

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, September 23, 2020

10:00 a.m. or upon adjournment of the JLBC meeting

JLBC

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
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VICE-CHAIRMAN

LELA ALSTON
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WARREN PETERSEN
BEN TOMA

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Teleconference: The meeting will be held via teleconference software. Members of the public may access a livestream of the meeting here:

https://azleg.granicus.com/MediaPlayer.php?publish_id=2

MEETING NOTICE

- Call to Order
- [Approval of Minutes of June 24, 2020.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [***DEPARTMENT OF CORRECTIONS - Lewis/Yuma Capital Project: Review of FY 2021 Budget Funding and Quarterly Project Report.](#)
- 2. [***SCHOOL FACILITIES BOARD - Review of Minimum Adequacy Guidelines Rulemaking.](#)
- 3. [***ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2021 Building Renewal Allocation Plan.](#)
- 4. [***ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2021 Building Renewal Allocation Plan.](#)
- 5. [ARIZONA STATE UNIVERSITY - Review of University Drive Pedestrian Bridge.](#)

*** 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.

09/14/2020

KP

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.



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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

June 24, 2020

The Chairman called the meeting to order at 10:36 a.m., Wednesday, June 24, 2020 via video conference. The following were present:

| | | |
|----------|----------------|-------------------------------|
| Members: | Senator Gowan | Representative Cobb, Chairman |
| | Senator Alston | Representative Fernandez |
| | Senator Bowie | Representative Friese |
| | Senator Gray | Representative Kavanagh |
| | Senator Kerr | Representative Toma |
| | Senator Leach | |

| | | |
|---------|-----------------|--------------------------|
| Absent: | Senator Bradley | Representative Lieberman |
| | | Representative Petersen |

APPROVAL OF MINUTES

Senator Gowan moved that the Committee approve the minutes of April 29, 2020. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of Coliseum Building Roof Repair Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. AESF Board requested Committee review of \$1,000,000 from the AESF Fund for roof repairs to the Arizona Veterans' Memorial Coliseum building (Coliseum) on the State Fairgrounds. Of the \$1,000,000 amount, \$669,000 is allocated from the agency's FY 2020 capital improvement appropriation with the remaining \$331,000 allocated from the agency's FY 2020 operating appropriation.

(Continued)

The JLBC Staff provided options and potential provisions:

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

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

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

ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2021 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. AGFD requested the Committee review its \$1,059,800 FY 2021 Building Renewal Allocation Plan. The JLBC Staff provided options and potential provisions:

- A. AGFD shall report any expenditure of the building renewal emergency allocation of \$75,000 to the JLBC Staff as part of its existing semi-annual building renewal status report.
- B. In accordance with A.R.S. § 41-790, AGFD's Headquarters Major Maintenance Fund may not use building renewal monies for movable equipment.

ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2021 Building Renewal Allocation Plan and Revised FY 2020 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADC requested the Committee review its FY 2021 Building Renewal Allocation Plan (*Table 1*). The FY 2021 Capital Outlay Bill appropriated \$5,464,300 from the Department of Corrections Building Renewal Fund to ADC for general building renewal. The expenditure plan includes 16 projects at 8 state prison facilities.

(Continued)

ADC also requested the Committee review a reallocation of \$1,200,000 of its FY 2020 Building Renewal funding to complete a project at Perryville prison and for additional funding for future projects (*Table 2*).

The JLBC Staff provided options and potential provisions:

- A. ADC shall report to the JLBC Staff any reallocations between project categories as listed in *Table 1* that exceed \$100,000. ADC shall report this information as part of its existing semi-annual building renewal status report.
- B. If ADC adds a new project category not listed in *Table 1*, the department shall report the proposed project category and expenditure plan to the Chairman and JLBC Staff. The Chairman will notify ADC whether the expenditure plan will require Committee review.
- C. ADC shall notify the Chairman and the JLBC Staff if they plan to spend the contingency allocation. The Chairman will notify ADC if the contingency plan will require full Committee review.

| Table 1 | |
|--|---------------------|
| FY 2021 Building Renewal Plan | |
| <u>Security Projects</u> | |
| Door Control and Lock Upgrades - 2 Units (Safford) | \$ 607,500 |
| Door Control Panel Upgrades - 3 Units (Tucson) | 330,000 |
| Food Trap Locks - Eyman Browning Unit | 329,200 |
| Setback Fence Installation - Winslow | 290,000 |
| Electric Vehicle Access Gates - 2 Units (Yuma) | 285,000 |
| Electronic Perimeter System Replacement - Phoenix Aspen Unit | <u>100,000</u> |
| <i>Subtotal</i> | \$ 1,941,700 |
| <u>Plumbing and Water Pump Projects</u> | |
| Plumbing Chase Walls Phase 1 - Eyman Browning Unit | \$ 881,700 |
| Water Pump Station Repairs - Perryville | <u>75,000</u> |
| <i>Subtotal</i> | \$ 956,700 |
| <u>Generator Projects</u> | |
| Emergency Generators Replacement - Winslow | \$ 514,300 |
| Emergency Generator Replacement - Eyman SMU I | 200,000 |
| Emergency Generator Replacement - Tucson Main Control Center | <u>125,000</u> |
| <i>Subtotal</i> | \$ 839,300 |
| <u>Roof Replacement</u> | |
| Warehouse Roof Replacement - Yuma | \$ 491,400 |
| <u>Heating, Air Conditioning and Ductwork Projects</u> | |
| Ductwork Replacement - 3 Units (Eyman) | 235,000 |
| Air Conditioning Replacement - 3 Units (Perryville) | 98,100 |
| Heater Replacement - Douglas Mohave Unit | <u>50,000</u> |
| <i>Subtotal</i> | \$ 383,100 |
| <u>Fire System Projects</u> | |
| Fire Alarm System Upgrade - Phoenix | \$ 197,800 |
| Contingency | \$ 654,300 |
| Building Renewal Total | \$5,464,300 |

(Continued)

| Table 2 | | | |
|---|------------------------|-----------------------|--------------|
| FY 2020 Building Renewal Reallocation | | | |
| | Original Allocation | Revised Allocation | Difference |
| Structural Repair - Florence Central Unit | \$ 700,000 | \$ - | \$ (700,000) |
| Duct Replacement - Tucson Cimarron Unit | 743,600 | 243,600 | (500,000) |
| Catwalk Repairs - 3 Units (Perryville) | - | 418,900 | 418,900 |
| Contingency | - | 781,100 | 781,100 |
| Total | \$1,443,600 | \$1,443,600 | \$ 0 |

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending Secretary of State FY 2021 Rent Exemption.

A.R.S. § 41-792.01D, authorizes the Director of ADOA, on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of state-owned rental fees if an agency does not occupy their space or lacks the financial resources to make a payment. ADOA requested the Committee recommend a full exemption totaling \$407,200 for the Secretary of State in FY 2021 for the Records Management Center located at 1919 West Jefferson. The JLBC Staff provided options.

Senator Gowan moved that the Committee give a favorable review with provisions as outlined in the JLBC Staff analysis, to the first 3 consent agenda items listed above. For the ADOA item, the Committee recommended a full rent exemption totaling \$407,200 for the Secretary of State in FY 2021 for the Records Management Center located at 1919 West Jefferson. In addition, the Committee recommended an ongoing rent exemption in future years unless the Legislature provides additional funding to SOS to cover the rent cost of the Records Management Center property. The motion carried.

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

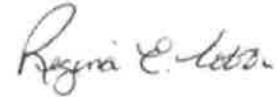
Respectfully submitted:



 Kristy Paddack, Secretary



 Jack Brown, Deputy Director



 Representative Regina Cobb, Chairman



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DATE: September 16, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Geoffrey Paulsen, Senior Fiscal Analyst

SUBJECT: Arizona Department of Corrections - Lewis/Yuma Capital Project: Review of FY 2021 Budget Funding and Quarterly Project Report

Request

Pursuant to a provision from the June 2019 Committee meeting, the Arizona Department of Corrections (ADC) submitted its quarterly report detailing its progress on the Lewis and Yuma Lock, HVAC, and Fire Systems project. Additionally, A.R.S. § 14-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. The FY 2021 Capital Outlay Bill appropriated \$30,000,000 for the project. ADC is requesting review of \$14,100,000 of the FY 2021 appropriation.

Committee Options

The Committee has at least the following 2 options:

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

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

- A. The department shall comply with American Correctional Association (ACA) standards for all locks purchased and installed as part of this project.
- B. In future quarterly reports the department shall address the number and location of locks that have been repurposed and installed on non-cell doors.

(Continued)

Key Points

- 1) At its April meeting, the Committee reviewed a multi-year \$60.0 million plan for lock and HVAC repairs at Lewis and Yuma.
- 2) ADC has revised its overall cost downward by \$(13.8) million to \$46.3 million due to lower-than-anticipated HVAC costs
- 3) The FY 2021 Capital Outlay Bill appropriated \$30.0 million for the project, \$11.0 million from the General Fund and \$19.0 million from other funds.
- 4) ADC is requesting review of \$14.1 million to continue work on the Lewis prison upgrades.

Analysis

Project Overview

ADC has identified locks, fire alarm and suppression systems and HVAC systems at the Lewis and Yuma prison complexes that need replacement.

For more background information on this project, see the [April 2020 JCCR Meeting Agenda](#).

Project Status and Updated Expenditure Plan

ADC reports that all procurement of cell doors, air conditioning units, lighting upgrades and stainless steel toilet and sink combination units has been completed for the Lewis prison. ADC expects to complete installation of all upgrades to 1 section of the Morey Unit in September 2020 and the remaining 3 sections of the Morey Unit by January 2021. The Buckley Unit at Lewis is scheduled to be completed by May 2021 and the Rast, Steiner and Bachman units by December 2021.

ADC has also provided proposed changes to its expenditure plan that would reduce overall project costs by \$(13.8) million compared to the expenditure plan reviewed by the Committee at the April 2020 meeting. With these changes, the total project would cost \$46.3 million. *Table 1* details the new expenditure plan.

| Lewis and Yuma Lock, HVAC and Fire System Project Costs | | | |
|--|------------------------|---------------------|-----------------------|
| | <u>April JCCR Plan</u> | <u>New Plan</u> | <u>Difference</u> |
| Phase 1 - Lewis Locks/Fire Systems | \$ 5,706,700 | \$ 6,766,300 | \$ 1,059,600 |
| Phase 2 - Lewis HVAC | 26,730,700 | 11,548,200 | (15,182,500) |
| Phase 3 - Yuma Lock/HVAC/Fire Systems | 14,736,600 | 9,600,700 | (5,135,900) |
| Originally Purchased Locks - Repurposed ^{1/} | 4,243,500 | 6,533,300 | 2,289,800 |
| Potential Cancellation Penalties | 5,311,000 | 0 | (5,311,000) |
| New Facility Upgrades | 3,300,000 | 7,817,500 | 4,517,500 |
| Contingency | 0 | <u>4,000,000</u> | <u>4,000,000</u> |
| Total Project Costs | \$60,028,500 | \$46,266,000 | \$(13,762,500) |

^{1/} The new plan includes \$2.3 million in expenditures by a subcontractor that ADC and the Construction Manager at Risk (CMAR) are currently validating.

ADC reports that the air conditioning costs are significantly less than previously estimated. ADC's new estimate is based on existing contracts for the Lewis HVAC costs and projected Yuma HVAC costs.

(Continued)

At the April JCCR meeting, ADC reported they had already spent about \$4.2 million for lock procurement and fabrication for the previous locking solution. Since ADC is no longer using that locking solution, ADC plans to repurpose these locks across the prison system for non-cell doors.

ADC has received a total of 114 locks for \$4.2 million, which equates to about \$37,200 per lock. ADC's plan indicates 100 locks will be repurposed at 6 state prisons and 14 will be put in storage. ADC reports that a subcontractor has submitted invoices of an additional \$2.3 million for work on the previous lock procurement, and ADC is still working to validate those expenses. If validated, that would bring the amount expended for the previous lock solution to \$6.5 million, or roughly \$57,300 per lock.

ADC reports that 49 locks will be installed on non-cell doors in Lewis and Yuma prisons as part of this project, and 51 locks will be installed at other prisons including Safford, Perryville, Winslow and Eyman. ADC plans to retain the remaining 14 locks to be utilized as needed. ADC reports that installation of these locks will begin in September 2020 at Lewis. The Committee may consider Provision B which would require ADC to include updates on the status and actual installation of the repurposed locks in future quarterly reports.

At the April JCCR meeting, ADC reported an additional \$3.3 million in planned expenditures to upgrade the existing porcelain toilets with stainless steel toilet/sink combination units. ADC also planned to replace existing light fixtures with ones less prone to tampering. ADC reported that these upgrades are necessary for the custody level of the cells. ADC's new expenditure plan includes \$4.5 million of additional funding for these upgrades, resulting in a total cost of \$7.8 million for the toilet and lighting upgrades. ADC reports this cost increase is for the addition of water system controls.

ADC has also used HVAC savings to create a new \$4.0 million contingency budget in the expenditure plan to account for any future unforeseen costs.

Current Request

The Committee has reviewed a total of \$24.0 million since June 2019. Of that amount, ADC reports about \$22.5 million has already been obligated, leaving \$1.5 million in uncommitted funding.

The FY 2021 Capital Outlay Bill appropriated a total of \$30.0 million to ADC for project costs including \$11.0 million from the General Fund and \$19.0 million from other funds.

ADC reports it needs \$15.6 million of funding through December 2020 in order to issue purchase orders for upcoming project phases. ADC reports this funding would also allow the Construction Manager at Risk (CMAR) and its subcontractors enough lead time to procure materials in advance of future phases. In addition to the \$1.5 million currently available, ADC is requesting review of \$14.1 million from the FY 2021 appropriation. *Table 2* below details this amount by fund.

| Request by Fund Source | |
|---|------------------|
| | (\$ in M) |
| General Fund | \$ 2.1 |
| Corrections Fund | 4.0 |
| Inmate Store Proceeds Fund | 2.0 |
| Penitentiary Land Earnings Fund | 2.0 |
| State Charitable Penitentiary Land Fund | 2.0 |
| Special Services Fund | 2.0 |
| Total | \$14.1 |

Arizona Department of Corrections Rehabilitation & Reentry



DOUGLAS A. DUCEY
GOVERNOR

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DAVID SHINN
DIRECTOR

August 21, 2020

The Honorable Regina E. Cobb
Chairman, Joint Committee on Capital Review
Arizona House of Representatives
1716 W Adams
Phoenix, AZ 85007

The Honorable David M. Gowan
Vice-Chairman, Joint Committee on Capital Review
Arizona State Senate
1716 W Adams
Phoenix, AZ 85007



RE: ASPC-Lewis & ASPC-Yuma Locking and Fire Safety Project: Submission for Review of Additional Funds - FY 2021 Capital Appropriation

Dear Representative Cobb and Senator Gowan:

The Arizona Department of Corrections, Rehabilitation & Reentry (ADCRR) requests review of funding from the FY 2021 \$30,000,000 Capital Appropriation for the ASPC-Lewis & ASPC-Yuma Locking and Fire Safety Project.

Background

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

At the June 18, 2019, JCCR meeting an overall project summary was provided, and JCCR favorably reviewed \$17,700,000 in non-appropriated funds to begin Phase 1. In December 2019, ADCRR requested review of an additional \$6,280,000 in funding to continue the project. JCCR favorably reviewed this request. This represented a total of \$23,980,000 in project funding from ADCRR non-appropriated funds.

ADCRR has refined the total project cost. It is currently estimated at \$46,265,959. This project cost estimate is \$13.3M less than the previous cost estimate. This savings is the result of a decrease in expected HVAC costs from Lewis and Yuma. The revised project cost includes an additional \$8.5M in

costs allocated to two projects: \$4.5M for Stainless Steel Sink/Toilet and Cell Lighting and \$4M in contingency funds. The increase to Stainless Steel Sink/Toilet and Cell Lighting is due to the addition of water system controls. The original estimate of \$3.3M did not include water system controls for the combination stainless-steel sink/toilet units that were discovered to be non-operational during the bid process. Additionally, the original cost projections did not include Yuma. These repairs are critical to the safety of staff and inmates in both Lewis and Yuma. The porcelain sinks and toilets are a major safety concern because an inmate can easily break these fixtures to fashion a lethal weapon. Additionally, the lighting in these complexes is substandard. The low lighting hinders visibility, particularly in camera footage, making it difficult to identify inmates involved in incidences. The cell infrastructure upgrades of lighting and stainless-steel toilet and sink upgrades are vital to bring the previously deficient physical security to an appropriate level for the high security population. The repairs will be done simultaneously with the locks and HVAC to not keep the beds out of commission longer than necessary.

A contingency line item has been carved out from the HVAC savings to address unforeseen needs. This contingency fund is 8.65% of the total project cost. The industry standard for projects of this size is 10%. This ensures the project has a reserve to utilize, if need be.

The FY 2021 enacted budget includes a Capital Appropriation of \$30,000,000 [Laws 2020, Second Regular Session, Chapter 57 (SB 1691) Sec. 2.] for the ASPC-Lewis & ASPC-Yuma Locking and Fire Safety Project. Of this \$30,000,000, ADCRR is requesting review of \$14,100,000 to provide funds for the next phases of the project. Sufficient cash on hand is required to issue purchase orders (encumber funds) for each phase of the project. This funding will also allow the Construction Manager at Risk (CMAR), and its sub-contractors sufficient lead time to procure components needed for that project phase and will provide funding through December 2020. An overview of the funding request and the fund sources are summarized in the tables below.

| Funding Request | |
|----------------------|----------------|
| FY 21 Jun-Dec Need | \$13.6M |
| Less funds available | <u>-\$1.5M</u> |
| Current Need | <u>\$12.1M</u> |
| ½ Contingency | <u>\$2.0M</u> |
| Total Request | <u>\$14.1M</u> |

| Fund Source | |
|--|---------|
| General Fund (1000) | \$2.1M |
| Corrections Fund (2088) | \$4M |
| Inmate Store Proceeds Fund (2505) | \$2M |
| Penitentiary Land Earnings Fund (3140) | \$2M |
| State Charitable Penitentiary Land Fund (3141) | \$2M |
| Special Services Fund (3187) | \$2M |
| Total Fund | \$14.1M |

The Honorable Regina E. Cobb
The Honorable David M. Gowan
August 21, 2020
Page 3

ADCRR will provide additional project details with its next quarterly report due to JCCR on September 1, 2020. This report will include conditions added to project report from each of the FY 2020 JCCR project reviews.

If you have any questions regarding this request, please contact Joseph Profiri, Deputy Director, ADCRR at (602) 542-5225.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shinn", written over the word "Sincerely,".

David Shinn
Director

Enclosures

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



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DATE: September 16, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Rebecca Perrera, Principal Fiscal Analyst

SUBJECT: School Facilities Board – Minimum Adequacy Guidelines Rulemaking

Request

A.R.S. § 15-2011 requires the School Facilities Board (SFB) to submit a fiscal impact statement of the effect of any proposed 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.

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

- A. A favorable review of the fiscal impact statement does not constitute endorsement of any General Fund appropriations to pay for any increased costs associated with the proposed rule changes.

Key Points

- 1) Statute requires SFB to report on the fiscal impact of any changes proposed to the minimum adequacy guidelines.
- 2) The guidelines provide overall building requirements and standards for school facilities.
- 3) The guidelines do not directly impact SFB statutory funding formulas.
- 4) SFB states that their proposal has no fiscal impact. While most changes appear technical, we cannot fully confirm the fiscal impact.
- 5) SFB intends to continue to update the rules which may impact future costs.

(Continued)

Analysis

A.R.S § 15-2011 requires SFB 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. 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. The FY 2019 K-12 Budget Reconciliation Bill included a permanent statutory requirement that SFB report on the fiscal impact of any changes made to the guidelines for Committee review.

In FY 2019, SFB initiated the rulemaking process with the Secretary of State's office which manages the rulemaking process and publishes updates in the Arizona Administrative Register. SFB convened a stakeholder group to review the current guidelines and make suggestions for changes. Statute outlines specific requirements and timelines for rulemaking including submitting an Economic Impact Statement to the Governor's Regulatory Review Council (GRRC). However, statute allows for an expedited rulemaking process which does not require an economic impact statement if the rule changes are technical in nature such as correcting typographic errors or amending outdated or redundant rules. Expedited rules "[must] not increase the cost of regulatory compliance, increase a fee or reduce procedural rights of persons regulated."

The board ultimately decided to accelerate its rulemaking by completing an expedited rulemaking process. Therefore, SFB is reporting to the Committee that there are no fiscal impacts associated with the proposed rules.

In consultation with Legislative Council, the JLBC Staff reviewed the proposed rules and found that the majority of the rule revisions reformat current rules into a more streamlined document or make clarifying and technical changes. In addition, some changes provide additional flexibility to schools without mandating specific requirements. However, the rule changes also modify the definition of which building systems are in "working order", adding the requirement that systems be capable of being maintained pursuant to the manufacturer's instructions. By adding this additional requirement to the definition of "working order", the rules may impact which systems are listed as needing full replacement during the Building Renewal Grant process. Due to this type of change, we cannot be fully sure that there is no fiscal impact. Because we cannot fully confirm the fiscal impact, the Committee may consider Provision A, stating that a favorable review does not endorse any General Fund appropriations for any increased cost associated with the proposed rule changes.

The rules specifically note that they apply to newly constructed schools and primary building renewal projects after the effective date. Schools constructed or renewed before the effective date do not need to comply. SFB intends to finalize the rules in November 2020. The rules would be effective in December 2020 and would apply to schools approved for funding in FY 2022. However, the outcome of the SFB stakeholder group and presentations at board meetings suggest that the board may consider additional rule changes next year which may have a fiscal impact. As discussed previously, A.R.S § 15-2011 now requires SFB to seek Committee review of the fiscal impact of any changes to the Guidelines, so any future rule changes would be heard by the Committee.

RP:kp

Douglas A. Ducey
Governor

Andy Tobin
Director



ARIZONA SCHOOL FACILITIES BOARD
OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 403
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August 31, 2020

The Honorable Representative Regina E. Cobb, Chair
Joint Council for Capital Review
1716 West Adams
Phoenix, Arizona 85007

RE: School Facilities Board Expedited Rulemaking, Title 7, Chapter 6, Articles 1-3 and 5-7,
Economic Impact Statement

Dear Chairwoman Cobb:

The School Facilities Board submits this economic impact statement for our expedited rulemaking on A.A.C. Title 7, Chapter 6, Articles 1-3, and 5-7 for the Council's review. These proposed rules have qualified for expedited rulemaking thus they present no economic impact.

For questions about this economic impact statement, please contact Mr. Nick Loper, Executive Consultant, at (602) 620-4868 or nick.loper@azdoa.gov.

Sincerely,

A handwritten signature in black ink that reads "Andy M. Tobin".

Andy Tobin
Interim Executive Director

The proposed rules can be found [here](#).



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
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WARREN PETERSEN
BEN TOMA

DATE: September 16, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Rebecca Perrera, Principal Fiscal Analyst

SUBJECT: Arizona Department of Administration - Review of FY 2021 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Administration (ADOA) requests the Committee review its FY 2021 Building Renewal Allocation Plan. The FY 2021 Capital Outlay Bill appropriated a total of \$16,000,000 from the Capital Outlay Stabilization Fund (COSF) for building renewal

Committee Options

The Committee has at least the following 2 options:

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

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

- A. ADOA shall report any reallocations between project categories as listed in *Table 1* to the JLBC Staff. If there is significant change of scope in the reallocation reported by ADOA, the JLBC Staff shall recommend ADOA request Committee review of the reallocation.
- B. The distribution of the emergency contingency allocation of \$500,000 be addressed as follows:
 1. ADOA shall notify the Chairman and the JLBC Staff that they plan to spend less than \$100,000 on an emergency project. ADOA can proceed without Committee review.
 2. The Chairman can allow ADOA to move forward with an emergency project of greater than \$100,000 without Committee review.
 3. The Chairman will notify ADOA if she does not agree that the project is an emergency and that the project will require full Committee review.

(Continued)

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

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

Key Points

- 1) The FY 2021 budget appropriates \$16.0 million for building renewal projects from state agency rent funds ("COSF")
- 2) The main uses will be:
 - a. HVAC, Elevator replacements and electrical upgrades, \$9.9 million
 - b. Parking Lot Repairs and kitchen resurfacing, \$1.1 million
 - c. Fire Alarm Replacements, \$700,000
 - d. Roof and Door/Window Replacements, \$2.0 million
- 3) ADOA also allocates funds for preventative maintenance, floor covering replacements, project management costs, and an emergency contingency.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. The building renewal formula takes into account the replacement value, age, and life-cycle of all structures in the ADOA building system. A total of \$16.0 million is appropriated to ADOA to fund 32.6% of the building renewal formula in FY 2021. (These amounts exclude Department of Corrections' facilities as they received their own building renewal appropriation.) See *Table 1* for the list of projects included in ADOA's FY 2021 Building Renewal Allocation Plan.

The following provides an overview of the amounts allocated to different categories of projects. Project categories include Fire and Life Safety, Building Shell, Major Building Services, Infrastructure, Building Interiors, and Preventative Maintenance. Additionally, ADOA has allocated funding for project management and contingencies.

Reasonableness of Estimates

The allocation plan represents ADOA's estimated cost of the proposed projects. ADOA estimates these costs based on past projects and project scoping services. ADOA uses state contracts and issues requests for quotes (RFQs) as necessary to procure vendors for each project. As a result, the project costs may change as the procurement process occurs.

The ADOA Building Renewal Allocation Plan lists potential projects within each category. ADOA states that all projects may not be funded. ADOA has indicated that they may need to add new projects not listed. In that circumstance, the JLBC Staff recommends the Committee adopt a provision requiring the department to submit any new non-emergency project categories for Committee review.

To track ADOA's actual spending decisions, the FY 2021 Capital Outlay Bill included a footnote requiring ADOA to report to the JLBC Staff on the status of all capital projects and capital expenditures on or before January 31, 2021 and May 30, 2021.

(Continued)

| Table 1 | |
|--|----------------------|
| FY 2021 Building Renewal Allocation Plan | |
| <u>Fire & Life Safety Projects</u> | |
| ADOA Statewide Replace Fire and Life Safety Systems, and Arizona Historical Society Fire Sprinkler Head Replacement | \$ 750,000 |
| <u>Building Shell Projects</u> | |
| ADOA Statewide Roof Repair and Replacement and Window Door Repairs | \$ 1,980,900 |
| <u>Major Building Services Projects</u> | |
| ADOA Statewide HVAC Systems Replacement, elevator modernization and electrical repairs | \$ 9,865,100 |
| <u>Infrastructure Projects</u> | |
| ADOA Capitol Mall and DPS Replace/Repair Parking Lots, DJC Kitchen surface replacement | \$ 1,000,000 |
| <u>Building Interior Projects</u> | |
| ADOA Capitol Mall and DPS Replace Carpet and Floor Coverings | \$ 400,000 |
| <u>Preventative Maintenance Projects</u> | |
| ADOA Capitol Mall Preventative Maintenance | \$ 800,000 |
| <u>Other Projects</u> | |
| Personnel Services/ERE Costs | \$ 550,000 |
| Building Renewal Project Scoping | 150,000 |
| Risk Management Insurance Premium | 4,000 |
| Emergency Contingency | <u>500,000</u> |
| <i>Subtotal</i> | \$ 1,204,000 |
| TOTAL | \$ 16,000,000 |

Fire and Life Safety Projects

A total of \$750,000 will be allocated to fire and life safety system replacements statewide. ADOA has identified 2 priorities, including ADOA buildings on the Capitol Mall and the Arizona Historical Society (AHS) Tucson Museum for fire alarm and suppression system replacement.

Building Shell Projects

A total of \$2.0 million will be allocated to 6 different projects. Building priorities include roof repair and replacements at multiple buildings used by the Department of Economic Security (DES), Department of Juvenile Corrections (DJC) and Department of Public Safety (DPS). In addition, the building shell allocation will fund replacement and repair of doors and windows for 2 buildings on the Capitol Mall (Land Department and Cooperation Commission). Finally, this allocation will fund roofing and wall repair for the Arizona Historical Society Pioneer Museum in Flagstaff.

Major Building Services Projects

A total of \$9.9 million will be allocated to 17 different projects. Building priorities include HVAC replacement (air handlers, cooling towers, pumps, chillers, and controls) at the Capitol Mall, the State Hospital, and the DPS Crime Lab. In addition, this allocation funds elevator replacement at 4 buildings in total: 3 buildings on the Capitol Mall and the Congress building in Tucson. Finally, the allocation funds electrical upgrades at the Arizona Historical Society Pioneer Museum in Flagstaff and Tempe Museum.

(Continued)

Infrastructure Projects

A total of \$1.0 million will be allocated to infrastructure projects. This amount will be used to replace parking lot surfaces at the Capitol Mall and DPS offices statewide. In addition, ADOA plans to resurface the DJC kitchen food service area.

Building Interior Projects

A total of \$400,000 will be allocated to replacing carpet and floor coverings statewide. ADOA specifically plans to replace carpet at Capitol Mall offices and DPS offices statewide.

Preventative Maintenance Projects

A total of \$800,000 is allocated for planned electrical, mechanical, fire, and plumbing maintenance on the Capitol Mall. As permitted by A.R.S. § 41-793.01D, ADOA may set aside up to 8% of its FY 2021 building renewal appropriation for preventative maintenance.

Other Projects

The sum of \$550,000 will be allocated to cover project management costs for FY 2021 building renewal projects. Because some of the project costs listed above were based solely on agency estimates, \$150,000 will be spent on contractors to better develop detailed scopes of work to implement projects in a cost-effective manner. A payment of \$4,000 will be paid for a Construction Insurance Premium. A total of \$500,000 is allocated for contingency.

Some of the amounts above are based on agency estimated scope and project costs, while some amounts are based on estimates from ADOA engineering studies, audits, and historical costs.

RP:kp

Douglas A. Ducey
Governor



Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR
100 NORTH FIFTEENTH AVENUE • SUITE 401
PHOENIX, ARIZONA 85007
(602) 542-11500

August 14, 2020



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:

Section 41-1252, Arizona Revised Statutes, provides the Joint Committee on Capital Review (JCCR) shall review the expenditure of all monies appropriated for building renewal. Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691) appropriated \$16,000,000 to the Arizona Department of Administration (ADOA) to allocate to the ADOA Building System for building renewal projects.

ADOA requests JCCR review ADOA's FY 2021 ADOA Building System building renewal allocation plan for \$16,000,000.

To the extent possible, ADOA completes major maintenance and replacements to building systems before failures occur. Given the years of deferred major maintenance of an 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, ADOA may redirect all or some monies from an allocation to address critical priorities.

The Honorable Regina E. Cobb
The Honorable David M. Gowan
August 14, 2020
Page 2 of 2

If you have any questions regarding ADOA's FY 2021 ADOA Building System building renewal allocation plan please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-542-1954.

Sincerely,



Andrew Tobin (Aug 14, 2020 14:55 PDT)

Andy Tobin
Director

Attachments (1)

cc: Richard Stavneak, Director, JLBC Staff
Rebecca Perrera, Principal Fiscal Analyst, JLBC Staff
Matt Gress, Director, OSPB
Bill Greeney, Deputy Director, OSPB
Jacob Wingate, Budget Manager, OSPB
Will Palmisano, Budget Analyst, OSPB
Derik Leavitt, Assistant Director, ADOA Budget and Resource Planning
Nola Barnes, Assistant Director, ADOA/GSD
John Hauptman, General Manager, ADOA/GSD

Arizona Department of Administration (ADOA) Building System
FY 2021 Building Renewal Allocation Plan
Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691)
\$16,000,000

FY 2021 Building Renewal Allocation Plan

| Project Category | Allocation |
|---|----------------------|
| Fire & Life Safety | \$ 750,000 |
| Building Shell (Asset Preservation) | \$1,980,900 |
| Major Building Services | \$ 9,865,100 |
| Infrastructure | \$ 1,000,000 |
| Building Interior Projects | \$ 400,000 |
| Preventative Maintenance | \$ 800,000 |
| Project Scoping/Professional Services | \$ 150,000 |
| Construction Services Project Management | \$ 550,000 |
| Risk Management Insurance Premium | \$ 4,000 |
| Building Renewal Emergency & Contingency Allocation | \$ 500,000 |
| Total FY 2021 Building Renewal Appropriation | \$ 16,000,000 |

Arizona Department of Administration (ADOA) Building System
FY 2021 Building Renewal Allocation Plan
Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691)
\$16,000,000

\$750,000 REPLACE FIRE AND LIFE SAFETY SYSTEMS to improve or eliminate an impending condition that threatens life or property in the ADOA Building System

A.R.S. § 41-793.D. requires that the Arizona Department of Administration (ADOA) should give priority to fire and life safety projects. When fire alarm systems are out of commission for extended repair times, agencies must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. ADOA has been using building renewal allocations to upgrade fire alarm and suppression systems in the ADOA Building System that have exceeded their life expectancy, are functionally obsolete and in various stages of failure. This project will upgrade remaining fire alarm and suppression systems as necessary to bring state facilities into compliance with Federal, State, and Local fire and life safety regulations. Currently, the most critical deficiency is the number of fire sprinkler heads in various sites on the Capitol Mall that have exceeded their 50-year life expectancy. The following list of deficiencies is just a small portion of the fire and life safety work that needs to be accomplished throughout the building system.

- Fire Sprinkler Head Replacement-Capitol Mall Multiple Sites
- AHS - Tucson Museum Fire Sprinkler Coverage in Non-Compliant Areas

\$1,980,900 BUILDING SHELL for asset protection to address deficiencies in existing roofs, exterior closures, walls, windows and/or doors in the ADOA Building System

The deficiencies being addressed represent a small portion of the deteriorating exterior systems where further repairs are not cost effective nor prevent leaks. Neglect of exterior roofs, walls, windows and doors facilitates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This project is dedicated to proactively replacing failing roof and exterior systems throughout the ADOA Building System to mitigate negative impacts of interruption to mission critical functions and expensive "crisis-mode" emergency repairs and replacements. Project deficiencies include:

- 1300 W Washington Door/Window Repairs and Surface Sealing
- 1616 W Adams Door/Window Repairs and Surface Sealing
- ADJC - Adobe Mountain Roof Repair/Replacements
- AHS - Flagstaff Pioneer Museum Roofing, Wall Repair, and Preservation
- DES - Statewide Roof Repair or Replacements
- DPS - Statewide Roof Repair or Replacements

Arizona Department of Administration (ADOA) Building System
FY 2021 Building Renewal Allocation Plan
Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691)
\$16,000,000

\$9,865,100 MAJOR BUILDING SERVICES in the ADOA Building System

The deficiencies in this project reflect the worsening condition of HVAC, electrical, plumbing and elevator components in ADOA building system.

Many of the HVAC systems include failing chillers, air handlers and cooling towers that are original to building construction. These systems have surpassed their useful lives and can no longer meet the cooling demands of the structures they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment.

Various HVAC and energy management building controls throughout the ADOA building system are lacking and/or equipped with disparate "front-ends" requiring multiple computers, workstations, and hardware to control major building systems. Current HVAC system components are inefficient, lack interconnectivity, and are failing. Replacing and integrating multiple systems into a single processing source will provide a centralized control of HVAC and energy management systems, decrease energy consumption, reduce equipment downtime and improve allocation of personnel resources. Failure to address these aging systems could result in a shutdown of mission critical State services and increased costs for emergency procurement.

Various plumbing systems throughout the ADOA Building System are original to building construction. These systems, especially the waste and vent piping are failing at an increasing rate as they continue to age. Failure to replace deteriorating piping, especially waste lines will result in further damage to ceilings, walls, flooring and mechanical and electrical building systems.

Various elevator control systems within the ADOA Building System are obsolete and replacement parts are no longer available. Failure of elevators would leave buildings without passenger or freight elevator services, placing the buildings out of compliance with ADA guidelines, increase emergency repair costs and have a detrimental effect on building safety and daily operations.

Project deficiencies include:

- 1200 W Washington Air Handler Units Replacement
- 1200 W Washington Elevator Modernization
- 15 S 15th Cooling Tower and Pumps Replacement
- 1535 W Jefferson Elevator Modernization
- 1600 W Monroe Primary and Secondary Chilled Water Pumps Replacement
- 1600 W Monroe VAV Controls Replacement
- 1601 W Jefferson Cooling Towers Replacement
- 1616 W Adams Elevator Modernization
- 1700 W Washington Executive Tower Lobby AHUs (6&7) Replacement
- 1700 W Washington Executive Tower Roof AHUs (3&4) Replacement
- 1789 W Jefferson East Air Handler Replacement
- 400 W Congress Elevator Modernization
- AHS - Pioneer Museum, Flagstaff Buildings Electrical Compliance
- AHS - Tempe Museum, Electrical and Lighting Repairs
- DHS - Arizona State Hospital (Agave/Indigo) Air Handler Replacement
- DPS - Phoenix Crime Lab CID Building Chiller

Arizona Department of Administration (ADOA) Building System
FY 2021 Building Renewal Allocation Plan
Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691)
\$16,000,000

- PHS - Sharlot Hall Museum HVAC Rooftop Replacements

\$1,000,000 INFRASTRUCTURE

This project can include existing roadways, parking lots, pedestrian paving, site electrical and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, communications, and security systems such as access control, locks and camera systems. These systems have been in a “deferred indefinitely” status for many years and are in an exhausted state of deterioration. The parking lot surfaces have succumbed to long-term erosion, shifting, and settling caused by water penetration of the pavement base and extreme weather conditions exacerbated by the weight of passing traffic. In most cases, interim measures such as patch repairs and sealants are ineffective and the only option is to remove and replace the asphalt. The proposed allocation will address critical infrastructure needs throughout the ADOA Building System.

Project deficiencies include:

- ADJC - Adobe Mountain Resurface Kitchen Receiving Area
- Capitol Mall Parking Lot Crack Seal and Recoat
- DPS - Statewide Parking Lot Repair/Replacements

\$400,000 BUILDING INTERIOR PROJECTS

Replacement of worn interior flooring and wall finishes have been in a “deferred indefinitely” status for many years due to limited building renewal funding. Many floor coverings, some as old as 20 years, have long been in a deferred status and are in such poor condition they require immediate attention to avert or eliminate safety hazards. Conditions inside State buildings include floor coverings completely worn through, ongoing patch maintenance, extensive damage to common hallway walls, missing or damaged ceiling tiles, stains, unraveling seams and tears, unsuccessful duct tape repairs, and extensive rippling. ADOA will use these funds to provide a safe and presentable work environment for all State employees and public visitors. Project deficiencies include:

- Capitol Mall Interior Repairs and Replacements
- DPS - Statewide Interior Repairs and Replacements

\$800,000 PREVENTATIVE MAINTENANCE of ADOA Managed Facilities

ADOA plans to spend this allocation on preventative maintenance for planned electrical, mechanical, fire, and plumbing maintenance on the Capitol Mall.

\$150,000 PROJECT SCOPING/PROFESSIONAL SERVICES for ADOA Building System—Building Renewal Project Priorities (FY 2021 and Prospective FY 2022)

Some of the building renewal requests ADOA receives for funding consideration during the annual capital improvement planning process have deficient or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ADOA in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of an agency project request.

Arizona Department of Administration (ADOA) Building System
FY 2021 Building Renewal Allocation Plan
Laws 2020, Fifty-fourth Legislature, Second Regular Session, Chapter 57 (SB1691)
\$16,000,000

\$550,000 CONSTRUCTION SERVICES PROJECT MANAGEMENT

Of the amount of building renewal appropriated for FY 2021, ADOA can allocate up to \$275,000 in Personal Services and Employee Related Expenditures for up to 5 FTE Positions each fiscal year of the appropriation until the building renewal projects are completed. ADOA is allocating \$275,000 in FY 2021 and \$275,000 in FY 2022 for building renewal project management services.

\$4,000 RISK MANAGEMENT INSURANCE PREMIUM

The ADOA General Services Division (GSD) pays a 0.34% Construction Insurance Premium from each fiscal year's building renewal appropriation to the ADOA Risk Management Division for Errors and Omissions (E&O) insurance premiums associated with Engineering and Architectural (A&E) services contracts. The premium is not paid for direct construction costs or reimbursable expenses.

\$500,000 BUILDING RENEWAL EMERGENCY AND CONTINGENCY ALLOCATION

ADOA will expend monies from allocation to repair or replace failed or failing fire and life safety, HVAC, plumbing, electrical, and other building systems in mission critical structures as the need arises.



STATE OF ARIZONA

Joint Committee on Capital Review

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BEN TOMA

DATE: September 16, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2021 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 \$13,281,700 FY 2021 Building Renewal Allocation Plan.

ADOT has allocated \$13,000,000 from the State Highway Fund among 239 projects, leaving a contingency balance of \$133,800 and \$75,000 for project management support. ADOT has also allocated \$281,700 from the State Aviation Fund for 15 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.

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

- A. ADOT shall report any reallocations between project categories as listed in *Table 1 and Table 3* above \$100,000 to the JCCR Chairman. The JCCR Chairman shall determine whether the reallocation requires further Committee review.

(Continued)

- B. ADOT shall report any expenditure of the building renewal contingency allocation of \$133,800 to the JLBC Staff as part of its existing semi-annual building renewal status report.

| Key Points | |
|-------------------|---|
| 1) | ADOT Building Renewal projects span a range of categories including remodeling, safety improvements, compliance, and roofing replacements. |
| 2) | The \$13.0 million State Highway Fund Building Renewal appropriation equates to approximately 91% of the formula requirement. |
| 3) | ADOT plans to expend \$4.6 million for remodeling, \$3.5 million for building systems (HVAC, electrical, plumbing, and other renovations), and \$2.3 million on infrastructure. |

Analysis

The FY 2021 Capital Outlay Bill appropriated a total of \$13.3 million for ADOT building renewal in FY 2021, including \$13.0 million from the State Highway Fund and \$281,700 from the State Aviation Fund. The FY 2021 Building Renewal appropriation represents 91% of the amount generated by the building renewal formula for the ADOT Building System and 94.1% for the Grand Canyon Airport building renewal formula for FY 2021. 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 239 projects:

| 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 | 27 | \$546,000 | 4% |
| Roof Repairs/Replacement | 16 | 801,500 | 6% |
| Exterior Preservation (Doors, Windows, Siding) | 31 | 765,000 | 6% |
| Building Systems (HVAC, Electrical, Plumbing) | 57 | 3,513,500 | 27% |
| Interior Finishes (Paint, Carpet, Tile) | 15 | 240,800 | 1% |
| Remodels and Reconfigurations | 38 | 4,554,000 | 35% |
| Americans with Disabilities Act | 3 | 38,000 | 1% |
| Infrastructure (Sewers, Wells) | 52 | 2,332,400 | 18% |
| Project Management Support | N/A | 75,000 | 1% |
| Contingency | N/A | <u>133,800</u> | <u>1%</u> |
| Total | 239 | \$13,000,000 | 100% |

Of the 239 State Highway Fund projects, the 17 building projects shown in *Table 2* have a cost of \$200,000 or more.

| <u>Project</u> | <u>Allocation</u> |
|--|--------------------|
| Roof Repairs/Replacements | |
| Glendale MVD Building 1421 - Replace/Repair Roof | \$450,000 |
| Building Systems (HVAC, Electrical, Plumbing) | |
| Kingman Port of Entry Building 3030 - Replace Backup Power Generator System | 225,000 |
| Engineering Building 1004 - Modifications of Chiller Plant Piping and Heat Plate | 200,000 |
| Glendale MVD Building 1421 - Replace Roof Top HVAC Units | 270,000 |
| West Phoenix MVD Building 1651 - Replace Old Basement Air Handler Unit | 200,000 |
| Phoenix Equipment Services Building 1754 - Replace Sewer and Waterlines | 280,000 |
| Remodeling and Reconfigurations | |
| Grey Mountain Deicer Materials Storage Building 3207 - Renovate | 200,000 |
| Jacob Lake Deicer Materials Storage Building 3225 - Renovate | 250,000 |
| Colcord Deicer Materials Storage Building 3185 - Renovate | 200,000 |
| 1801 W Jefferson Building 1006 - Renovate 2 nd Floor | 800,000 |
| Enforcement Compliance Division Training Facility Building 1021 - Renovate | 200,000 |
| West Valley Construction Office Building 1411 - Renovate Interior | 250,000 |
| Roosevelt Equipment Storage Building 2087 - Renovate Interior | 200,000 |
| Globe Deicer Materials Storage Building 2217 - Renovate | 200,000 |
| Infrastructure | |
| West Phoenix MVD Site 045 - Repave/Restripe Parking Lot | 365,700 |
| Phoenix Equipment Services Site 050 - Repave/Restripe Middle Parking Area | 300,000 |
| West Valley Construction Site 030 - Repair/Reseal Parking Lot, Relocate Fencing | <u>200,000</u> |
| Total | \$4,790,700 |

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund for 15 projects at the state-owned Grand Canyon Airport in the following categories:

| <u>Category</u> | <u>Projects</u> | <u>State Aviation Fund</u> | <u>% of Total</u> |
|--|-----------------|----------------------------|-------------------|
| Fire/Life Safety | 2 | \$10,000 | 4% |
| Roof/Repairs Replacement | 1 | 4,000 | 1% |
| Exterior Preservation (Doors, Windows, Siding) | 2 | 10,000 | 4% |
| Building Systems (HVAC, Electrical, Plumbing) | 4 | 143,000 | 50% |
| Interior Finishes (Paint, Carpet, Tile) | 2 | 10,000 | 4% |
| Americans with Disabilities Act | 1 | 5,000 | 2% |
| Infrastructure | 3 | 99,700 | 35% |
| Contingency | <u>N/A</u> | <u>0</u> | <u>0%</u> |
| Total | 15 | \$281,700 | 100% |

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

JJ:kp

September 1, 2020

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



Dear Representative Cobb:

The Arizona Department of Transportation (ADOT) received a FY 2021 Building Renewal appropriation of \$13,000,000 from the State Highway Fund and \$281,700 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 2021 Building Renewal Allocation.

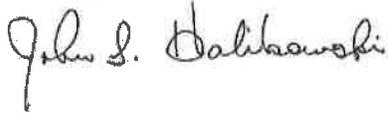
The following summary outlines ADOT's FY 2021 Building Renewal by major category:

| Category | State Highway Fund | State Aviation Fund |
|---|-----------------------|------------------------|
| CATEGORY 1 - FIRE/LIFE/SAFETY | \$ 546,000 | \$ 10,000 |
| CATEGORY 2 - ROOFS | \$ 801,500 | \$ 4,000 |
| CATEGORY 3 - PRESERVATION OF ASSET | \$ 765,000 | \$ 10,000 |
| CATEGORY 4 - MAJOR BUILDING SYSTEMS | \$ 3,513,500 | \$ 143,000 |
| CATEGORY 5 - INTERIOR BUILDING FINISHES | \$ 240,800 | \$ 10,000 |
| CATEGORY 6 - RECONFIGURE OR REMODEL | \$ 4,554,000 | \$ - |
| CATEGORY 7 - ADA COMPLIANCE | \$ 38,000 | \$ 5,000 |
| CATEGORY 8 - INFRASTRUCTURE | \$ 2,332,400 | \$ 99,700 |
| PROJECT MANAGEMENT SUPPORT | \$ 75,000 | \$ - |
| CONTINGENCY | \$ 133,800 | \$ - |
| Total FY 2021 Building Renewal | \$ 13,000,000 | \$ 281,700 |

Attached is a listing of FY 2021 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,

A handwritten signature in black ink that reads "John S. Halikowski". The signature is written in a cursive style with a large initial "J".

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 Analyst
Jordan Johnston, JLBC Analyst
Sonya Herrera, ADOT Administrative Services Director

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|--|-------------------|
| STATE HIGHWAY FUND (SHF) | |
| CATEGORY 1 - FIRE/LIFE SAFETY | |
| Page Maintenance Pump House Bldg 3600 - Replace fire pump & actuator valve | \$ 60,000 |
| Traffic Operations Center Bldg 1711 - Upgrade auto dialer to fire panel | \$ 2,000 |
| Modular Bldgs 1001A thru 1001D - Replace fire panel & devices | \$ 35,000 |
| Peerless Bldg 1121 - Upgrade auto dialer to fire panel | \$ 2,000 |
| Surprise MVD Bldg 1642 - Upgrade auto dialer to fire panel | \$ 2,000 |
| SE Mesa MVD Bldg 1331 - Replace fire panel & devices | \$ 75,000 |
| Glendale MVD Bldg 1421 - Replace fire panel & devices | \$ 75,000 |
| District Office/Lab Bldg 1701 - Upgrade auto dialer to fire panel | \$ 2,000 |
| Durango Maintenance Bldg 1729 - Upgrade auto dialer to fire panel | \$ 2,000 |
| El Capitan Rest Area Site 231 - Repair/replace failed concrete picnic tables w/exposed rebar | \$ 9,000 |
| Tucson District Office Bldg 2178 - Convert fire alarm panel to cell phone callout | \$ 2,000 |
| Tucson I-10/I-19 Bldg 2612 - Replace fire alarm panel and devices | \$ 15,000 |
| Tucson I-10/I-19 Bldg 2659 - Replace fire alarm panel and devices | \$ 15,000 |
| Tucson Grant Rd Maintenance Bldg 2189 - Replace fire alarm panel and devices | \$ 30,000 |
| Oracle Maintenance Shed/Office 2160 - Install exterior stairs for safety | \$ 30,000 |
| Tucson Construction Yard Site 273 - Remediate old hydraulic lift system | \$ 35,000 |
| Yuma District Office Bldg 2027 - Replace fire alarm panel and devices | \$ 18,000 |
| Yuma MVD Bldg 2026 - Replace fire alarm panel with cell phone callout | \$ 25,000 |
| Casa Grande MVD Bldg 2070 - Replace fire alarm panel with cell phone callout | \$ 20,000 |
| Nogales MVD Bldg 2167 - Replace fire alarm panel with cell phone callout | \$ 20,000 |
| Tucson East MVD Bldg 2151 - Replace fire alarm panel with cell phone callout | \$ 25,000 |
| Tucson Regional MVD Bldg 2150 - Replace fire alarm panel with cell phone callout | \$ 25,000 |
| Nogales POE Bldg 2663 - Convert fire alarm panel to cell phone callout | \$ 2,000 |
| ADOT Statewide - Asbestos abatement & repair | \$ 5,000 |
| ADOT Statewide - Lead paint abatement & repair | \$ 5,000 |
| ADOT Statewide - Mold abatement & repair | \$ 5,000 |
| ADOT Statewide - Repair fire alarm & suppression systems | \$ 5,000 |
| TOTAL CATEGORY 1 - FIRE/LIFE SAFETY | \$ 546,000 |
| CATEGORY 2 - ROOFS | |
| Sanders POE Bldg 3348 - Replace roof | \$ 20,000 |
| Sanders POE Bldg 3620 - Replace roof | \$ 25,000 |
| Glendale MVD Bldg 1421 - Replace/repair roof | \$ 450,000 |
| West Valley Construction Office Bldg 1411 - Replace roof | \$ 100,000 |
| Safford Facility Shop Bldg 2132 - Repair, recoat roof | \$ 20,000 |
| Young Maintenance Equipment Shed Bldg 2094 - Repair failing roof and siding | \$ 15,000 |
| Superior Maintenance Equipment Shed Bldg 2075 - Recoat roof | \$ 17,000 |
| Sonoita Maintenance Shed/Office 2172 - Replace failing roof | \$ 34,000 |
| Tucson Grant Rd Fuel Island Bldg 2154 - Replace failing roof | \$ 6,000 |
| Quartzsite Maintenance Bldg 2010 - Recoat roof | \$ 20,000 |
| Gila Bend Maintenance Office Bldg 2639 - Recoat single ply roof | \$ 15,000 |
| Tucson Equipment Services Shop Bldg 2186 - Recoat foam roof | \$ 25,000 |
| Tucson East MVD Inspection Canopy Bldg 2521 - Repair failing roof deck and fascia | \$ 27,000 |
| Tucson Regional MVD Bldg 2150 - Seal east wall to prevent rainwater leaking in | \$ 7,500 |
| Douglas State POE Bldg 2126 - Repair roof deck and fascia, allowing bee access | \$ 15,000 |
| ADOT Statewide - Repair roofs | \$ 5,000 |
| TOTAL CATEGORY 2 - ROOFS | \$ 801,500 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|---|-------------------|
| STATE HIGHWAY FUND (SHF) | |
| CATEGORY 3 - PRESERVATION OF ASSET | |
| Kingman Equipment Services Shop Bldg 3039 - Replace rusted wash bay siding & frame supports | \$ 10,000 |
| Jacob Lake Liquid Deicer Storage Tank & Canopy Bldg 3793 - Repaint exterior surfaces | \$ 15,000 |
| Jacob Lake Maintenance Storage Bldg 3223 - Repair exterior siding & beams | \$ 55,000 |
| Littlefield Storage Bldg 3192 - Repaint exterior | \$ 7,000 |
| Littlefield Storage Bldg 3190 - Replace roll up doors | \$ 44,000 |
| Littlefield Spreader Rack Bldg 3604 - Repaint | \$ 28,000 |
| Show Low Spreader Rack Bldg 3394 - Repaint | \$ 45,000 |
| St Johns Spreader Rack Bldg 3397 - Repaint spreader rack | \$ 25,000 |
| Springerville Spreader Rack Bldg 3400 - Repaint spreader rack | \$ 35,000 |
| Keams Canyon Spreader Rack Bldg 3469 - Repaint | \$ 30,000 |
| Ganado Spreader Storage Bldg 3374 - Repaint facility | \$ 40,000 |
| Tec Nos Pos Spreader Storage Bldg 3378 - Repaint facility | \$ 15,000 |
| Kingman Construction Office Bldg 3043 - Repaint exterior | \$ 20,000 |
| Modular Bldg 1181 - Repaint exterior of building | \$ 20,000 |
| Administration Bldg 1005A & B - Repair/repaint exterior walls | \$ 70,000 |
| Facilities Management Bldg 1002 - Repair/repaint parapet | \$ 10,000 |
| 1801 W Jefferson Bldg 1006 - Replace east and west doors | \$ 15,000 |
| West Valley Construction Office Bldg 1631 - Repair exterior walls | \$ 50,000 |
| Chandler Construction Office Bldg 1521 - Replace fire panel & devices | \$ 30,000 |
| West Valley Construction Office Bldg 1411 - Repaint exterior | \$ 30,000 |
| Arizona Highways Magazine Bldg 1101 - Repaint parking canopy | \$ 8,000 |
| Globe Lab Bldg 2078 - Replace failing fascia 40" x 50" panels (78) | \$ 30,000 |
| Safford Facility Shop Bldg 2132 - Repair failing overhead door | \$ 5,000 |
| St David Spreader Rack Bldg 2470 - Repaint exterior | \$ 25,000 |
| Douglas Spreader Rack Bldg 2476 - Repaint exterior | \$ 25,000 |
| Tucson I-10/I-19 Bldg 2659 - Relevel modular building | \$ 10,000 |
| Tucson Spreader Rack Bldg 2191 - Repaint exterior | \$ 30,000 |
| Nogales Spreader Rack Bldg 2538 - Repaint | \$ 15,000 |
| Claypool MVD Bldg 2076 - Repaint exterior | \$ 8,000 |
| ADOT Statewide - Repair doors, windows & other exterior features and surfaces | \$ 5,000 |
| ADOT Statewide - Repaint/repair exterior surfaces | \$ 10,000 |
| TOTAL CATEGORY 3 - PRESERVATION OF ASSET | \$ 765,000 |
| CATEGORY 4 - MAJOR BUILDING SYSTEMS | |
| Kingman Equipment Services Shop Bldg 3031 - Replace 3 ton heat pump unit | \$ 12,000 |
| Ganado Equipment Services Shop Bldg 3338 - Replace 2 evap coolers | \$ 50,000 |
| Flagstaff Office Bldg 3884 - General repairs | \$ 18,500 |
| Flagstaff Lab Bldg 3884 - Install dust collection system | \$ 100,000 |
| Winslow MVD Bldg 3227 - Replace 2 HVAC units | \$ 24,000 |
| Littlefield MVD Bldg 3707 - Replace 3.5 ton heat pump unit | \$ 12,000 |
| Kingman POE Bldg 3030 - Replace back up power generator system | \$ 225,000 |
| Gray Mountain Water Storage Tank Bldg 3509 - Repair truck fill station | \$ 10,000 |
| Kingman Construction Office Bldg 3043 - Replace 5 each heat pump units | \$ 80,000 |
| Cordes Junction Water Tank Bldg 3808 - Repair truck fill pipe | \$ 10,000 |
| Needle Mountain Pump House Bldg 3012 - Replace booster pumps and plumbing | \$ 30,000 |
| Sign Shop Bldg 1742 - Replace 5 roof top HVAC units | \$ 150,000 |
| Engineering Bldg 1004 - Replace condenser head on chillers #2 & #3 | \$ 52,000 |
| Engineering Bldg 1004 - Rebuild chilled water pump #3 | \$ 30,000 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|---|---------------------|
| STATE HIGHWAY FUND (SHF) | |
| Engineering Bldg 1004 - Required modifications of chiller plant piping and heat plate | \$ 200,000 |
| 1801 W Jefferson Bldg 1006 - Replace HVAC ducting on 2nd floor | \$ 150,000 |
| 1801 W Jefferson Bldg 1006 - Replace 1st floor AHU | \$ 90,000 |
| 1801 W Jefferson Bldg 1006 - Replace hot water HVAC boiler in basement | \$ 80,000 |
| Facilities Management Bldg 1002 - Replace hot water HVAC boiler | \$ 40,000 |
| 1801 W Jefferson Bldg 1006 - Replace 3rd floor AHU | \$ 185,000 |
| Goodyear MVD Bldg 1621 - Replace split system HVAC units | \$ 80,000 |
| Glendale MVD Bldg 1421 - Replace roof top HVAC units | \$ 270,000 |
| West Phoenix MVD Bldg 1651 - Replace old basement AHU | \$ 200,000 |
| West Phoenix MVD Bldg 1651 - Reline sewer sump | \$ 10,000 |
| Phoenix Equipment Services Site 050 - Replace emergency light fixtures | \$ 5,000 |
| Phoenix Equipment Services Bldg 1754 - Replace mini-split for data room | \$ 10,000 |
| Phoenix Equipment Services Bldg 1754 - Replace sewer & waterlines | \$ 280,000 |
| West Valley Construction Office Bldg 1411 - Replace 7 roof top heat pumps & controls | \$ 126,000 |
| Durango Maintenance Bldg 1729 - Replace 5 rooftop heat pumps | \$ 85,000 |
| North Phoenix Maintenance Bldg 1241 - Replace 3 split system heat pumps | \$ 48,000 |
| Globe Lab Bldg 2078 - Convert lighting fixtures from T12 to LED | \$ 4,000 |
| Globe Lab Bldg 2078 - Replace 2 HVAC units | \$ 28,000 |
| Safford Facility Shop Bldg 2132 - Replace rusted, failing evap coolers | \$ 20,000 |
| St David Truck Barn Bldg 2116 - Replace 2 HVAC units | \$ 28,000 |
| Globe Office Bldg 2077 - Replace 4 old rooftop HVAC units | \$ 60,000 |
| Globe Office Bldg 2077 - Convert lighting fixtures from T12 to LED | \$ 4,000 |
| Roosevelt Equipment Storage Bldg 2087 - Replace HVAC systems | \$ 40,000 |
| Douglas Equipment Shop Bldg 2123 - Replace lighting with LEDs | \$ 7,000 |
| Yuma Equipment Services Shop Bldg 2034 - Replace energy inefficient lamp fixtures | \$ 20,000 |
| Globe Equipment Services Shop Bldg 2082 - Replace lighting with LEDs | \$ 20,000 |
| Nogales MVD Bldg 2167 - Replace 2 HVAC units | \$ 28,000 |
| Douglas MVD Bldg 2124 - Replace 6 HVAC units | \$ 90,000 |
| Tucson East MVD Bldg 2151 - Replace 11 split system heat pumps & 1 mini-split | \$ 194,000 |
| Tucson Regional MVD Bldg 2150 - Replace 5 air handler units & 1 mini-split unit | \$ 132,000 |
| Willcox Signing & Striping Bldg 2106 - Replace unserviceable HVAC unit | \$ 16,000 |
| Tucson Sign Storage Warehouse Bldg 2613 - Replace 4 evap coolers and supports | \$ 60,000 |
| ADOT Statewide - Repair HVAC systems | \$ 10,000 |
| ADOT Statewide - Repair HVAC systems in MVD buildings | \$ 10,000 |
| ADOT Statewide - Repair HVAC systems in IDO buildings | \$ 10,000 |
| ADOT Statewide - Repair HVAC systems in TSMO buildings | \$ 5,000 |
| ADOT Statewide - Repair HVAC systems in ECD buildings | \$ 10,000 |
| ADOT Statewide - Repair HVAC systems in EQS buildings | \$ 5,000 |
| ADOT Statewide - Repair HVAC systems in ASD buildings | \$ 10,000 |
| ADOT Statewide - Repair plumbing systems | \$ 10,000 |
| ADOT Statewide - Repair electrical systems | \$ 10,000 |
| ADOT Statewide - Repair elevator systems | \$ 10,000 |
| ADOT Statewide - Retrofit unserviceable light fixtures | \$ 10,000 |
| TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS | \$ 3,513,500 |
| CATEGORY 5 - INTERIOR BUILDING FINISHES | |
| Payson Wash Rack Bldg 3780 - Repaint wash rack | \$ 9,500 |
| Kingman Construction Office Bldg 3043 - Replace flooring | \$ 20,000 |
| Kingman Construction Office Bldg 3043 - Repair window sills | \$ 3,500 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|---|-------------------|
| STATE HIGHWAY FUND (SHF) | |
| Traffic Operations Warehouse Bldg 1743 - Paint interior | \$ 8,000 |
| Traffic Operations Admin Bldg 1741 - Repaint walls and flooring (first floor only) | \$ 52,000 |
| Engineering Bldg 1004 - Replace entry doors to cafeteria | \$ 6,000 |
| Phoenix Equipment Services Bldg 1755 - Repair concrete flooring | \$ 8,000 |
| Durango Maintenance Bldg 1729 - Replace unserviceable VCT flooring | \$ 18,000 |
| Black Canyon Construction Office Bldg 1400 - Replace flooring | \$ 31,000 |
| Bisbee De-icer Materials Shed Bldg 2117 - Repair concrete floor | \$ 40,000 |
| Tucson I-10/I-19 Const Bldg 2612 - Replace failing flooring | \$ 12,800 |
| Claypool MVD Bldg 2076 - Repaint interior | \$ 7,000 |
| ADOT Statewide - Repair/replace casework | \$ 5,000 |
| ADOT Statewide - Repair/replace flooring | \$ 10,000 |
| ADOT Statewide - Repaint/repair interior surfaces | \$ 10,000 |
| TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES | \$ 240,800 |
| CATEGORY 6 - RECONFIGURE OR REMODEL | |
| Sanders POE Bldg 3348 - Renovate | \$ 50,000 |
| Sanders POE Bldg 3620 - Renovate | \$ 60,000 |
| Littlefield Pump House Storage Bldg 3191 - Repaint & repair exterior and replace light fixture | \$ 7,000 |
| Littlefield Maintenance Office Bldg 3189 - Renovate interior to include lighting, flooring & painting | \$ 25,000 |
| Gray Mountain Deicer Materials Storage Bldg 3207 - Renovate | \$ 200,000 |
| Jacob Lake Deicer Materials Storage Bldg 3225 - Renovate | \$ 250,000 |
| Jacob Lake Storage Bldg 3220 - Renovate | \$ 140,000 |
| Colcord Deicer Materials Storage Bldg 3185 - Renovate | \$ 200,000 |
| Page Maint Equipment Storage Bldg 3294 - Abate/remove leaking hydraulic lift | \$ 40,000 |
| Holbrook Deicer Materials Storage Bldg 3262 - Renovate | \$ 125,000 |
| Chambers Deicer Materials Storage Bldg 3328 - Renovate | \$ 125,000 |
| Engineering Bldg 1004 - Renovate basement restroom and hallway flooring | \$ 75,000 |
| Administration Bldg 1005A - Renovate NW restrooms | \$ 150,000 |
| 1801 W Jefferson Bldg 1006 - Renovate 2nd floor | \$ 800,000 |
| 1801 W Jefferson Bldg 1006 - Renovate southeast area of 1st floor for Physical Security Office | \$ 80,000 |
| West Phoenix MVD Bldg 1651 - Renovate basement restrooms | \$ 90,000 |
| SE Mesa MVD Bldg 1331 - Renovate interior | \$ 100,000 |
| Surprise MVD Bldg 1641 - Renovate customer service area | \$ 100,000 |
| Scottsdale ECD Inspection Bldg 1211B - Replace unserviceable casework | \$ 8,000 |
| Glendale ECD Inspection Bldg 1421B - Replace unserviceable casework | \$ 8,000 |
| ECD Training Facility Bldg 1021 - Renovate | \$ 200,000 |
| Phoenix Equipment Services Bldg 1754/5 - Renovate air washer rooms | \$ 100,000 |
| Phoenix Equipment Services Bldg 1761 - Repair mezzanine storage area | \$ 25,000 |
| West Valley Construction Office Bldg 1411 - Renovate interior | \$ 250,000 |
| Durango Maintenance Bldg 1729 - Replace unserviceable kitchen cabinet and countertops | \$ 15,000 |
| District Office/Lab Bldg 1701 - Renovation | \$ 100,000 |
| Contracts & Specs Area Bldg 1002 - Renovate office area | \$ 50,000 |
| Roosevelt Equipment Storage Bldg 2087 - Renovate interior to relocate crew from trailer | \$ 200,000 |
| Globe Deicer Materials Storage Bldg 2217 - Renovate | \$ 200,000 |
| Tucson District Office Bldg 2178 - Renovate interior space | \$ 35,000 |
| Gila Bend Asphalt Storage Tank Bldg 2362 - Abate tank | \$ 25,000 |
| Tucson Equipment Services Bldg 2168 - Repairs to restrooms | \$ 6,000 |
| Tucson North MVD Bldg 2185 - Design for renovation of building | \$ 150,000 |
| Bouse Wash Rest Area Residence Bldg 2013 - Renovate residence | \$ 85,000 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|--|---------------------|
| STATE HIGHWAY FUND (SHF) | |
| Bouse Wash Rest Area Restroom Bldg 2012 - Renovate restroom | \$ 150,000 |
| Bouse Wash Rest Area Restroom Bldg 2014 - Renovate restroom | \$ 150,000 |
| Bouse Wash Rest Area Ramadas Site 205 - Renovate ramada | \$ 165,000 |
| ADOT Statewide - Perform general repairs | \$ 15,000 |
| TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL | \$ 4,554,000 |
| CATEGORY 7 - ADA COMPLIANCE | |
| Lake Havasu City MVD Bldg 3002 - Install ADA door openers | \$ 15,000 |
| Tempe MVD Bldg 1541 - Replace ADA doors | \$ 18,000 |
| ADOT Statewide - ADA compliance repairs/renovations | \$ 5,000 |
| TOTAL CATEGORY 7 - ADA COMPLIANCE | \$ 38,000 |
| CATEGORY 8 - INFRASTRUCTURE | |
| Fredonia Maintenance Yard Site 419 - Repair gate and opener system | \$ 55,000 |
| Littlefield Maintenance Yard Site 419 - Repair gate and opener system | \$ 65,000 |
| Gray Mountain Entry Gate Site 404 - Replace 8 each water system control valves | \$ 15,000 |
| East Flagstaff Maintenance Yard Site 412 - Repair gas distribution system | \$ 13,000 |
| McGuireville Rest Area Site 436 - Install waste water pond aerators & replace overflow valve | \$ 40,000 |
| McGuireville Rest Area Site 436 - Install 2 waste water septic tanks | \$ 75,000 |
| Sunset Point Rest Area Site 458 - Install waste water pond aerator & replace overflow valve | \$ 10,000 |
| Haviland Rest Area Site 470 - Install SCADA water control system | \$ 87,000 |
| Traffic Operations Center Site 047 - Install backflow preventer | \$ 6,000 |
| Features Inventory Office Site 019 - Install backflow preventer | \$ 6,000 |
| Central Materials Lab Site 012 - Repair, reseal & restripe parking lot | \$ 27,000 |
| Central Materials Lab Site 012 - Install backflow preventer | \$ 6,000 |
| Engineering Bldg Site 004 - Install backflow preventer | \$ 6,000 |
| Administration Bldg Site 005 - Install 2 each backflow preventers | \$ 12,000 |
| HRDC Bldg Site 016 - Install backflow preventer | \$ 6,000 |
| HRDC Site 016 - Repair & restripe parking lot pavement | \$ 20,000 |
| Facilities Management Site 002 - Install backflow preventer | \$ 6,000 |
| Facilities Management Site 002 - Reseal & restripe parking lot pavement | \$ 9,500 |
| 1801 Bldg Site 006 - Restripe & reseal parking lot pavement | \$ 20,000 |
| Tempe MVD Site 037 - Repave and restripe parking lot | \$ 152,000 |
| Chandler MVD Site 054 - Install backflow preventer | \$ 6,000 |
| West Phoenix MVD Site 045 - Install backflow preventer | \$ 6,000 |
| Glendale MVD Site 031 - Repair, reseal, restripe parking lot | \$ 20,000 |
| West Phoenix MVD Site 045 - Repave and restripe parking lot | \$ 365,700 |
| ECD Training Site 008 - Repair fencing, gate and pavement | \$ 50,000 |
| Phoenix Equipment Services Site 050 - Install backflow preventer | \$ 10,000 |
| Phoenix Equipment Services Site 050 - Repave/restripe middle parking area | \$ 300,000 |
| West Valley Construction Site 030 - Repair, reseal, restripe parking lot & relocate fencing/gate | \$ 200,000 |
| Avondale Construction Site 058 - Reseal parking lot | \$ 15,000 |
| Avondale Construction Site 058 - Install backflow preventer | \$ 6,000 |
| Mesa Recker Rd Maintenance Yard Site 028 - Install backflow water device and repairs | \$ 35,000 |
| Durango Maintenance Yard Site 048 - Install backflow preventer | \$ 6,000 |
| District Office/Lab Site 046 - Install backflow water device and repairs | \$ 6,000 |
| Arizona Highways Magazine Site 010 - Reseal & restripe parking lot | \$ 20,000 |
| Globe Maintenance Yard Site 228 - Evaluate site for electrical power requirements | \$ 20,000 |
| Globe Maintenance Yard Site 228 - Repair water distribution system | \$ 100,000 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
 FY 2021 BUILDING RENEWAL ALLOCATION
 BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

| Project Description | Estimated Cost |
|---|----------------------|
| STATE HIGHWAY FUND (SHF) | |
| Tucson Grant Road Yard Site 293 - Landfill gas monitoring & repairs | \$ 24,000 |
| Yuma Equipment Services Shop Site 211 - Decontaminate/remove oil water separator | \$ 40,000 |
| Sierra Vista MVD Site 247 - Reseal and restripe motorcycle track | \$ 9,700 |
| Sierra Vista MVD Site 247 - Reseal and restripe parking lot | \$ 13,200 |
| Yuma MVD Site 210 - Reseal and restripe parking lot | \$ 26,300 |
| Tucson East MVD Site 269 - Reseal and restripe parking lot | \$ 27,000 |
| Tucson East MVD Site 269 - Replace failing asphalt pavement in test area with concrete | \$ 28,000 |
| Tucson Regional MVD Site 268 - Repair curbs & parking stops, resurface & stripe parking lot | \$ 38,000 |
| San Simon POE Site 246 - Repair 4 inch sewer line | \$ 75,000 |
| Bouse Wash Rest Area Site 205 - Replace 2 wastewater pond aerators | \$ 25,000 |
| Texas Canyon Rest Area Site 241 - Replace 6 wastewater pond aerators | \$ 24,000 |
| ADOT Statewide - Repair parking lot pavements/curbing/stripping | \$ 25,000 |
| ADOT Statewide - Repair MVD parking lot pavements/curbing/stripping | \$ 25,000 |
| ADOT Statewide - Repair Equipment Services parking lot pavements/curbing/stripping | \$ 25,000 |
| ADOT Statewide - Repair fencing, gates & barrier walls | \$ 25,000 |
| ADOT Statewide - Repair site wells, gas, water, and wastewater system deficiencies | \$ 100,000 |
| TOTAL CATEGORY 8 - INFRASTRUCTURE | \$ 2,332,400 |
| TOTAL OF ALL SHF PROJECTS REQUESTED | \$ 12,791,200 |
| PROJECT MANAGEMENT SUPPORT | \$ 75,000 |
| CONTINGENCY | \$ 133,800 |
| TOTAL AUTHORIZED SHF FUNDS | \$ 13,000,000 |

| SUMMARY BY CATEGORY | |
|---|----------------------|
| CATEGORY 1 - FIRE/LIFE/SAFETY | \$ 546,000 |
| CATEGORY 2 - ROOFS | \$ 801,500 |
| CATEGORY 3 - PRESERVATION OF ASSET | \$ 765,000 |
| CATEGORY 4 - MAJOR BUILDING SYSTEMS | \$ 3,513,500 |
| CATEGORY 5 - INTERIOR BUILDING FINISHES | \$ 240,800 |
| CATEGORY 6 - RECONFIGURE OR REMODEL | \$ 4,554,000 |
| CATEGORY 7 - ADA COMPLIANCE | \$ 38,000 |
| CATEGORY 8 - INFRASTRUCTURE | \$ 2,332,400 |
| PROJECT MANAGEMENT SUPPORT | \$ 75,000 |
| CONTINGENCY | \$ 133,800 |
| TOTAL AUTHORIZED SHF FUNDS | \$ 13,000,000 |

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2021 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 | \$ 5,000 |
| Grand Canyon Airport Site 463 - Abate asbestos, lead paint & environmental hazards | \$ 5,000 |
| TOTAL CATEGORY 1 - FIRE/LIFE SAFETY | \$ 10,000 |
| CATEGORY 2 - ROOFS | |
| Grand Canyon Airport Site 463 - Repair roofs | \$ 4,000 |
| TOTAL CATEGORY 2 - ROOFS | \$ 4,000 |
| CATEGORY 3 - PRESERVATION OF ASSET | |
| Grand Canyon Airport Site 463 - Repaint/repair exterior surfaces | \$ 5,000 |
| Grand Canyon Airport Site 463 - Replace/repair windows | \$ 5,000 |
| TOTAL CATEGORY 3 - PRESERVATION OF ASSET | \$ 10,000 |
| CATEGORY 4 - MAJOR BUILDING SYSTEMS | |
| Grand Canyon Airport Site 463 - Repair electrical systems | \$ 3,000 |
| Grand Canyon Airport Site 463 - Repair/replace HVAC systems | \$ 130,000 |
| Grand Canyon Airport Site 463 - Repair plumbing | \$ 5,000 |
| Grand Canyon Airport Site 463 - Repair elevator | \$ 5,000 |
| TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS | \$ 143,000 |
| CATEGORY 5 - INTERIOR BUILDING FINISHES | |
| Grand Canyon Airport Site 463 - Replace/repair flooring | \$ 5,000 |
| Grand Canyon Airport Site 463 - Repaint/repair interior | \$ 5,000 |
| TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES | \$ 10,000 |
| CATEGORY 7 - ADA COMPLIANCE | |
| Grand Canyon Airport Site 463 - Repair ADA | \$ 5,000 |
| TOTAL CATEGORY 7 - ADA COMPLIANCE | \$ 5,000 |
| CATEGORY 8 - INFRASTRUCTURE | |
| Grand Canyon Airport Site 463 - Repair/replace water & waste water systems | \$ 5,000 |
| Grand Canyon Airport Site 463 - Repair/replace pavement/sidewalks/signage | \$ 84,700 |
| Grand Canyon Airport Site 463 - Repair/replace fence, gates & barrier walls | \$ 10,000 |
| TOTAL CATEGORY 8 - INFRASTRUCTURE | \$ 99,700 |
| TOTAL OF ALL STATE AVIATION FUND PROJECTS REQUESTED | \$ 281,700 |
| PROJECT MANAGEMENT SUPPORT | \$ - |
| CONTINGENCY | \$ - |
| TOTAL AUTHORIZED STATE AVIATION FUNDS | \$ 281,700 |

| SUMMARY BY CATEGORY | |
|--|-------------------|
| CATEGORY 1 - FIRE AND LIFE SAFETY | \$ 10,000 |
| CATEGORY 2 - ROOFS | \$ 4,000 |
| CATEGORY 3 - PRESERVATION OF ASSET | \$ 10,000 |
| CATEGORY 4 - MAJOR BUILDING SYSTEMS | \$ 143,000 |
| CATEGORY 5 - INTERIOR BUILDING FINISHES | \$ 10,000 |
| CATEGORY 6 - RECONFIGURE OR REMODEL | \$ - |
| CATEGORY 7 - ADA COMPLIANCE | \$ 5,000 |
| CATEGORY 8 - INFRASTRUCTURE | \$ 99,700 |
| TOTAL AUTHORIZED STATE AVIATION FUNDS | \$ 281,700 |



STATE OF ARIZONA

Joint Committee on Capital Review

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BEN TOMA

DATE: September 16, 2020

TO: Members of the Joint Committee on Capital Review

FROM: Morgan Dorcheus, Senior Fiscal Analyst

SUBJECT: Arizona State University - Review of University Drive Pedestrian Bridge Project

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requests Committee review of \$13,600,000 in system revenue bond issuances to fund construction of a University Drive Pedestrian Bridge.

Committee Options

The Committee has at least the following 2 options:

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

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

Standard University Financing Provisions

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

(Continued)

- C. On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the University Drive Pedestrian Bridge project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Key Points

- 1) ASU plans to construct a pedestrian bridge over University Drive.
- 2) The bridge would connect a new science building on the south side of to a parking garage on the north side.
- 3) The project includes construction of a 16,800 square foot plaza that will provide outdoor meeting space for students and the community.
- 4) ASU will issue \$13.6 million of system revenue bonds, paying annual debt service costs of approximately \$900,000 with tuition revenues.

Analysis

In the September 2019 meeting, the Committee reviewed ASU's plans to construct the Interdisciplinary Science and Technology Building (ISTB) 7 on the southwest corner of University Drive and Rural Road. The facility is currently under construction and will include research labs for biological sciences, computing, and engineering, classrooms and student workspaces, offices, and public exhibit spaces.

ASU intends to construct a pedestrian bridge to connect ISTB7 to a parking structure on the north side of University Drive that provides parking for university arenas and commercial office buildings. The bridge will be ADA-accessible and include low-level lighting, glass-lined guardrails, and a steel shading structure. In addition to the new bridge, ASU plans to construct a 16,800 square foot plaza adjacent to the north side of the bridge. The plaza is intended to provide outdoor meeting space for students and the community and will include shaded areas and wide steps.

ASU plans to begin construction of the bridge in October 2020 and complete construction in December 2021. Construction of the bridge will coincide with construction of the ISTB7 building and will use the same contractor. ASU states that this project has been prioritized for review due to overlapping scopes of work with the ISTB7 project and the expectation that there would be additional bridge construction costs if the project is delayed. ASU recommends moving forward now to take advantage of current low traffic levels on University Drive and low interest rates on bond issuances.

Financing

ASU intends to issue \$13.6 million in system revenue bonds in March 2021. ASU anticipates a rating of Aa2 (Moody's)/AA (S&P) and interest rates of 2.64% over a 20-year term. In addition to project costs, issuance costs are projected to be \$144,000. The annual debt service will be approximately \$900,000 and will be funded with tuition revenues.

The debt service on this project increases ASU's current debt ratio by 0.03%, from 4.60% to 4.63%.

(Continued)

The universities have reported concerns that the COVID-19 pandemic may have a significant impact on tuition revenues, particularly for non-resident and international students, who are charged higher tuition rates than resident students. In terms of bottom-line tuition revenues, ASU projects that gross tuition revenues will increase by \$100.1 million, or 5.0%, in FY 2021. This compares to a 10.3% increase in FY 2020.

The universities have also reported that the COVID-19 pandemic may increase operating costs for accommodating additional safety measures on campus and transitioning courses to a virtual format.

The ASU annual budget request includes an FY 2021 supplemental request of \$35.6 million, which consists of: 1) \$16.7 million for the state to pay 10% of the estimated revenue losses and additional costs associated with the COVID-19 pandemic; and 2) \$18.9 million to continue one-time funding that was eliminated in the FY 2021 budget.

Construction Costs

The projected is estimated to cost a total of \$13.6 million. ASU states that construction will begin in October 2020 and the Construction Manager at Risk (CMAR) will complete the project under a guaranteed maximum price arrangement by December 2021.

Operations and Maintenance Costs

ASU estimates that annual operation and maintenance costs will increase by \$40,300, which will be paid by tuition revenues.

| | |
|---------------------------|--|
| Construction Timeframe | October 2020 – December 2021 |
| Issuance Amount | \$13.6 million |
| Issuance Date | March 2021 |
| Issuance Transaction Fees | \$144,000 |
| Rating | Aa2 (Moody's)/AA (S&P) |
| Interest Rate | 2.64% |
| Term | 20 years |
| Total Debt Costs | \$18.0 million |
| Debt Service Payments | \$120,900 (FY 2021) \$0.9 million (FY 2022 – FY 2041) |
| Payment Source | Tuition |
| Debt Ratio Increase | 0.03% |



September 2, 2020

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



Dear Representative Cobb:

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

- University Drive Pedestrian Bridge and Plaza

Enclosed is pertinent information relating to this item.

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

Sincerely,

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Enclosures

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

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

1. University Drive Pedestrian Bridge and Plaza

Project Description

This project will construct a pedestrian bridge to span University Drive near the Rural Road intersection. The project will increase pedestrian safety and foster connectivity among a major mass transit hub, campus facilities and the university's research corridor, including the Interdisciplinary Science and Technology Building (ISTB) 7, on the south side of University Drive, and the Novus Innovation Corridor on the north side.

During peak university academic periods, the nearby light rail station ranks as the third-highest in overall passenger boardings among the forty-three stations in the Phoenix metropolitan area. The pedestrian bridge will connect to the elevators at the Novus Place parking structure and ISTB 7 to provide student, faculty and community users with Americans with Disabilities Act-compliant access to a safe transition across University Drive.

This project also includes the construction of an approximately 16,800 gross-square-foot urban plaza in a location adjacent to the bridge, on the north side of University Drive. This plaza will connect the core campus to the Novus Innovation Corridor and serve as a meeting area for students and the community.

The project will be funded with \$13,600,000 in system revenue bonds. Debt service will be funded by tuition. Annual operations and maintenance costs for this project are estimated at \$40,316 and will be funded by tuition.

An Arizona Board of Regents executive summary for this project is attached, which outlines the project description and other relevant information. This project received Capital Development Plan approval at the June 12, 2020 Arizona Board of Regents meeting, which is the final required ABOR approval.

Project Costs

| | |
|---------------------------------|---------------|
| Total Project Cost | \$ 13,600,000 |
| Total Project Construction Cost | \$ 11,433,381 |
| Total Project Cost per GSF | \$ N/A |
| Construction Cost per GSF | \$ N/A |

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

Project Summary –Revenue Bonds

| <u>Projects:</u> | <u>Funding Sources:</u> | <u>Amount:</u> |
|--|-------------------------|----------------------|
| University Drive Pedestrian Bridge and Plaza | Tuition | \$ 13,600,000 |
| Total | | <u>\$ 13,600,000</u> |

Financing Information

System Revenue Bonds:

| | |
|-----------------------------|----------------------------|
| Project Costs | \$13,600,000 |
| Estimated Costs of Issuance | \$144,000 |
| Anticipated Bond Rating | Aa2 (Moody's) and AA (S&P) |
| Assumed Interest Rate | 2.64% |
| Term | 20 years |

Estimated Debt Service Information:

| | |
|------------------------------|--------------|
| FY 2021 | \$120,947 |
| FY 2022 to FY 2041 | \$893,355 |
| Total Estimated Debt Service | \$17,988,047 |

Debt Ratio

| | |
|-----------------------------|-------|
| Debt Ratio on Existing Debt | 4.60% |
| Incremental Debt Ratio | .03% |
| Project Debt Ratio | 4.63% |

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

Arizona State University
University Drive Pedestrian Bridge and Plaza
System Revenue Bonds

| Fiscal Year | Estimated Issuance March 2021 | | |
|--------------|-------------------------------|--------------------|---------------------|
| | Principal | Interest | Total |
| 2021 | | \$120,947 | \$120,947 |
| 2022 | \$530,000 | 362,842 | 892,842 |
| 2023 | 544,000 | 348,850 | 892,850 |
| 2024 | 558,000 | 334,488 | 892,488 |
| 2025 | 576,000 | 319,757 | 895,757 |
| 2026 | 589,000 | 304,550 | 893,550 |
| 2027 | 603,000 | 289,001 | 892,001 |
| 2028 | 621,000 | 273,082 | 894,082 |
| 2029 | 635,000 | 256,687 | 891,687 |
| 2030 | 653,000 | 239,923 | 892,923 |
| 2031 | 671,000 | 222,684 | 893,684 |
| 2032 | 689,000 | 204,970 | 893,970 |
| 2033 | 707,000 | 186,780 | 893,780 |
| 2034 | 725,000 | 168,115 | 893,115 |
| 2035 | 743,000 | 148,975 | 891,975 |
| 2036 | 766,000 | 129,360 | 895,360 |
| 2037 | 784,000 | 109,138 | 893,138 |
| 2038 | 807,000 | 88,440 | 895,440 |
| 2039 | 825,000 | 67,135 | 892,135 |
| 2040 | 848,000 | 45,355 | 893,355 |
| 2041 | 870,000 | 22,968 | 892,968 |
| Total | 13,744,000 | \$4,244,047 | \$17,988,047 |

EXECUTIVE SUMMARY

**Arizona Board of Regents
Arizona State University
Amended Capital Development Plan—Project Justification Report
University Drive Pedestrian Bridge and Plaza**

Previous Board Action

- FY 2021 Capital Improvement Plan September 2019

Project Justification/Description/Scope

- This project will construct a pedestrian bridge to span University Drive near the Rural Road intersection, as well as an adjacent urban plaza. The project will increase pedestrian safety and foster connectivity among a major mass transit hub, campus facilities and the university's research corridor, including the Interdisciplinary Science and Technology Building (ISTB) 7, on the south side of University Drive, and the facilities in the Novus Innovation Corridor on the north side. The project site location is depicted on the attached map as Exhibit D.
- The pedestrian bridge will connect to the elevators at the Novus Place parking structure and ISTB 7 to provide student, faculty and community users with Americans with Disabilities Act-compliant access to a safe transition across University Drive. The bridge will include low-level lighting along the pedestrian path, along with planters and glass-lined guardrails to enhance its security. A steel fin shading structure will cool the walkway to enhance the year-round experience of pedestrians, as well as provide night lighting to increase visibility and safety. Lighted signage also will be included in the project to enable the bridge to serve as a gateway to the ASU Tempe campus from the east valley.
- The proximity of the bridge to a major mass transit hub will provide the high volume of student and community users with a safe, comfortable, ADA-accessible method of crossing University Drive. During peak university academic periods, this light rail station ranks as the third-highest in overall passenger boardings among the forty-three stations in the Phoenix metropolitan area. With the development and occupancy of the facilities in the Novus Innovation Corridor, the bridge will provide support for sustainable transportation and safe connectivity between the university and Novus facilities.
- The bridge also will provide a much-needed method to connect telecommunication hubs across University Drive to extend the university's capability for current and future

EXECUTIVE SUMMARY

development. High-quality, durable materials will be used to construct the bridge to minimize its operational, repair and replacement costs and ensure an anticipated useful life of at least fifty years. These materials will include the application of a high-performance coating to the bridge shading structure to sustain its finish for at least fifty years without requiring routine maintenance.

- This project also includes the construction of an approximately 16,800 gross-square-foot urban plaza in a location adjacent to the bridge, on the north side of University Drive. This plaza will connect the university to the Novus Innovation Corridor and serve as a meeting area for students and the community. The plaza will include a landscaped area to provide shade and wide steps to facilitate student and community gathering.
- The pedestrian bridge and plaza will enhance pedestrian safety, as well as the university's social embeddedness in the community it serves. The project also will enable the connection of world-class research with commerce and business applications that will advance collaboration, fuel economic growth and support the establishment of ASU as a leading global center for interdisciplinary research, discovery and development.

Project Delivery Method and Process

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to provide contractor design input and coordination throughout the project, alleviate potentially adversarial project environments and allow for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase and pre-qualified, low-bid subcontractor work for the actual construction, CMAR project delivery also provides a high level of cost and quality control.
- ASU has selected Architekton and Grimshaw as the Design Professionals (DP) for this project and McCarthy Building Companies, Inc. as the CMAR. The selection process for the DP included twenty-three responses and five firms were interviewed. The CMAR selection process included three submittal responses and three contractors were interviewed.

Project Status and Schedule

- Project construction is scheduled to start in October 2020 and completion is targeted for December 2021. The project schedule is planned to coordinate with the completion of ISTB 7.

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Project Cost

- The budget for this project is \$13.6 million.
- The CMAR will be at risk to provide the completed project within the agreed-upon Guaranteed Maximum Price (GMP).

Fiscal Impact and Financing Plan

- The \$13.6 million project budget will be funded with system revenue bonds. Debt service will be funded by tuition.
- Annual operations and maintenance costs for this project are estimated at \$40,316 and will be funded by tuition.
- **Debt Ratio Impact:** The projected incremental debt ratio impact for this project is 0.03 percent.

Occupancy Plan

- No backfill plan is associated with this project.

Statutory and Policy Requirements

- ABOR policy 7-102 (B) requires committee review and board approval of all capital projects with an estimated total project cost of \$10,000,000 or more, including information technology and third-party projects.
- ABOR policy 7-107 (E) requires Amended Capital Development Plan approval for new projects added outside of the regular Capital Development Plan.

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Capital Project Information Summary

University: Arizona State University **Project Name:** University Drive Pedestrian Bridge and Plaza

Project Description and Location: This project will construct a pedestrian bridge to span University Drive near the Rural Road intersection, as well as an adjacent urban plaza. The project will increase pedestrian safety and facilitate connectivity between the university's research corridor and the facilities in the Novus Innovation Corridor.

Project Schedule:

| | | |
|-------------------------|----------|------|
| Planning | January | 2020 |
| Design Start | February | 2020 |
| Construction Start | October | 2020 |
| Construction Completion | December | 2021 |

Project Budget:

| | | |
|---------------------------------|----|------------|
| Total Project Cost | \$ | 13,600,000 |
| Total Project Construction Cost | \$ | 11,433,381 |
| Total Project Cost per GSF | \$ | N/A |
| Construction Cost per GSF | \$ | N/A |

Change in Annual O & M Cost:

| | | |
|---------------------|----|--------|
| Utilities | \$ | 38,316 |
| Personnel | | 0 |
| All Other Operating | | 2,000 |
| Subtotal | \$ | 40,316 |

Funding Sources:

| | | |
|-------------------------------|----|------------|
| Capital | | |
| System Revenue Bonds | \$ | 13,600,000 |
| Debt Service Funding Sources: | | Tuition |
| Operation/Maintenance | \$ | 40,316 |
| Funding Source: | | Tuition |

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Capital Project Budget Summary

University: Arizona State University
Project: University Drive Pedestrian Bridge and Plaza

| | <u>Amended Capital Development Plan</u> |
|--|---|
| Capital Costs | |
| 1. Land Acquisition | |
| 2. Construction Cost | |
| A. New Construction | \$ 10,808,381 |
| B. Renovation | |
| C. Special Fixed Equipment | |
| D. Site Development (excl. 2.E.) | 50,000 |
| E. Parking and Landscaping | |
| F. Utilities Extensions | 225,000 |
| G. Other* | 350,000 |
| Subtotal Construction Cost | \$ 11,433,381 |
| 3. Fees | |
| A. Pre-Construction | \$ 257,995 |
| B. Architect/Engineer | 719,880 |
| C. Other | 75,000 |
| Subtotal Consultant Fees | \$ 977,875 |
| 4. FF&E Movable | \$ 75,000 |
| 5. Contingency, Design Phase | 100,000 |
| 6. Contingency, Constr. Phase | 400,000 |
| 7. Parking Replacement | |
| 8. Telecommunications Equipment | |
| Subtotal Items 4-8 | \$ 575,000 |
| 9. Additional University Costs | |
| A. Surveys, Tests, Haz. Mat. Abatement | \$ 65,667 |
| B. Move-in Costs | |
| C. Printing Advertisement | 5,000 |
| D. Keying, signage, facilities support | 20,000 |
| E. Project Management Cost | 476,837 |
| F. State Risk Mgt. Ins. (.0034 **) | 46,240 |
| Subtotal Addl. Univ. Costs | \$ 613,744 |
| Total Capital Cost | \$ 13,600,000 |

* Universities shall identify items included in this category

** State Risk Management Insurance factor is calculated on construction costs and consultant fees.

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**Exhibit D
University Pedestrian Bridge and Plaza
Site Location Map**

