\$ 4,500.00
3	Demo of Existing Home and site clearing	\$ 14,500.00
4	Flood Plain Foundation footing piers per existing engineered design.	\$ 24,200.00
5	Pad Fill and Compaction - Flood Plain Conditions -- Cost to build to the designed engineered Foundation	\$ 3,800.00
6	Excavation, Pad Preparation, Imported ADOH approved Compactable Material, Compaction, Rough Grading, Final Backfill, Trenching	\$ 11,690.00
7	Framing and Smart Board Skirting Including Transitional Trim and Painting	\$ 10,800.00
8	Driveway/Parking -- Re-cap Existing Driveway and Extend Under Carport Awning and Front and Back Yard Gravel	\$ 4,500.00
9	Septic System - Certify Existing System	\$ 850.00
10	Electric Company Service Equipment Upgrades - 200 AMP Minimum	\$ 1,800.00
11	Yard Line Extension to Building Site for Power and New Pedestal	\$ 5,900.00
12	Air Conditioning -- Condenser, A-Coil, and Line Set	\$ 7,800.00
13	Car Port - 18 x 20 in size with full concrete pad under cover.	\$ 12,250.00
14	Steps -- 2 sets	\$ 10,665.00
15	Front and Back Porch Metal Awnings/Covered Porches 2 with both sized at 12' x 30'	\$ 13,600.00
16	Concrete Flat Work (Perimeter sidewalk around the entire home) and concrete under both front and back awnings	\$ 14,800.00
17	Insurance and Letter of Credit to Cover the Total Project Cost	\$ 9,020.00
18	Fence Repair	\$ 2,950.00
19	General Coordination and Site Management for all Pre-Construction, Construction, and Post Construction Obligations.	\$ 34,818.27
	Total	\$ 189,643.27
Selected Home		
1	Selected Model Base Price	\$ 145,748.00
2	Standard Specifications	Included in Home Base
3	Optional Features Selected (improved durability and energy efficiency)	\$ 28,084.70
4	Freight to Gila Bend	\$ 3,325.00
5	Installation --- Set, Interior Finish, Exterior Finish, Install Flooring, Connect Water, Sewer and Electric, Cleaning	\$ 16,200.00
	Total House Cost	\$ 193,357.70
	Sales Tax on Home	\$ 15,683.89
	Total House Cost with Tax	\$ 209,041.59
	Project Total	\$ 398,684.86

The variations in the estimates are due to site conditions, demolition concerns, and other conditions.

Timeline/Conclusion

The timeline to complete the replacement build of all twenty houses will be within the three-year timeline of June 30, 2025, as prescribed by Laws 2022, Chapter 309. Once the purchase of the homes has been initiated, the demolition and site work for the first two homes will be completed within the first six months. As the project progresses, the plan is to complete two homes per month after the initial build-up phase.

Due to inflationary cost increases, DPS currently estimates that we will only be able to afford 20 of the 25 planned replacement homes. However, if enough of the roughly \$400,000 remaining in contingency is not needed, we may be able to replace one additional home.

With regard to the five new homes, \$2,000,000 of the appropriation has been allocated for this purpose (to include land purchase) and we are in the process of working with the Department of Administration and other State partners on possible locations. We will report back to the Committee at a later date on our progress.

In conclusion, investments in new remote houses will continue to demonstrate the commitment to the employees of the Arizona Department of Public Safety and the citizens of Arizona. DPS, ADOA, and the vendor are all preparing for this project to begin.



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN

LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Cameron Mortensen, Fiscal Analyst

SUBJECT: Arizona Department of Administration - Review of Demolition Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The Arizona Department of Administration (ADOA) requests the Committee review its expenditure plan of \$1,568,000 appropriated in FY 2023 for the demolition of 3 buildings.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The FY 2023 budget included \$1.6 million for ADOA building demolition.
- 2) Two buildings are currently vacant, with one to be demolished upon vacancy.
- 3) The specific buildings to be demolished and included costs:
 - Vital Records Building, 18,000 Sq. Ft., \$448,000
 - ADOA Maintenance Building, 5,500 Sq. Ft., \$136,000
 - DES Data Center, 36,679 Sq. Ft., \$984,000

Analysis

ADOA plans to move forward with the demolition projects it received appropriation for in FY 2023. The reported scope, purpose, and expenses of the projects are consistent to the original appropriation. ADOA expects the cost per square foot to demolish each building is between \$21 and \$25.

(Continued)

Vital Records Building, 1818 W Adams

ADOA plans to demolish the 18,000 square foot Vital Records Building on 1818 W Adams. The Department of Health Services (DHS) currently inhabits the Vital Records Building but is consolidating operations to the main DHS building as part of a consolidation plan. DHS plans to vacate the Vital Records Building by November 2022. ADOA lists age, deteriorated building systems, and small footprint as reasons for demolition. The estimated cost of demolition is \$448,000.

Maintenance Building, 1850 W Jackson

ADOA plans to demolish the 5,500 square foot vacant maintenance building near 19th Avenue and Jackson. The warehouse has been vacant for over 6 years due to unsound structure conditions. A portion of the building serves as a wall on 19th Avenue, and a fence will be installed to take that wall's place. The building is located adjacent to the GSD Facilities Operations and Maintenance (FOAM) yard, and upon demolition will be used to expand the maintenance yard. The estimated cost of demolition is \$136,000.

Department of Economic Security (DES) Data Center, 1720 W Madison

ADOA plans to demolish the 36,679 square foot vacant DES Data Center. The building was vacated by the DES Data Center in 2016. The building has extended its useful life and contains asbestos that requires abatement. The estimated cost of demolition is \$984,000.

CM:lm

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-1500

August 30, 2022

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



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

Dear Representative Cobb and Senator Gowan:

Laws 2022, Second Regular Session, Chapter 309 (HB2858) appropriated \$1,568,000 to the Arizona Department of Administration (ADOA) for the demolition of three State-owned buildings at 1818 W Adams, 1850 W Jackson, and 1720 W Madison located in Phoenix on the Governmental Mall. A.R.S. § 41-1252 requires ADOA to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR).

1818 W Adams - Vital Records Building

Estimated Costs: \$448,000

The 1818 W Adams St office building currently houses the Department of Health Services (DHS), Vital Records Division. As part of the Enterprise Compression plan, DHS is consolidating this operation to the main DHS building located at 150 N 18th Ave by the end of the calendar year in approximately November of 2022. Due to the age, deteriorated building systems, and smaller footprint of approximately 18,000 SF, ADOA will be demolishing the building upon vacancy.

1850 W Jackson - Vacant ADOA Maintenance Building

Estimated Costs: \$136,000

The 1850 W Jackson St warehouse is approximately 5,500 sf. The warehouse is located adjacent to the ADOA GSD Facilities Operations and Maintenance (FOAM) yard and has been vacant for over 6 years. It was vacated as a result of unsound structure conditions; particularly on the second mezzanine level. ADOA will be demolishing the facility and expanding the maintenance yard. As one side of the decrepit structure serves as a wall along 19th Ave, ADOA will install fencing to replace the wall barrier of the old warehouse.

1720 W Madison - Vacant DES Data Center

Estimated Costs: \$984,000

The building located at 1720 W Madison St was the former home of the Department of Economic Security (DES) Data Center until 2016. The 36,679 sf building has exceeded its useful life, the major electrical, mechanical, and plumbing systems are in very poor condition, and has a significant amount of asbestos containing building materials that require abatement.

ADOA requests placement on JCCR's September 2022 agenda for favorable review of ADOA's FY 2023 Demolition Capital Outlay appropriation of \$1,568,000.

If you have any questions regarding ADOA's FY 2023 Demolition Capital Outlay appropriation please contact John Hauptman, Deputy Assistant Director, ADOA General Services Division (GSD), at 602-513-6485.

Sincerely,



Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Assistant Director, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB
Duncan Spilsbury, Budget Analyst, OSPB
Elizabeth Thorson, Deputy Director, ADOA
Ashley Ruiz, Assistant Director, ADOA/DBF
Jacob Wingate, Chief Financial Officer, ADOA/DBF
Elizabeth Bartholomew, Chief Legislative Liaison, ADOA
John Hauptman, Deputy Assistant Director, ADOA/GSD



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Rebecca Perrera, Assistant Director

SUBJECT: Arizona Department of Administration/School Facilities Division - Review of Minimum Adequacy Guidelines Rulemaking Fiscal Impact

Request

A.R.S. § 41-5711 requires the Arizona Department of Administration (ADOA) School Facilities Division (SFD) to submit a fiscal impact statement for Committee review when adopting rule changes to the Minimum Adequacy Guidelines (Guidelines).

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) Statute requires SFD to report on the fiscal impact of changes to the minimum adequacy guidelines. The guidelines provide building requirements and standards for school facilities.
- 2) The guidelines will increase costs for school district buildings, technology and equipment but SFD does not have a statewide estimate of the impact.
- 3) The proposed changes would not automatically increase state spending.

Analysis

Background

A.R.S § 41-5711 requires SFD to adopt rules establishing minimum adequacy guidelines. The guidelines are established in rule and set standards for school facilities. For example, the guidelines require schools to have a HVAC system capable of maintaining a temperature between 68° and 82° Fahrenheit.

(Continued)

The rules, however, cannot change SFB's statutory new construction funding formula, which includes: 1) the required square feet per student that determines whether a new school is awarded; or 2) the funding allocated per square foot for construction costs once a district has been awarded a new school.

A significant portion of SFD rules have been in place since 2001, until SFD began a new rulemaking process during calendar years 2019 and 2020. At the September 2020 Committee meeting, SFD submitted a fiscal impact statement for a proposal that modified a significant number of minimum guideline rules. A majority of those rule revisions reformatted current rules into a more streamlined document or made clarifying and technical changes. The Committee gave a favorable review to SFD's fiscal impact statement. Those rules became effective in November 2020.

SFD Proposed Rule Change

In November 2020, the Governor's Regulatory Review Council (GRRRC) approved a 5-year review report for SFD to further modify the minimum guideline rules that are "inconsistent with current industry standards and [agency] practice, technological changes, and best practices regarding education". As part of this round of rule revisions, SFD has identified the following changes to the minimum guidelines that will have a fiscal impact:

- Classroom Fixtures and Equipment (R7-6-211) – Amended to allow electronic as well as non-electronic surfaces for classroom use. SFD estimates a fiscal impact of \$300 to \$4,200 per surface.
- Classroom Air Quality (R7-6-215) – Reduces the acceptable carbon dioxide level to 700 parts per million (PPM) above the ambient carbon dioxide level. SFD indicates this would make the rule consistent with current industry standards. SFD estimates the cost of meeting this standard will be approximately \$75 per HVAC unit annually if a unit only needs minor annual adjustments. SFD has indicated certain HVAC units could need complete replacement to comply with the standard.
- Equipment for Learning and Technology Center (R7-6-221) – Substitutes a multimedia display for the current requirement for a single TV. SFD estimates an additional cost of \$1,920 to \$4,000 per unit.
- Technology (R7-6-235) – The proposed guideline would require a network connected multimedia device (such as a laptop or a tablet) for every student (1:1 ratio) rather than one device for every eight students (8:1 ratio). SFD assumes that each device costs approximately \$300. This means the rule would cost \$262.50 per student: for a group of 8 students, the rule would require the purchase of 7 additional devices at \$300 per device (3 devices X 7 purchased = \$2,100 / 8 students = \$262.50)

Fiscal Impact

SFD did not provide an estimated statewide cost of the proposed rule changes. State spending would not automatically increase to address these guideline changes. School districts could pay for any higher equipment/technology costs in new schools by using a portion of the state funding awarded for the project. This is because equipment and technology costs are an allowable use of these monies (as part of the "furniture, fixtures and equipment" category of construction spending). New school construction, however, is generally funded from a flat dollar amount per square foot that is adjusted for overall inflation each year. The state would need to specifically adjust the flat dollar amount per square foot upward if it wanted to address these technology issues.

In terms of existing schools, the Classroom Air Quality rule change could potentially be paid from SFD building repair grant funding. There is no statutory building repair formula, but to the extent that the rule change may increase grant requests, the state has typically funded the Building Renewal Grant program based on the total level of grant requests. However, the other proposed changes related to technology standards are not eligible to be funded by SFD building repair grants and any of those technology costs would instead be incurred by school districts.

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH 15TH AVENUE, SUITE 302
PHOENIX, ARIZONA 85007

August 31, 2022

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

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



Dear Representative Cobb and Senator Gowan:

A.R.S. § 41-5711(J) requires that when the School Facilities Oversight Board makes any changes to the minimum adequacy guidelines, the Board shall provide a fiscal impact statement of the effects of the proposed changes to the JCCR for review.

The Board establishes minimum standards for school facilities. School districts are required to ensure school facilities in the district, even those constructed with bonds, meet the minimum standards. The Minimum Adequacy Guidelines rules have not been updated since 2001. As a result, the rules have become inconsistent with current industry standards and Board practice, technological changes, and best practices regarding education. The rules are being updated to address these issues and implement recommendations identified in a five-year-review report approved by the Council on November 3, 2020.

ADOA respectfully requests placement on the next scheduled JCCR agenda for review of the fiscal impact statement of the minimum adequacy guidelines changes. If you have any questions, please contact Jack Smith, Division of School Facilities Administrator, ADOA, at 602-421-1882 or by email at jack.smith@azdoa.gov.

Sincerely,

Joint Committee on Capital Review
Fiscal Impact Statement
August 31, 2022
Page 2 of 6

A handwritten signature in dark ink, appearing to read "Andy M. Tobin".

Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Assistant Director, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB
Duncan Spilsbury, Budget Analyst, OSPB
Elizabeth Thorson, Deputy Director, ADOA
Jack Smith, Administrator, ADOA
Jacob Wingate, Chief Financial Officer, ADOA
Elizabeth Bartholomew, Chief Legislative Liaison, ADOA

1. Identification of the rulemaking:

The Board's rules were made in 2001. Some of the rules were amended in 2020 through an expedited rulemaking, but no substantive changes were made at that time. As a result, the rules have become inconsistent with current industry standards and Board practice, technological changes, and best practices regarding education. The rules are being updated to address these issues and implement recommendations identified in a five-year-review report approved by the Council on November 3, 2020.

2. A brief summary of the information included in the economic, small business, and consumer impact statement:

The Board determined the rule amendments will have some economic impact. For example:

- R7-6-211, Classroom Fixtures and Equipment, is amended to allow electronic as well as non-electronic surfaces for classroom use. Electronic surfaces are more expensive than non-electronic surfaces. The estimated difference in cost is from \$300 to \$4,200 per surface depending on the kind chosen. A school facility requires multiple surfaces.
- R7-6-215, Classroom Air Quality, reduces the acceptable CO² level to 700 PPM above the ambient CO² level. This makes the requirement consistent with current industry standards. The Board estimates the cost of meeting this standard will be approximately \$75/unit annually.
- R7-6-221, Equipment for Learning and Technology Center, substitutes a multimedia display for a TV in the center. Depending on the kind of multimedia display chosen, the Board estimates an additional cost of \$1,920 to \$4,000 per unit.
- R7-6-235, Technology, requires a network connected multimedia device for every student rather than one device for every eight students. If each device costs approximately \$300, the cost to provide a device for each student rather than for every eight students would result in an increase of \$2,100/eight students.

3. Persons who will be directly affected by, bear the costs of, or directly benefit from the rulemaking:

The Board establishes minimum standards for school facilities and equipment. School districts are required to ensure school facilities in the district, even those constructed fully or partially with bonds by choice of a district, meet the minimum standards. School districts and the Board will be directly affected by, bear the costs of, and directly benefit from this rulemaking. However, because both the

new school facilities and building renewal funds receive legislative appropriations, it is taxpayers who ultimately bear the costs of and directly benefit from this rulemaking.

4. The school districts are required to ensure school facilities meet the minimum standards established by the Board. The minimum standards are updated in this rulemaking. The Board determined the following changes will have an economic impact:

- R7-6-211, Classroom Fixtures and Equipment, is amended to allow electronic as well as non-electronic surfaces for classroom use. Electronic surfaces are more expensive than non-electronic surfaces. The estimated difference in cost is from \$300 to \$4,200 per surface depending on the kind chosen. A school facility requires multiple surfaces.
- R7-6-215, Classroom Air Quality, reduces the acceptable CO² level to 700 PPM above the ambient CO² level. This makes the requirement consistent with current industry standards. The Board estimates the cost of meeting this standard will be approximately \$75/unit annually.
- R7-6-221, Equipment for Learning and Technology Center, substitutes a multimedia display for a TV in the center. Depending on the kind of multimedia display chosen, the Board estimates an additional cost of \$1,920 to \$4,000 per unit.
- R7-6-235, Technology, requires a network connected multimedia device for every student rather than one device for every eight students. If each device costs approximately \$300, the cost to provide a device for each student rather than for every eight students would result in an increase of \$2,100/eight students.

5. Cost-benefit analysis:

- a. Costs and benefits to state agencies directly affected by the rulemaking including the number of new full-time employees at the implementing agency required to implement and enforce the proposed rule:

The Board is the only state agency directly affected by the rulemaking. Its costs and benefits are described in item 4. The Board will not need additional full-time employees to implement or enforce the new minimum standards.

- b. Costs and benefits to political subdivisions directly affected by the rulemaking:

School districts are political subdivisions directly affected by the rulemaking. Their costs and benefits are described in item 4.

- c. Costs and benefits to businesses directly affected by the rulemaking:

No businesses are directly affected by the rulemaking.

6. Impact on private and public employment:

The rulemaking will have no impact on private or public employment.

7. Impact on small businesses¹:

No businesses of any size are directly impacted by the rulemaking.

8. Cost and benefit to private persons and consumers who are directly affected by the rulemaking:

Private persons and consumers are not directly affected by the rulemaking.

9. Probable effects on state revenues:

Both the new school facilities fund and the building renewal grant fund receive legislative appropriations. The legislature adjusts the appropriation based on the annual square-foot allocation and the number and size of new construction projects approved by the Board. To the extent the updated minimum standards increase costs for classroom fixtures, equipment, and technology, there may be an impact on state revenues.

10. Less intrusive or less costly alternative methods considered:

The updated minimum standards are not intrusive. The minimum standards are consistent with industry standards and best practices regarding education. No alternative standards were considered.

¹ Small business has the meaning specified in A.R.S. § 41-1001(21).



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491
azjbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Ryan Fleischman, Senior Fiscal Analyst

SUBJECT: Arizona Department of Administration/Judiciary - Review of Air Handler and Sewer Replacement Project

Request

A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Arizona Department of Administration (ADOA) on behalf of the Judiciary requests review of its plan to spend \$3,200,000 to replace air handler units and the sewer system at the Arizona Supreme Court building.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The FY 2023 Capital Outlay Bill appropriated \$3.2 million to the Judiciary to replace air handler units and sewer system at the Judiciary's 1501 W. Washington Street building.
- 2) ADOA and the Judiciary propose to spend \$2.2 million to replace air handlers and environmental controls and \$1.0 million for continuing work on sewage system replacement.

(Continued)

Analysis

The FY 2023 Capital Outlay Bill appropriated \$3.2 million from the General Fund to the Judiciary to replace air handling units and sewer system at the Supreme Court's 1501 W. Washington Street building. *Table 1* below outlines ADOA's proposed expenditure plan.

Table 1	
Proposed Expenditures	
<u>Item Description</u>	<u>Estimated Cost</u>
Air Handler Unit Replacement	\$2,200,000
Sewer System Replacement	<u>1,000,000</u>
Expenditure Plan Total	\$3,200,000

Air Handler Units

ADOA and the Judiciary report that air handler units and pneumatic environmental controls have exceeded their useful design life and contain critical repair parts that are no longer manufactured. They report that the HVAC system fails to operate properly during summer months and does not provide sufficient cooling throughout the building. ADOA proposes to spend \$2.2 million to replace the air handler units and upgrade existing components to meet building codes and air quality standards.

Sewer System

ADOA and the Judiciary report that the sewer system at the Supreme Court building has had failures in multiple sections of piping that has caused leaks resulting in damage to the facility and sewage and sewer gas exposures. Portions of the failed piping have already been replaced over the last 2 years using \$1.38 million in building renewal monies allocated by ADOA. ADOA plans to spend \$1.0 million in FY 2023 to complete the necessary repairs throughout the building.

RF:lm

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-1500

August 30, 2022

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

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

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) General Services Division (GSD), on behalf of the Judiciary (Arizona Supreme Court), respectfully requests placement on the September 2022 agenda of the Joint Committee on Capital Review (JCCR). Laws 2022, Second Regular Session, Chapter 309 (HB2858) appropriated \$3,200,000 to the Judiciary from the General Fund for replacement of Air Handling Units (AHU) and sewer line repairs at the Supreme Court building. A.R.S. § 41-1252 requires the agency to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR).

Supreme Court Building - Refurbish AHU's 1-4

Estimated Costs: \$2,200,000

The air handler units (AHUs) and pneumatic environmental controls are original to the 1990 construction of the Arizona Supreme Court. They have exceeded their useful design life and critical repair parts are no longer manufactured. During the summer months, the HVAC system fails to provide sufficient cooling to properly maintain the building environment. The air handlers will be replaced in phases and components will be upgraded or replaced to meet current building codes and air quality standards.



Supreme Court Building - Replacement of Failed Sewer System

Estimated Costs: \$1,000,000

The sewage system at the Supreme Court building has been an ongoing issue as sections of piping continue to fail. As a result, numerous leaks within the building envelope have occurred resulting in damage to the facility and sewage and sewer gas exposures. ADOA has allocated approximately \$1.38 million of building renewal monies over the last two years to replace sections of the failed piping. This appropriation will facilitate completion of necessary repairs and replacements to the failed sewer piping system throughout the building.

The purpose of this request is to obtain favorable review of the \$3,200,000 FY 2023 Supreme Court Capital Outlay Appropriation.

If you have any questions regarding Arizona Supreme Court FY 2023 Allocation Plan please contact John Hauptman, Deputy Assistant Director, ADOA General Services Division (GSD), at 602-513-6485.

Sincerely,



Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Principal Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB
Theresa Vencill, Capital Budget Analyst, OSPB
Dave Byers, Director, Arizona Supreme Court
Elizabeth Thorson, Deputy Director, ADOA
Ray DiCiccio, Deputy Director, ADOA
John Hauptman, Deputy Assistant Director, ADOA/GSD
Ashley Ruiz, Assistant Director, ADOA/DBF
Jacob Wingate, Chief Financial Officer, ADOA/DBF
Elizabeth Bartholomew, Legislative Liaison, ADOA



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Molly Murphy, Economist

SUBJECT: Arizona State Schools for the Deaf and the Blind - Review of FY 2023 Capital Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for capital projects. The Arizona State Schools for the Deaf and the Blind (ASDB) requests the Committee review its FY 2023 Capital Project Expenditure Plan. The FY 2023 Capital Outlay Bill appropriated \$866,000 from the General Fund to ASDB to fund 3 capital improvement projects.

Committee Options

The Committee has at least the following 2 options:

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

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

- A. Prior to spending any of the \$866,000 on projects other than in *Table 1*, ASDB shall report the change to the Joint Committee on Capital Review Chairman and the JLBC Staff. If there is significant change of scope in the reallocation reported by the agency, the Chairman may require further Committee review.

(Continued)

Key Points

- 1) ASDB is requesting review of an \$866,000 expenditure plan for its FY 2023 capital project expenditure plan.
- 2) The FY 2023 expenditure plan includes 3 projects, including \$420,000 to upgrade the Phoenix Campus security system, \$350,000 to replace food service equipment, and \$92,000 to complete updates to the classroom notification system.

Analysis

ASDB has 2 main campuses, a day school in Phoenix and a residential campus in Tucson, satellite preschools in the Tucson and Phoenix metropolitan areas, and 5 regional offices from which cooperative programs with school districts are operated.

The agency is requesting review of their \$866,000 allocation plan that seeks to address one project area identified at both the Phoenix and Tucson campuses and 2 project areas identified at the Phoenix campus. Costs for each component of the plan are listed in *Table 1* below.

Table 1

Components of Capital Project Expenditure Plan

Food Service Equipment Replacement (Phoenix and Tucson)	\$350,000
Proxy Card Upgrades (Phoenix)	420,000
Notification System Upgrade (Phoenix)	96,000
Total Costs of Plan	\$866,000

Food Service Equipment Replacement

To maintain food at proper temperatures, ASDB plans on allocating \$350,000 to replace food service equipment at both the Phoenix and Tucson campuses. ASDB plans to replace the entire food service line at the Tucson campus, and both walk-in freezer/refrigerator at the Phoenix campus.

Proxy Card Upgrades

To create a more secure environment at the Phoenix campus, ASDB plans to spend \$420,000 to put automatic locking doors with proxy access controls on all exterior doors and gate systems.

Notification System Upgrades

The agency plans to spend \$96,000 to upgrade the notification system on the Phoenix Campus. As a school that serves the deaf, the hard of hearing, and the deaf-blind, the system needs to be accessible to all modes of communication (visual and audio).

MM:lm



"We are committed to respect,
support, and the well-being of all"

Annette Reichman, Superintendent
Douglas A. Ducey, Governor

Arizona State Schools for the Deaf and the Blind

August 16, 2022

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



Dear Representative Cobb and Senator Gowan:

Section 41-1252, Arizona Revised Statutes, requires that the Joint Committee on Capital Review (JCCR) shall review the expenditure of all monies appropriated for building renewal. Arizona State Schools for the Deaf and the Blind (ASDB) was awarded \$866,000 in capital expenditures/improvements from the appropriations committee. ASDB is requesting to fully utilize the funds in order to complete three capital projects.

1. Replacement of antiquated food service equipment - \$350,000
2. Security Upgrades for the Phoenix Campus Proxy Card Installation - \$420,000
3. Phoenix Campus Notification System - \$96,000

To the extent possible, ADOA and ASDB complete major maintenance and replacements to the building systems before failures occur. Given the years of deferred major maintenance of aging building infrastructure, it is difficult, if not impossible, to anticipate the timing and nature of building component failure. In the event of one or more unexpected critical breakdowns or imminent failures, ASDB may redirect all or some monies from an allocation to address critical priorities.

If you have any questions regarding ASDB FY 2023 ASDB Capital Improvement Requests and Allocation Plan please contact Albert Duff, Director of Operations, Arizona State Schools for the Deaf and the Blind (520) 770-3825.

Sincerely,

Annette Reichman

Annette Reichman
Superintendent

ASDB Administration

Tucson 1200 W Speedway Blvd., Tucson AZ 85745
Main Office 520.770.3458 / www.asdb.az.gov

@asdbazgov

FY 2023 Capital Projects Allocation Plan - ASDB

1. Food Service Equipment replacement - \$350,000

ASDB has identified the following items to be replaced with regard to capital equipment for the two food service buildings on the Tucson and Phoenix campuses. This equipment is needed in order to maintain food at proper temperature levels to ensure HACCP compliance. At this point in time, we are obtaining up-to-date information and quotes in order to develop a finalized scope of work and construction schedule. The anticipated completion date would be no later than Jun 30, 2022 as ASDB will need to work around the school schedule so as to not interfere with the daily operations of the education program.

- a. Tucson Campus will be replacing the entire food service line. Currently, there are two separate serving lines that consist of antiquated equipment that experience multiple system failures resulting in food temperatures being unstable. ASDB plans to remove both the serving lines and replace them with a single new serving line. In order to accommodate the new serving line equipment, some building modifications will be required in order to reroute power, plumbing, and flooring.
- b. Phoenix Campus will be replacing both walk-in freezer/refrigerator combs. These units were installed during the original construction of the building in 1975 making them 47 years old. ASDB plans to remove both of the units and replace them with one freezer unit and one refrigerator unit. Electrical and plumbing may need to be reworked in order to accommodate the new units.

2. Proxy Card Upgrades Phoenix Campus - \$420,000 (Capital)

ASDB Phoenix campus serves roughly 300 Deaf, Hard of Hearing, and Deaf-Blind students within the Phoenix Metropolitan area. The ages range from 4 to 21 years of age. The median age of the building is 42 years old and was not designed with modern security in mind. Many of the classroom and office doors are exterior facing and provide little to no protection from unauthorized entry. In order to create a more secure environment, ASDB plans to put automatic locking doors with proxy access controls on all exterior doors and gate systems. The contractor will install 85 access control devices on the campus. This will allow the campus to remain in a "soft lockdown" and reduce the likelihood of an unauthorized intruder or active killer entering a classroom. In addition, the system will allow for an expected lockdown process that will also notify security when a door is forced open or malfunctioning.

3. Notification System Upgrade Phoenix Campus - \$96,000 (Capital)

ASDB Phoenix campus serves roughly 300 Deaf, Hard of Hearing, and Deaf-Blind students within the Phoenix Metropolitan area. The ages range from 4 to 21 years of age. The median age of the building is 42 years old and was not designed with modern security in mind. The current notification system that will be used for both daily communication and emergency communication is antiquated and in need of upgrading. As a school for the Deaf, Hard of Hearing, and Deaf-Blind the system needs to be accessible to all modes of communication. This

requires a video system that broadcasts messages in both American Sign Language and spoken languages. Currently, the system in place has this ability but due to age is no longer operating at full capacity. Due to some shortfalls in the original system, the requested dollar amount to complete the project will need to be reviewed. There have been multiple price increases on the related technology that meets this requirement.



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Fiscal Analyst

SUBJECT: Arizona Exposition and State Fair Board - Review of Capital Improvement Projects

Request

A.R.S. § 14-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Arizona Exposition and State Fair Board (AESF) is requesting a favorable review of 3 capital improvement projects with estimated costs totaling \$1,350,000 from the Arizona Exposition and State Fair Fund.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the capital projects.
2. An unfavorable review of the capital projects.

Key Points

- 1) AESF plans to complete 3 capital projects funded with \$1,000,000 from the agency's FY 2023 capital appropriation, \$230,000 from general operating funds, and \$120,000 from postponing another capital project.
- 2) The projects consist of:
 - \$300,000 to repair the elevator that services the administrative offices in the Coliseum.
 - \$550,000 to repair the north wall of the Cattle Barn.
 - \$500,000 to replace the roof of the Pardi Gras building.

(Continued)

Analysis

AESF is proposing to fund the following capital projects totaling \$1,350,000. Of this amount, AESF plans to fund \$1,000,000 from their FY 2023 capital appropriation, \$230,000 from general operating funds, and \$120,000 in funds from postponing the North Parking Lot LED Lights project.

Coliseum Elevator Modernization

AESF plans to spend \$300,000 to replace the elevator that services the administrative offices in the Coliseum. Over the last 2 years, the elevator stopped working on several occasions, including a main computer control board failure and an overheated control board that caught fire. The most recent failure resulted in the elevator being inoperable for over 3 months, even though the elevator is the only one to provide ADA-compliant access to the 3 floors of the administrative offices. Due to its age, replacement parts for the elevator are no longer available on the market. Modernization of the elevator will include replacing the controls, electrical wiring, power unit, and fixtures, and it will also require upgrades to the currently adopted building code.

Cattle Barn West End – North Wall Repair

AESF also plans to spend \$550,000 to repair the north wall on the west end of the Cattle Barn. The wall shows signs of stress and movement, and it is leaning outward from the building frame. The gable is made of wood and is currently beyond its life expectancy. Use of this area has temporarily been suspended to ensure staff and public safety until project completion and the area will not be used during the 2022 Fair. Repairs to the wall would include reinforcing it with steel beams and reframing the gable end to replace it with metal siding.

Pardi Gras – North End Roofing System Repair

Lastly, AESF plans to spend \$500,000 to replace the roof of the Pardi Gras building. Extensive water damage has caused the failure of the roofing system, including trussing, underlayment, and roofing materials on the north end of the building. As a result, the damage has occurred to the interior walls and wall plaster. The roof no longer protects the structure and interior from rain. Use of the building has temporarily been suspended to ensure staff and public safety until project completion, and it will not be used during the 2022 Fair. Repairs would include replacing the entire roof, repairing interior walls, and recarpeting the floors.

NB:lm



August 17, 2022

The Honorable Regina Cobb
Joint Committee on Capital Review
1700 West Washington
Phoenix, AZ 85007

Re: Emergency Request to Repair Inoperable Components of the Arizona Veterans Memorial Coliseum Elevator, Cattle Barn West End-North Wall, and Pardi Gras Building North End Roofing System

Dear Representative Cobb:

The Arizona Exposition and State Fair (AESF) is requesting an emergency review of and favorable review for the following three capital improvement projects:

1. Coliseum Elevator Modernization
2. Cattle Barn West End - North Wall Repair
3. Pardi Gras - North End Roofing System Repair

At the August 11, 2022, meeting, the Arizona Exposition and State Fair Board approved all three projects at a total of \$1,350,000. AESF, using Capital Improvement appropriation and general operating appropriation, has the ability to fund the projects. AESF continues to work with the Governor's Grants Office in hope of utilizing ARPA funds to offset costs.

Two of the projects involve life safety concerns and have become quite urgent as a result of recent weather events that included high winds and heavy rains. As a consequence of the weather damage sustained, the life safety concerns associated with the projects have significantly increased. Delaying the projects will not only create further damage and danger, but will also increase overall project costs. Additionally, due to continued extended construction project time frames, immediate action is needed to ensure these projects are completed in time to meet contractual obligations

Beginning work on these projects immediately is critical for several reasons. Recent weather events have exponentially worsened the condition of the failing structures and significantly elevated concerns for the integrity and safety of the facilities. These structures have either become so badly deteriorated or are nonfunctioning to the extent that in each case, not only has a serious life safety and public safety issue been created, but damage to the facilities is extreme and requires expedited repair. Waiting to begin the requested repairs will only result in additional damage and increased cost of repairs.

Moving forward immediately with the elevator modernization project is imperative to ensure ADA compliance for normal use of the building and to meet contractual obligations. Temporary repairs completed in July 2022 have already failed.

Contractors are already selected for these projects and work should begin following approval from JCCR.

1. Coliseum Elevator Modernization:

- **Issue:**

The elevator that services the administrative offices in the Coliseum is over 30 years old, and replacement parts have become obsolete. Over the last two years, the elevator stopped working on several occasions and needed significant repairs. Most notably, the main computer control board has failed and required either a salvage board or rebuild as no new control boards are available. The situation has become critical as, on one occasion, the control board overheated and started to catch fire. The most recent failure resulted in the elevator being inoperable for over three months. In addition to providing access to the three floors of the administrative offices for staff and guests, the elevator is the only elevator to provide ADA access in the Coliseum. Staff has been advised that parts are no longer available and future repair of computer components may not be possible. Modernization of the elevator will also require upgrades to the currently adopted building code.

- **Scope of Work:**

Replace controls, electrical wiring, power unit, and fixtures

- **Cost of Project:**

The cost of the modernization project is expected to be approximately \$300,000.

2. Cattle Barn West End - North Wall Repair:

- **Issue**

The load-bearing north wall on the west end of the Cattle Barn shows signs of stress and movement, and is leaning outward from the building frame. The wall

must be repaired. The gable is of wood construction and has deteriorated beyond life expectancy and needs replacement. Recent weather events have exacerbated the severity of the condition of the elevated safety concerns with regard to the integrity of the wall. Use of this area has temporarily been suspended to ensure staff and public safety until project completion and the area will not be used during the 2022 Fair.

- **Scope of work**

Repace adobe infill with block wall and reinforce with steel beams. Reframe gable end and replace with metal siding.

- **Cost of Project**

The cost of the wall repair is expected to be approximately \$550,000.

AESF is working with ADOA General Services Division who has identified the contractor for this project and is prepared to begin as soon as approval is received.

3. Pardi Gras - North End Roofing System Repair:

- **Issue**

Extensive water damage has caused the failure of the roofing system, including trussing, underlayment, and roofing materials on the north end of the building. As a result, the damage has occurred to the interior walls and wall plaster. The roof no longer protects the structure and interior from elements, including rain. Recent weather events have exacerbated the severity of the condition of the roofing system and elevated safety concerns. Use of this area has temporarily been suspended to ensure staff and public safety until project completion and will not be used during the 2022 Fair. .

- **Scope of work**

Repair will address mold and potential asbestos issues before construction. Remove and replace the existing roof to include failed truss. Repair interior walls and cover with sheetrock, paint, and recarpet space.

- **Cost of Project**

The cost of the roofing system repair is expected to be approximately \$500,000.

AESF is working with ADOA General Services Division who has identified the contractor for this project and is prepared to begin as soon as approval is received.


AESF Staff is currently working with the Governor's Office staff and the State Grants office to secure grant funding for these necessary projects. However, it is AESF staff's understanding that the next meeting for the Joint Committee on Capital Review may not occur until September 2022. Life safety and structural integrity concerns have created a situation where AESF must

begin working on the above projects immediately. Because of the urgent need for these repairs, AESF is requesting an emergency review of the above projects and a favorable review to expend \$1,350,000 in the following manner:

- \$120,000 FY 2022 Capital Appropriation funds that could be made available by postponing the previously approved North Parking Lot LED Light Project
- \$1 million from the FY 2023 Capital Appropriation
- \$230,000 from General Operating funds

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

Sincerely,


Wanell Costello (Aug 26, 2022 14:31 PDT)

Wanell Costello
Executive Director

Cc: Richard Stavneak, JLBC
Elizabeth Shelby, OSPB
Nate Belcher, JLBC



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlb.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Fiscal Analyst

SUBJECT: Department of Liquor Licenses and Control - Review of Space Reconfiguration

Request

The FY 2023 Capital Outlay Bill appropriated \$3,500,000 to the Department of Liquor Licenses and Control (DLLC) from the Liquor License Fund for space reconfigurations at the department's headquarters located at 800 W Washington St. A.R.S. § 41-1252 requires the department to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR).

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) DLLC proposes to use its \$3.5 million FY 2023 capital appropriation to reconfigure and expand its headquarters at 800 W Washington St.
- 2) The project includes construction of a secure room to meet federal regulatory standards and the expansion of office space to 19,000 square feet to accommodate an expanding staff.

Analysis

DLLC plans to complete an expansion and remodel of about 19,000 square feet of office space on the 5th floor of the 800 W. Washington St. office building. DLLC currently occupies 70% of the 5th floor and will occupy the entire floor after the remodel to accommodate additional staff.

(Continued)

The project also includes expansion of the customer service waiting area and installation of a secure room to comply with Federal Criminal Justice Information Services requirements.

The total construction costs of \$2.7 million which is \$145.78 per square foot. This amount excludes costs for design (\$60,000), furniture, fixtures, and equipment (\$630,000), and moving costs (\$40,000).

ADOA, General Services Division, contracted for design services. ADOA is ready to solicit for construction pending approval of the project.

NB:lm

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-1500

August 30, 2022

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



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

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) General Services Division (GSD), on behalf of the Arizona Department of Liquor Licenses and Control (DLLC), respectfully requests placement on the September 2022 agenda of the Joint Committee on Capital Review (JCCR). Laws 2022, Second Regular Session, Chapter 309 (HB2858) appropriated \$3,500,000 to the DLLC from the Liquor License Fund for space reconfigurations at the department's headquarters located at 800 W Washington St. A.R.S. § 41-1252 requires DLLC to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR).

Department of Liquor - Scope of Work

Estimated Costs: 3,500,000

DLLC will be completing an expansion and remodel of approximately 19,000 square feet of office space on the 5th floor of the 800 W. Washington St (Industrial Commission) office building. Currently, the DLLC occupies 70% of the 5th floor and after the remodel will assume 100% floor space. This will facilitate expansion of the customer service waiting area, as it currently has just three (3) chairs, as well as complying with Federal Criminal Justice Information Services (CJIS) mandatory requirements by having a secure room. In addition,

DLLC will now have the ability to hire additional detectives, licensing, audit and professional support staff based on an increased work volume. The remodel will assist with mission critical functions, recruitment and retention, which has been a challenge; as this space has not been upgraded since the 1970's.

ADOA, GSD has contracted for design services with DFDG Architects, design is complete and ADOA is ready to solicit for construction. Estimated project costs below:

Line Items	Estimated Costs
General Contractor (Construction)	\$2,650,000
A/E Design	\$60,000
Data/IT/Security	\$120,000
Furniture, Fixtures, Equipment (FF&E)	\$580,000
Phased Move Costs	\$40,000
Audio/Visual	\$50,000
Total	\$3,500,000

The purpose of this request is to obtain favorable review of the \$3,500,000 FY 2023 DLLC Capital Outlay Appropriation.

If you have any questions regarding DLLC's FY 2023 Capital Appropriation please contact John Hauptman, Deputy Assistant Director, ADOA General Services Division (GSD), at 602-513-6485.

Sincerely,



Andy Tobin
Director

cc: Rebecca Perrera, Principal Fiscal Analyst, JLBC Staff
Richard Staysnak, Director, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB

The Honorable Regina E. Cobb
The Honorable David M. Gowan
August 30, 2022
Page 2 of 2

Duncan Spilsbury, Budget Analyst, OSPB
Tracy Uffelman, Director, DLLC
Thomas Atteberry, Deputy Director, DLLC
Elizabeth Thorson, Deputy Director, ADOA
Ashley Ruiz, Assistant Director, ADOA/DBF
Jacob Wingate, Chief Financial Officer, ADOA/DBF
Elizabeth Bartholomew, Legislative Liaison, ADOA
John Hauptman, Deputy Assistant Director, ADOA/GSD



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Chandler Coiner, Fiscal Analyst

SUBJECT: Arizona Pioneers' Home - Review of FY 2023 Capital Improvement Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The FY 2023 Capital Outlay Bill appropriated \$396,500 from the Pioneers' Home State Charitable Fund for capital improvements. The Arizona Pioneers' Home is requesting review of these monies for at least 4 capital improvement projects.

Committee Options

The Committee has at least the following 2 options:

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

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

- A. If the Arizona Pioneers' Home proposes to use any monies to address needs not outlined in its August 2021 Facility Assessment Report, the agency shall report to the JLBC Staff the projects and the dollar amounts prior to expenditure.

Analysis

The Arizona Pioneers' Home was built in 1911. The facility consists of 10 structures with a total area of 71,160 square feet. Some building components have reached the end of their useful lives. The Pioneers' Home seeks review of its expenditure plans for maintaining the facility.

(Continued)

Key Points

- 1) The FY 2023 budget appropriated \$396,500 to the Arizona Pioneers' Home for capital improvement projects.
- 2) The Pioneers' Home plans to use the monies for at least 4 capital improvement projects, including:
 - Courtyard Window Replacement
 - Parking Lot Maintenance
 - Dining Hall Ceiling Maintenance
 - Electrical and Plumbing Repairs
- 3) The Pioneers' Home plans to use the remaining monies for capital improvement projects that address needs outlined in its August 2021 Facility Assessment Report.

Window Replacement

In December 2019, the Committee gave a favorable review of the Arizona Pioneers' Home FY 2020 Capital Improvement Projects request, of which \$275,000 was for a first phase of window replacement.

The windows to be replaced are original to the building, and the Pioneers' Home reports some cannot be opened due to deterioration. The Pioneers' Home building has an historic designation, and windows must be replaced without altering the exterior appearance of the building. Additionally, some windows do not have weather stripping or insulation to help regulate room temperatures.

For FY 2023, the Pioneers' Home will begin a second phase of window replacement. This will consist of 18 courtyard windows not included in the first phase. The window replacement is the largest portion of this request.

Other Projects

The Pioneers' Home specifies 3 other capital improvement projects it will pursue: parking lot maintenance consisting of crack slurry sealing; dining hall ceiling maintenance consisting of tile removal, patching, and painting; and minor electrical and plumbing repairs.

The remainder of the funding will be used to address capital needs outlined in the Pioneers' Home August 2021 Facility Assessment Report. The Arizona Department of Administration (ADOA) report estimates the total repair costs of the Home is \$14.9 million. As this amount far exceeds what the Home is requesting review for, not all needs outlined in the report will be met using this funding.

Examples of capital improvement needs in the report include: a security and detection system beyond its service life that should be replaced (\$2,700); exterior garage doors that are failing and should be replaced (\$6,000); and a replacement of the building-wide lighting system (\$6,700).

The Committee may consider a provision requiring the Pioneers' Home to report to the JLBC Staff the projects and the dollar amounts of any proposals that address needs other than those outlined in the Facility Assessment Report prior to expenditure.

CC:lm

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-1500

August 25, 2022

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

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



Dear Representative Cobb and Senator Gowan:

The Arizona Department of Administration (ADOA) General Services Division (GSD), on behalf of the Arizona Pioneers' Home (APH), respectfully requests placement on the September 2022 agenda of the Joint Committee on Capital Review (JCCR). Laws 2022, Second Regular Session, Chapter 309 (HB2858) appropriated \$396,500 from the Pioneers' State Charitable Fund to the Arizona Pioneers' Home in FY 2023 for capital improvement projects. A.R.S. § 41-1252 requires the agency to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR).

Pioneers' Home Capital Improvements

Estimated Costs: \$396,500

The Pioneers' Home maintains 10 structures with a total area of 66,100 square feet. The Home was built in 1911, and many of its building components have exceeded their useful lives. This funding will support a variety of major maintenance projects including but not limited to the following:

- Parking lot crack seal and slurry

The Honorable Regina E. Cobb
The Honorable David M. Gowan
August 25, 2022
Page 2 of 2

- Replace 18 remaining courtyard windows
- Dining Hall ceiling abatement, tile removal, patch & paint
- Minor electrical and plumbing repairs

The purpose of this request is to obtain favorable review of the \$396,500 appropriated in FY2023 for Capital Improvements to the Arizona Pioneers' Home.

If you have any questions regarding APH's FY 2023 Allocation Plan please contact John Hauptman, Deputy Assistant Director, ADOA General Services Division (GSD), at 602-513-6485.

Sincerely,

Andy Tobin
Director

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Principal Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB
Duncan Spilsbury, Budget Analyst, OSPB
Elizabeth Thorson, Deputy Director, ADOA
Ashley Ruiz, Assistant Director, ADOA/DBF
Jacob Wingate, Chief Financial Officer, ADOA/DBF
Elizabeth Bartholomew, Legislative Liaison, ADOA
John Hauptman, Deputy Assistant Director, ADOA/GSD
Jessica Sullivan, Superintendent, APH



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlb.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Senior Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2023 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) is requesting that the Committee review its \$18,607,200 FY 2023 Building Renewal Allocation Plan.

ADOT has allocated \$18,139,400 from the State Highway Fund among 203 projects, leaving a contingency balance of \$100,000 and \$40,000 for project management support. ADOT has also allocated \$467,800 from the State Aviation Fund for 16 projects, with no contingency funding.

Committee Options

The Committee has at least the following 2 options:

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

The Management of State Buildings Budget Reconciliation Bill (Laws 2022, Chapter 319) requires ADOT to report quarterly on the status of all nonhighway construction capital projects, such as building renewal projects, including its actual spending relative to its plan.

(Continued)

Key Points

- 1) ADOT Building Renewal projects span a range of categories including remodeling, safety improvements, compliance, and roofing replacements.
- 2) The \$18.1 million State Highway Fund Building Renewal appropriation equates to 100% of the formula requirement.
- 3) The largest expenditures include \$5.3 million for remodeling, \$4.4 million for building systems (HVAC, electrical, plumbing), and \$3.0 million for infrastructure (sewers, wells, parking lots).

Analysis

The FY 2023 Capital Outlay Bill appropriated a total of \$18.6 million for ADOT building renewal in FY 2023, including \$18.1 million from the State Highway Fund and \$467,800 from the State Aviation Fund. The FY 2023 Building Renewal appropriation represents 100% of the amount generated by the building renewal formula for the ADOT Building System and 100% for the Grand Canyon Airport building renewal formula for FY 2023. 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 203 projects:

Table 1

State Highway Fund Building Renewal Project Categories

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Fire/Life/Safety	11	\$245,000	1%
Roof Repairs/Replacement	11	1,606,000	9%
Exterior Preservation (Doors, Windows, Siding)	34	2,740,100	15%
Building Systems (HVAC, Electrical, Plumbing)	73	4,445,300	24%
Interior Finishes (Paint, Carpet, Tile)	22	512,000	2%
Remodels and Reconfigurations	18	5,291,000	29%
Americans with Disabilities Act	5	140,000	1%
Infrastructure (Sewers, Wells, Parking Lots)	29	3,020,000	17%
Project Management Support	N/A	40,000	1%
Contingency	N/A	100,000	1%
Total	203	\$18,139,400	100%

Of the 203 State Highway Fund projects, the 17 building projects shown in *Table 2* have a cost of \$200,000 or more.

(Continued)

Table 2

Major State Highway Fund Building Renewal Projects	
<u>Project</u>	<u>Allocation</u>
Roof Repairs/Replacements	
Administration Building 1005B – Repair/Replace Roof	\$750,000
Kayenta Deicer Materials Storage Building 3858 - Repair Roof Assembly	400,000
Exterior Preservation (Doors, Windows, Siding)	
Administration Building 1005B - Structural Repairs of 2 nd and 3 rd Floor Decks	936,000
Engineering Building 1004 - Replace Exterior Windows on 3rd Floor	526,000
Little Antelope Equipment Storage Building 3140 - Reskin Exterior	250,000
Holbrook Vehicle Wash Facility Building 3258 - Renovate Facility	200,000
Building Systems (HVAC, Electrical, Plumbing)	
Administration Building 1005B - Replace HVAC Systems	550,000
Phoenix Equipment Services Building 1754 - Replace 3 HVAC Air Handler Units	350,000
Little Antelope Vehicle Wash Building 3140 - Replace Vehicle Wash System	300,000
Phoenix Equipment Services Building 1755 - Replace Sewer & Waterlines	280,000
Prescott MVD Office Building 3066 - Replace 11 HVAC Units	231,000
Engineering Building 1004 – Renovate/Abate HVAC Ducting Systems on 3rd Floor	200,000
Remodeling and Reconfigurations	
Engineering Building 1004 - Renovate 3rd Floor Offices & Restrooms - Phase 1	2,616,000
Holbrook MVD Office 1001B - Relocate Modular from Phoenix & Renovate	520,000
Sunset Point Rest Area Restroom Building 3751 - Renovation	425,000
Roosevelt Office Building 1001A - Relocate modular from Phoenix & Renovate	350,000
Sunset Point Rest Area Residence Building 3082 - Renovation	235,000
Total	\$9,119,000

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund for 16 projects at the state-owned Grand Canyon Airport in the following categories:

Table 3

State Aviation Fund Building Renewal Projects			
<u>Category</u>	<u>Projects</u>	<u>State Aviation Fund</u>	<u>% of Total</u>
Fire/Life Safety	2	\$15,000	3%
Roof/Repairs Replacement	1	10,000	2%
Exterior Preservation (Doors, Windows, Siding)	2	20,000	4%
Building Systems (HVAC, Electrical, Plumbing)	4	80,000	18%
Interior Finishes (Paint, Carpet, Tile)	2	20,000	4%
Reconfigure or Remodel	1	275,800	59%
Americans with Disabilities Act	1	10,000	2%
Infrastructure	3	37,000	8%
Total	16	\$467,800	100%

The attached materials submitted by ADOT list each project and its estimated cost.

JJ:lm

Our True North: *Safely Home*Douglas A. Ducey, Governor
John S. Halikowski, Director

August 31, 2022

The Honorable Regina E. Cobb
Chairman, Joint Committee on Capital Review
1716 West Adams
Phoenix, AZ 85007

Dear Representative Cobb:

Pursuant to Laws 2022, 2nd Regular Session, Chapter 309 (HB 2858), Section 2 the Arizona Department of Transportation (ADOT) received a FY 2023 Building Renewal appropriation of \$18,139,400 from the State Highway Fund and \$467,800 from the State Aviation Fund. A.R.S. § 41-1252 requires JCCR review of expenditure plans for building renewal monies prior to expenditure. ADOT respectfully requests placement on the next meeting of the JCCR for review of its FY 2023 Building Renewal Allocation.


The following summary outlines ADOT's FY 2023 Building Renewal by major category:

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE/LIFE/SAFETY	\$ 245,000	\$ 15,000
CATEGORY 2 - ROOFS	\$ 1,606,000	\$ 10,000
CATEGORY 3 - PRESERVATION OF ASSET	\$ 2,740,100	\$ 20,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$ 4,445,300	\$ 80,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$ 512,000	\$ 20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$ 5,291,000	\$ 275,800
CATEGORY 7 - ADA COMPLIANCE	\$ 140,000	\$ 10,000
CATEGORY 8 - INFRASTRUCTURE	\$ 3,020,000	\$ 37,000
PROJECT MANAGEMENT SUPPORT	\$ 40,000	-
CONTINGENCY	\$ 100,000	-
Total FY 2023 Building Renewal	\$ 18,139,400	\$ 467,800

Attached is a listing of FY 2023 Building Renewal projects by major category and fund.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact Jacob Gable, ADOT Budget Manager, at (602) 712-6594.

Sincerely,

DocuSigned by:

7581455680370116
John S. Halikowski
ADOT Director

Enclosure

Cc: The Honorable David M. Gowan, Vice-Chairman, JCCR
Matthew Gress, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, JLBC Director
Zachary Harris, OSPB Budget Manager
Jordan Johnston, JLBC Analyst
Sonya Herrera, ADOT Administrative Services Director
jlbwebmaster@azleg.gov

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
CATEGORY 1 - FIRE/LIFE SAFETY	
Phoenix Survey Office Bldg 1131 - Replace fire alarm panel communicator	2,000
Nogales POE Bldg 2663 - Replace fire alarm panel & devices	25,000
NW Phoenix MVD Bldg 1431 - Replace fire alarm panel & devices	36,000
AZ Highways Magazine Bldg 1101 - Replace fire alarm panel communicator	2,000
Nogales MVD Bldg 2167 - Replace fire alarm panel & devices	35,000
48th Str Landscape Maintenance Bldg 1501 - Replace fire alarm panel & devices	30,000
48th Str Construction Bldg 1502 - Replace fire alarm panel & devices	45,000
ADOT Statewide - Asbestos abatement & repair	20,000
ADOT Statewide - Lead paint abatement & repair	10,000
ADOT Statewide - Mold abatement & repair	10,000
ADOT Statewide - Repair fire alarm & suppression systems	30,000
TOTAL CATEGORY 1 - FIRE/LIFE SAFETY	\$ 245,000
CATEGORY 2 - ROOFS	
Kayenta Deicer Materials Storage Bldg 3858 - Repair roof assembly	400,000
Traffic Operations Center Bldg 1711 - Reseal roof	65,000
Tucson Facilities Office Bldg 2188 - Repair, recoat roof	29,000
Kingman MVD Office Bldg 3051 - Replace roof	90,000
Camp Verde Maintenance Storage Bldg 3102 - Repair roof	9,000
Administration Annex Bldg 1005B - Repair/replace roof	750,000
Globe Equipment Services Shop Bldg 2082 - Recoat foam roof	78,000
Tucson Equipment Services Shop Bldg 2186 - Recoat foam roof	100,000
Tucson Equipment Services Shop Bldg 2186 - Relocate roof access ladder	45,000
Camp Verde Maintenance Storage Bldg 3632 - Replace shingled roof	10,000
ADOT Statewide - Repair roofs	30,000
TOTAL CATEGORY 2 - ROOFS	\$ 1,606,000
CATEGORY 3 - PRESERVATION OF ASSET	
Ajo Maintenance Storage/Sign Shed Bldg 2366 - Evaluate for structure repairs	10,000
Engineering Bldg 1004 - Replace exterior windows on third floor	526,000
Holbrook Vehicle Wash Facility Bldg 3258 - Renovate facility (replace roll up door, light fixt, weld & paint)	200,000
Prescott Valley Spreaderracks Bldg 3265 - Repaint exterior	40,000
Traffic Operations Admin Bldg 1741 - Paint building exterior	12,000
Old Valley West Construction Office Bldg 1631 - Repair exterior wall and repaint	50,000
SE Mesa MVD Bldg 1331 - Repaint exterior	35,000
Kingman MVD Office Bldg 3051 - Paint exterior metal trim and exterior doors	6,000
St George POE Bldg 3194 - Paint exterior building trim & handrails	15,000
Little Antelope Spreaderrack Bldg 3145 - Repaint	35,000
Camp Verde Maintenance Storage Bldg 3102 - Repaint ext trim/fascia	9,000
Little Antelope Storage Bldg 3142 - Replace exterior paneling	100,000
Little Antelope Ramada Bldg 3452 - Repaint & replace light fixtures	7,000
Little Antelope Pump House Bldg 3141 - Repaint exterior wood surfaces & repair soffits	10,000
Little Antelope Well House Bldg 3442 - Repaint exterior wood surfaces	10,000
Kayenta Spreaderrack Bldg 3406 - Repaint	22,000
Cordes Junction Spreaderracks Bldg 3676 - Repaint exterior	25,000
Mule Mountain Deicer Materials Storage Bldg 2117 - Repair structural concrete floor	60,000
1801 W Jefferson Bldg 1006 - Repair/replace north concrete & stucco	60,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
Little Antelope Maintenance Yard Maintenance Office Bldg 3143 - Replace skirting	6,000
Little Antelope Equip Storage Bldg 3140 - Reskin exterior	250,000
Administration Annex Bldg 1005B - Structural repairs of 2nd & 3rd floor decks	936,000
Scottsdale MVD Bldg 1211 - Repaint exterior	35,000
Camp Verde Facilities Office Bldg 3633 - Repaint exterior trim	3,000
Payson Spreaderrack Bldg 3643 - Repaint	22,000
Camp Verde Maintenance Storage Bldg 3104 - Repaint ext trim/fascia	15,000
Camp Verde Maintenance Storage Bldg 3632 - Repaint ext trim/fascia	15,000
North Phoenix Office Bldg 1202 - Repair exterior wall and repaint	65,000
OIG Office Bldg 1202 - Repair exterior and repaint	50,000
Phoenix Landscape Maintenance Bldg 1012 - Repaint exterior of bldg	12,000
Gila Bend Maintenance Crew Bldg 2056 - Install exterior curb wall	15,000
Phoenix Equipment Services Site 050 - Repair roll-up doors	40,000
ADOT Statewide - Repair doors, windows & other exterior features and surfaces	24,100
ADOT Statewide - Repaint/repair exterior surfaces	20,000
TOTAL CATEGORY 3 - PRESERVATION OF ASSET	\$ 2,740,100

CATEGORY 4 - MAJOR BUILDING SYSTEMS

Safford Equipment Services Shop Bldg 2702 - Repair gas space heater & repair ducting	45,000
Engineering Bldg 1004 - Repair HVAC control system	30,000
Facilities Management Bldg 1002 - Install backflow device in mech room	3,000
Yuma Lab Bldg 2028 - Replace 3 each 10 ton heat pump units	90,000
Yuma Construction Office Bldg 2033 - Replace heat pump units	100,000
Casa Grande Equipment Services Shop 2069 - Install exhaust system for vehicle emissions	40,000
Coolidge MVD Bldg 2071 - Repair HVAC ducting	30,000
Engineering Bldg 1004 - Renovate and abate HVAC ducting systems on third floor	200,000
Phoenix Equipment Services Bldg 1756 - Renovate cooling tower	180,000
Phoenix Equipment Services Bldg 1756 - Install backflow device in mech room	3,000
Prescott MVD Office Bldg 3066 - Replace 11 each HVAC units	231,000
Wickieup Pumphouse Bldg 3023 - Replace hydro tank, plumbing & controls	30,000
Cordes Junction Pumphouse Bldg 3094 - Replace hydro tank, plumbing & controls	50,000
Needle Mountain Water Storage Tanks Bldg 3743 & 3744 - Inspect tanks for repairs	8,000
Globe Maintenance Vehicle Wash Facility Bldg 2684 - Replace pressure washer machine	8,000
Safford Maintenance Vehicle Wash Facility Bldg 2694 - Replace pressure washer machine	8,000
Willcox Maintenance Vehicle Wash Facility Bldg 2695 - Replace pressure washer machine	8,000
Quartzsite Maintenance Vehicle Wash Facility Bldg 2640 - Replace pressure washer machine	8,000
Gila Bend Maintenance Vehicle Wash Facility Bldg 2696 - Replace pressure washer machine	8,000
Mohawk Rest Area Bldg 2692 - Electrical repairs	8,500
Central Materials Lab Bldg 1121 - Install back flow device in mech room	3,000
1801 W Jefferson Bldg 1006 - Repair elevator controls	40,000
1801 W Jefferson Bldg 1006 - Install backflow device in mech room	3,000
NW Phoenix MVD Bldg 1431 - Repair HVAC control system	17,800
Avondale MVD Bldg 1602 - Repair HVAC control system	67,000
Phoenix Equipment Services Bldg 1755 - Replace sewer & waterlines	280,000
Phoenix Equipment Services Bldg 1755 - Renovate air washer room equipment	80,000
Phoenix District Landscape Maint Restroom Bldg 1779 - Install backflow device	7,000
Payson Lab Bldg 3166 - Replace 3 heat pump units	54,000
Kingman MVD Office Bldg 3051 - Replace 3 each HVAC units	63,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
Page Maint Pump House Bldg 3600 - Electrical repairs	15,000
Little Antelope Water Storage Tank Bldg 3506 - Inspection tank	4,000
Little Antelope Spreaderrack Bldg 3145 - Replace light fixtures	5,000
Gray Mountain Residences Bldgs 3198-3202 - Replace 5 HVAC units	105,000
Painted Cliffs Rest Area Pumphouse Bldg 3359 - Install RO system and electrical repairs	60,000
Meteor Crater Rest Area Bldg 3830 - Install a SCADA water control system	75,000
Sunset Point Rest Area Pumphouse Bldg 3084 - Repair water system pumping equipment; includes electrical	75,000
Traffic Operations Warehouse Bldg 1743 - Reline/replace sewer lines	150,000
Administration Annex Bldg 1005B - Replace HVAC system	550,000
Mesa Recker Rd Bldg 1364 - Replace evaporative coolers	10,000
Kingman Equipment Services Shop Bldg 3031 - Repair vehicle exhaust system at south end	60,000
Little Antelope Vehicle Wash Facility Bldg 3140 - Replace vehicle wash system	300,000
Little Antelope Equip Storage Bldg 3140 - Replace 3 space heaters	18,000
Holbrook Maintenance Crew Room Bldg 3259 - Replace evap cooler with refrigerated a/c unit	25,000
Many Farms Equipment Storage Bldg 3354 - Repair 2 ea 150,000 btu suspended furnace	15,000
Tucson Lab Bldg 2158 - Repair ventilation system	60,000
Safford Construction Office Bldg 2139 - Replace 4 each HVAC units	100,000
Globe Equipment Services Shop Bldg 2082 - Replace HID light fixtures with LEDs	20,000
Globe Equipment Services Shop Bldg 2082 - Replace unserviceable evap coolers	120,000
Traffic Operations Sign Shop Bldg 1742 - Repair air compressor	8,000
Administration Bldg 1005A - Install backflow device in mech room	3,000
Administration Bldg 1005A - Replace SES equipment in west mechanical room	100,000
Phoenix Equipment Services Bldg 1754 - Replace 3 HVAC air handler units	350,000
Phoenix Equipment Services Bldg 1754 - Replace breakroom/data room HVAC unit	35,000
North Phoenix Maintenance Yard Bldg 1242 - Replace 4 evaporative coolers	40,000
ADOT Statewide - Repair HVAC systems	20,000
ADOT Statewide - Repair HVAC systems in MVD buildings	20,000
ADOT Statewide - Repair HVAC systems in IDO buildings	20,000
ADOT Statewide - Repair HVAC systems in TSMO buildings	20,000
ADOT Statewide - Repair HVAC systems in ESB buildings	20,000
ADOT Statewide - Repair HVAC systems in EQS buildings	20,000
ADOT Statewide - Repair HVAC systems in ASD buildings	20,000
ADOT Statewide - Repair plumbing systems	20,000
ADOT Statewide - Repair electrical systems	20,000
ADOT Statewide - Repair elevator systems	10,000
ADOT Statewide - Retrofit unserviceable light fixtures	10,000
Flagstaff Lab Bldg 3884 - Design to install dust collection system	35,000
Chinle MVD Office Bldg 3623 - Replace 4 each HVAC units	84,000
Tec Nos Pos Office/Equipment Storage Bldg 3372 - Install 2 ton mini split heat pump for office section	30,000
Tec Nos Pos Office/Equipment Storage Bldg 3372 - Replace 2 failing 200,000 btu suspended heaters	10,000
Tec Nos Pos Residence Bldg 3366 - Replace HVAC unit	20,000
Kayenta Residence Bldg 3873 - Replace 3 ton gas pack HVAC unit	20,000
Many Farms Sign & Striping Bldg 3356 - Replace HVAC unit	40,000
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$ 4,445,300

CATEGORY 5 - INTERIOR BUILDING FINISHES

Safford Equipment Services Shop Bldg 2702 - Seal floor expansion joints	20,000
Sierra Vista MVD Bldg 2114 - Repair deteriorating counters	8,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
Parker MVD Bldg 2614 - Replace flooring	20,000
Coolidge MVD Bldg 2071 - Repaint interior	14,000
Safford MVD Bldg 2133 - Repair delaminating CSR workstation	10,000
San Luis POE Bldg 2652 - Replace flooring	20,000
San Luis POE Bldg 2652 - Repaint interior	20,000
Mesa Equipment Services Bldg 1341 - Replace light fixtures with LED & install bird netting	55,000
St George POE Bldg 3194 - Replace CSR countertops	20,000
Prescott Valley Maintenance Office Bldg 3068 - Replace flooring	54,000
Kingman POE Bldg 3030 - Replace flooring	17,000
Camp Verde Construction Office Bldg 3103 - Repaint & repaint exterior surfaces	30,000
Camp Verde Construction Office Bldg 3103 - Repaint interior walls & ceiling; replace flooring	40,000
Little Antelope Storage Bldg 3140 - Repaint vehicle wash rack	15,000
Little Antelope Crew Room Bldg 3140 - Repaint walls & ceilings; replace flooring & lights	50,000
San Simon POE Bldg 2108 - Replace flooring in scale house area	4,000
Payson Equip. Stg. Bldg 3135 - Repaint walls/ceilings and resurface flooring in crew room; replace light fixtures	20,000
Black Canyon Construction Office Bldg 1400 - Replace flooring	30,000
48th Str Construction Office Bldg 1501 - Replace flooring	30,000
ADOT Statewide - Repair/replace casework	5,000
ADOT Statewide - Repair/replace flooring	10,000
ADOT Statewide - Repaint/repair interior surfaces	20,000
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	\$ 512,000
CATEGORY 6 - RECONFIGURE OR REMODEL	
Globe Office Bldg 2077 - Renovate portion of interior space	80,000
Coolidge Maintenance Office Bldg 2072 - Renovate office to include move interior wall for sprv	130,000
Traffic Operations Center Bldg 1711 - Renovate basement floor	100,000
Engineering Bldg 1004 - Renovate third floor offices & restrooms - Phase 1	2,616,000
Roosevelt Maintenance Office Bldg 1001A - Relocate modular from Phoenix & renovate	350,000
Sunset Point Rest Area Restroom Bldg 3751 - Renovation	425,000
Sunset Point Rest Area Residence Bldg 3082 - Renovation	235,000
Roosevelt Equipment Shed/Office Bldg 2087 - Convert office space to storage	30,000
Traffic Operations Warehouse Bldg 1743 - Perform feasibility study for renovation	80,000
Williams Crew Room Bldg 3114 - Convert crew room into storage space	15,000
Douglas Equipment Services Bldg 2123 - Renovate restrooms	60,000
Administration Bldg 1005A - Renovate entry/security area	100,000
E Flagstaff Maintenance Bldg 3174 - Renovate space for snow plow simulator & relocated employee	150,000
OIG Office Bldg 1202 - Renovate interior including restrooms	175,000
Sentinel Rest Area Site 217 - Renovate two dumpster enclosures	100,000
ADOT Statewide - Perform general repairs	40,000
Sunset Point Rest Area Ramadas Site 458 - Renovation (paint & replace light fixtures)	85,000
Holbrook MVD Office Modular Bldg 1001B - Relocate modular from Phoenix & renovate	520,000
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	\$ 5,291,000
CATEGORY 7 - ADA COMPLIANCE	
Roosevelt Maintenance Office Bldg 1001B - Provide ADA accessible ramp, sidewalk & parking	50,000
NW Phoenix MVD Bldg 1431 - Replace entry doors (ADA)	38,000
Phoenix Landscape Maintenance Bldg 1012 - Install ADA door & frame	11,000
Chandler MVD Bldg 1921 - Replace entry doors (ADA)	36,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
ADOT Statewide - ADA compliance repairs/renovations	5,000
TOTAL CATEGORY 7 - ADA COMPLIANCE	\$ 140,000
CATEGORY 8 - INFRASTRUCTURE	
Prescott Valley Maintenance Bldg 3681 - Remediate leaking asphalt storage tank	25,000
Roosevelt Maintenance Yard Site 232 - Repair parking area	150,000
Roosevelt Maintenance Yard Site 232 - Replace damaged perimeter fence & gate	100,000
Roosevelt Maintenance Yard Site 232 - Repair security lighting	30,000
Tucson Grant Road Yard Site 293 - Repair gas monitoring probes and testing	45,000
Parker Maintenance Yard Site 296 - Relocate electrical power entry disconnect switch	25,000
Casa Grande MVD Site 224 - Repair/restripe parking pavement & paint fire lane curbing	450,000
Tucson CDL Site 276 - Perform pavement repair	50,000
San Simon POE Site 246 - Replace 600 ln ft of 4 inch sewer line	80,000
Sentinel Rest Area Site 217 - Replace light fixtures on 6 each high mast light towers	325,000
Texas Canyon Rest Area Site 241 - Replace 500 ln ft of 4 inch sewer line & raise manhole	100,000
Texas Canyon Rest Area Site 241 - Replace 1,500 ln ft of 3 inch water line	275,000
Tucson I10/I19 Yard Site 297 - Connect site buildings to sanitary sewer system	97,000
Administration Bldg Site 005 - Repair parking lot pavement	303,000
NW Phoenix MVD Site 032 - Repave parking lot	190,000
NW Phoenix MVD Site 032 - Replace main waterline	100,000
MVD Forms Warehouse Site 015 - Install backflow device	10,000
ESB Impound Lot Site 050 - Repair fencing, gate opener & lighting	100,000
OIG Office Site 017 - Repair fencing & parking lot	100,000
Valley West Construction Yard Site 030 - Repair 2 light poles and fixtures	14,000
Georgia Construction Yard Site 029 - Install 2 backflow devices	14,000
ADOT Statewide - Repair parking lot pavements/curbing/stripping	20,000
ADOT Statewide - Repair fencing, gates & barrier walls	40,000
ADOT Statewide - Repair site wells, gas, water and wastewater system deficiencies	100,000
Show Low MVD Site 451 - Repave motorcycle test track	100,000
Sanders POE Site # 449 - Parking lot repairs	50,000
Prescott Valley Maintenance Yard Site 445 - Install emergency exit gate behind bldg 3073	12,000
McGuireville Rest Area Site 436 - Paint exterior surfaces of hand rails, sign frames & other items	55,000
McGuireville Rest Area Site 436 - Furnish electrical power for pond aerators	60,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	\$ 3,020,000
TOTAL OF ALL SHF PROJECTS REQUESTED	17,999,400
PROJECT MANAGEMENT SUPPORT	40,000
CONTINGENCY	100,000
TOTAL AUTHORIZED SHF FUNDS	\$ 18,139,400

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
---------------------	----------------

STATE HIGHWAY FUND (SHF)

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE/LIFE/SAFETY	245,000
CATEGORY 2 - ROOFS	1,606,000
CATEGORY 3 - PRESERVATION OF ASSET	2,740,100
CATEGORY 4 - MAJOR BUILDING SYSTEMS	4,445,300
CATEGORY 5 - INTERIOR BUILDING FINISHES	512,000
CATEGORY 6 - RECONFIGURE OR REMODEL	5,291,000
CATEGORY 7 - ADA COMPLIANCE	140,000
CATEGORY 8 - INFRASTRUCTURE	3,020,000
PROJECT MANAGEMENT SUPPORT	40,000
CONTINGENCY	100,000
TOTAL AUTHORIZED SHF FUNDS	\$ 18,139,400

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE AVIATION FUND	
CATEGORY 1 - FIRE AND LIFE SAFETY	
Grand Canyon Airport Site 463 - Repair fire alarm & sprinkler systems	10,000
Grand Canyon Airport Site 463 - Abate asbestos, lead paint & environmental hazards	5,000
TOTAL CATEGORY 1 - FIRE/LIFE SAFETY	\$ 15,000
CATEGORY 2 - ROOFS	
Grand Canyon Airport Site 463 - Repair roofs	10,000
TOTAL CATEGORY 2 - ROOFS	\$ 10,000
CATEGORY 3 - PRESERVATION OF ASSET	
Grand Canyon Airport Site 463 - Repaint/repair exterior surfaces & doors	10,000
Grand Canyon Airport Site 463 - Replace/repair windows	10,000
TOTAL CATEGORY 3 - PRESERVATION OF ASSET	\$ 20,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	
Grand Canyon Airport Site 463 - Repair electrical systems	15,000
Grand Canyon Airport Site 463 - Repair/replace HVAC systems	50,000
Grand Canyon Airport Site 463 - Repair plumbing	10,000
Grand Canyon Airport Site 463 - Repair elevator	5,000
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$ 80,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	
Grand Canyon Airport Site 463 - Replace/repair flooring	10,000
Grand Canyon Airport Site 463 - Repaint/repair interior	10,000
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	\$ 20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	
Grand Canyon Airport Site 463 - General repairs	275,800
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	\$ 275,800
CATEGORY 7 - ADA COMPLIANCE	
Grand Canyon Airport Site 463 - Repair ADA	10,000
TOTAL CATEGORY 7 - ADA COMPLIANCE	\$ 10,000
CATEGORY 8 - INFRASTRUCTURE	
Grand Canyon Airport Site 463 - Repair/replace water & waste water systems	10,000
Grand Canyon Airport Site 463 - Repair/replace pavement/sidewalks/signage	10,000
Grand Canyon Airport Site 463 - Repair/replace fence, gates & barrier walls	17,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	\$ 37,000
TOTAL OF ALL STATE AVIATION FUND PROJECTS REQUESTED	467,800
PROJECT MANAGEMENT SUPPORT	0
CONTINGENCY	0
TOTAL AUTHORIZED STATE AVIATION FUNDS	\$ 467,800

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2023 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE AND LIFE SAFETY	15,000
CATEGORY 2 - ROOFS	10,000
CATEGORY 3 - PRESERVATION OF ASSET	20,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	80,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	275,800
CATEGORY 7 - ADA COMPLIANCE	10,000
CATEGORY 8 - INFRASTRUCTURE	37,000
TOTAL AUTHORIZED STATE AVIATION FUNDS	\$ 467,800



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azleg.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANAGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Cameron Mortensen, Fiscal Analyst

SUBJECT: Northern Arizona University - Review of Capital Projects

Request

A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). In addition, an FY 2023 General Appropriation Act footnote requires Committee review of any capital projects funded by the FY 2023 One-Time Funding appropriation. Northern Arizona University (NAU) requests committee review of \$17,345,600 for capital improvement projects, of which \$4,845,600 will be funded via CIF cash and \$12,500,000 will be funded from their FY 2023 One-Time Funding appropriation.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the capital projects.
2. An unfavorable review of the capital projects.

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

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.

(Continued)

- B. On or before October 15 of each year until completion of the projects, NAU shall report to the JLBC Staff on the status and expenditures of the multiple capital projects. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the projects.

Key Points

- 1) NAU plans to complete capital projects which would be paid for with \$4.8 million from the university's FY 2023 CIF appropriation and \$12.5 million from the FY 2023 One-Time Funding appropriation.
- 2) The projects consist of:
 - \$4.8 million to repair cooling and heating systems (Biological Sciences)
 - \$5.5 million to academic building improvements to support nursing expansion (multiple locations)
 - \$6 million to replace roofing (Skydome)
 - \$1 million to replace windows and roofing (Health Professions)

Analysis

NAU is proposing 4 capital projects including 2 renovations and expansions:

- NAU will spend \$4.8 million in renovation of the Biological Sciences building's heating and cooling systems. Current air handling units in the main mechanical room are in poor condition and decommissioned. Other mechanical assets such as condensing units, the building automation system, and 158 wall mounted unit ventilators are nearing the end of their useful life. Due to failing and decommissioned equipment, over 50 window-mounted AC units are currently in use throughout the building. A design review of the HVAC system will be conducted to determine repair strategy and execution. NAU estimates project cost from the Facility Condition Assessment and from historical costs of similar projects. NAU will receive a contractor estimate after a design is solidified. Completion of the Biological Sciences building renovation is slated for summer 2023.
- NAU intends to expand nursing programs at the Flagstaff Mountain Campus, North Valley Campus in the Phoenix Metro Area, and throughout the state at a cost of \$5.5 million. The Flagstaff campus will increase from 1 simulation lab to 4. Along with the new simulation labs, they will add support space and an advanced practice lab. The NAU North Valley campus, where there are currently no simulation labs, will now house 3. Included with the expansion at the North Campus will be a practice lab and other supporting spaces. Practice labs are where students gain and practice important nursing skills such as inserting IVs and checking vital signs. Simulation labs on the other hand portray a high-tech, life-like, healthcare environment. Human simulator manikins are used as proxy patients and can be programmed to exhibit various symptoms and conditions.

NAU also intends to complete 2 infrastructure deferred maintenance projects:

- The first is a full replacement of the Skydome roof, projected to cost \$6 million. The Skydome, originally completed in 1977, is the home of many NAU athletics and community and regional high school events. The Skydome roof was first identified for replacement in 2013 as part of a comprehensive campus roofing assessment. Since 2013, the roof has been patched and repaired as needed to maintain functionality.

(Continued)

- The second deferred maintenance project, costing \$1 million, will be windows and roofing replacement for the Health Professions building. The need and cost for this project was identified through the most recent facility condition assessment.

Financing

NAU plans to pay cash for the projects using all of its FY 2023 CIF appropriation and a portion of its FY 2023 One-Time Funding appropriation.

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 to FY 2043 for new university research facilities, building renewal, or other capital construction projects. The law appropriates \$27.0 million to the universities in FY 2019 and increases the appropriation each year thereafter by 2.0% or the rate of inflation, whichever is less. The FY 2023 appropriations are allocated to each university as follows:

- ASU: \$12,784,200
- NAU: \$4,845,600
- UA: \$11,309,700
- **Total: \$28,939,500**

The universities may use these monies for debt service on infrastructure long-term financing and for cash construction costs. New debt issued under this program may not exceed \$1.0 billion.

Under the law, each university's General Fund appropriation is deposited into a newly-created Capital Infrastructure Fund (CIF). Each university must match any General Fund contributions to its fund that are used for debt service payments at a 1:1 rate. In this instance, there is no match requirement as NAU is not using its appropriation to issue debt.

Use of CIF monies for debt services are subject to committee approval, while cash CIF projects are subject to review rather than approval.

CM:kp

Northern Arizona University
Office of the Senior Vice President
Of Business Operations
PO Box 4132, Flagstaff, AZ 86011
Tel 928-523-4240 Fax 928-523-0332
www.nau.edu



August 1st, 2022

The Honorable Regina Cobb, Chair
Joint Committee on Capital Review
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Dear Representative Cobb:

Pursuant to Arizona Revised Statute §15-1671 Northern Arizona University submits this letter on the proposed use of University Capital Infrastructure monies and proposed uses of one time for Fiscal Year 2023 in accordance with Chapter 313, Law 2022.

NAU is appreciative of the state's investment in Arizona's public universities' infrastructure through the ongoing allocation of the Capital Infrastructure Funds (CIF) funds. In previous years, NAU has used CIF funds to address several deferred maintenance projects spanning four buildings on the Flagstaff Campus in the North Science Corridor. Those projects were favorably reviewed by the Joint Committee on Capital Review (JCCR) with the most recent project reviewed in November 2021. NAU now requests favorable review to use the Fiscal Year 2023 allocation of \$4.8M to fund renovations in the Biological Sciences Building to address deferred maintenance issues as outlined in the attached materials.

As submitted to JLBC, the attached materials include the planned uses of one-time Fiscal Year 2023 funding for capital projects. This includes renovation of nursing simulation space to support NAU's further support and advancement of health professions in Arizona and deferred maintenance projects for the Health Professions Building and the Skydome on the Flagstaff campus. NAU requests favorable review to allocate \$12.5M in one-time funds for capital projects.

Thank you for your consideration. If you have any questions, please feel free to contact me at (928) 523-4240 or bjorn.flugstad@nau.edu.

Sincerely,

A handwritten signature in black ink that reads "Bjorn Flugstad".

Bjorn Flugstad

Senior Vice President, Chief Financial Officer

Attachment

cc: Richard Stavneak, Director, JLBC
Lydia Chew, JLBC Fiscal Analyst
Zach Harris, OSPB, Budget Manager
John Arnold, ABOR, Executive Director
Lorenzo Martinez, ABOR, Vice President for Finance & Administration
Jose Luis Cruz Rivera, NAU, President
Christy Farley, NAU, Senior Vice President of External Affairs & Partnerships

NAU NORTHERN ARIZONA UNIVERSITY

Biological Sciences Renovation – FY23 State Capital Infrastructure Funds

Project Scope

This deferred maintenance project will include a focus on mechanical and safety upgrades. The building recently received new fire sprinklers and fire alarms, and the focus on safety will continue with updates to egress and elevators. A design review of the HVAC system will be conducted to determine how best to repair the dysfunctional cooling system and the heating system that is energy inefficient and past its useful life.

Project Justification

The Biological Sciences building's recent Facility Condition Assessment indicated that the air handling units in the main mechanical room are in poor condition and are currently decommissioned. These units provide outside air and recirculation to portions of the building. Further, there are multiple mechanical assets that have failed, or are nearing failure and are in poor condition, including condensing units, the building automation system, and heat exchangers. Further, the system is designed with 158 wall mounted and recessed unit ventilators that are nearing the end of useful life. Due to the lack of adequate cooling in the space, the building has over 50 window-mounted AC units that draw a lot of energy while ineffectively cooling the space. Critical research is conducted in this space that is at risk by the extreme temperature swings in this building.

Estimated Project Cost:

\$4.8M

Basis of Cost Estimate:

The estimated project cost is derived in part from NAU's recent Facility Condition Assessment on estimates for replacing the existing assets. Additional costs are derived from NAU's historical costs as it relates to design and construction of similar spaces. The contractor's estimate will be received by for firm pricing after a design is solidified.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

This renovation is built to NAU's Design Guidelines and Technical Standards which prescribes longevity and durability of systems. A low cost design approach in areas that cannot be "seen" undermines the philosophy of building at NAU, and in the end, is usually much more costly in maintenance and in remedial corrective action.

Project Delivery

This project will utilize a JOC delivery method as the construction cost will be under the \$4M JOC threshold. A design professional will be selected using the Annual Request for Qualifications process.

Renovation vs. new construction:

This project is a partial renovation of the building. The renovation of this space is a cost-effective solution to maintain the square footage on campus as opposed to building a new building of similar square footage and will reduce the deferred maintenance costs on campus.

Timeline

Construction will be in phases to minimize disruption to building occupants as the heating and cooling systems will be offline during periods of active construction. Completion date is Summer 2023.

Northern Arizona University
Office of the Senior Vice President of
Business Operations
PO Box 4132, Flagstaff, AZ 86011
Tel 928-523-4240 Fax 928-523-0332
www.nau.edu



August 1, 2022



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

Dear Mr. Stavneak,

Pursuant to Laws 2022, Chapter 313, Section 117, Northern Arizona University submits the attached outline of planned uses of the FY23 one-time general fund appropriation of \$26 million.

If you have any questions, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Bjorn Flugstad".

Bjorn Flugstad

Senior Vice President, Chief Financial Officer

Attachment

cc: Lydia Chew, JLBC Fiscal Analyst
Zach Harris, OSPB, Budget Manager
John Arnold, ABOR, Executive Director
Lorenzo Martinez, ABOR, Vice President for Finance & Administration
Jose Luis Cruz Rivera, NAU, President
Christy Farley, NAU, Senior Vice President of External Affairs & Partnerships



Northern Arizona University is appreciative of the state's investment in the state's public universities for fiscal year 2023 including a \$26 million one-time appropriation for NAU. NAU remains committed to managing the university's costs to fit within our operational and financial strategy of maintaining a balanced budget in support of the state's overall educational attainment goals and NAU's focus on educational access for Arizonans. We look forward to ongoing discussions to building one-time funding into recurring base funding to support these important goals.

NAU plans to utilize the state's one-time investment for FY23 to address both operations and critical infrastructure needs.

Yuma Expansion Investment: \$5.0 million total

The \$5 million investment in Yuma focused on enhancing student outreach, recruitment, retention support, programmatic expansion and physical and technological infrastructure improvement.

- Classroom technology and space enhancements: \$.6 million
- Student Support Services to support student retention: \$.7 million
- Community Engagement and student recruitment: \$.75 million
- Nursing Simulation Lab equipment: \$.25 million
- Engineering Lab equipment: \$.8 million
- Programmatic Expansion investment in personnel: \$1.9 million
 - Nursing
 - Mental Health Counseling
 - Speech Language Pathology
 - Engineering

Programmatic Operational Investment: \$5.2 million total

Investments will be made to support the programming through the New Economy Initiative including investments to support student learning, student mental and physical wellbeing and investments in core technology and public safety

- Programmatic investments in New Economy Initiative areas
 - Nursing simulation center equipment (Flagstaff and statewide sites): \$1.4 million
 - Occupational Therapy programmatic investment: \$.3 million
 - Forestry programmatic investment: \$.35 million
 - Engineering program including Construction Management programmatic investment to enhance workforce training: \$.5 million

- Student Learning Support initiatives including student learning system update: \$1.3 million
- Student Mental and Physical Health Wellbeing initiatives coordinated through Student Affairs and Campus Health Services: \$1 million
- Public Safety investments in University Police equipment updates: \$.4 million

Infrastructure Projects: \$15.8 million total

With a building deferred maintenance balance of \$120 million, infrastructure investments in buildings and technology are an ongoing need and priority for NAU as it supports programmatic expansion of NAU's New Economy Initiative focus on health care professions and addresses the effects of age and weather on our facilities and infrastructure. The appropriation of one-time dollars by the Legislature will allow NAU to address several items that would have continued to be postponed. Note the second and third categories relate to capital projects submitted for review by Joint Committee on Capital Review.

Technology core infrastructure investments: \$3.3 million

Investments will be made in core technological infrastructure areas including computer switch replacements, computer storage upgrades to support disaster recovery, core network routers and servers, and information security enhancements.

Academic Building Improvements to support Nursing Expansion: \$5.5 million

To support the expansion of nursing programs both at the Flagstaff campus and throughout the state, including the Phoenix North Valley location, NAU will renovate existing space to enhance nursing simulation space.

Infrastructure Deferred Maintenance – roofing and windows replacements: \$7 million

- Skydome deferred maintenance: \$6 million
 - The roofing on the Skydome has been identified for replacement since 2013 as a result of a comprehensive campus roofing assessment. The roof has reached the end of its useful life and has been patched and repaired to keep the building functional. This iconic building serves as a critical resource for the university and the Flagstaff community especially in hosting a number of regional high school events including graduations and sporting events.
- Deferred Maintenance projects in Academic buildings: \$1 million overall
 - Health Professions windows replacements: \$.6 million
 - Health Professions roofing replacement: \$.4 million
 - Health Professions building's most recent facility condition assessment have indicated both roofing and window replacements are required.



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
RICK GRAY
SINE KERR
VINCE LEACH
REBECCA RIOS

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
REGINALD BOLDING
JOHN KAVANGH
JOANNE OSBORNE
JUDY SCHWIEBERT
LORENZO SIERRA
BEN TOMA

DATE: September 14, 2022

TO: Members of the Joint Committee on Capital Review

FROM: Cameron Mortensen, Fiscal Analyst

SUBJECT: University of Arizona - Review of Veterinary Diagnostic Laboratory Projects

Request

A.R.S. § 41-1252 requires Committee review of any capital project exceeding a total cost of \$250,000. The University of Arizona (UA) requests Committee review of its plan to spend \$1,632,900 from the General Fund for Veterinary Diagnostic Laboratory (VDL) improvement projects. These monies were appropriated in the FY 2023 budget.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) UA plans to use \$1.6 million from its one-time Veterinary Diagnostic Laboratory (VDL) funding to pay cash for capital improvement projects.
- 2) Projects include roofing and fire protection system replacements, upgrading infrastructure throughout the building, and laboratory space renovation.
- 3) Capital improvements represent \$1.6 million of the total \$5 million of FY 2023 one-time funding for the Veterinary Diagnostic Laboratory.

(Continued)

Analysis

The FY 2023 budget includes a total of \$5.0 million from the General Fund for the UA Veterinary Diagnostic Lab (VDL). Of this amount, \$2.5 million is ongoing and \$2.5 million is one-time. UA plans to use \$1.6 million of its one-time allocation for VDL capital improvements, which will include deferred maintenance and renovation projects.

Deferred Maintenance

UA plans to replace the roof for the necropsy (animal autopsy) area of the VDL and to replace the fire protection system throughout their building. Additional maintenance will include adding de-ionized water systems, a chiller system, and other updates to reduce operation costs through increasing efficiency. UA estimates the cost at \$954,800.

Renovations

UA will renovate laboratory space to allow for new specialty equipment. Autoclaves are required to be in a temperature controlled indoor space, which necessitates renovations in the building. Autoclaves are pressurized and temperature intensive machines that can be used for sterilization and decontamination. UA estimates these renovations at \$678,100.

Overall VDL Costs

The remaining \$3.4 million will be used for other operating costs that do not require JCCR review and will be allocated for the cost of 10 FTE Positions, laboratory equipment purchases, laboratory supplies, and other indirect costs. (see table 1).

Table 1	
FY 2023 Veterinary Diagnostic Laboratory	
Personnel Expenses	\$1,081,000
Other Operational Expenses	\$1,419,000
One-Time Equipment Purchases	\$867,096
<u>Capital Projects</u>	
Deferred Maintenance	\$954,823
Renovations	<u>\$678,081</u>
TOTAL	\$5,000,000

CM:lm



**Arizona Veterinary
Diagnostic Laboratory**

**AZVDL
UNIVERSITY OF ARIZONA**

2831 North Freeway
Tucson, AZ 85705

Office: 1-520-621-2356
Fax: 1-520-626-8696



TO: Honorable Senator David Gowan, Chairman of Joint Legislative Budget Committee, Vice-Chairman of Joint Committee on Capital Review
Honorable Representative Regina Cobb, Vice-Chairman of Joint Legislative Budget Committee, Chairman of Joint Committee on Capital Review

FROM: Dr. Betsy Cantwell, Vice President of Research Innovation and Impact, University of Arizona

CC: Members of the Joint Legislative Budget Committee
Members of the Joint Committee on Capital Review
Richard Stavneak, JLBC Director
Lydia Chew, JLBC Analyst
Dr. Yan Zhang, Director of the Veterinary Diagnostic Lab
Dr. Sangita Pawar, Vice President of Operation, Research Innovation, and Impact

RE: Report for the General Appropriations Act (Laws 2022, Chapter 313)

DATE: August 30, 2022

The University of Arizona submits this report, on behalf of the Arizona Veterinary Diagnostic Lab (AZVDL) for the funding provided to the AZVDL in the FY2022-FY2023 budget, as required in the General Appropriations Act (Laws 2022, Chapter 313). The report contains the following information as required by law:

- 1) The intended use of the monies for VDL operating expenditures.
- 2) The scope, purpose and estimated cost of the capital improvements.

Please contact Sabrina Vazquez, Assistant Vice President of State Relations at (602) 540-0979; svazquez@arizona.edu with any additional questions.

1) The intended use of the monies for VDL operating expenditures.

- a. Personnel expenses \$1,081,000 – Includes 6 FTE leadership/faculty and 4 FTE technical and administrative support for laboratory operations. These positions are critical to replenishing and expanding diagnostic expertise to provide elevated and affordable veterinary testing to the Arizona community.

- b. Operational expenses \$1,419,000 – Includes laboratory equipment, maintenance and upgrades; direct operational expenses such as consumables, supplies, and facilities, repair and maintenance; and Indirect overhead costs including finance, human resources, and utilities. Equipment and facility function is critical to the mission of the AZVDL to provide high quality diagnostic services and to animal industries, veterinarians, producers, animal owners, state and federal agencies, to conduct disease surveillance of emerging and foreign animal diseases of severe consequences to the economy of Arizona from entry of the vast borderline of Arizona, and to investigate zoonotic animal pathogens, such as rabies, to protect public health of Arizonan.

2) The scope, purpose and estimated cost of the capital improvements.

- a. Deferred maintenance – These funds will address long-standing maintenance needs to include roof replacement for the necropsy area, replacement of the fire protection system, upgrades of the critical infrastructure such as de-ionized water systems, building chiller system, and miscellaneous building updates to improve the work environment, and reduce operational costs through better building efficiencies. Estimated costs: \$954,823
- b. Laboratory equipment – These funds will increase the AZVDL capacity to provide diagnostic services at a reduced cost, by bringing state of the art technologies and automations such as the MALDI. The MALDI brings the lab to the next level for identification of bacterial and fungal pathogens to replace the traditional methodology relying on chemical reactions. It also reduces costs, improves accuracy, shortens turnaround times. All translates to direct and impactful benefits to the AZ client/customer community. Estimated costs: \$867,096
- c. Renovations – These funds will be used to renovate laboratory space for specialty equipment and the necessary requirements for the autoclave to be in a temperature-controlled indoor lab space. Estimated costs: \$678,081