

STATE OF ARIZONA

Joint Committee on Capital Review

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CHRISTINE WEASON

JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, October 19, 2000

10:00 a.m.

House Hearing Room 5

AGENDA

- Call to Order
- DIRECTOR'S REPORT (if necessary).
- [Approval of Minutes of September 14, 2000.](#)
- 1. [ARIZONA DEPARTMENT OF ADMINISTRATION - Recommendation on Rent Exemption for Motor Pool and Maintenance Facilities.](#)
- 2. [ARIZONA DEPARTMENT OF ECONOMIC SECURITY- Review of the Scope, Purpose and Estimated Cost of Safety Improvements at the Arizona Training Program at Coolidge.](#)
- 3. [ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2001 Building Renewal Allocation Plan.](#)
- 4. [ARIZONA STATE PARKS -](#)
 - [A. Review of State Lake Improvement Fund Projects.](#)
 - [B. Report on Kartchner Caverns State Park.](#)
- 5. [UNIVERSITY OF ARIZONA - Report on Mt. Graham Observatory Lease-Purpose Project.](#)

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

10/12/00

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

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MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, September 14, 2000

The Chairman called the meeting to order at 10:05 a.m. Thursday, September 14, 2000, in House Hearing Room 4 and attendance was noted.

Members:	Representative Burns, Chairman Representative Cooley Representative Johnson Representative McLendon Representative Weason	Senator Gnant, Vice-Chairman Senator Arzberger Senator Bowers Senator Brown Senator Wettaw
Absent:	Representative Daniels (Excused) Representative Nichols	Senator Smith (Excused) Senator Solomon
Staff:	Richard Stavneak Lorenzo Martinez Bob Hull Beth Kohler	Jan Belisle, Secretary Gina Guarascio Tom Mikesell
Others:	Tim Brand, ADOA Roger Berna, ADOA Bruce Ringwald, ADOA Bill Greeney, OSPB	Greg Gemson, House Debbie Johnston, Senate Paul Davenport, Press Lars Garcia, ADOT

APPROVAL OF MINUTES

Representative Burns asked for corrections or additions to the minutes of August 10, 2000. Hearing none, the minutes were approved as submitted.

DEPARTMENT OF HEALTH SERVICES (DHS)/ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) — Review of the Scope, Purpose and Estimated Cost of the Birch Hall Renovation and Request for Proposals for the New Civil and Adolescent Facilities at the Arizona State Hospital.

Gina Guarascio, JLBC Staff presented the scope, purpose and estimated cost of the Birch Hall renovation for the less restrictive alternative program for the Sexually Violent Persons (SVP) population. The renovation will include 27 resident rooms as well as administrative offices. ADOA and DHS also request the review of the Phase 2 Request for Proposal (RFP) for the new Civil and Adolescent facilities at the Arizona State Hospital. Phase 1 requested submissions from design-build teams detailing qualifications. They received 9 responses and ADOA has selected 3 teams to respond to Phase 2 of the RFP. The responses are due from the teams on November 6th. The Committee will have an opportunity to review the scope, purpose and estimated cost of the

project after a bid is selected and before construction begins. The JLBC Staff also recommends that the master plan for the ASH project be presented to the Committee at the November meeting. The JLBC Staff recommends a favorable review of the Birch Hall renovation and the ASH facilities RFP.

Senator Gnant moved that the Committee give a favorable review to 1) the scope, purpose and estimated cost of the Birch Hall renovation and 2) the Request for Proposals for the civil hospital and the adolescent facility of the Arizona State Hospital. The Committee also requested that any transfers among the projects in excess of \$100,000 be reported to Joint Legislative Budget Committee Staff prior to expenditure. The motion carried.

In response to Representative Cooley, Chairman Burns mentioned the Legislature approved the use of \$80,000,000 of the interest money from the Budget Stabilization Fund (BSF) for the ASH project. The monies would be repaid with Tobacco Settlement monies.

In further reply to Representative Cooley, Richard Stavneak, JLBC Staff stated the Healthy Children/Healthy Family ballot proposition includes \$75 million to build the new state hospital. The repayment of the BSF with the money that is being used at this point is viewed as being consistent with the overall proposition. The JLBC Staff thinks the BSF will continue to be repaid under the circumstances. In the Health Arizona initiative, it is more of a technical question because it repeals any funds created for tobacco settlement monies. In this case a fund was not set up, money was appropriated from the tobacco settlement into the BSF to replace the interest earnings used for the ASH project.

ARIZONA STATE LOTTERY COMMISSION — Review of FY 2000 and FY 2001 Building Renewal Allocation Plans.

Tom Mikesell, JLBC Staff briefed the Committee on the FY 2001 Building Renewal allocation plan. The JLBC Staff recommends a favorable review of the request.

Senator Gnant moved the Committee give a favorable review to the FY 2001 Building Renewal allocation plan. The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION/ADOA — Report on 17th Avenue Pedestrian Safety Landscape Project on the Capitol Mall.

Lorenzo Martinez, JLBC Staff gave a brief report on the construction project on 17th Avenue. The project is a \$1.8 million project.

In answer to Representative Cooley, Mr. Martinez said the project was estimated to be a 4-month project. The current estimate for completion is mid-November.

In reply to Representative Cooley, Lars Garcia, ADOT stated that the pedestrian improvements should be completed by November, however, the department has indicated the need to repave the road when the other improvements are completed. The state transportation money will be used to do the overlay. There will be a speedtable as well as intersection, lighting, and pedestrian crosswalk upgrades. The delay for completion is due to unforeseen utility issues. As there was a change of property owners, there were a number of utility improvements that were not documented accurately. The sewer drain system needed cleaning and the documents for the construction project that existed were not up-to-date.

Representative Weason asked why this area required a traffic/pedestrian construction project. Mr. Garcia replied that Maricopa County did a pedestrian study that recommended a number of issues. The route is no longer being used as a state highway and traffic does not warrant a 4-lane roadway. The road will be narrowed, a speedtable will be added and sidewalks will be widened. Traffic volume should stay the same and trucks may avoid the area due to the speedtable. The project is designed to make the area more pedestrian friendly.

No Committee action was required.

UNIVERSITY OF ARIZONA — Report on Lease-Purchase Projects.

Lorenzo Martinez, JLBC Staff presented the report on lease-purchase projects. Current statutes do not require legislative oversight of lease-purchase agreements entered into by the universities. However, the universities have agreed to report to the Committee when they are going to enter into lease-purchase agreements. The 2 lease-purchase agreements are 1) to construct power lines to the Mt. Graham International Observatory at an estimated cost of \$12,000,000 and 2) to construct a 1,700 space parking garage and 15,000 square foot office building. The cost is estimated to be \$17,000,000. Of that amount, \$16,500,000 will be financed with Certificates of Participation (COPs) and the remaining \$500,000 will come from revenue reserves.

Representative Cooley asked if there was an existing facility at Mt. Graham and do user fees finance it. Mr. Martinez mentioned that he did not know how the existing facilities were financed. This powerline is needed due to the addition of the new Large Binocular Telescope. User fees will be used to repay the COPs. The financing repayment term could be for up to 30 years.

Chairman Burns requested Mr. Martinez gather the information and send a memo to the Committee.

No Committee action was required.

The Chairman adjourned the meeting at 10:25 a.m.

Jan Belisle, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Representative Robert "Bob" Burns, Chairman

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

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CHRISTINE WEASON

DATE: October 11, 2000

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

THRU: Richard Stavneak, Director

FROM: Paul Shannon, Senior Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION - RECOMMENDATION
ON RENT EXEMPTION FOR MOTOR POOL AND MAINTENANCE
FACILITIES

Request

The Arizona Department of Administration (ADOA) requests the Committee recommend a partial rent exemption for the tenants of the new motor pool building and the 2 new buildings at the maintenance compound. The exemption is required as a result of obligations for existing rent appropriations and increased space at the new facilities.

Recommendation

The JLBC Staff recommends that the Committee recommend to the Director of ADOA a rent exemption of \$58,600 to the Facilities Management and Support Services programs of ADOA.

Analysis

Pursuant to A.R.S. § 41-792.01D, the Joint Committee on Capital Review is authorized to recommend to the Director of ADOA a whole or partial exemption from payment of rent if an agency does not have the financial resources for rent of state-owned space.

ADOA has relocated its maintenance and motor pool facilities to new buildings at the location of the previous motor pool facility. This move increased the size of the motor pool facility. The move also consolidated maintenance activities from 3 spaces (the old Jackson School, DES West, and the Wayland Complex) to the new space.

(Continued)

The department was appropriated \$81,000 in FY 2001 for rent associated with maintenance and motor pool space. The new space has rent charges for the FY 2001 of \$100,200. Additionally, rent of \$39,400 is obligated to the previously occupied space, making a total obligation of \$139,600. The total difference of \$(58,600) is due to Certificate of Participation (COP) payments on the DES West space which cannot be avoided and larger space, and consequently larger rent, due on the new motor pool space. Although the department has vacated space in the DES West, the \$29,100 COP payment cannot be waived. Additionally no rent was appropriated for the Jackson School space; therefore no monies are available from this building to offset the rent requirement in the new space.

The following table lists the additional incremental annualized costs of the new space for FY 2001:

<u>Building</u>	<u>FY 2001</u>	<u>FY 2001</u>	<u>(Deficit) or Surplus</u>
	<u>Rent</u>	<u>Rent</u>	
	<u>Obligations</u>	<u>Appropriations</u>	
New Maintenance Building	\$ 43,000	\$ 0	\$(43,000)
New Warehouse Building	17,300	0	(17,300)
New Motor Pool Building	39,900	10,800	(29,100)
DES West (now vacant)	29,100	29,100	--
Wayland Complex	10,300	41,100	30,800
Old Jackson School (now vacant)	<u>0</u>	<u>0</u>	<u>0</u>
Totals	\$139,600	\$81,000	\$(58,600)

RS:PS:jb



JANE DEE HULL
GOVERNOR

J. ELLIOTT HIBBS
DIRECTOR

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

October 5, 2000



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

RE: Request for Rental Waiver

Dear Representatives Burns:

The Arizona Department of Administration respectfully requests a rental waiver for the new Motor Pool Building and the new Maintenance Compound.

The report for this request is attached.

Sincerely,

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

Robert C. Teel, Assistant Director
ADOA, General Services Division

Attachment

CC: Senator Randall Gnant, Arizona Senate
J. Elliott Hibbs, Director, ADO
Tom Betlach, Director OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, JLBC
Kristine Ward, OSPB
Charlotte Hosseini, ADOA, MSD

Arizona Dept. of Administration is seeking the waiver of \$58,600 in FY01 for rent payments to the COSF fund for space in state owned buildings. Late in FY00, construction was completed for the new Motor Pool Building and the two new buildings at the Maintenance Compound. At the time the budget request for FY00 and FY01 was submitted, there was not enough data to estimate the size of the new buildings nor the completion dates, therefore, rent for the new space was not programmed into the budget. Even though we had vacated the space at DES West by 7/1/00, that rent (\$29,100) cannot be used to offset the new space because DES West is a COP building, and that rent must be used for debt service.

Since the completion of construction, the following events have occurred:

1. The motor pool operation has relocated to the new Motor Pool Building. The old structure has been demolished and removed.
2. The operations at the old Jackson School have relocated to the new Maintenance Compound.
3. The operations at 1789 W. Washington (DES West) have relocated to the new Maintenance Compound.
4. The operations at 1937 W. Jefferson (Wayland Complex) are in the process of moving to the new Maintenance Compound.

We are requesting the waiver only for FY01. The appropriate budget request was made for these facilities for FY02 and FY03.

ADOA RENT CHANGES FOR FY01

PROPOSED
PAYMENT

DEFICIT

APPROPRIA-
TION

RENT DUE

BUILDING

NEW BUILDINGS:

New Maintenance Building	\$43,000	\$0	(\$43,000)	\$0
New Warehouse Building	\$17,300	\$0	(\$17,300)	\$0
New Motor Pool Building	\$39,900	\$10,800	(\$29,100)	\$10,800
TOTAL	\$100,200	\$10,800	(\$89,400)	\$10,800

CHANGES:

DES West (now vacant)	\$29,100	\$29,100	\$0	\$29,100
Wayland Complex (1937 W. Jefferson)	\$10,300	\$41,100	\$30,800	\$41,100
Old Jackson School (now vacant)	\$0	\$0	\$0	\$0

SAVINGS FROM CHANGES

\$30,800

NET DEFICIT

(\$58,600)

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DATE: October 10, 2000

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

THRU: Richard Stavneak, Director

FROM: Stefan Shepherd, Senior Fiscal Analyst

SUBJECT: DEPARTMENT OF ECONOMIC SECURITY – REVIEW OF THE SCOPE,
PURPOSE AND ESTIMATED COST OF SAFETY IMPROVEMENTS AT
THE ARIZONA TRAINING PROGRAM AT COOLIDGE

Request

The Department of Economic Security (DES) requests Committee review of the scope, purpose, and estimated cost of safety improvements at the Arizona Training Program at Coolidge (ATP-Coolidge).

Recommendation

The JLBC Staff recommends a favorable review of the request. A total of \$938,300 has been allocated to renovate 5 group homes and replace fire alarm panels in 6 buildings. The JLBC Staff also recommends that any transfers among the listed projects in excess of \$50,000 be reported to JLBC Staff prior to expenditure.

Analysis

The FY 2000 - FY 2001 Capital Outlay Bill (Laws 1999, Chapter 2, 1st Special Session) appropriated a total of \$938,300 from the General Fund for “group home renovations and fire and life safety corrections” at ATP-Coolidge. ATP-Coolidge provides housing and services to approximately 166 developmentally-disabled residents. Although the Capital Outlay Bill split the appropriation – \$238,300 GF in FY 2000 and an additional \$700,000 GF in FY 2001 – DES is treating the appropriations as one, combined \$938,300 project. Prior to the release of monies for construction, A.R.S. § 41-1252(c) requires the Committee to review the scope, purpose, and estimated cost of this project.

(Continued)

Although the scope of the appropriations were not precisely defined by the Legislature, DES' original request for the safety improvements included renovating 5 group homes to bring them into full compliance with fire and life safety codes and fire alarm panel replacement in 14 other buildings. The \$938,300 total appropriation reflected DES' best estimates of project costs. The initial low bid for the project, however, exceeded the appropriation level. The current request reflects cost reductions from substituting alternate materials that have brought the project within the total appropriation. The substitutions, such as putting in formica countertops rather than solid-surface countertops, did not reduce the safety component of the improvements.

The current request includes \$831,200 for construction, \$71,900 for architectural and engineering services, and \$35,200 in contingencies funding. The scope of work includes life and safety renovations in 5 group homes and fire alarm panel replacement in 6 other buildings. The improvements to be made include: renovating electrical, HVAC, and plumbing systems; installing ground fault interrupters; repairing gouged and leaking bathtubs; replacing damaged countertops; and making hallways and bathrooms wheelchair-accessible. These modifications will enable wheelchair-bound developmentally-disabled clients to reside in the homes and bring them into full compliance with fire and life safety codes. In addition, existing fire alarm panels in 6 buildings will be replaced with fire alarms that will interact with the fire alarm system on the rest of the ATP-Coolidge campus. Since the cost to replace the fire alarm panels was significantly below DES' original estimates, the department has indicated they may request Building Renewal funding for panel replacement in the other 8 buildings originally budgeted in their request. JLBC Staff also notes that any leftover contingencies funding might also be used to replace the fire alarm panels in the other 8 buildings.

The table below summarizes the total cost of the request:

<u>Item</u>	<u>Cost</u>
Fire Alarm Panel Replacement in 6 Buildings	\$ 4,500
Renovations to Group Home 101	191,500
Renovations to Group Home 104	157,700
Renovations to Group Home 105	157,700
Renovations to Group Home 108	158,400
Renovations to Group Home 110	161,400
Architectural and Engineering Services	71,900
Contingencies	<u>35,200</u>
TOTAL	\$938,300

JLBC Staff recommends a favorable review of the request. The proposed uses of the monies are consistent with the purpose of the appropriations and the department made suitable modifications that will ensure client and staff safety while bringing the project within the appropriation.

RS:SSH:jb



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1717 W. Jefferson - P.O. Box 6123 - Phoenix, AZ 85005

Jane Dee Hull
Governor

John L. Clayton
Director

OCT 4 2000

RECEIVED
OCT - 4 2000

The Honorable Bob Burns, Chairman
Joint Committee on Capital Review
Arizona State House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Representative Burns:

The Department of Economic Security requests placement on the October 19, 2000 agenda of the Joint Committee on Capital Review to review the scope, purpose, and the estimated cost of the following project:

Renovations for Fire, Life Safety, and Accessibility Compliance at the Arizona Training Program at Coolidge.

A description of this project is attached.

Sincerely,


John L. Clayton

Attachment

cc: Senator Randall Gnant, Vice Chairman, JCCR
Tom Betlach, Director, OSPB
Richard Stavneak, Director, JLBC
Lorenzo Martinez, Senior Analyst, JLBC

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

RENOVATIONS FOR FIRE, LIFE SAFETY, AND ACCESSIBILITY COMPLIANCE AT THE ARIZONA TRAINING PROGRAM AT COOLIDGE

The Arizona Training Program at Coolidge (ATPC) provides 24-hour resident care to persons having developmental disabilities that include mental retardation, cerebral palsy, autism, and epilepsy. In order to ensure that developmentally disabled persons and department employees are not exposed to potentially life threatening situations, the ATPC facility must be maintained in a condition which meets minimum health, safety, and accessibility standards.

Due to fire, life safety, accessibility code violations, and health hazards existing at ATPC, the department requested funding for modifications to various buildings. \$938,300.00 was appropriated in SFY 2000 and 2001 for Life Safety Code requirements for Group Homes 101, 104, 105, 108, and 110, plus fire alarm panel replacement in six (6) buildings. Completion of the project will bring six (6) buildings into minimal compliance and five (5) group homes into full compliance with fire and life safety codes.

The group homes are utilized as residences for developmentally disabled persons. These homes are nearly 40 years old. They require renovations of aged electrical, HVAC, and plumbing systems. These group homes also have life and safety hazards/violations existing; i.e., ground fault interrupters do not exist. Bathtubs have large gouges, grout is missing, and leakage occurs into bedrooms. Kitchen counter tops are broken, causing unsanitary conditions. Hallways and bathrooms are not wheelchair accessible. Modifications will enable wheelchair bound developmentally disabled persons to reside in the homes and ensure fire and life safety code requirements are met.

The modifications will address the fire and life safety standards for these five (5) group homes, bringing them into full compliance with fire and life safety codes. Existing fire alarm panels will be replaced with fire alarm panels that will interact and be compatible with existing systems in six (6) buildings (Roadrunner, Ann C. Dew, Palo Verde, Desert Sun South, Desert Sun North, and Central Receiving).

The program budget consisted of \$71,928.00 for Architectural/Engineering Services, \$823,053.00 for construction, and \$43,319.00 for contingencies. Because the construction base bid of \$862,830.00 was over the project budget, the Department

reduced the construction costs by substituting alternate materials. The contingency funds were also reduced, bringing the project into budget.

The following summarizes the core of work to be completed:

<u>ITEM</u>	<u>COST</u>
Improvements to six (6) buildings:	\$ 4,500.00
Renovations to Group Home 101:	\$191,468.00
Renovations to Group Home 104:	\$157,720.00
Renovations to Group Home 105:	\$157,698.00
Renovations to Group Home 108:	\$158,376.00
Renovations to Group Home 110:	\$161,435.00
Architectural/Engineering services:	<u>\$ 71,928.00</u>
Total project cost:	\$903,125.00
Contingencies:	\$ 35,175.00 (3.89%)

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DATE: October 13, 2000

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

THRU: Richard Stavneak, Director

FROM: Bruce J. Groll, Senior Research/Fiscal Analyst

SUBJECT: ARIZONA GAME AND FISH DEPARTMENT - REVIEW OF FY 2001 BUILDING
RENEWAL ALLOCATION PLAN

Request

The Arizona Game and Fish Department (AGFD) requests Committee review of its FY 2001 Building Renewal allocation plan of \$275,400 from the Game and Fish Fund.

Recommendation

The JLBC Staff recommends a favorable review of the plan. Of the \$275,400 plan total: \$42,000 is for Major Building Systems including HVAC, evaporative cooling, and generator lifecycle replacements; \$65,000 is for Preservation of Assets including roofing replacement and exterior painting projects; \$101,200 is for Interior Building Finishes including carpeting and flooring replacement, interior painting, and restroom renovation; and \$67,200 is for Infrastructure including well, water and wastewater systems lifecycle replacement, and paving maintenance (*see Table 1*).

Analysis

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

Laws 1999, Chapter 2, 1st Special Session appropriated a total of \$571,400 from the Game and Fish Fund: \$256,000 in FY 2000 and \$275,400 in FY 2001 to AGFD for building renewal.

(Continued)

AGFD has more than 270 structures throughout the state totaling approximately 542,000 square feet. Facilities include central headquarters in Phoenix and six regional offices, fish hatcheries, and multiple residences and storage buildings.

Consistent with statute and prior years' practice, AGFD has prioritized the \$275,400 total FY 2001 expenditure of Building Renewal monies for allocation in the following categories for 33 projects:

Table 1

<u>Category</u>	<u>Number of Projects</u>	<u>Planned Allocation</u>	<u>% of Total</u>
Major Building Systems			
• A/C and Evaporative Cooler Replacement	6	\$38,000	13.8%
• Generator Replacement	<u>1</u>	<u>4,000</u>	<u>1.4%</u>
Sub-total	7	\$ 42,000	15.2%
Preservation of Assets			
• Exterior Painting	8	25,000	9.0%
• Roofing Maintenance and Replacement	<u>3</u>	<u>40,000</u>	<u>14.5%</u>
Sub-total	11	\$ 65,000	23.5%
Interior Finishes			
• Carpet/Flooring Replacement	4	52,000	18.9%
• Interior Painting	3	17,000	6.2%
• Restroom Renovation	<u>4</u>	<u>32,200</u>	<u>11.7%</u>
Sub-total	11	\$101,200	36.8%
Infrastructure			
• Utility Upgrades	1	24,000	8.8%
• Paving Maintenance	<u>3</u>	<u>43,200</u>	<u>15.7%</u>
Sub-total	4	\$ 67,200	24.5%
TOTAL	33	\$275,400	100.0%

The agency submission contains more detail on these projects.

RS/BJG:jb



THE STATE OF ARIZONA
GAME AND FISH DEPARTMENT

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(602) 942-3000 • WWW.AZGFD.COM

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DIRECTOR
DUANE L. SHROUFE
DEPUTY DIRECTOR
STEVE K. FERRELL



October 2, 2000

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

OCT - 6 2000

Re: Request for Placement on Joint Committee on Capital Review Agenda – October 2000

Dear Representative Burns:

The Arizona Game and Fish Department requests placement on the October 2000 agenda of the Joint Committee on Capital Review to review the following:

1. FY 2001 Building Renewal allocation and expenditure plan.

The information for this review is attached.

Sincerely,

Duane L. Shroufe
Director

DLS:FJB:fb

cc: Tom Betlach, Director, OSPB
Senator Randall Gnant
✓ Lorenzo Martinez, JLBC
Richard Rico, AGFD
Richard Stavneak, Staff Director, JLBC

Enc.

ARIZONA GAME AND FISH DEPARTMENT FY 2001 BUILDING RENEWAL ALLOCATION AND EXPENDITURE PLAN

Background

The Arizona Game and Fish Department (Department) currently maintains over 270 structures within its building and infrastructure system across the state, totaling over 542,000 square feet. Facilities range in age and type from historic structures constructed in the 1930's to newly built residences and operational facilities at the Department's fish hatcheries. Estimated replacement costs exceed \$26 million. Currently, funding for maintenance of these facilities include federal aid monies (Dingell-Johnson, Pittman Robinson, and Wallop-Breaux), watercraft apportionments and building renewal dollars apportioned through the Game and Fish Fund. This budget plan is the basis for the building renewal portion of the Department's Capital Outlay and Building Improvement (COLBI) bi-annual funding requests. Additionally, it will facilitate a proactive approach to assure that the cyclic maintenance requirements of the Department's facilities are adequately addressed.

Cyclic Maintenance

Cyclic maintenance is the scheduled replacement or renovation of major building system components based on their individual life expectancy, which will preserve the overall value of the asset, circumvent costly repairs and will result in maintaining the facility's useful life. This document outlines an annualized budget approach to accomplish Department wide cyclic maintenance projects on all administrative and residential properties.

The following sections of this document will outline the rationale in estimating the annualized cost of the Department's maintenance requirements. Consistent with the State of Arizona Capital Request Form format the following primary project categories in order of priority are utilized:

- Fire and Life Safety
- Preservation of Assets
- Major Building Systems
- Infrastructure
- Alterations to Occupied Space
- Interior Building Finishes
- Accessibility*

*As a result of the Department's recent *1999 2000 Architectural Barrier Survey and Corrective Action Plan* (attached) accessibility will be addressed through a separate request within the Department's facilities improvement portion of the COLBI request for FY 2002 and 2003.

DEVELOPMENT OF CYCLIC MAINTENANCE PLAN

The following assumptions for cyclic maintenance are the basis for the Department's annualized cyclic maintenance plan and provide a framework for the biannual COLBI building renewal budget request. All assumptions have been incorporated into calculations within an Excel spreadsheet and a budget summary report generated (attached).

Major Building Systems

HVAC – Assumptions: Use total gross square footage for residential and administrative space, which equals 198,000 square feet. Use 1 ton of air conditioning capacity per 500 square feet. Use \$950 per ton of A/C capacity (assume heat pumps or gas packs) for equipment and installation cost. Use 12 year life cycle.

Evaporative Coolers – Assumptions: Use 10% of residential and administrative gross square footage and 5 % of operational gross square footage (warehouses, etc.). Use 12 foot average room height to calculate total room volume served. Assume 3500 cubic feet of air displacement per minute desired. Use \$700 per 3500 cubic feet of capacity for equipment and installation. Use 10-year life cycle.

Generators – Assumptions: Cost is for the 3 main generator units at Deer Valley North. Replacement cost per unit is \$20,000. Life cycle is 15 years.

Preservation of Assets

Roofing – Assumptions: Use 110 % of total gross square footage for residential and administrative space. Use \$3.00 per square foot replacement. Life cycle is 15 years.

Exterior Painting – Assumptions: Use an average external wall area to roof area ratio of 1 to 1.6 (160 sq.ft. of external wall area per 100 sq.ft. of roof area). Use a cost of .55/sq.ft. Life cycle is 7 years.

Interior Building Finishes

Carpeting/Flooring – Assumptions: Use total gross square footage for residential and administrative space. Use \$2.60 per square foot cost. Life cycle is 10 years.

Interior Painting – Assumptions: Use 90% of total gross square footage for residential and administrative space (ceiling area) plus 90% of the area calculated for external painting (wall area). Use a cost of .40/sq.ft. Life cycle is five years.

Restroom Renovation – Assumptions: Use 45 restrooms (administrative only). Use 120 square feet per restroom. Use a cost of \$35 per square foot. Life cycle is 10 years.

Infrastructure

Wells/Water Systems – Assumptions: Use 12 facility sites. Cost of replacement is \$5000 each. Life cycle is 10 years.

Wastewater Systems – Assumptions: Use 36 facility sites. Cost of replacement is \$5000 each. Life cycle is 10 years.

Paving Maintenance – Assumptions: Use total gross parking lot area of 100,000 square feet. Cost of plastic seal coat is \$1.50 per square foot. Life cycle is 5 years.

Alterations to Occupied Space

Tenant Improvements – Assumptions: The Development Branch has maintained data on tenant improvements. Historically over the past five years the Department has expended an average of 23% of its annual building renewal budget for tenant improvements. Assume this trend to continue.

**ARIZONA GAME AND FISH DEPARTMENT
FY 2001 BUILDING RENEWAL
ALLOCATION AND EXPENDITURE PLAN**

Proposed Category Allocations and Project Expenditures

Project Category: Major Building Systems

Allocation: \$42,000

- **Problem/Justification: Statewide Air Conditioning and Evaporative Cooler Replacement**

Many of the Department's regional office facilities are currently equipped with air conditioning units that are approaching or exceed 10 years in age. The frequency of costly service calls and repairs continue to increase each year. In the low desert locations, loss of air conditioning capability can shut down an office entirely until repairs are made. Based on the energy efficiency ratings for new units, it would be cost effective to begin replacing this equipment from the standpoint of deferred costs in both maintenance/repair and energy savings. In addition, several regional warehouse facilities are cooled by evaporative coolers of similar age. New cooler equipment is both more efficient and utilizes new materials that are far more resistant to corrosion, requiring less maintenance and increased useful life.

Proposed Solution:

The proposed solution is to continue replacing this equipment in a prioritized manner. The request for FY 2001 will allow the Department to initiate a systematic replacement of the older equipment over a three-year period.

Benefit and Operating Cost:

The primary benefit will be equipment reliability and reduction in repair costs. Of equal importance is the energy savings component, which will be reflected in reduced operating costs.

Consequences of Deferral:

Deferral of these funds will require the Department to continue making costly repairs on a crisis management basis. Loss of savings due to continued operation of older equipment versus the increased efficiency of new equipment would be a cost to the Department as well.

Expenditure Detail

Assuming 8-10 ton capacity per regional office (various configurations exist ie, split systems, rooftop, etc.), an average cost of \$10,500 per building can be expected. This does not include any contingency such as electrical upgrades or sheet metal work. New 6500-cfm high efficiency

evaporative coolers have an installed cost of \$1200. The \$36,000 expenditure will initiate a three-year systematic replacement of this equipment Deer Valley, Flagstaff, Kingman and Yuma regional offices on a priority basis.

- **Problem/Justification: Backup Generators**

The Department maintains three backup generators to provide a redundant power source for the twenty four-hour radio dispatch facility and the Information Systems branch, which operates and maintains the Department's statewide computer network. Although power outages are not that frequent, the generators are programmed to turn on bimonthly for testing and use of oil and fuel. The life expectancy for these units is twelve to fifteen years. It has been determined that it is not cost effective to rebuild the units.

Proposed Solution:

The Deer Valley Office maintain two generators that supply backup power to its Information Systems Branch (LAN) and one generator that supplies backup power to the Department's twenty four hour Dispatch Unit.

Benefit and Operating Cost:

The anticipated life expectancy for these generator units is fifteen years. The Department will benefit by maintaining an annual portion of its building renewal funds to establish a replacement fund for these units on a cyclic basis. This reflects no additional operating cost.

Consequences of Deferral:

Failure to depreciate the life of these generator units within the Department's cyclic maintenance plan will result in substantial unscheduled capital expenditures to replace failing units. This would most likely require the compromise of other scheduled projects.

Expenditure Detail:

Cost is for the 3 main generator units at Deer Valley North. Replacement cost per unit is \$20,000 with a life cycle of 15 years. Total annual deferral is \$4,000.

Project Category: Preservation of Assets

Allocation: \$65,000

- **Problem/Justification: Exterior Painting**

As part of a cyclic maintenance program the Department has been painting the exterior surfaces of the main office buildings at the Deer Valley complex. The Department's regional offices, headquarters modular buildings and various other outlying facilities are in need of exterior painting as well. Three of the Department's regional offices have or will be painted in conjunction with major capital improvement projects. The Kingman regional office was painted with FY 2000 funds

Proposed Solution:

The Department proposes to paint exterior surfaces on six Deer Valley modular buildings, the Development Branch office building and the remaining two regional offices. The request for FY 2001 will allow the Department to continue a systematic plan for painting maintenance.

Benefit and Operating Cost:

The primary benefit will be the continued protection of external surfaces on Department facilities and improved work environments within the building interiors. No increase in operating costs is associated with this project.

Consequences of Deferral:

Deferral of the exterior painting will require a more costly effort in the future to properly prepare the existing surfaces for refinishing. Deferral of interior painting will result in a progressive degradation of the work environment.

Expenditure Detail:

Based on recent data for comparably sized buildings the cost of painting the exterior of a regional office would be approximately \$9,700 and \$2,500 per modular building. (about \$.55/sq.ft). \$25,000 would be sufficient to initiate a multiyear program to complete these facilities.

- **Problem/Justification: Roofing**

The Department occupies and maintains over 200,000 square feet of residential and administrative building space across the state. Maintaining adequate roofing conditions is critical in the preservation of these assets.

Proposed Solution:

As part of the Department's cyclic maintenance program approximately \$12,000 to \$15,000 per year will be directed toward roofing maintenance and replacement.

The Department proposes to paint the interiors of the remaining three regional offices. The request for FY 2001 will allow the Department to continue a systematic plan for painting maintenance.

Benefit and Operating Cost:

The primary benefit will be preserving or improving the work place environment as well as preserving the building asset. No increase in operating costs is associated with this project.

Consequences of Deferral:

Deferral of interior painting will result in a progressive degradation of the work environment.

Expenditure Detail:

Based on recent data, the cost of painting interior office space is about \$.45/sq.ft. \$17,000 would be sufficient for completing the Kingman and Flagstaff regional office during this fiscal year.

• **Problem/Justification: Restroom Renovation**

The Department maintains approximately fifty restrooms (common use and public), several of which will be renovated under capital improvement funding for ADA accessibility. As part of the cyclic maintenance plan the Department is committed to maintaining an established standard of appearance and condition of restroom facilities. This will require improvements on and annual basis to approximately 10% of the restrooms.

Proposed Solution:

As part of the cyclic maintenance program, the Department proposes to renovate four to five restrooms per year on a priority basis.

Benefit and Operating Cost:

The benefit of restroom renovation is improvement quality of the workplace environment, and a reduction long term reduction in maintenance costs for fixture repair.

Consequences of Deferral:

Deferral of these projects would result in a degraded work place environment, unsanitary conditions and increased repair costs.

Expenditure Detail:

Assume 120 square feet per restroom. Use a cost of \$35 per square foot and life cycle of 10 years. \$19,000 per year will be adequate to renovate three to four restrooms on a priority basis.

Project Category: Infrastructure

Allocation: \$54,000

- **Problem/Justification: Utility Systems**

Ben Avery Shooting Facility (BASF): The Department recently completed an electrical distribution evaluation at BASF. Severe violations of the current National Electrical Code were found throughout. Within the range facilities, services and conductors are often not sized adequately for loads, distribution panels are in poor condition, grounding is inadequate, inappropriate fixtures and receptacles are installed, etc. The shooter's campground appears to be the worst case in non-compliance. Many of the electrical boxes in the area have no covers on them. There are bare energized wires hanging from the boxes. Wiring used for direct burial is not rated for such use. Water pipe is being used for conduit. Insulation on wiring is cracked and brittle. Circuit distribution is unmarked and grounding is uncertain. Water distribution has deteriorated to the point of requiring critical repairs on a regular basis. The system does not meet current codes relative to cross connection prevention or control valves.

Proposed Solution:

The Electrical Distribution Evaluation outlines corrective action for all violations at BASF. Complete replacement of the entire water system is proposed as well. The Department has prioritized segments of these systems and initiated a compliance program in FY 2000, completing approximately 50% of the required work. The Department plans to complete this work over the next two fiscal years.

Benefit and Operating Cost:

As is the purpose of the NEC code and other building codes, compliance assures safety. This is the ultimate benefit of these projects. The risk of personal injury, health problems or damage to property at BASF will be greatly reduced by rectifying the more severe items, with complete compliance being the long-term goal. No additional operating cost is associated with the proposed project. Maintenance requirements should be reduced.

Consequences of Deferral:

Deferral of this work will contribute to the further deterioration of the existing equipment and will perpetuate severely non-compliant and unsafe distribution systems.

Expenditure Detail:

The total project probable cost estimate for the BASF Shooter's Campground utilities upgrade is attached. The building renewal amount of \$24,000 will pay for approximately 25% of the water system replacement. Funding will be supplemented by the shooting range development fund derived from range revenue. The proposal for this funding is to accomplish this work over a two to three year period.

- **Problem/Justification: Paving Maintenance**

Flagstaff Regional Office Parking Lot: The existing asphalt driveway and parking lot surface at the Flagstaff Regional Office is in serious disrepair. It has deteriorated through the normal processes of UV radiation and freeze/thaw. The drying out of the asphaltic oil component and the freeze/thaw process has caused cracking in the pavement surface. This allows water to penetrate below the asphalt slab and failure in the surfacing occurs. This condition requires full pavement replacement rather than a surface treatment.

Proposed Solution:

The Department proposes to overlay the entry access and parking lot.

Benefit and Operating Cost:

Flagstaff Regional Office: The benefit of this project is in achieving a congruent parking lot surface that is not failing and which can be maintained by seal coating as part of the Department's cyclical maintenance program.

Consequences of Deferral:

The consequences of deferring this project will be the continued degradation of the parking lot surface, requiring costly, short term repairs.

Expenditure Detail:

Area => 7,340 sq.yds.

Crack Sealing - \$2500

Overlay @ 6.5/sq.yd. => \$47,710

Total: \$50,210 (Funding will be supplemented with prior year's appropriation)

Project Category: Alterations to Occupied Space

Allocation: \$69,000

- **Project Justification: Pinetop Regional Office Renovation and Expansion**

The fiscal year 2001 tenant improvement portion of the building renewal request will be used as part of the Pinetop Regional Office funding. This project will be funded with federal aid funds, FY 2001 capital improvement and building renewal appropriated funds. Attached is a program plan and cost estimate for the project which is currently under design and scheduled to begin construction in early spring, 2001.

**SUMMARY OF FY 2001 BUILDING RENEWAL
PROPOSED ALLOCATIONS**

Category	Amount Requested
Major Building Systems	\$42,000
Preservation of Assets	\$65,000
Interior Building Finishes	\$88,000
Infrastructure	\$54,000
Alterations to Occupied Space	\$69,000
Total:	\$318,000

Actual Building Renewal Appropriation vs. Proposed Allocations

The fiscal year 2001 building renewal appropriation is \$275,400 versus the \$318,000 in proposed allocations, representing a shortfall of \$42,600. Based on project priorities and a supplemental capital improvement funding request for the Pinetop office expansion in the fiscal year 2002-2003 COLBI budget request, this shortfall will be reduced by limiting or eliminating the use of building renewal monies for the Pinetop office renovation.

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: October 12, 2000

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

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS - REVIEW OF STATE LAKE IMPROVEMENT FUND
PROJECTS

Request

Pursuant to A.R.S. § 5-382 the Arizona State Parks Board requests the Committee review State Lake Improvement Fund (SLIF) projects totaling \$6,234,100 for FY 2001.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review to the SLIF projects and grants. A total of 20 projects/grants totaling \$6,234,100 has been submitted for review. There is, however, a growing level of unobligated balance in the SLIF. If the current projects are favorably reviewed, the fund will be left with a \$1.6 million balance. The level of funding may be excessive relative to requested grants or the evaluation criteria used to determine grants may be too stringent. The JLBC Staff will continue to monitor the unobligated balance relative to these issues.

Analysis

A.R.S. § 5-382 requires the Arizona State Parks Board to submit all proposed capital projects funded from the SLIF to the Committee for review. SLIF revenues are derived from a portion of watercraft license fees and an allocation of gasoline tax attributable to watercraft use. Monies in the fund are available to state agencies and county and local governments for projects on waters where boats are permitted. The use of SLIF monies is restricted to improvements and acquisitions of real and personal property as specified in statute.

The Arizona Outdoor Recreation Coordinating Commission (AORCC), established under A.R.S. § 41-511, reviews eligible projects and presents a list of recommendations to the Arizona State Parks Board. A rating criteria is used to determine which projects are recommended. The criteria evaluates each project

(Continued)

on several factors including project design, community involvement, and conditions of current infrastructure. There is also a stipulation that no entity may receive more than 20% of the available grant resources. Using this criteria, AORCC and the Parks Board have approved 20 projects/grants for funding in FY 2001 at a total cost of \$6,234,100. These include:

- 10 grants totaling \$4,156,500 to county and city governments for purposes including lake safety enforcement equipment, marina and boat ramp development, and lake park facility improvements.
- 10 projects totaling \$2,077,600 for capital improvements at state parks. Projects include restroom facility construction and renovations, safety related equipment, and other improvements necessary to comply with the Americans with Disabilities Act and with clean and wastewater standards.

The following lists the 3 projects with the highest grant amounts:

- City of Prescott – \$1,048,300 is provided to enhance and expand Willow and Watson Lakes near Prescott. These lakes, which were previously used for irrigation purposes were recently purchased by the city of Prescott to be used for water recreation. Improvements include a boat launch, restroom, fish cleaning station, and lighting.
- Mohave County – \$904,300 to reclaim and restore shoreline lost to erosion at the Davis Camp area of the Colorado River. Construction of a personal watercraft launch ramp, parking area, and picnic sites are also proposed.
- Arizona Game and Fish Department – \$543,400 to raise the dam and widen the spillway at Lynx Lake located in the Prescott National Forest. The Department of Water Resources currently rates the dam and reservoir as being in an unsafe, non-emergency condition. Alterations to the dam will allow Game and Fish to continue to maintain the reservoir for recreational activities.

The \$6,234,100 in projects/grants is consistent with the level of funding in prior years. The following table summarizes SLIF's estimated FY 2001 revenue and expenditures:

State Lake Improvement Fund	
FY 2001	
Unobligated Carry-Forward Balance	\$908,700
Available Revenue	7,851,900
FY 2001 Operating Budget (11.8%)	(926,500)
Projects and Grants	<u>(6,234,100)</u>
Unobligated Balance	\$1,600,000

The above table refers only to the unobligated balance and does not include information on the fund's cash balance. The FY 2000 actual cash ending balance was \$25 million. As the table indicates, after the approval of the FY 2001 grants, all but \$1.6 million will be obligated. These obligations will be paid out as entities submit claims and projects are completed. Although the \$1.6 million balance will be available for future year grant cycles, the levels of revenues to the fund are exceeding requested grants. This may continue in FY 2001 as revenues are expected to increase due to a recalculation of the gas tax revenue attributable to watercraft use. The JLBC Staff will continue to monitor the issues surrounding the unobligated balance.

The JLBC Staff review of the FY 2001 projects indicates that SLIF funding will be used in a manner consistent with statute. The JLBC Staff, therefore, recommends a favorable review of the proposed SLIF projects and grants.

RS:CE:jb



SEP 28 2000

September 28, 2000

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The Honorable Robert Burns, Chair
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

RE: FY 2000 State Lake Improvement Fund Project List Submission

Dear Representative Burns,

On behalf of the Arizona State Parks Board, I submit the attached list of State Lake Improvement Fund (SLIF) projects per A.R.S. §5-382 to the Joint Committee on Capital Review. The list includes project descriptions and costs for the 20 SLIF projects; the total SLIF funding level is \$ 6,234,101.

Should you have any questions on the SLIF grants to outside entities, please call Renée Bahl, Assistant Director, at (602) 542-7825. Questions regarding the State Parks SLIF projects should be directed to Jay Ream, Assistant Director, at (602) 542-7103.

Sincerely,

for Kenneth E. Travous
Executive Director

KET/reb

Enclosures

cc: Senator Randall Gnant
Richard Stavneak, JLBC Director
Chris Earnest, JLBC Fiscal Analyst
Tom Betlach, OSPB Director
Marcel Benberou, OSPB

**Arizona State Parks
Grants to Outside Entities
State Lake Improvement Fund
FY 2000 Revenues**

**1. City of Prescott
Willow and Watson Lake Development**

Project Cost: \$3,587,786
SLIF Grant: \$1,048,310

Project Description: The City of Prescott proposes to enhance and expand water based recreational opportunities at Willow (200 acres) and Watson (342 acres) Lakes located in the Granite Dells region near Prescott. Both lakes were previously used for irrigation purposes and were recently purchased from the Chino Valley Irrigation District. Facilities proposed to be developed at both lakes include a boat launch, restroom, fish cleaning station, lighting and emergency telephone.

**2. Mohave County
Davis Camp**

Project Cost: \$904,310
SLIF Grant: \$904,310

Project Description: Mohave County proposes to construct a seawall and additional facilities at Davis Camp, the most heavily used recreation area on the 60 miles of the Colorado River between Davis Dam and Lake Havasu City. The project involves reclamation and restoration of up to 15 feet of shoreline lost to erosion caused by abnormally high water levels and increased boat traffic. Construction of a Personal Watercraft Only launch ramp, parking area, and picnic sites on South Beach are also proposed.

**3. Arizona Game and Fish Department
Lynx Lake Dam/Spillway Alterations**

Project Cost: \$697,747
SLIF Grant: \$543,407

Project Description: The Arizona Game & Fish Department proposes to raise the dam and widen the spillway at Lynx Lake located on the Prescott National Forest, approximately 10 miles south of Prescott. Lynx Lake was constructed in the early 1960's to provide boating and fishing opportunities in the Prescott Area. Since that time, standards have changed and, as a result of hydraulic studies by the Department of Water Resources, the dam and reservoir are now classified as unsafe, non-emergency. Alteration of the dam and spillway will allow Game & Fish to maintain the existing reservoir for recreation opportunities.

4. **La Paz County**
La Paz County Park Improvements

Project Cost: \$372,500
SLIF Grant: \$372,500

Project Description: La Paz County proposes to renovate and restore existing facilities at La Paz County Park located along the Parker Strip on the Colorado River. The project involves renovation of the restroom/shower buildings, RV campsite safety renovations to update the electrical system, extensions of an existing courtesy dock and construction of a beach front walkway.

5. **Bullhead City**
Rotary Park Beach Improvement

Project Cost: \$390,000
SLIF Grant: \$310,000

Project Description: Bullhead City proposes to further improve the beach area in Rotary Park, a 212-acre site along the Colorado River in Bullhead City. In addition to improving the beach area, the project involves paving the parking area and interior access road, a restroom, construction of a retaining wall and beach sand. The area is used as a landing and launch area by boats, personal watercraft and kayaks.

6. **Gila County**
Seneca Lake Complex Development

Project Cost: \$309,650
SLIF Grant: \$299,650

Project Description: This project proposes to renovate and develop facilities at Seneca Lake, a five-acre lake located 35 miles north of Globe on the San Carlos Indian Reservation. The proposed facilities include construction of a boat ramp and courtesy dock, restrooms, fishing piers, and ramadas with picnic tables and grills. The project also involves the removal of weeds and cattails from around the ramp and dock.

7. **La Paz County
Engineering Feasibility Study/Crescent Lake**

Project Cost: \$250,000
SLIF Grant: \$250,000

Project Description: La Paz County is proposing to conduct an engineering feasibility study to address the technical and economic viability of a proposed inland lake in the Bouse vicinity. La Paz County wishes to explore providing water-based recreation opportunities to citizens in the central portion of La Paz County. Presently boaters must travel approximately 45 miles to reach free public access to the water either on the Colorado River north of the Colorado River Indian Tribes reservation or at Alamo Lake. The study area involves approximately 800 acres.

8. **Mohave County Sheriff's Office
Watercraft Equipment Purchase**

Project Cost: \$244,414
SLIF Grant: \$244,414

Project Description: The Mohave County Sheriff's Office proposes to purchase two propeller driven watercraft. New equipment will enable the Sheriff's Office to continue to provide law enforcement and public safety services on Lake Havasu.

9. **Camp Verde
White Bridge/Beasley Flat Access**

Project Cost: \$131,856
SLIF Grant: \$113,995

Project Description: This proposal is to improve the parking facilities and provide access to the Verde River at White Bridge and Beasley Flat. The White Bridge component of this project proposes to pave the parking area as well as provide handicapped access to the river by paving the path and constructing a bridge to cross an irrigation canal. Improved handicapped access and parking will be developed at the Beasley Flat site to provide better access to the River. There are no other public handicapped accessible trails to the river within 15 miles northwest of Camp Verde and no other trails to the south.

**10. La Paz County Sheriff's Office
Patrol/Rescue Boat Purchase**

Project Cost: \$69,900

SLIF Grant: \$69,900

Project Description: The La Paz County Sheriff's Office proposes to purchase two patrol rescue boats to replace those purchased with a FY 1990 SLIF grant. The new boats will be used to patrol and assist the public in the unincorporated areas of the County, which includes 110 miles of the lower Colorado River as well as Alamo Lake. The new equipment will enable the Sheriff's Office to better patrol this portion of the River to prevent and reduce marine casualties.

Total SLIF Grants to Outside Entities = \$4,156,486

**Arizona State Parks
Capital Improvement Plan
State Lake Improvement Fund (SLIF) FY 2000**

1. Buckskin-River Island – Build-Out

Estimated SLIF Cost: \$750,000

Project Description: The design and construction of restroom/shower buildings, utility extensions, ramadas, upgrade campsites and various other improvements.

2. Patagonia Lake– Build-Out

Estimated SLIF Cost: \$747,615

Project Description: The design and construction of restroom/shower buildings, utility extensions, ramadas, maintenance building, docks, fishing piers and various other improvements.

3. Statewide – Boating Parks Capital Equipment

Estimated SLIF Cost: \$150,000

Project Description: Funds for the purchase of boats, buoys, boating safety and related equipment. Parks include, but are not limited to: Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake, and Patagonia Lake.

4. Statewide – Improvements

Estimated SLIF Cost: \$100,000

Project Description: Funds for unforeseen projects, emergency repairs, and changes in design or construction projects. This may also be used for on-going maintenance (small) projects. Parks include, but are not limited to: Buckskin Mountain, Roper Lake, Lyman Lake, River Island, and Alamo Lake.

5. **Statewide – ADEQ Compliance**

Estimated SLIF Cost: \$100,000

Project Description: Systematically retrofit, repair, or replace the agency's water and waste water systems. This will ensure compliance with current Arizona Department of Environmental Quality (ADEQ) standards. Parks include, but are not limited to: Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake, and Patagonia Lake.

6. **Statewide – Park Land Acquisition and Planning**

Estimated SLIF Cost: \$100,000

Project Description: Funds for acquisition and planning of non-natural area state park lands. The focus will be on recreation, cultural and boating state park properties, in-holdings, and lands adjacent to existing state parks.

7. **Statewide – ADA Compliance**

Estimated SLIF Cost: \$50,000

Project Description: Systematically retrofit or replace the agency's existing facilities, or construct new ones to ensure compliance at our state parks with the Americans with Disability Act Accessibility Guidelines (ADAAG). Arizona State Parks considers this an annual set aside requirement. Parks include, but are not limited to: Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake and Patagonia Lake.

8. **Statewide – Materials Fund**

Estimated SLIF Cost: \$50,000

Project Description: Funds the purchase of construction materials on projects of limited size and scope. Parks include, but are not limited to: Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake, and Patagonia.

9. **Statewide – Cultural Site Clearance**

Estimated SLIF Cost: \$15,000

Project Description: Funds will be utilized for investigation and mitigation purposes for projects of limited size and scope. Arizona State Parks is statutorily required to ensure that all projects on our properties are investigated for impacts to prehistoric and historic cultural sites. Parks include, but are not limited to: Buckskin Mountain, Roper Lake, Lyman Lake, River Island, and Alamo Lake.

10. **Statewide – Environmental Site Clearance**

Estimated SLIF Cost: \$15,000

Project Description: Funds will be used for the investigations of the presence of hazardous materials and other constraints and/or opportunities on existing and proposed Arizona State Parks water-based properties for projects of limited size and scope. Parks include, but are not limited to: Buckskin Mountain, Roper Lake, Lyman Lake, River Island, and Alamo Lake.

Total Arizona State Parks SLIF Projects = \$2,077,615

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DATE: October 13, 2000

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

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

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

Request

Pursuant to Laws 1998, Chapter 297 the Arizona State Parks Board is providing the quarterly project status and financial report on Kartchner Caverns State Park.

Recommendation

This report is for information only and no Committee action is required. The target completion date for the lower caverns is November 2003. This date is somewhat dependent on the roosting patterns of bats in the cave. This year the bats left the cave in September, allowing work crews to resume construction and keeping the project on schedule for the November 2003 completion date.

Recent reports have criticized environmental conditions in the cave. The reports suggested increasing temperatures and decreasing humidity levels within the cave. In response to these reports, Parks Staff placed night misters along tour routes in the cave, examined places where dry air may be entering, and decreased the light intensities inside the cave. In addition, Parks Staff gathers weekly information on temperature, relative humidity, evaporation rates, carbon dioxide levels and other environmental factors from 8 different stations. Given the recent attention to this issue, JLBC Staff recommends that future quarterly development reports include an update on the status of environmental conditions in the cave and actions being taken to address problems.

Attendance continues to be strong at the Park. Since the park opened in November 1999, over 150,000 people have visited the park through August 2000. Revenues generated by these visitors were approximately \$2.5 million in FY 2000. Annualizing this amount to account for a full year of park visitors, revenues are estimated to be \$2.75 million in FY 2001.

Analysis

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

(Continued)

Financial Summary

As of the quarter ending June 30, 2000, a total of \$31,465,800 has been allocated to the park's development from 5 fund sources. Of this amount, all but \$4,274,400, or 13.6% of the total, has been expended or encumbered. The following table summarizes these amounts by fund source and percentage allocations:

Kartchner Caverns Construction Development Funding
(As of June 30, 2000)

<u>Fund Source</u>	<u>Approved Amount</u>	<u>Percent</u>	<u>Unobligated Balance</u>
General Fund	\$ 3,500,000	11.1%	\$ 0
Enhancement Fund	20,144,900	64.0%	3,655,200
Heritage Fund	5,174,500	16.4%	619,200
State Highway Fund	2,445,700	7.8%	0
National Recreational Trails Fund	<u>200,700</u>	<u>0.6%</u>	<u>0</u>
TOTAL	\$31,465,800	99.9%	\$4,274,400

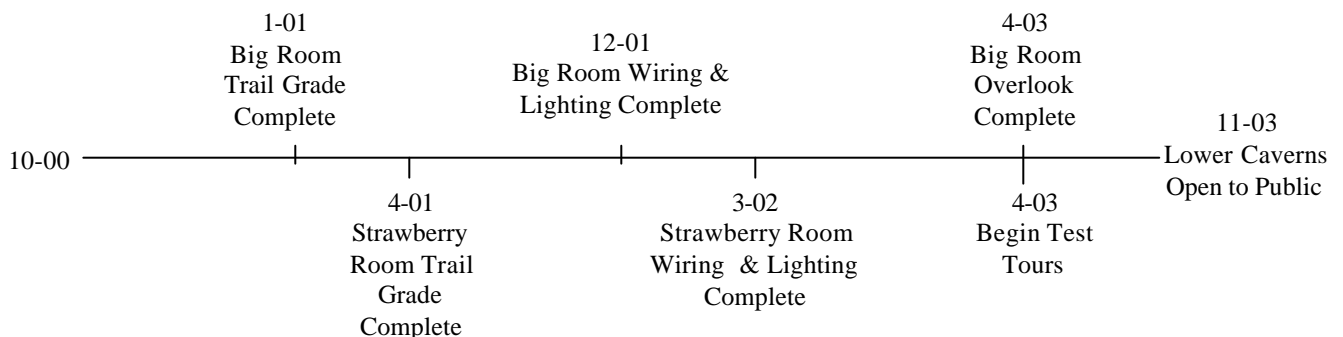
Development Status Summary

Trail construction in the lower caverns has been stopped since May 1, 2000 due to the annual habitation of bats in the caves. During this time, crews have been working on entry portions of the cave, outside the airlock doors. This work includes installing electrical conduit and concrete capping, doorframe installation, tunnel mucking, and rock veneer installation on concrete walls.

The park's campground opened in June. Currently only the upper half of the facility is opened while the plumbing improvements are completed on the lower half. It is anticipated that the lower half will be open soon.

Project Timetable

A project timeline is required as part of the quarterly updates on Kartchner development. As reviewed by the Committee in May, Parks Staff has established November 2003 as a completion date for the lower caverns. The target date assumes that during the summer months, no construction will occur due to roosting bats in the cave. It also assumes that construction will be at a reduced level in May and September when the bats are arriving and departing. This year the bats left in September, thus keeping the project on schedule. In future years, however, if construction cannot proceed during May and September, development staff anticipate an October 2004 completion date. The following timeline delineates target completion dates for projects leading to a November 2003 opening:



RS:CE:jb



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

September 27, 2000

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

SEP 28 2000

RE: Chapter 297, Laws 1998

Dear Representative Burns:

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

Project Status--The park has been taking reservations beginning August 3, 1999. Since that time the park has received \$2.47 million in revenue and hosted 143,807 visitors. Advance reservations still outstanding total approximately 30,000 tickets.

Construction in Progress--While the park is open to the public, construction and improvements are ongoing. This includes Big Room trail construction and completion of miscellaneous improvements. During the Big Room shut down for bat habitation, crews were required to complete mandatory training. (CPR, MSHA safety training, first aid, respirator, DOA and guide training)

Cavern Trail Construction-- Trail construction in the Big Room complex of the cave has been stopped since May 1, 2000 due to the annual habitation of bats. The recommendation to close the Big Room during habitation was the result of a study commissioned by Arizona State Parks to the University of Arizona. The report titled "Investigations To conserve a Maternity Colony of Cave Myotis" states that "light intensity and noise caused the largest changes to bat behavior". Both of these are present during construction.

From May through August 2000, crews have been working the Tarantula heading outside the airlock doors. This work includes rock veneers on the airlock wall and the electrical room, wing wall construction, trenching and installation of electrical conduit and concrete cap (final lift) behind wall. From the trailhead, there is 542 feet of trail at utility grade.

Cul-de-Sac heading work during this reporting period includes installing irrigation system for upper portal area, lutron panel doorframe installation, tunnel mucking and drilling a space in the tunnel wall for an electrical closet. From the trailhead, there is 436 feet of trail at utility grade.

Jane Dee Hull
Governor

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Above ground projects include two, 40X40, group ramadas at the Discovery Center and completion of the development office trailer.

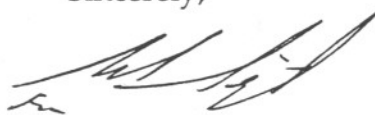
Park Facilities--The campground at Kartchner Caverns State Park opened in June 2000. Operations opened only the upper half of the facility while plumbing issues are addressed in the lower campground. Arizona State Parks will market the campground to Arizona's winter visitors. Campground revenue for the month of June was \$660.

Timeline -- Preliminary timelines have been developed for the lower cave trail construction and were presented at the May JCCR meeting. No revisions have been made at this time. However, the timeline may be reevaluated upon departure of the bats from the Big Room. If the bats depart in August or September, the timeline remains accurate. If the bats depart at a later date, some revisions to the timeline may be necessary.

Financial Status -- The budget for the development and construction is \$31,465,750 (this figure does not include start-up funds of approximately \$1.2 million). Attached you will find summary information and detailed allocations, expenditures and obligations by activity and fund for the quarter ending June 30, 2000. As of June 30, 2000, 85.87 % of the budget was expended.

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

Sincerely,



Kenneth E. Travous
Executive Director

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

**KARTCHNER CAVERNS STATE PARK
BUDGET AND EXPENDITURE STATUS
AS OF 6/30/00**

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

Arizona State Parks
Kartchner Caverns State Park
Development Funds Available
As of June 30, 2000 EOY FY00

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

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 06/99/00 EOY FY00
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
SUBTOTAL ADOT			2,445,654.07	2,445,654.07	0.00	0.00
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,556.98	0.00	85.02
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
SUBTOTAL AY94 AHF/A&D			900,000.00	868,579.85	1,197.00	30,223.15
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNELS 95 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
SUBTOTAL AY95 AHF/A&D			1,205,000.00	1,205,000.00	0.00	0.00
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
UTILITIES - EXTENSION TO CAVE (incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	854,867.00	0.00	0.00
SUBTOTAL AY96 AHF/A&D			1,496,514.40	1,496,514.40	0.00	0.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	13,318.38	0.00	49,854.62
CAVE LIGHTING	97	AHF/A&D	110,600.00	12,106.52	0.00	98,493.48
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	9,498.33	1,839.36	2,785.31
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	7,502.00	0.00	2,498.00
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	692,671.46	69,688.00	41,144.54
SUBTOTAL AY97 AHF/A&D			1,392,000.00	784,107.85	71,527.36	536,364.79
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
SUBTOTAL AY93 AHF/LRSP			71,000.00	71,000.00	0.00	0.00
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	57,358.30	0.00	2,641.70
SUBTOTAL AY96 AHF/NAO&M			60,000.00	57,358.30	0.00	2,641.70
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
SUBTOTAL MULTI AHF/TRAILS			50,000.00	0.00	0.00	50,000.00

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 06/99/00 EOY FY00
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	0.00	0.00	15,000.00
CAVE LIGHTING	*	EF	44,800.00	34,850.08	6,335.61	3,614.31
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	7,373,361.64	4,289,499.19	10,243.72	3,073,618.73
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	11,840.00	26,774.18
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
GROUP RAMADA	*	EF	45,000.00	0.00	20,844.98	24,155.02
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	7,010.53	0.00	2,989.47
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	(0.00)
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	5,314.00	0.00	4,686.00
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	413,900.00	0.00	0.00	413,900.00
SEWAGE LIFT STATION REPAIR	*	EF	10,000.00	0.00	0.00	10,000.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	0.00	0.00	15,000.00
SITE IMPROVEMENTS - FENCING	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - OTHER	*	EF	8,175.75	8,175.75	0.00	0.00
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	65,501.23	0.00	777.77
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - CAVE PALEONTOLOGY	*	EF	4,000.00	0.00	0.00	4,000.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAM STORAGE / MAINT. / UTILITIES	*	EF	230,640.00	227,500.97	0.00	3,139.03
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
TUNNELS 96 - JORGENSEN - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
SUBTOTAL ENHANCEMENT FUND			20,144,918.03	16,390,078.09	99,672.91	3,655,167.03
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
SUBTOTAL AY96 GENERAL FUND			3,500,000.00	3,500,000.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	96	NRTFA	71,342.00	71,342.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	98	NRTFA	58,826.00	58,826.00	0.00	0.00
SUBTOTAL MULTI-YEAR NRTFA			200,664.00	200,664.00	0.00	0.00
TOTAL KARTCHNER ACQUIS. & DEVELOP.			31,465,750.50	27,018,956.56	172,397.27	4,274,396.67

ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 06/99/00 EOY FY00
BY ACTIVITY / PROJECT

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
SUBTOTAL DESIGN & ENGINEERING			2,500,817.96	2,466,145.05	28,965.74	5,707.17
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
SUBTOTAL BUILDINGS / TUNNELS 95			3,576,937.97	3,576,937.97	0.00	0.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAIL SYSTEM DESIGN - CAVE PALEONTOLOGY	*	EF	4,000.00	0.00	0.00	4,000.00
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	57,358.30	0.00	2,641.70
SUBTOTAL TRAIL SYSTEM DESIGN			352,738.73	326,280.27	19,255.17	7,203.29
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	11,840.00	26,774.18
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
CAVE LIGHTING	97	AHF/A&D	110,600.00	12,106.52	0.00	98,493.48
CAVE LIGHTING	*	EF	44,800.00	34,850.08	6,335.61	3,614.31
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	7,373,361.64	4,289,499.19	10,243.72	3,073,618.73
CAVE TRAIL CONSTRUCTION (current PAF)	96	NRTFA	71,342.00	71,342.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	98	NRTFA	58,826.00	58,826.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
SUBTOTAL CAVE TRAIL CONSTRUCTION			8,156,189.67	4,865,853.76	29,616.33	3,260,719.58
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
TUNNELS 96 - JORGENSON - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
SUBTOTAL TUNNELS 96 REBID			2,049,933.56	2,049,933.56	0.00	0.00
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Fencing	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	7,502.00	0.00	2,498.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	0.00	0.00	15,000.00
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	9,498.33	1,839.36	2,785.31
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	65,501.23	0.00	777.77
TRAM STORAGE / MAINT. / UTILITIES	*	EF	230,640.00	227,500.97	0.00	3,139.03
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	7,010.53	0.00	2,989.47
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	0.00	0.00	15,000.00
GROUP RAMADA	*	EF	45,000.00	0.00	20,844.98	24,155.02
SEWAGE LIFT STATION REPAIR	*	EF	10,000.00	0.00	0.00	10,000.00
SITE IMPROVEMENTS - Other	*	EF	8,175.75	8,175.75	0.00	0.00
SUBTOTAL SITE IMPROVEMENTS			3,396,766.66	3,273,083.08	22,684.34	100,999.24

ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 06/99/00 EOY FY00
BY ACTIVITY / PROJECT

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (Incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
UTILITIES - EXTENSION TO CAVE (Incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
SUBTOTAL UTILITIES			1,931,084.95	1,930,810.01	0.00	274.94
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,556.98	0.00	85.02
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	854,867.00	0.00	0.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	692,671.46	69,688.00	41,144.54
SUBTOTAL VISITOR CENTER			5,220,911.40	5,109,285.12	69,688.00	41,938.28
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
SUBTOTAL WATER / WASTEWATER			699,676.16	689,676.16	0.00	10,000.00
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	0.00
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	5,314.00	0.00	4,686.00
SUBTOTAL MISCELLANEOUS			112,191.59	98,176.05	2,187.69	11,827.85
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	13,318.38	0.00	49,854.62
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
SUBTOTAL TUNNEL FINISHING			572,627.00	169,973.01	0.00	402,653.99
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	413,900.00	0.00	0.00	413,900.00
SUBTOTAL PROPOSED CONSTRUCTION			413,900.00	0.00	0.00	413,900.00
TOTAL KARTCHNER ACQUIS. & DEVELOP. (Alloc. increased by \$2,932,900 EF FY00 rev.)			31,465,750.50	27,018,956.56	172,397.27	4,274,396.67

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: October 10, 2000

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

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst
Steve Grunig, Research/Fiscal Analyst

SUBJECT: UNIVERSITY OF ARIZONA - REPORT ON MT. GRAHAM OBSERVATORY LEASE-PURPOSE PROJECT

The Committee requested additional information regarding construction of a power line on Mt. Graham for the Mt. Graham International Observatory (MGIO) facilities. The \$12,000,000 project will be financed by the University of Arizona (U of A) with Certificates of Participation (COPs).

There are currently two operational telescopes on Mt. Graham: 1) The Vatican Advanced Technology Telescope (VATT) and 2) The Heinrich Hertz Submillimeter Telescope (SMT). These two telescopes are currently powered by diesel generators.

A third telescope, the Large Binocular Telescope (LBT) is currently under construction. With the addition of this third telescope, construction of a power line to power all three telescopes is now feasible. Each telescope was established as a joint venture. The following tables list the interest share of participating members for each consortium that established a telescope. The interest share primarily represents viewing time apportionments based on initial investments.

VATT	
Participant	% Interest
U of A	25%
Vatican Observatory Foundation	75%

SMT	
Participant	% Interest
U of A	50%
Max-Planck-Institut fuer Radioastronomie	50%

LBT	
Participant	% Interest
U of A	25%
Acerti (Italy)	25%
LBT Beteiligungsgesellschaft (Germany)	25%
Ohio State University	12.50%
Ohio State University/University of Notre Dame	12.50%

(Continued)

The U of A currently has the fiduciary responsibility to collect fees from each of the consortia for repayment of the COP issuance. Each consortium has established agreements to determine the amount contributed for each member to cover operating expenses including the debt service payments of the COP. In addition, user fees have been established for use of the facilities by other universities and researchers. A portion of these user and consortia fees will also be used to pay off the COP over 25 years. In the event the fees are insufficient to make the COP payment, U of A has stated that the additional requirement will come from existing non-state sources.

RS:LM:jb