

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

RUTH SOLOMON  
CHAIRMAN 2001  
KEN BENNETT  
JACK A. BROWN  
EDWARD J. CIRILLO  
HERB GUENTHER  
DARDEN C. HAMILTON  
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HOUSE OF  
REPRESENTATIVES

LAURA KNAPEREK  
CHAIRMAN 2002  
CAROLYN S. ALLEN  
KEN CHEUVRONT  
LINDA GRAY  
LINDA J. LOPEZ  
RUSSELL K. PEARCE  
CHRISTINE WEASON

### MEETING NOTICE

DATE: Thursday, October 25, 2001  
TIME: 10:00 a.m.  
PLACE: SENATE APPROPRIATIONS ROOM 109

### AGENDA

- Call to Order
- [Approval of Minutes of October 4, 2001.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA STATE PARKS - Review of State Lake Improvement Fund Projects.](#)
- 2. [SCHOOL FACILITIES BOARD - Review of FY 2002 Building Renewal Allocation Plan.](#)
- 3. [ARIZONA DEPARTMENT OF ADMINISTRATION/ARIZONA STATE SCHOOLS FOR THE DEAF AND BLIND - Review of Scope, Purpose, and Estimated Cost of Construction of a New Transportation Building at the Phoenix Campus.](#)
- 4. [ARIZONA STATE UNIVERSITY - Review of Scope, Purpose, and Estimated Cost of Digital Television Conversion.](#)
- 5. [ARIZONA BOARD OF REGENTS - Follow-Up Report on the Use of Certificates of Participation Versus Bond Financing.](#)
- 6. [UNIVERSITY OF ARIZONA - Report on Lease-Purchase Projects.](#)

The Chairman reserves the right to set the order of the agenda.  
10/19/01

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**MINUTES OF THE MEETING  
JOINT COMMITTEE ON CAPITAL REVIEW**

Thursday, October 4, 2001

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The Chairman called the meeting to order at 9:35 a.m. Thursday, October 4, 2001 in Senate Appropriations Room 109 and attendance was noted.

Members:	Senator Solomon, Chairman Senator Bennett Senator Brown Senator Cirillo Senator Guenther Senator Hamilton	Representative Knaperek, Vice Chairman Representative Chevront Representative Gray Representative Pearce Representative Weason
Absent:	Senator Mitchell (Excused)	Representative Allen Representative Lopez
Staff:	Richard Stavneak Lorenzo Martinez Chris Earnest Tony Vidale	Jan Belisle, Secretary Tim Sweeney Jill Young
Others:	Debbie Johnston, Senate Bruce Ringwald, ADOA Dr. Owen Cargol, NAU Josh Allen, NAU Travis Mallen, House Paul Davenport, Press Charlene Ladet, UofA	Tim Brand, ADOA Greg Fahey UofA Sam Polito, NAU Blake Anderson, ASU Jay Ziemann, State Parks David Harris, ABOR Jamie Hogue, House

*Representative Knaperek moved the Committee approve the minutes of August 30, 2001 as presented.*  
The motion carried.

Chairman Solomon asked that the minutes reflect Senator Mitchell is excused from the meeting.

Chairman Solomon introduced Dr. Owen F. Cargol, President, Northern Arizona University (NAU). Dr. Cargol stated that he appreciates the honor extended to him. He is an advocate for Northern Arizona University and extended thanks for the bonding authority that has been granted to the university and the Board of Regents so that very critical needs can be addressed on the campus at NAU. At the request of

the Governor, NAU plans to return \$4.7 million due to the economic problems. There are a number of critical situations at the Flagstaff campus due to a number of years of neglect of the physical plant. There are critical issues with the utility infrastructure and there are a large number of fire and life safety issues that need to be addressed.

**ARIZONA BOARD OF REGENTS/NORTHERN ARIZONA UNIVERSITY - Review of Revised Multi-Year Bonding Plan and Consider Approval of Bonding Projects.**

Lorenzo Martinez, JLBC Staff presented the request that the Committee review the revisions to the Northern Arizona University (NAU) Multi-Year Bonding Plan and approve the issuance of bonds for the projects in the revised plan. The JLBC Staff recommends a favorable review of the multi-year bonding plan and approval of the projects within that plan. The bond issuances total over \$62.9 million and the JLBC Staff recommendation includes two stipulations:

- 1) the debt service on any projects that benefit non-academic activities be cost allocated among the programs receiving benefit. NAU anticipates that all of the projects will benefit only academic programs and the debt service will come from tuition collections.

If there needs to be a cost allocation, the JLBC Staff recommends that NAU report by:

- 2) December 1, 2001 to the Committee a preliminary estimate of the debt service for any projects requiring cost allocation of debt service requirements.

In addition, one of the projects, the Central Dining Renovation includes \$83,000 for equipment. JLBC Staff recommends that monies not be spent on equipment whose life is significantly shorter than the 30-year repayment period of the bond issuance.

Mr. Martinez reviewed *Table 2* of the memo, which listed the projects. There are 19 projects to be financed with the \$63 million bond issuance. A majority of the projects involve renovation of existing buildings. *Table 3* of the memo shows debt service required for each project. In FY 2003 NAU will allocate \$4 million appropriated as decision package funding to offset the loss of operating tuition collections that will be used for debt service. Starting on page 3 of the memo, there are descriptions of the individual projects. In combination with these projects, part of the overall capital development plan for NAU also includes the issuance of \$26.4 million in Certificates of Participation (COPs). The repayment of those COPs will come from Proposition 301 monies.

In reply to Chairman Solomon, Mr. Martinez referred to page 4 of the memo, which contains a description of the central dining renovation. This project includes the purchase of a stage, sound system, lighting equipment, and a video screen and data projection system. NAU representatives have indicated they are okay with taking that component out given that the life of the equipment is shorter than the bond repayment period.

In reply to Representative Knaperek regarding Proposition 301 monies and concern that the estimated revenue may fall short, Mr. Martinez stated that NAU is aware that changes may occur in the revenue and will adjust accordingly those projects that will be financed with COPs.

Representative Weason asked about the \$83,000 cost for the dining room renovation. Mr. Martinez stated that the issue of long term financing for equipment has been discussed by the Committee in the past. The equipment to be purchased has a life span that is significantly shorter than the repayment period. The repayment period is 30 years, the life of the proposed equipment is significantly less than 30 years.

Chairman Solomon welcomed Senator Bennett to the Committee.

Senator Bennett asked if there were other authorized bonds other than what is listed in the memo. Mr. Martinez referred to page 2, *Table 1*, which lists the amount of authorized bonding authority for each university as it currently exists. The Legislature is required to authorize the bonding authority. There have been bonds authorized in the past, which are on the books and are currently being paid off. The last estimates for the university system as a whole were in the area of \$772 million of original bond issuances. The estimated payment in FY 2002 is \$61.8 million.

In reply to Representative Knaperek, Josh Allen, Vice President, Business Administration, NAU stated that the projects are an absolute priority for the university. Overall, there is much more Proposition 301 funding allocated to NAU by the Regents. Based on the action today and ultimately subsequent action by the Board of Regents in November for authorization to sell the bonds, NAU would go to market and look to be selling bonds in January. This is a priority that needs to be done or we risk failure in many of the facilities.

*Representative Knaperek moved that the Committee give a favorable review of the revisions to the NAU multi-year bonding plan and the Committee approve the issuance of \$62,918,300 in revenue bonds for the 18 projects in the plan with the following stipulations:*

- The debt service requirements on any project that benefits non-academic activities shall be cost allocated among the programs receiving direct benefit from the project.*
- By December 1, 2001, NAU report to the Committee a preliminary estimate of the debt service for any projects requiring cost allocation of debt service requirements.*
- The \$83,000 equipment component of the Central Dining Renovation project not be funded with bond proceeds. The motion carried.*

#### **UNIVERSITY OF ARIZONA - Review of Scope, Purpose, and Estimated Cost of Digital Television Conversion.**

Lorenzo Martinez, JLBC Staff presented the request that the Committee review the conversion of the University of Arizona (UofA) public television station, KUAT, to digital broadcasting by 2003 as required by the Federal Telecommunications Act of 1996. The JLBC Staff recommends a favorable review of the request. In FY 2002 the Legislature appropriated \$2,500,000 for UofA and \$1,500,000 for Arizona State University to convert their public television stations to digital format. The UofA will use the monies to install two transmitters for digital broadcasting and also for equipment in their studio on the main campus.

In reply to Chairman Solomon, Mr. Martinez stated that discussions with ASU have indicated that the project is almost complete. The JCCR statutes require JCCR review of the expenditure of any monies appropriated for capital projects. ASU found other funding sources to start their project early. ASU plans to come before the Committee next month and present their plan of using the \$1.5 million appropriation to reimburse those fund sources that funded the early start of the project.

In reply to Representative Knaperek, Mr. Martinez stated that digital conversion is mandated by the Federal Telecommunications Act of 1996. This project has been requested by the universities in prior years and this biennium the Legislature made an appropriation to help fund the conversion. If public stations do not convert to broadcasting by 2003 they will have to give up their broadcasting license and will no longer be able to provide that service.

In reply to Representative Weason, Mr. Martinez stated that he was not aware of an appropriation of \$7 million to help private industry convert to digital. Mr. Martinez said that he would research the information requested.



Representative Gray asked why there was an increase from the original estimates for the UofA project. Mr. Greg Fahey, UofA stated that in terms of the financing for the project, the agreement with the Legislature was that this was a matching fund effort. They only asked for part of the money and the rest would be raised privately or from federal grants. There is \$2.5 million coming from the Legislature and the other \$4 million plus would be raised privately or come from federal grants. UofA has raised approximately \$2 million from other sources.

Mr. Jack Harris, UofA, KUAT TV stated that when the project was started a number of years ago, they have been to the Legislature 3 times seeking an appropriation. The transmitter site is on Mt. Bigelow in the Catalina Mountains. Mt. Bigelow is in a protected area because of the Mexican Spotted Owl and there is a very short construction season there. They are only able to build certain times of the year. The owl is a protected species and their nesting season is from March until the end of August of each year and they are unable to construct during that period of time. This was not known at the time the project was started. This is the main reason for the increase of cost and prices. UofA is trying to get permission to do the construction from the Forest Services and Federal Game and Fish Commission. To meet the mandate in 2003 there will only be two construction periods to complete the project. If the construction could be continuous it would take approximately a year to construct the tower. It has taken two years to obtain the construction permit from the Federal Communications Commission in order to do the construction. This was due to the closeness with the Mexican border. UofA had to go through the Federal Communications of the U.S. and the Mexican Government to get permission for the construction. They have not asked for an extension beyond the May of 2003 deadline. The Federal Communications allows you to ask for two 6-month extensions, but they will not allow those extensions due to lack of funding.

In response to Representative Knaperek, Mr. Harris stated that they have \$671,000 from a federal grant and the other money is being raised locally through foundations and the private sector. The Federal Government does not allow extensions due to financial problems. UofA will be granted permission to construct during the non-spotted owl nesting season, so that will not be an excuse for not constructing.

Mr. Fahey responded to questions stating that because of the federal mandate they have to keep moving for the good of the university and the state with this project.

Representative Pearce and Chairman Solomon expressed concerns regarding federal mandates.

*Representative Knaperek moved that the Committee give a favorable review of the scope, purpose and estimated cost of the University of Arizona digital television conversion project. By a show of hands, the motion carried.*

#### **ARIZONA STATE PARKS - Report on Potential Condemnation of Land Adjacent to Kartchner Caverns State Park.**

Tim Sweeney, JLBC Staff presented the report on the consideration of the condemnation of private property adjacent to Kartchner Caverns State Park if mutual agreement on the sale of the property cannot be reached between State Parks and the property owner. This is brought before the Committee at the request of the Chair. A privately owned 180-acre parcel of land adjacent to Kartchner Caverns State Park is being considered for development as a luxury resort. The Parks Department believes subsurface water flows from the resort could endanger Kartchner Caverns. The department will consider acquiring the property through condemnation at its October meeting if a mutual agreement on the sale of the property cannot be reached. There are two options available for acquiring the land: 1) the department could purchase the land in a friendly sale and 2) the land can be condemned. Heritage Fund monies can be used to purchase the land which does not require Committee approval or review. If the department condemns the land, they will seek to use State Parks Enhancement Fund monies that would require Committee approval. An attempt to buy the land has been offered but not accepted by the private owner. Another appraisal has been done and another offer will be made.

In reply to Senator Brown, Mr. Sweeney stated that the department feels that 152 acres is necessary to protect the cave. The remaining acres could be developed but would probably not be enough space for a resort.

In reply to Senator Brown Mr. Jay Ziemann, Assistant Director, Arizona State Parks stated that the appraisal would be made public.

In reply to Senator Guenther, Mr. Ziemann stated that in 1988 when Kartchner Caverns was purchased the length of the cave system or the subsurface water flows were unknown. Once the cave becomes polluted, it is too late to do anything about it. An offer was made to purchase the 180 acres and the owner was not responsive to the offer. He proceeded to review the map of "*A Probable Water Route from Parcel to Cave.*"

In response to further questions, Mr. Ziemann stated that the 160 acres of the property is owned by Helmit Horn, Principal of the Coastal Hotel Group that is based out of Chicago. The remaining 40 acres is owned by a local developer Ernie Graves and it is part of the Whetstone Ranch that consists of 15,000 acres. The State Parks would consider an exchange but the owner has not expressed an interest in exchange.

In reply to Representative Weason, Mr. Ziemann stated there were approximately 100 bats left in the cave and because of the warm weather they have not completely left the cave.

No Committee action was required.

The meeting adjourned at 10:50 p.m.

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Jan Belisle, Secretary

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Lorenzo Martinez, Senior Fiscal Analyst

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Senator Ruth Solomon, Chairman

STATE OF ARIZONA

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CHRISTINE WEASON

DATE: October 19, 2001

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

THRU: Richard Stavneak, Director

FROM: Timothy Sweeney, 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 \$13,455,800 for FY 2002.

### Recommendation

Due to the size of the SLIF balance, the House of Representatives is considering whether to transfer \$10 million to the General Fund in FY 2002 (see Options List of October 17). As a result, the Committee has the policy decision of whether to recommend a favorable review of the request at this time. From a technical perspective, the proposed grants are consistent with SLIF statutes.

The SLIF has cash balances of \$31.1 million. Much of this, however, has been obligated to prior year grants. Before the allocation that is being requested, the SLIF unobligated balance is \$15.5 million. This balance is based on revenues that were received in FY 2001. The requested amount would reduce this unobligated balance to \$800,000.

If the committee favorable reviews the request, all but \$800,000 of the current \$15.5 million unobligated balance would become obligated. The legislature, however, could still take action to transfer FY 2002 SLIF monies to the General Fund. Through FY 2002, the SLIF will continue to generate revenues that will remain in the fund balance until grants are considered at this time next year. It is estimated that SLIF will have an unobligated balance of \$11.6 million at the close of FY 2002.

(Continued)

## 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, counties 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 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 35 projects/grants for funding in FY 2002 at a total cost of \$13,455,800. These include:

- 21 grants totaling \$10,660,300 to city and county governments for purposes including lake safety enforcement equipment, marina and boat ramp development, and lake park facility improvements.
- 14 projects totaling \$2,795,500 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 (ADA) and with clean and wastewater standards.

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

- Lake Havasu City - \$5,100,000 is provided to acquire 18 acres of State Trust land near the London Bridge. This property is a fully developed lakefront park, and the Land Department is currently leasing it to the city. The lease will not expire until 2014. The park has existing facilities funded through previous SLIF grants, including ramadas, restrooms, trash facilities, information kiosks, and beaches. This project will receive 38% of available monies. In the past, Parks Board policy has limited grant awards to any one entity to no more than 20% of available monies.
- City of Yuma - \$1,000,000 to enhance recreational opportunities at the Riverfront Gateway Park, located in the city's National Heritage Area. The project includes a boat dock, an ADA compliant fishing pier, a trail, ramadas, a kiosk, parking, and marking buoys.
- State Parks - \$1,000,000 for acquisition and planning of non-natural area state park lands. The focus for these funds will be on recreation, cultural, and boating state park properties and lands adjacent to existing state parks. These funds are for Lake Havasu State Park only.
- The remaining 32 grants and projects are each less than \$1,000,000.
- Attachment A lists all the projects.

These grants are made using FY 2001 SLIF revenues. The following table summarizes SLIF FY 2001 revenues and expenditures:

<b>State Lake Improvement Fund</b>		
Ending FY 2001 Carry Forward Balance	\$	15,519,000
Operating Budget (11.8%)		(1,246,700)
AZ State Parks Projects		(2,795,500)
Grants to Outside Entities		<u>(10,660,300)</u>
<b>Unobligated Balance</b>	\$	816,500

AORCC sets a standard that 11.8% of the revenue go to the administrative operating budget, while 88.2% remains available for grants and projects. Of the grants and project money, no more than 30% may go to projects at State Parks. The \$2,795,500 going to State Parks projects represents 20.8% of the total \$13,455,800 in grants and projects.

RS/TS:jb



Arizona®  
State Parks

September 21, 2001

SEP 21 2001

Jane Dee Hull  
Governor

State Parks  
Board Members

Senator Ruth Solomon, Chair  
Joint Committee on Capital Review  
Arizona House of Representatives  
1700 West Washington  
Phoenix, Arizona 85007

RE: FY 2001 State Lake Improvement Fund Project List Submission

Dear Senator Solomon,

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 35 SLIF projects; the total SLIF funding level is \$13,455,811.

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: Representative Laura Knaperek  
Richard Stavneak, JLBC Director  
Tim Sweeney, JLBC Fiscal Analyst  
Tom Betlach, OSPB Director  
Marcel Benberou, OSPB

Joseph H. Holmwood  
Mesa

John U. Hays  
Yarnell

Elizabeth J. Stewart  
Tempe

Vernon Roudebush  
Safford

Michael E. Anable  
State Land  
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Kenneth E. Travous  
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**Arizona State Parks  
Grants to Outside Entities  
State Lake Improvement Fund  
FY 2001 Revenues**

**1. Apache County  
Bunch Reservoir Improvement**

Project Cost: \$167,860  
SLIF Grant: \$145,835

**Project Description:** This project proposes to develop and renovate facilities at Bunch Reservoir, a 64-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. The project involves improving the existing boat ramp and constructing a handicap accessible restroom and picnic areas.

**2. Apache County  
River Reservoir Improvement**

Project Cost: \$470,821  
SLIF Grant: \$412,810

**Project Description:** This project proposes to develop and renovate facilities on the north and south shores at River Reservoir, a 132-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. This project involves improving the existing parking lot and boat ramp and adding picnic facilities and a handicapped accessible restroom on the north shore of the reservoir. Improvements on the south shore include an entrance road and parking area and construction of a handicapped accessible restroom, boat ramp, and picnic facilities.

**3. Apache County  
Tunnel Reservoir Improvement**

Project Cost: \$287,133  
SLIF Grant: \$249,550

**Project Description:** This project proposes to develop and improve facilities at Tunnel Reservoir, a 38-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. This project involves improving the existing parking area and boat ramp and constructing a handicapped accessible restroom and picnic areas.

4. **Bullhead City  
Multi-purpose Watercraft**

Project Cost: \$105,392  
SLIF Grant: \$ 95,906

**Project Description:** The City proposes to purchase a multi-purpose watercraft and equipment to support the Fire Department's 18-member dive and rescue team for emergency rescue and fire fighting activities. The watercraft will be outfitted with a fire pump for fires on the river and along the shorelines that are inaccessible with fire engine vehicles.

5. **Bullhead City  
Rotary Park**

Project Cost: \$680,625  
SLIF Grant: \$647,425

**Project Description:** The City proposes to construct a nonmotorized watercraft launching area, group campground, and picnic facilities in Rotary Park, a 212-acre site along the Colorado River. The City received 1999 and 2000 SLIF grants for improvements at Rotary Park including parking areas, access roads, retaining wall, and beach excavation and grading.

6. **Bullhead City  
Watercraft Safety Program**

Project Cost: \$82,800  
SLIF Grant: \$82,800

**Project Description:** The City proposes to purchase two Police jet boats, trailers, radios, and first aid equipment which will replace two existing Boston Whaler boats. Boats are used year round for patrol, law enforcement, rescue, and body/evidence recovery along the Colorado River.

7. **Lake Havasu City  
London Bridge Beach Acquisition**

Project Cost: \$5,100,000  
SLIF Grant: \$5,100,000

**Project Description:** The City proposes to acquire 18 acres of State Trust land near the London Bridge. The proposed property, currently under lease to the City, is a fully developed lakefront park. No option to renew exists in the current lease. Existing facilities, funded through previous SLIF grants, include ramadas, restrooms, beach improvements, trash facilities, and information kiosks.



8. **Lake Havasu City  
Watercraft Upgrade**

Project Cost: \$107,034

SLIF Grant: \$107,034

**Project Description:** The City proposes to replace/upgrade two motors on law enforcement watercraft purchased through 1989 and 1993 SLIF grants. Each motor has excessive operational hours and is not cost effective to maintain. The City also proposes to purchase two additional watercraft for law enforcement activities along the Bridgewater Channel situated near the London Bridge.

9. **La Paz County  
Bill Williams Recreational Angling Development**

Project Cost: \$175,000

SLIF Grant: \$115,600

**Project Description:** The County proposes to develop recreational opportunities at the Bill Williams River Wildlife Refuge Area including, a nature trail, excavation to construct a boat ramp and infill on the peninsula, restroom, parking, and landscaping.

10. **La Paz County  
Boating Safety Training Center Improvement**

Project Cost: \$112,100

SLIF Grant: \$ 97,600

**Project Description:** The County proposes to improve the existing Boating Safety Training Center to enhance accessibility and accommodate increased use including launch ramp improvement, parking, and an additional dock. The facility was funded through a 1996 SLIF grant.

11. **La Paz County  
Patrol Boat Engines**

Project Cost: \$19,400

SLIF Grant: \$17,000

**Project Description:** The County proposes to replace the two outboard engines on two law enforcement watercraft purchased with 1994 and 1997 SLIF grants. These two engines will meet California's new emissions restrictions.

12. **Maricopa County**  
**Boathouses at Canyon & Saguaro Lakes**

Project Cost: \$335,946  
SLIF Grant: \$309,389

**Project Description:** This project involves the construction of boathouses with slips at Canyon and Saguaro Lakes to house the patrol/rescue watercraft used by the Maricopa County Sheriff's Office. The existing boathouses were constructed prior to 1978 and exposure to changing water levels and extreme weather conditions caused the boathouses to deteriorate. Canyon Lake and Saguaro Lake are located north of Apache Junction.

13. **Maricopa County**  
**Boating Safety Education & First Aid Station**

Project Cost: \$803,378  
SLIF Grant: \$756,760

**Project Description:** The County proposes to construct a 3,000 square foot building at the intersection of Bush Highway and Usery Pass Road that would serve as a Boating Safety Center and First Aid Station for the Sheriff's Office. The center will serve boaters of Apache, Saguaro, and Canyon Lakes and the lower Salt River in need of medical attention and boating safety education.

14. **Mohave County**  
**Princess Cove Picnic Area: Phase II**

Project Cost: \$119,635  
SLIF Grant: \$108,835

**Project Description:** The County proposes to improve access to Princess Cove located at Katherine's Landing on Lake Mead National Recreation Area. The project includes improvements to the existing parking and access road in order to reduce erosion and improve ADA accessibility. The County received a SLIF grant in 1997 for facilities at this location.

15. **Mohave County**  
**South Cove Picnic Area: Phase II**

Project Cost: \$148,500  
SLIF Grant: \$135,000

**Project Description:** This project involves providing additional group picnic sites at the South Cove Picnic Area located at the eastern end of Lake Mead. The existing high use picnic area will be expanded by adding picnic shelters, tables, and a restroom. Previous SLIF grants funded lighting, restrooms, a courtesy dock, kiosks, and parking lots at this site.

**16. Mohave County  
South Telephone Cove: Phase II**

Project Cost: \$162,800  
SLIF Grant: \$148,000

**Project Description:** The County proposes to realign the access road to South Telephone Cove, located at the southern end of Lake Mohave near Katherine Landing. The road is the only access to South Telephone Cove and is less than three-fourths of a mile in length. The current access road is located in a wash that seasonally floods. Improving the drainage will also divert water from the existing parking lot. The picnic area with swim beach, restrooms, and parking were funded with a FY 1995 SLIF grant.

**17. Mohave County  
Temple Bar Picnic Shelters: Phase II**

Project Cost: \$78,650  
SLIF Grant: \$71,500

**Project Description:** The County proposes to further develop the facilities at Temple Bar, located at the southern end of Lake Mead. This proposal involves construction of a courtesy dock, and adding shade structures to the picnic facilities. A FY 1996 SLIF grant provided for installation of existing picnic facilities at the site.

**18. Mohave County  
Willow Beach Fishing Pier**

Project Cost: \$762,990  
SLIF Grant: \$693,990

**Project Description:** The County proposes to construct facilities at Willow Beach, located along the Colorado River, north of Lake Mohave, within the Lake Mead Recreation Area. The proposed project will provide two wheelchair accessible fishing piers, and picnic sites.

**19. Town of Payson  
Green Valley Lake Improvements**

Project Cost: \$150,000  
SLIF Grant: \$125,000

**Project Description:** The Town proposes improvements at Green Valley Lake, a 13-acre nonmotorized boating lake. This project includes a restroom, boating safety informational kiosk, and picnic areas.

**20. City of Winslow  
Renovation & Expansion of McHood Park**

Project Cost: \$266,978

SLIF Grant: \$240,280

**Project Description:** The City proposes to renovate and expand facilities at McHood Park which contains Clear Creek Reservoir in Winslow. The existing fifteen space campground, which is over 30 years old, requires renovation including paving campground roads, landscaping, grills, additional camping spaces, and beach improvements. The City received a SLIF grant in 1998 for a contact station, ramadas, boat launch areas, water treatment facility, and restrooms in this park.

**21. City of Yuma  
Gateway Park: Heritage Crossings**

Project Cost: \$1,500,000

SLIF Grant: \$1,000,000

**Project Description:** The City proposes to enhance recreational opportunities at the Riverfront Gateway Park, located within the City's federally designated National Heritage Area. This project includes a boat dock, ADA compliant fishing pier, trail, ramadas, kiosk, parking, and marking buoys. This project will link to the previous SLIF funded project area, West Wetlands Development, along the Colorado River

**Total SLIF Grants to Outside Entities = \$10,660,314**

**Arizona State Parks  
Capital Improvement Plan  
State Lake Improvement Fund (SLIF) FY 2001**

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

**Estimated Cost:** \$1,000,000

**Scope Items:** 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. This is additional funds for Lake Havasu only.

**2. Statewide – Improvements**

**Estimated Cost:** \$150,497

**Scope Items:** 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 not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake and Roper Lake.

**3. Lyman Lake – Maintenance Building/continued**

**Estimated Cost:** \$300,000

**Scope Items:** The design and construction of maintenance building, utility extensions, ramadas, upgrade campsites, and various other site improvements.

**4. Buckskin-River Island – Build-Out/continued**

**Estimated Cost:** \$280,000

**Scope Items:** The design and construction of restroom/shower buildings, utility extensions, ramadas, upgrade campsites, and various other improvements. (additional funds)

**5. Patagonia Lake– Build-Out/continued**

**Estimated Cost:** \$255,000

**Scope Items:** The design and construction of utility extensions, ramadas, maintenance building, docks, fishing piers, fuel station, and various other improvements. (additional funds)



6. **Roper Lake – Contact Station/continued**

**Estimated Cost:** \$150,000

**Scope Items:** The design and construction of contact station, septic system, parking areas, utility extensions, ramadas, upgrade campsites, and various other site improvements. (additional funds)

7. **Statewide – ADEQ Compliance**

**Estimated Cost:** \$150,000

**Scope Items:** 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 not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Patagonia Lake, and Roper Lake.

8. **Statewide – Boating Parks Capital Equipment**

**Estimated Cost:** \$150,000

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

9. **Alamo Lake – Site Improvements**

**Estimated Cost:** \$120,000

**Scope Items:** The design and construction of utility extensions, ramadas, upgrade campsites, and various site other improvements.

10. **Cattail Cove – Site Improvements**

**Estimated Cost:** \$85,000

**Scope Items:** The design and construction of floating launch ramp, ramadas, and various other improvements.

**11. Statewide – ADA Compliance**

**Estimated Cost:** \$75,000

**Scope Items:** 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 not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake, and Patagonia Lake.

**12. Statewide – Materials Fund**

**Estimated Cost:** \$50,000

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

**13. Statewide – Cultural Site Clearance**

**Estimated Cost:** \$15,000

**Scope Items:** 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 not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake, and Roper Lake.

**14. Statewide – Environmental Site Clearance**

**Estimated Cost:** \$15,000

**Scope Items:** 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 not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake, and Roper Lake.

**Total State Park Allocated SLIF Projects = \$2,795,497**

Recipient	Project	Grant Amount
1 Lake Havasu City	London Bridge Beach Acquisition	\$5,100,000
2 City of Yuma	Gateway Park: Heritage Crossings	1,000,000
3 Maricopa County	Boating Safety Education & First Aid Station	756,760
4 Mohave County	Willow Beach Fishing Pier	693,990
5 Bullhead City	Rotary Park	647,425
6 Apache County	River Reservoir Improvement	412,810
7 Maricopa County	Boathouses at Canyon & Saguaro Lakes	309,389
8 Apache County	Tennel Reservoir Improvement	249,550
9 City of Winslow	Renovation & Expansion of McHood Park	240,280
10 Mohave County	South Telephone Cove: Phase II	148,000
11 Apache County	Bunch Reservoir Improvement	145,835
12 Mohave County	South Cove Picnic Area: Phase II	135,000
13 Town of Payson	Green Valley Lake Improvements	125,000
14 La Paz County	Bill Williams Recreational Angling Development	115,600
15 Mohave County	Princess Cove Picnic Area: Phase II	108,835
16 Lake Havasu City	Watercraft Upgrade	107,034
17 La Paz County	Boating Safety Training Center Improvement	97,600
18 Bullhead City	Multi-Purpose Watercraft	95,906
19 Bullhead City	Watercraft Safety Program	82,800
20 Mohave County	Temple Bar Picnic Shelters: Phase II	71,500
21 La Paz County	Patrol Boat Engines	17,000
Total-Outside Entities		\$10,660,314
1 Statewide	Park Land Acquisition and Planning	\$1,000,000
3 Lyman Lake	Maintenance Building/continued	300,000
4 Buckskin-River Island	Build-Out/continued	280,000
5 Patagonia Lake	Build-Out/continued	255,000
2 Statewide	Improvements	150,497
6 Roper Lake	Contact Station/continued	150,000
7 Statewide	ADEQ Compliance	150,000
8 Statewide	Boating Parks Capital Equipment	150,000
9 Alamo Lake	Site Improvements	120,000
10 Cattail Cove	Site Improvements	85,000
11 Statewide	ADA compliance	75,000
12 Statewide	Materials Fund	50,000
13 Statewide	Cultural Site Clearance	15,000
14 Statewide	Environmental Site Clearance	15,000
Total-State Parks		\$2,795,497



STATE OF ARIZONA

## Joint Committee on Capital Review

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SENATE

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HOUSE OF  
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LINDA J. LOPEZ  
RUSSELL K. PEARCE  
CHRISTINE WEASON

DATE: October 19, 2001

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

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: SCHOOL FACILITIES BOARD - REVIEW OF FY 2002 BUILDING RENEWAL  
ALLOCATION PLAN

### Request

The School Facilities Board (SFB) requests that the Committee review its proposal to distribute \$122.8 million of Building Renewal Fund monies for FY 2002, pursuant to A.R.S. § 15-2031.

### Recommendation

Due to the size of the fund's balance, the House of Representatives is considering whether to reduce the building renewal allocation by \$40.0 million in both FY 2002 and FY 2003 as part of its budget options (see Options List of October 17). As a result, the Committee has the policy decision of whether to recommend favorable review of the request at this time. From a technical perspective, the SFB proposed distribution plan is consistent with statute.

According to statute, the SFB is to distribute \$61.4 million, or one-half of the proposed \$122.8 million, in November. The remaining half would be distributed in May 2002. Once monies are distributed to districts, there is no means for the Legislature to transfer them back to the General Fund. Therefore, if a favorable review is given and the full November distribution is made, no more than \$61.4 million could be transferred back to the General Fund in FY 2002. *Attachment 2* provides information on each district's building renewal balance as well as their FY 2000 distribution and expenditure amounts.

The JLBC Staff does recommend that in the future SFB utilize the prior year distribution amounts in the renovation component of the building renewal formula for districts that fail to report building renewal expenditures. In the formula, renovation expenditures effectively reduce the age of buildings, thus reducing the amount of building renewal distributed to a district. Currently, if a district does not report renovation expenditures, the SFB does not include any adjustment for the renovation component of the formula. Failing to include renovation expenses for non-reporting districts, creates an incentive for districts not to report. Last year, 80 of the 230 districts did not report building renewal expenditures.

(Continued)

## Analysis

The Building Renewal Fund is established by A.R.S. § 15-2031 to provide funding for school districts to maintain the adequacy of existing school facilities. Building renewal monies are intended for major renovations and repairs, upgrading systems to extend the life of a building, and infrastructure costs on academic buildings owned by a district. Statute requires the JCCR to review the board's plan for distributing Building Renewal Funds to school districts prior to their being allocated. For FY 2002, the board plans to distribute a total of \$122.8 million from the Building Renewal Fund. The proposed allocation to each district appears in *Attachment 1*. A.R.S. § 15-2031 (E) requires that these amounts be distributed in two equal installments in November and May. Under SFB's proposed plan, they would distribute \$61.4 million next month and the remaining amount in May 2002.

According to the SFB's instruction, the State Treasurer transferred \$132 million to the Building Renewal Fund on January 1, 2001 for distribution to districts in FY 2002. This instruction was based on building age, square footage, and construction cost inflation data that was available in the fall of 2000. Based on that data, the formula indicated a transfer of \$122.8 million. The SFB, however, increased this amount by \$9.3 million to \$132 million, expecting additional inflationary changes prior to the first distribution in November of FY 2002. The SFB has since been advised by the Attorney General's Office that the FY 2002 distribution must be based solely on the formula data available last year and not incorporate any inflationary or other changes that have occurred since. Consistent with this guidance, the SFB plans to distribute only the \$122.8 million that the formula dictated in the fall of 2000. The additional \$9.3 million will remain in the fund unless action is taken by the Legislature to revert it to the General Fund.

The proposed \$122.8 million distribution for FY 2002 is equal to the amount that was allocated in FY 2001. This is because prior to disbursing the FY 2001 monies, the SFB updated the formula based on fall 2000 data. This is the same data that was used to calculate the FY 2002 disbursement formula. Again, however, based on the advisement from the Attorney General, SFB is not updating the FY 2002 formula prior to disbursing the monies. This means that the FY 2002 disbursement will not incorporate the most recent formula data and will be equal to the FY 2001 disbursement.

Data such as construction cost inflation has changed since last year's original FY 2002 calculation. For example, in the August 2001 JLBC meeting, the Committee approved a 0.6% increase in the construction cost factor. The Committee recommended that the approved inflation factor be applied to the FY 2002 disbursement. The Committee's recommendation was consistent with legal advice from Legislative Council, who believes that the adjustments should take effect during the current year (i.e. FY 2002). Based on the advice of the Attorney General, however, the SFB has not updated the FY 2002 disbursement for the approved inflation factor. Instead, they will incorporate the 0.6% cost increase into the calculation that is made for the FY 2003 disbursement. Additionally, school districts are required to report building age, square footage, and renovation costs annually by September 1. The information that was required for the September 1, 2001 report will not be used to update the FY 2002 disbursement, but will instead be used to calculate the FY 2003 disbursement.

Representative Knaperek, JLBC Chair, has requested an Attorney General's opinion on when available data should be applied to the formula. Based on preliminary conversations with the Attorney General's office, we believe that they will confirm in writing their earlier oral advice.

### *Prior Year Renovations*

The age of a building is an important factor in the building renewal formula. To the extent that a building has been renovated, however, the age used in the formula is "discounted" by the cost of the renovation. Each district's renovation expenses from the Building Renewal Fund are incorporated into the formula and effectively reduce the age of the district's buildings. By reducing building age, the amount of building renewal money that is distributed to the district in the following year is also reduced.

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Districts are statutorily required to annually report their renovation expenses by October 15. The expenses are self-reported and are not verified by SFB staff. If a district fails to report their expenses by the deadline, SFB does not include any renovation expenses in that district's disbursement formula for the following year. Therefore, if a district expends money on renovations, but fails to report it, their distribution for the next year is not reduced by the renovation expense factor. Failing to include any renovation expense for non-reporting districts, creates an incentive for districts not to report. Last year, 80 of the 230 school districts failed to report by the October 15 deadline.

The JLBC Staff recommends that instead of excluding renovation expenses for non-reporting districts, the SFB should enter the amount distributed to the district in the prior year as the formula renovation expense number. Assuming that non-reporting districts are expending all of their disbursements creates an incentive for all districts to report by the statutory deadline. Making this assumption also ensures that the formula does not under value the renovations that have taken place statewide, which may have lead to over funding the Building Renewal program.

Renovations completed with Deficiencies Correction monies are also used to discount the formula age of district buildings. Given, however, that the majority of Deficiency Correction projects have not been completed, the expenditure of the \$1.1 billion in projects has not yet radically impacted the formula distribution. Statutorily, all Deficiency Correction projects must be completed by June 30, 2003. The SFB staff expects that the bulk of expenditures from the Deficiency Correction Fund will be included in the formula calculation in the fall of 2002 and 2003 which will reduce the Building Renewal Distribution in FY 2004 and FY 2005.

#### *District Balances*

Building Renewal monies that are disbursed to the districts remain on balance with the district until renovation expenditures are made. The FY 2000 ending balance for all districts was \$95.7 million. This amount is 116% of the \$82.5 million that was distributed that year. If it is assumed that the 80 non-reporting districts actually expended all of their disbursements, the balance would be reduced to \$78.7 million, which is 95% of the FY 2000 distribution. There are two different perspectives concerning the high balances. On the one hand, districts may be saving their funds for future projects. On the other hand, the \$1.1 billion Deficiencies Correction program may have reduced the need for building renewal in the past few years. Although the bulk of Deficiencies Correction has yet to be expended, districts may be delaying building renewal projects, anticipating that those projects will be completed with Deficiencies Correction monies.

Because of the size of district building renewal balances, the House is considering a budget reduction option to reduce the FY 2002 and FY 2003 building renewal distribution (see Budget Reduction Option List of October 17). As a result, the Committee has the policy decision of whether to recommend favorable review of the proposed distribution at this time. According to statute, the SFB would distribute \$61.4 million, or one-half of the proposed \$122.8 million, in November. The remaining half would be distributed in May 2002. Once monies are distributed to districts, there is no means for the Legislature to transfer them back to the General Fund. Therefore, if a favorable review is given and the full November distribution is made, no more than \$61.4 million could be transferred back to the General Fund in FY 2002.

*Attachment 2* provides information on district balances as well as FY 2000 disbursement and expenditure amounts. The 80 districts that did not report are listed in bold on the attachment. On the far right of the spreadsheet is a column titled "Balance/Disbursement Ratio." We added this column as an indication to the size of each district's Building Renewal balance relative to their FY 2000 disbursement. Because the distribution is determined by a formula intended to capture what a district's average annual building renewal expenditures should be, the balance/disbursement ratio illustrates how much a district has in

(Continued)

reserve relative to what the formula says they should be expending in an average year. For example, a balance/disbursement ratio of 100% means that a district has a balance equal to one year's worth of their formula funding. Among reporting districts, balance amounts range from a few districts that have ratios less than 5% to a few districts that have balances close to 200%.

Districts are in the process of reporting their FY 2001 Building Renewal expenditure and balance information to SFB. The JLBC Staff will continue to monitor and keep the Committee informed of district balance levels.

RS/CE:jb

Attachments (2)



Governor of Arizona  
Jane Dee Hull

STATE OF ARIZONA  
SCHOOL FACILITIES BOARD

Executive Director  
Dr. Philip E. Geiger

OCT 17 2001

October 15, 2001

The Honorable Ruth Solomon  
Chairman  
Joint Committee on Capital Review

The Honorable Laura Knaperek  
Vice Chairman  
Joint Committee on Capital Review

Dear Senator Solomon and Representative Knaperek:

Pursuant to A.R.S. 15-2031 E, the School Facilities Board is required to provide the Joint Committee on Capital Review with a report of the current year building renewal distribution. This report is attached.

Representatives from the School Facilities Board would be happy to discuss the contents of this report at your next Committee meeting.

Sincerely,

Philip E. Geiger  
Executive Director

For Phil Geiger

# Building Renewal District Summary

FY 2002

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amount</u>
010201000	St Johns Unified District	R	\$295,841.47
010208000	Window Rock Unified District	R	\$1,380,181.85
010210000	Round Valley Unified District	R	\$470,379.12
010218000	Sanders Unified District	R	\$186,002.95
010220000	Ganado Unified District	R	\$380,982.59
010224000	Chinle Unified District	R	\$663,699.69
010227000	Red Mesa Unified District	R	\$423,493.04
010306000	Concho Elementary District	R	\$13,229.76
010307000	Alpine Elementary District	R	\$27,877.09
010309000	Vernon Elementary District	R	\$18,333.60
010323000	McNary Elementary District	R	\$92,314.53
020100000	Ft Huachuca Accommodation District	U	\$0.00
020201000	Tombstone Unified District	U	\$300,229.07
020202000	Bisbee Unified District	R	\$596,431.62
020209000	Benson Unified District	U	\$305,287.83
020213000	Willcox Unified District	U	\$375,715.54
020214000	Bowie Unified District	R	\$148,981.94
020218000	San Simon Unified District	R	\$84,382.38
020221000	St David Unified District	U	\$165,941.18
020227000	Douglas Unified District	R	\$1,311,812.45
020268000	Sierra Vista Unified District	R	\$940,289.52
020323000	Naco Elementary District	R	\$59,266.57
020326000	Cochise Elementary District	U	\$50,845.18
020342000	Apache Elementary District	R	\$3,709.37
020345000	Double Adobe Elementary District	R	\$34,045.29
020349000	Palominas Elementary District	R	\$130,667.38
020355000	McNeal Elementary District	R	\$35,937.01
020366000	Rucker Elementary District	R	\$0.00
020381000	Forrest Elementary District	R	\$0.00
020412000	Elfrida Elementary District	R	\$37,179.41
020422000	Pearce Elementary District	R	\$40,371.97
020453000	Ash Creek Elementary District	R	\$15,503.51
020464000	Pomerene Elementary District	U	\$17,988.31
020522000	Valley Union High School District	R	\$99,283.58
030201000	Flagstaff Unified District	R	\$2,372,475.34
030202000	Williams Unified District	R	\$161,434.36
030204000	Grand Canyon Unified District	R	\$110,988.60
030206000	Fredonia-Moccasin Unified District	R	\$121,487.84
030208000	Page Unified District	R	\$755,128.57
030215000	Tuba City Unified District	R	\$810,898.30
030305000	Chevelon Butte School District	R	\$0.00
030310000	Maine Consolidated District	R	\$26,638.24
040201000	Globe Unified District	R	\$800,433.57
040210000	Payson Unified District	U	\$410,239.24

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amount</u>
040220000	San Carlos Unified District	R	\$395,916.52
040240000	Miami Unified District	U	\$433,513.89
040241000	Hayden-Winkelman Unified District	R	\$256,157.45
040305000	Young Elementary District	R	\$33,831.55
040312000	Pine Strawberry Elementary District	U	\$24,905.10
040333000	Tonto Basin Elementary District	U	\$13,486.97
050199000	Graham County Special Services	R	\$57,533.82
050201000	Safford Unified District	R	\$420,879.29
050204000	Thatcher Unified District	R	\$112,889.22
050206000	Pima Unified District	R	\$160,496.57
050207000	Ft Thomas Unified District	R	\$182,797.61
050305000	Solomon Elementary District	R	\$107,296.25
050309000	Klondyke Elementary District	R	\$0.00
050316000	Bonita Elementary District	U	\$38,873.61
060100000	Greenlee Alternative School District	U	\$0.00
060199000	Greenlee County Accommodation Distr.	R	\$0.00
060202000	Duncan Unified District	R	\$194,020.28
060203000	Clifton Unified District	R	\$125,926.32
060218000	Morenci Unified District	R	\$275,304.56
060322000	Blue Elementary District	R	\$1,060.82
060345000	Eagle Elementary District	R	\$0.00
070177000	Maricopa County Regional Special Servic	U	\$0.00
070199000	Maricopa County Regional District	U	\$169,590.67
070204000	Mesa Unified District	U	\$10,898,716.73
070209000	Wickenburg Unified District	U	\$391,462.32
070211000	Peoria Unified District	U	\$3,012,138.27
070224000	Gila Bend Unified District	U	\$176,806.33
070241000	Gilbert Unified District	U	\$1,664,833.69
070248000	Scottsdale Unified District	U	\$4,148,327.71
070260000	Higley Unified District	U	\$35,697.37
070269000	Paradise Valley Unified District	U	\$3,423,124.68
070280000	Chandler Unified District	U	\$1,798,342.99
070289000	Dysart Unified District	U	\$680,238.58
070293000	Cave Creek Unified District	U	\$220,866.94
070295000	Queen Creek Unified District	U	\$185,076.82
070297000	Deer Valley Unified District	U	\$2,400,671.48
070298000	Fountain Hills Unified District	U	\$155,788.55
070363000	Aguila Elementary District	R	\$26,392.82
070371000	Sentinel Elementary District	R	\$53,714.25
070375000	Morristown Elementary District	U	\$31,909.75
070381000	Nadaburg Elementary District	U	\$50,352.78
070386000	Mobile Elementary District	U	\$38,264.16
070390000	Ruth Fisher Elementary District	U	\$65,957.07
070394000	Paloma Elementary District	R	\$21,334.08
070401000	Phoenix Elementary District	U	\$903,512.49
070402000	Riverside Elementary District	U	\$95,433.17
070403000	Tempe Elementary District	U	\$2,144,756.79
070405000	Isaac Elementary District	U	\$734,047.60
070406000	Washington Elementary District	U	\$4,010,767.72

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amount</u>
070407000	Wilson Elementary District	U	\$246,355.54
070408000	Osborn Elementary District	U	\$317,403.67
070414000	Creighton Elementary District	U	\$688,220.71
070417000	Tolleson Elementary District	U	\$83,399.37
070421000	Murphy Elementary District	U	\$414,774.53
070425000	Liberty Elementary District	U	\$105,023.02
070428000	Kyrene Elementary District	U	\$1,216,149.55
070431000	Balsz Elementary District	U	\$179,508.59
070433000	Buckeye Elementary District	U	\$168,128.52
070438000	Madison Elementary District	U	\$729,211.31
070440000	Glendale Elementary District	U	\$1,224,656.32
070444000	Avondale Elementary District	U	\$279,799.28
070445000	Fowler Elementary District	U	\$145,433.50
070447000	Arlington Elementary District	U	\$66,382.21
070449000	Palo Verde Elementary District	U	\$22,384.03
070459000	Laveen Elementary District	U	\$150,073.53
070462000	Union Elementary District	U	\$25,517.79
070465000	Littleton Elementary District	U	\$145,282.92
070466000	Roosevelt Elementary District	U	\$1,570,212.81
070468000	Alhambra Elementary District	U	\$730,807.36
070479000	Litchfield Elementary District	U	\$303,835.63
070483000	Cartwright Elementary District	U	\$1,489,194.74
070492000	Pendergast Elementary District	U	\$561,426.47
070501000	Buckeye Union High School District	U	\$419,033.27
070505000	Glendale Union High School District	U	\$3,369,763.86
070510000	Phoenix Union High School District	U	\$4,765,945.96
070513000	Tempe Union High School District	U	\$2,856,025.75
070514000	Tolleson Union High School District	U	\$445,382.39
070516000	Agua Fria Union High School District	U	\$518,376.64
080199000	Mohave County Accommodation District	R	\$0.00
080201000	Lake Havasu Unified District	R	\$554,947.21
080208000	Peach Springs Unified District	R	\$78,148.96
080214000	Colorado City Unified District	R	\$90,626.91
080403000	Hackberry School District	R	\$3,048.60
080404000	Kingman Elementary District	R	\$671,774.07
080406000	Owens-Whitney Elementary District	R	\$33,467.77
080409000	Littlefield Elementary District	R	\$25,156.30
080411000	Chloride Elementary District	R	\$25,277.64
080412000	Topock Elementary District	R	\$7,914.26
080413000	Yucca Elementary District	R	\$12,494.06
080415000	Bullhead City Elementary District	R	\$285,095.70
080416000	Mohave Valley Elementary District	R	\$248,057.65
080422000	Valentine Elementary District	R	\$5,648.39
080502000	Colorado River Union High School District	R	\$256,308.74
080530000	Mohave Union High School District	R	\$550,382.60
090199000	Rainbow Foundation	U	\$3,838.74
090201000	Winslow Unified District	R	\$750,034.47
090202000	Joseph City Unified District	R	\$316,283.37
090203000	Holbrook Unified District	R	\$638,655.52



<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amount</u>
090204000	Pinon Unified District	R	\$171,018.60
090205000	Snowflake Unified District	R	\$578,243.79
090206000	Heber-Overgaard Unified District	R	\$97,527.48
090210000	Show Low Unified District	R	\$482,005.89
090220000	Whiteriver Unified District	R	\$411,032.91
090225000	Cedar Unified District	R	\$179,976.78
090227000	Kayenta Unified District	R	\$462,992.07
090232000	Blue Ridge Unified District	R	\$631,142.39
100100000	Pima Accommodation District	U	\$4,749.44
100201000	Tucson Unified District	U	\$13,357,624.75
100206000	Marana Unified District	U	\$1,785,914.38
100208000	Flowing Wells Unified District	U	\$1,065,706.72
100210000	Amphitheater Unified District	U	\$2,795,247.27
100212000	Sunnyside Unified District	U	\$2,113,737.05
100213000	Tanque Verde Unified District	U	\$108,557.69
100215000	Ajo Unified District	R	\$229,762.81
100216000	Catalina Foothills Unified District	U	\$368,330.68
100220000	Vail Unified District	U	\$165,364.79
100230000	Sahuarita Unified District	U	\$354,249.69
100240000	Indian Oasis-Baboquivari Unified District	U	\$190,698.36
100335000	San Fernando Elementary District	U	\$803.29
100337000	Empire Elementary District	U	\$0.00
100339000	Continental Elementary District	U	\$33,976.55
100344000	Redington Elementary District	U	\$0.00
100351000	Altar Valley Elementary District	U	\$103,525.91
110100000	Mary C O'Brien Accommodation District	U	\$164,628.82
110199000	Pinal County Special Education Program	U	\$0.00
110201000	Florence Unified School District	U	\$382,907.87
110203000	Ray Unified District	U	\$419,580.58
110208000	Mammoth-San Manuel Unified District	U	\$626,698.55
110215000	Superior Unified District	U	\$296,895.60
110220000	Maricopa Unified School District	U	\$269,847.09
110221000	Coolidge Unified District	U	\$617,709.06
110243000	Apache Junction Unified District	U	\$544,553.45
110302000	Oracle Elementary District	U	\$99,228.97
110344000	J O Combs Elementary District	U	\$27,255.17
110404000	Casa Grande Elementary District	U	\$605,840.92
110405000	Red Rock Elementary District	U	\$0.00
110411000	Eloy Elementary District	U	\$260,575.76
110418000	Sacaton Elementary District	U	\$125,365.68
110422000	Toltec Elementary District	U	\$71,709.42
110424000	Stanfield Elementary District	U	\$103,610.36
110433000	Picacho Elementary District	U	\$16,909.95
110502000	Casa Grande Union High School District	U	\$131,301.08
110540000	Santa Cruz Valley Union High School District	U	\$247,932.24
120201000	Nogales Unified District	R	\$1,018,324.14
120235000	Santa Cruz Valley Unified District	U	\$221,854.94
120328000	Santa Cruz Elementary District	R	\$52,188.74
120406000	Patagonia Elementary District	U	\$30,808.98

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amount</u>
120425000	Sonoita Elementary District	U	\$21,334.26
120520000	Patagonia Union High School District	U	\$62,884.05
130201000	Prescott Unified District	U	\$1,133,922.23
130209000	Sedona-Oak Creek Joint Unified District	R	\$151,644.44
130220000	Bagdad Unified District	R	\$244,247.01
130222000	Humboldt Unified District	R	\$492,907.01
130228000	Camp Verde Unified District	U	\$245,490.68
130231000	Ash Fork Unified District	R	\$88,646.31
130240000	Seligman Unified District	R	\$137,272.20
130243000	Mayer Unified District	U	\$141,987.89
130251000	Chino Valley Unified District	R	\$285,610.20
130302000	Williamson Valley Elementary District	R	\$0.00
130307000	Walnut Grove Elementary District	U	\$0.00
130314000	Champie Elementary District	U	\$0.00
130315000	Skull Valley Elementary District	R	\$22,877.11
130317000	Congress Elementary District	U	\$0.00
130323000	Kirkland Elementary District	U	\$8,334.62
130326000	Beaver Creek Elementary District	R	\$36,365.09
130335000	Hillside Elementary District	R	\$9,923.36
130341000	Crown King Elementary District	U	\$8,613.04
130350000	Canon Elementary District	U	\$52,729.08
130352000	Yarnell Elementary District	U	\$7,310.36
130403000	Clarkdale-Jerome Elementary District	R	\$30,421.91
130406000	Cottonwood-Oak Creek Elementary Dis	R	\$196,749.44
130504000	Mingus Union High School District	R	\$215,775.06
140199000	Yuma County Accommodation District	U	\$0.00
140401000	Yuma Elementary District	U	\$1,097,540.76
140411000	Somerton Elementary District	U	\$109,114.99
140413000	Crane Elementary District	U	\$545,602.16
140416000	Hyder Elementary District	R	\$195,034.72
140417000	Mohawk Valley Elementary District	R	\$43,293.65
140424000	Wellton Elementary District	U	\$100,832.78
140432000	Gadsden Elementary District	U	\$140,987.17
140550000	Antelope Union High School District	U	\$195,340.12
140570000	Yuma Union High School District	U	\$1,249,960.33
150227000	Parker Unified School District	R	\$764,015.36
150404000	Quartzsite Elementary District	U	\$63,333.76
150419000	Wenden Elementary District	R	\$59,078.05
150426000	Bouse Elementary District	R	\$43,980.54
150430000	Salome Consolidated Elementary Distric	R	\$13,204.78
150576000	Bicentennial Union High School District	U	\$98,317.28
<b><u>Grand Total:</u></b>			<b><u>\$122,786,413.19</u></b>

State of Arizona  
School Facilities Board

**Building Renewal Fund**

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
<b>Apache County</b>						
010307	ALPINE ELEMENTARY	\$ 18,807	\$ 19,394	\$ 9,673	\$ 28,528	147%
010224	<b>CHINLE UNIFIED</b>	\$ 431,952	\$ 439,743		\$ 871,695	198%
010306	<b>CONCHO ELEMENTARY</b>	\$ 630	\$ 8,575		\$ 9,205	107%
010220	<b>GANADO UNIFIED</b>	\$ 223,660	\$ 251,223		\$ 474,883	189%
010323	<b>MCNARY ELEMENTARY</b>	\$ 58,767	\$ 63,444		\$ 122,211	193%
010227	<b>RED MESA UNIFIED</b>	\$ 267,189	\$ 283,430		\$ 550,619	194%
010210	ROUND VALLEY UNIFIED	\$ 278,713	\$ 307,584	\$ 171,133	\$ 415,164	135%
010218	<b>SANDERS UNIFIED</b>	\$ 287,447	\$ 320,438		\$ 607,885	190%
010201	<b>ST JOHNS UNIFIED</b>	\$ 175,935	\$ 197,534		\$ 373,469	189%
010309	VERNON ELEMENTARY	\$ 11,129	\$ 12,313	\$ 6,914	\$ 16,528	134%
010208	WINDOW ROCK UNIFIED	\$ 860,198	\$ 933,221	\$ 219,949	\$ 1,573,470	169%
	Subtotal Apache County	\$ 2,614,427	\$ 2,836,899	\$ 407,669	\$ 5,043,657	178%
<b>Cochise County</b>						
020342	<b>APACHE ELEMENTARY</b>	\$ 2,332	\$ 2,534		\$ 4,866	192%
020453	ASH CREEK ELEMENTARY	\$ 8,901	\$ 10,127	\$ 7,216	\$ 11,812	117%
020209	BENSON UNIFIED	\$ 165,407	\$ 207,677	\$ 47,563	\$ 325,521	157%
020202	BISBEE UNIFIED	\$ 396,418	\$ 429,367	\$ 313,545	\$ 512,240	119%
020214	<b>BOWIE UNIFIED</b>	\$ 96,973	\$ 103,427		\$ 200,400	194%
020326	COCHISE ELEMENTARY	\$ 33,490	\$ 34,742	\$ -	\$ 68,232	196%
020345	<b>DOUBLE ADOBE ELEMENTARY</b>	\$ 25,406	\$ 23,475		\$ 48,881	208%
020227	DOUGLAS UNIFIED	\$ 861,794	\$ 918,537	\$ 587,050	\$ 1,193,281	130%
020412	ELFRIDA ELEMENTARY	\$ 23,742	\$ 25,773	\$ 15,311	\$ 34,204	133%
020381	FORREST ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
020100	FT HUACHUCA ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
020355	<b>MCNEAL ELEMENTARY</b>	\$ 3,865	\$ 4,191		\$ 8,056	192%
020323	<b>NACO ELEMENTARY</b>	\$ 35,470	\$ 39,422		\$ 74,892	190%
020349	<b>PALOMINAS ELEMENTARY</b>	\$ 76,178	\$ 85,496		\$ 161,674	189%
020422	<b>PEARCE ELEMENTARY</b>	\$ 24,954	\$ 27,334		\$ 52,288	191%
020464	<b>POMERENE ELEMENTARY</b>	\$ 9,039	\$ 11,182		\$ 20,221	181%
020366	RUCKER ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
020218	SAN SIMON UNIFIED	\$ 52,277	\$ 57,469	\$ 52,000	\$ 57,746	100%
020268	SIERRA VISTA UNIFIED	\$ 599,247	\$ 675,148	\$ 108,300	\$ 1,166,095	173%
020221	<b>ST DAVID UNIFIED</b>	\$ 189,109	\$ 144,940		\$ 334,049	230%
020201	TOMBSTONE UNIFIED	\$ 193,687	\$ 208,905	\$ 86,886	\$ 315,706	151%
020522	VALLEY UNION HIGH SCHOOL	\$ 60,937	\$ 67,046	\$ 92,683	\$ 35,300	53%
020213	WILLCOX UNIFIED	\$ 232,441	\$ 252,536	\$ 84,889	\$ 400,088	158%
	Subtotal Cochise County	\$ 3,091,667	\$ 3,329,328	\$ 1,395,443	\$ 5,025,552	151%
<b>Cocoonino County</b>						
030305	CHEVELON BUTTE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-

**Bold Italics** indicates  
district did not submit a report.

## Building Renewal Fund

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
030199	COCONINO COUNTY ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
030201	<b>FLAGSTAFF UNIFIED</b>	\$ 1,446,518	\$ 1,598,605		\$ 3,045,123	190%
030206	FREDONIA MOCCASIN UNIFIED	\$ 73,284	\$ 81,545	\$ 43,955	\$ 110,874	136%
030204	GRAND CANYON UNIFIED	\$ 69,340	\$ 75,778	\$ 86,308	\$ 58,810	78%
030310	MAINE CONSOLIDATED ELEMENTARY	\$ 17,786	\$ 18,412	\$ -	\$ 36,198	197%
030208	PAGE UNIFIED	\$ 467,590	\$ 505,301	\$ 165,377	\$ 807,514	160%
030215	<b>TUBA CITY UNIFIED</b>	\$ 490,560	\$ 531,888		\$ 1,022,448	192%
030202	WILLIAMS UNIFIED	\$ 97,008	\$ 105,829	\$ 71,726	\$ 131,111	124%
	Subtotal Coconino County	\$ 2,662,086	\$ 2,917,358	\$ 367,366	\$ 5,212,078	179%
<b>Gila County</b>						
040201	<b>GLOBE UNIFIED</b>	\$ 442,862	\$ 543,248		\$ 986,110	182%
040241	<b>HAYDEN-WINKELMAN UNIFIED</b>	\$ 153,554	\$ 169,263		\$ 322,817	191%
040240	<b>MIAMI UNIFIED</b>	\$ 308,361	\$ 333,914		\$ 642,275	192%
040210	<b>PAYSON UNIFIED</b>	\$ 252,722	\$ 272,405		\$ 525,127	193%
040312	PINE/STRAWBERRY ELEMENTARY	\$ 13,593	\$ 15,959	\$ 13,742	\$ 15,810	99%
040220	<b>SAN CARLOS UNIFIED</b>	\$ 215,565	\$ 238,987		\$ 454,552	190%
040333	TONTO BASIN ELEMENTARY	\$ 8,097	\$ 9,032	\$ -	\$ 17,129	190%
040305	<b>YOUNG ELEMENTARY</b>	\$ -	\$ 22,387		\$ 22,387	100%
	Subtotal Gila County	\$ 1,394,754	\$ 1,605,195	\$ 13,742	\$ 2,986,207	186%
<b>Graham County</b>						
050316	BONITA ELEMENTARY	\$ -	\$ 26,582	\$ -	\$ 26,582	100%
050207	<b>FT THOMAS UNIFIED</b>	\$ 38,968	\$ 123,072		\$ 162,040	132%
050199	<b>GRAHAM COUNTY SPECIAL SERVICES</b>	\$ 37,860	\$ 42,175		\$ 80,035	190%
050309	KLONDYKE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
050206	PIMA UNIFIED	\$ 102,614	\$ 110,606	\$ 23,144	\$ 190,076	172%
050201	SAFFORD UNIFIED	\$ 261,491	\$ 281,309	\$ 547,800	\$ (5,000)	-2%
050305	<b>SOLOMON ELEMENTARY</b>	\$ 69,272	\$ 74,659		\$ 143,931	193%
050204	THATCHER UNIFIED	\$ 96,836	\$ 106,546	\$ 24,942	\$ 178,440	167%
	Subtotal Graham County	\$ 607,041	\$ 764,949	\$ 595,886	\$ 776,104	101%
<b>Greenlee County</b>						
060322	<b>BLUE ELEMENTARY</b>	\$ 597	\$ 689		\$ 1,286	187%
060203	<b>CLIFTON UNIFIED</b>	\$ 75,454	\$ 83,493		\$ 158,947	190%
060202	<b>DUNCAN UNIFIED</b>	\$ 130,218	\$ 133,918		\$ 264,136	197%
060345	EAGLE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
060199	GREENLEE COUNTY ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
060218	MORENCI UNIFIED	\$ 166,972	\$ 184,540	\$ 12,985	\$ 338,527	183%
	Subtotal Greenlee County	\$ 373,241	\$ 402,640	\$ 12,985	\$ 762,896	189%
<b>Maricopa County</b>						
070516	AGUA FRIA UNION HIGH SCHOOL	\$ 316,854	\$ 349,751	\$ 331,784	\$ 334,821	96%

# Building Renewal Fund

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
070363	<b>AGUILA ELEMENTARY</b>	\$ 14,373	\$ 16,855		\$ 31,228	185%
070468	ALHAMBRA ELEMENTARY	\$ 384,728	\$ 458,850	\$ -	\$ 843,578	184%
070447	ARLINGTON ELEMENTARY	\$ 42,172	\$ 45,562	\$ 23,567	\$ 64,167	141%
070444	AVONDALE ELEMENTARY	\$ 181,252	\$ 187,452	\$ 45,813	\$ 322,891	172%
070431	BALSZ ELEMENTARY	\$ 91,452	\$ 104,440	\$ 150,111	\$ 45,781	44%
070433	BUCKEYE ELEMENTARY	\$ 68,539	\$ 113,413	\$ -	\$ 181,952	160%
070501	BUCKEYE UNION HIGH SCHOOL	\$ 272,352	\$ 283,553	\$ 315,588	\$ 240,317	85%
070483	CARTWRIGHT ELEMENTARY	\$ 936,104	\$ 1,004,545	\$ 1,072,527	\$ 868,122	86%
070293	CAVE CREEK UNIFIED	\$ 123,522	\$ 147,243	\$ 6,446	\$ 264,319	180%
070280	CHANDLER UNIFIED	\$ -	\$ 1,172,494	\$ 624,307	\$ 548,187	47%
070414	<b>CREIGHTON ELEMENTARY</b>	\$ 383,675	\$ 444,124		\$ 827,799	186%
070297	DEER VALLEY UNIFIED	\$ 1,557,597	\$ 1,790,308	\$ 1,067,296	\$ 2,280,609	127%
070289	DYSART UNIFIED	\$ 263,518	\$ 459,231	\$ 683,898	\$ 38,851	8%
070298	FOUNTAIN HILLS UNIFIED	\$ 80,251	\$ 95,490	\$ 62,878	\$ 112,863	118%
070445	FOWLER ELEMENTARY	\$ 83,992	\$ 95,311	\$ 95,605	\$ 83,698	88%
070224	GILA BEND UNIFIED	\$ 109,159	\$ 118,827	\$ 4,320	\$ 223,666	188%
070241	GILBERT UNIFIED	\$ 573,376	\$ 1,036,370	\$ 325,878	\$ 1,283,868	124%
070440	GLENDALE ELEMENTARY	\$ 656,884	\$ 794,508	\$ 421,051	\$ 1,030,341	130%
070505	GLENDALE UNION HIGH SCHOOL	\$ 2,032,313	\$ 2,240,230	\$ 984,891	\$ 3,287,652	147%
070260	HIGLEY ELEMENTARY	\$ 22,508	\$ 23,208	\$ -	\$ 45,716	197%
070405	ISAAC ELEMENTARY	\$ 439,182	\$ 484,588	\$ 416,714	\$ 507,056	105%
070428	KYRENE ELEMENTARY	\$ 572,459	\$ 714,893	\$ 677,618	\$ 609,734	85%
070459	<b>LAVEEN ELEMENTARY</b>	\$ 89,316	\$ 99,814		\$ 189,130	189%
070425	LIBERTY ELEMENTARY	\$ 35,154	\$ 67,467	\$ 57,495	\$ 45,126	67%
070479	LITCHFIELD ELEMENTARY	\$ 178,476	\$ 202,000	\$ 26,785	\$ 353,691	175%
070465	LITTLETON ELEMENTARY	\$ 86,805	\$ 95,388	\$ 45,392	\$ 136,801	143%
070438	MADISON ELEMENTARY	\$ 541	\$ 494,458	\$ 466,669	\$ 28,330	6%
070199	<b>MARICOPA COUNTY REGIONAL</b>	\$ -	\$ 118,607		\$ 118,607	100%
070204	MESA UNIFIED	\$ 6,226,600	\$ 7,155,076	\$ 7,898,027	\$ 5,483,649	77%
070386	MOBILE ELEMENTARY	\$ 20,736	\$ 26,108	\$ 4,000	\$ 42,844	164%
<b>Maricopa County (continued)</b>						
070375	<b>MORRISTOWN ELEMENTARY</b>	\$ 20,815	\$ 23,044		\$ 43,859	190%
070421	MURPHY ELEMENTARY	\$ 253,585	\$ 277,668	\$ 56,672	\$ 474,581	171%
070381	<b>NADABURG ELEMENTARY</b>	\$ 29,410	\$ 33,145		\$ 62,555	189%
070408	OSBORN ELEMENTARY	\$ 168,076	\$ 196,235	\$ 144,086	\$ 220,225	112%
070449	PALO VERDE ELEMENTARY	\$ 13,473	\$ 15,254	\$ -	\$ 28,727	188%
070394	<b>PALOMA ELEMENTARY</b>	\$ 12,820	\$ 14,155		\$ 26,975	191%
070269	PARADISE VALLEY UNIFIED	\$ 1,494,923	\$ 2,227,640	\$ 590,388	\$ 3,132,175	141%
070492	PENDERGAST ELEMENTARY	\$ 313,944	\$ 363,311	\$ 637,869	\$ 39,386	11%
070211	<b>PEORIA UNIFIED</b>	\$ 789,901	\$ 1,951,301		\$ 2,741,202	140%
070401	<b>PHOENIX ELEMENTARY</b>	\$ 586,109	\$ 609,539		\$ 1,195,648	196%
070510	PHOENIX UNION HIGH SCHOOL	\$ 189	\$ 3,482,732	\$ 2,682,646	\$ 800,275	23%
070295	<b>QUEEN CREEK UNIFIED</b>	\$ 101,425	\$ 119,862		\$ 221,287	185%



# Building Renewal Fund

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
070402	RIVERSIDE ELEMENTARY	\$ 65,407	\$ 65,944	\$ 36,805	\$ 94,546	143%
070466	<b><i>ROOSEVELT ELEMENTARY</i></b>	\$ 932,219	\$ 1,049,673		\$ 1,981,892	189%
070390	RUTH FISHER ELEMENTARY	\$ 40,111	\$ 42,876	\$ 54,498	\$ 28,489	66%
070248	SCOTTSDALE UNIFIED	\$ 2,404,295	\$ 2,703,000	\$ 1,034,874	\$ 4,072,421	151%
070371	SENTINEL ELEMENTARY	\$ 32,912	\$ 36,251	\$ 4,252	\$ 64,911	179%
070403	TEMPE ELEMENTARY	\$ 1,261,197	\$ 1,414,522	\$ 339,992	\$ 2,335,727	165%
070513	TEMPE UNION HIGH SCHOOL	\$ 32,057	\$ 1,887,568	\$ 169,567	\$ 1,750,058	93%
070417	TOLLESON ELEMENTARY	\$ 48,578	\$ 52,973	\$ 10,523	\$ 91,028	172%
070514	TOLLESON UNION HIGH SCHOOL	\$ 271,674	\$ 289,157	\$ 148,090	\$ 412,741	143%
070462	<b><i>UNION ELEMENTARY</i></b>	\$ 16,127	\$ 17,488		\$ 33,615	192%
070406	WASHINGTON ELEMENTARY	\$ 348,933	\$ 2,658,174	\$ 2,188,555	\$ 818,552	31%
070209	<b><i>WICKENBURG UNIFIED</i></b>	\$ 265,238	\$ 337,339		\$ 602,577	179%
070407	WILSON ELEMENTARY	\$ 145,658	\$ 163,309	\$ 255,943	\$ 53,024	32%
	Subtotal Maricopa County	\$ 25,492,966	\$ 40,472,324	\$ 24,163,420	\$ 41,801,870	103%
<b>Mohave County</b>						
080415	BULLHEAD CITY ELEMENTARY	\$ 161,333	\$ 185,201	\$ -	\$ 346,534	187%
080411	<b><i>CHLORIDE ELEMENTARY</i></b>	\$ 13,756	\$ 16,142		\$ 29,898	185%
080214	<b><i>COLORADO CITY UNIFIED</i></b>	\$ 56,155	\$ 61,093		\$ 117,248	192%
080502	COLORADO RIVER UNION HIGH SCHOOL	\$ 124,789	\$ 151,369	\$ 174,159	\$ 101,999	67%
080403	HACKBERRY ELEMENTARY	\$ 1,772	\$ 2,006	\$ 2,616	\$ 1,162	58%
080404	KINGMAN ELEMENTARY	\$ 408,713	\$ 443,577	\$ 664,685	\$ 187,605	42%
080201	<b><i>LAKE HAVASU UNIFIED</i></b>	\$ 313,954	\$ 354,955		\$ 668,909	188%
080409	<b><i>LITTLEFIELD ELEMENTARY</i></b>	\$ 13,801	\$ 16,121		\$ 29,922	186%
080199	MOHAVE COUNTY ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
080530	MOHAVE UNION HIGH SCHOOL	\$ 325,568	\$ 365,225	\$ 378,319	\$ 312,474	86%
080416	<b><i>MOHAVE VALLEY ELEMENTARY</i></b>	\$ 151,509	\$ 169,834		\$ 321,343	189%
080406	OWENS WHITNEY ELEMENTARY	\$ 20,935	\$ 22,414	\$ 2,594	\$ 40,755	182%
080208	<b><i>PEACH SPRINGS UNIFIED</i></b>	\$ 48,215	\$ 52,904		\$ 101,119	191%
<b>Mohave County (continued)</b>						
080412	TOPOCK ELEMENTARY	\$ 4,091	\$ 4,941	\$ -	\$ 9,032	183%
080422	VALENTINE ELEMENTARY	\$ 3,415	\$ 3,787	\$ 213	\$ 6,989	185%
080413	YUCCA ELEMENTARY	\$ -	\$ 9,275	\$ 3,267	\$ 6,008	65%
	Subtotal Mohave County	\$ 1,648,006	\$ 1,858,844	\$ 1,225,853	\$ 2,280,997	123%
<b>Navajo County</b>						
090232	BLUE RIDGE UNIFIED	\$ 416,071	\$ 458,015	\$ 222,872	\$ 651,214	142%
090225	<b><i>CEDAR UNIFIED</i></b>	\$ -	\$ 117,931		\$ 117,931	100%
090206	HEBER-OVERGAARD UNIFIED	\$ 53,800	\$ 62,659	\$ 79,038	\$ 37,421	60%
090203	HOLBROOK UNIFIED	\$ 402,968	\$ 433,512	\$ 310,141	\$ 526,339	121%
090202	JOSEPH CITY UNIFIED	\$ 185,199	\$ 222,839	\$ -	\$ 408,038	183%
090227	<b><i>KAYENTA UNIFIED</i></b>	\$ 324,350	\$ 351,053		\$ 675,403	192%
090204	<b><i>PINON UNIFIED</i></b>	\$ 88,368	\$ 106,395		\$ 194,763	183%

**Building Renewal Fund**

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
090199	RAINBOW ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
090210	SHOW LOW UNIFIED	\$ 264,424	\$ 291,374	\$ 450,988	\$ 104,810	36%
090205	<b><i>SNOWFLAKE UNIFIED</i></b>	\$ 470,265	\$ 497,796		\$ 968,061	194%
090220	<b><i>WHITERIVER UNIFIED</i></b>	\$ 246,002	\$ 270,007		\$ 516,009	191%
090201	WINSLOW UNIFIED	\$ 473,837	\$ 506,677	\$ 151,131	\$ 829,383	164%
	Subtotal Navajo County	\$ 2,925,284	\$ 3,318,258	\$ 1,214,170	\$ 5,029,372	152%
<b>Pima County</b>						
100215	AJO UNIFIED	\$ 145,676	\$ 158,187	\$ 61,029	\$ 242,834	154%
100351	ALTAR VALLEY ELEMENTARY	\$ 56,631	\$ 65,806	\$ 58,366	\$ 64,071	97%
100210	AMPHITHEATER UNIFIED	\$ 1,963,371	\$ 1,880,462	\$ 1,100,066	\$ 2,743,767	146%
100216	CATALINA FOOTHILLS UNIFIED	\$ 44,480	\$ 252,906	\$ -	\$ 297,386	118%
100339	CONTINENTAL ELEMENTARY	\$ 23,194	\$ 28,224	\$ 30,574	\$ 20,844	74%
100337	EMPIRE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
100208	FLOWING WELLS UNIFIED	\$ 613,988	\$ 691,642	\$ 186,001	\$ 1,119,629	162%
100240	<b><i>INDIAN OASIS-BABOQUIVARI UNIFIED</i></b>	\$ 104,616	\$ 121,954		\$ 226,570	186%
100206	MARANA UNIFIED	\$ 1,110,427	\$ 1,241,305	\$ 778,807	\$ 1,572,925	127%
100100	<b><i>PIMA ACCOMMODATION</i></b>	\$ 8,926	\$ 3,231		\$ 12,157	376%
100344	REDINGTON ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
100230	SAHUARITA UNIFIED	\$ 176,310	\$ 210,596	\$ 382,321	\$ 4,585	2%
100335	<b><i>SAN FERNANDO ELEMENTARY</i></b>	\$ 57	\$ 121		\$ 178	147%
100212	SUNNYSIDE UNIFIED	\$ 1,021,085	\$ 1,418,294	\$ 305,286	\$ 2,134,093	150%
100213	TANQUE VERDE UNIFIED	\$ 28,015	\$ 70,342	\$ 42,043	\$ 56,314	80%
100201	TUCSON UNIFIED	\$ 5,020,177	\$ 8,869,099	\$ 8,548,001	\$ 5,341,275	60%
100320	<b><i>VAIL ELEMENTARY</i></b>	\$ 87,126	\$ 104,457		\$ 191,583	183%
	Subtotal Pima County	\$ 10,404,079	\$ 15,116,626	\$ 11,492,494	\$ 14,028,211	93%
<b>Pinal County</b>						
110243	<b><i>APACHE JUNCTION UNIFIED</i></b>	\$ 297,545	\$ 343,055		\$ 640,600	187%
110404	CASA GRANDE ELEMENTARY	\$ 369,556	\$ 411,727	\$ 13,822	\$ 767,461	186%
110502	<b><i>CASA GRANDE UNION HIGH SCHOOL</i></b>	\$ 74,369	\$ 76,781		\$ 151,150	197%
110221	COOLIDGE UNIFIED	\$ 385,887	\$ 427,278	\$ 136,940	\$ 676,225	158%
110411	<b><i>ELOY ELEMENTARY</i></b>	\$ 151,732	\$ 176,836		\$ 328,568	186%
110201	FLORENCE UNIFIED	\$ 283,493	\$ 264,711	\$ 410,496	\$ 137,708	52%
110344	<b><i>J O COMBS ELEMENTARY</i></b>	\$ 18,670	\$ 20,439		\$ 39,109	191%
110208	<b><i>MAMMOTH-SAN MANUEL UNIFIED</i></b>	\$ 216,252	\$ 423,920		\$ 640,172	151%
110220	MARICOPA UNIFIED	\$ 838	\$ 197,538	\$ 88,707	\$ 109,669	56%
110100	MARY C O'BRIEN ACCOMMODATION	\$ 81,484	\$ 109,126	\$ 29,281	\$ 161,329	148%
110302	<b><i>ORACLE ELEMENTARY</i></b>	\$ 59,195	\$ 65,874		\$ 125,069	190%
110433	PICACHO ELEMENTARY	\$ 9,635	\$ 10,723	\$ 13,366	\$ 6,992	65%
110199	PINAL COUNTY ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
110203	RAY UNIFIED	\$ 264,673	\$ 285,240	\$ 163,114	\$ 386,799	136%
110405	RED ROCK ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-

# Building Renewal Fund

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
110418	<b>SACATON ELEMENTARY</b>	\$ 75,282	\$ 83,802		\$ 159,084	190%
110540	SANTA CRUZ VALLEY UNION HIGH SCHOOL	\$ 22,718	\$ 165,313	\$ 298,553	\$ (110,522)	-67%
110424	<b>STANFIELD ELEMENTARY</b>	\$ 56,924	\$ 65,699		\$ 122,623	187%
110215	<b>SUPERIOR UNIFIED</b>	\$ 187,606	\$ 201,137		\$ 388,743	193%
110422	TOLTEC ELEMENTARY	\$ 42,278	\$ 47,616	\$ -	\$ 89,894	189%
	Subtotal Pinal County	\$ 2,598,137	\$ 3,376,815	\$ 1,154,279	\$ 4,820,673	143%
<b>Santa Cruz County</b>						
120201	<b>NOGALES UNIFIED</b>	\$ 602,647	\$ 677,619		\$ 1,280,266	189%
120406	PATAGONIA ELEMENTARY	\$ 20,896	\$ 22,485	\$ 20,657	\$ 22,724	101%
120520	PATAGONIA UNION HIGH	\$ 38,856	\$ 42,591	\$ 48,378	\$ 33,069	78%
120328	<b>SANTA CRUZ ELEMENTARY</b>	\$ 31,859	\$ 35,073		\$ 66,932	191%
120235	<b>SANTA CRUZ VALLEY UNIFIED</b>	\$ 123,824	\$ 143,419		\$ 267,243	186%
120425	<b>SONOITA ELEMENTARY</b>	\$ 6,395	\$ 14,017		\$ 20,412	146%
	Subtotal Santa Cruz County	\$ 824,477	\$ 935,204	\$ 69,035	\$ 1,690,646	181%
<b>Yavapai County</b>						
130231	ASH FORK UNIFIED	\$ 54,809	\$ 60,232	\$ 3,323	\$ 111,718	185%
130220	<b>BAGDAD UNIFIED</b>	\$ 152,893	\$ 166,852		\$ 319,745	192%
130326	BEAVER CREEK ELEMENTARY	\$ 17,516	\$ 22,969	\$ 9,391	\$ 31,094	135%
130228	CAMP VERDE UNIFIED	\$ 148,714	\$ 167,325	\$ 124,301	\$ 191,738	115%
130350	CANON ELEMENTARY	\$ 31,310	\$ 35,102	\$ 22,144	\$ 44,268	126%
130314	CHAMPIE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
130251	CHINO VALLEY UNIFIED	\$ 165,950	\$ 187,570	\$ 188,630	\$ 164,890	88%
130403	CLARKDALE-JEROME ELEMENTARY	\$ 17,400	\$ 19,871	\$ 16,061	\$ 21,210	107%
<b>Yavapai County (continued)</b>						
130317	CONGRESS ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
130406	COTTONWOOD-OAK CREEK ELEMENTARY	\$ 125,245	\$ 140,401	\$ 94,067	\$ 171,579	122%
130341	CROWN KING ELEMENTARY	\$ 5,605	\$ 5,994	\$ 6,598	\$ 5,001	83%
130335	<b>HILLSIDE ELEMENTARY</b>	\$ 6,251	\$ 6,786		\$ 13,037	192%
130222	HUMBOLDT UNIFIED	\$ 304,182	\$ 317,838	\$ 287,484	\$ 334,536	105%
130323	KIRKLAND ELEMENTARY	\$ 4,293	\$ 5,183	\$ 1,786	\$ 7,690	148%
130243	<b>MAYER UNIFIED</b>	\$ 84,250	\$ 93,316		\$ 177,566	190%
130504	<b>MINGUS UNION HIGH SCHOOL</b>	\$ 99,563	\$ 145,082		\$ 244,645	169%
130201	PRESCOTT UNIFIED	\$ 684,151	\$ 758,050	\$ 821,849	\$ 620,352	82%
130209	SEDONA OAK CREEK UNIFIED	\$ 95,234	\$ 111,753	\$ 31,614	\$ 175,373	157%
130240	<b>SELIGMAN UNIFIED</b>	\$ 77,505	\$ 95,123		\$ 172,628	181%
130315	<b>SKULL VALLEY ELEMENTARY</b>	\$ 14,797	\$ 15,839		\$ 30,636	193%
130307	WALNUT GROVE ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
130302	WILLIAMSON VALLEY ELEMENTARY	\$ -	\$ -	\$ -	\$ -	-
130352	<b>YARNELL ELEMENTARY</b>	\$ 4,657	\$ 5,041		\$ 9,698	192%
	Subtotal Yavapai County	\$ 2,094,325	\$ 2,360,327	\$ 1,607,248	\$ 2,847,404	121%



## Building Renewal Fund

CTD	County/District	Beginning Balance	Disbursement Amount	District Expenditures	Balance	Bal/Disbmnt Ratio
<b>Yuma County</b>						
140550	ANTELOPE UNION HIGH SCHOOL	\$ 123,651	\$ 131,781	\$ -	\$ 255,432	194%
140413	CRANE ELEMENTARY	\$ 394,281	\$ 435,808	\$ 292,018	\$ 538,071	123%
140432	GADSDEN ELEMENTARY	\$ 78,028	\$ 89,538	\$ 53,815	\$ 113,751	127%
140416	HYDER ELEMENTARY	\$ 121,300	\$ 132,549	\$ 20,670	\$ 233,179	176%
140417	<b>MOHAWK VALLEY ELEMENTARY</b>	\$ 26,295	\$ 29,027		\$ 55,322	191%
140411	SOMERTON ELEMENTARY	\$ 54,897	\$ 65,250	\$ 13,785	\$ 106,362	163%
140424	WELLTON ELEMENTARY	\$ 62,766	\$ 68,624	\$ 6,986	\$ 124,404	181%
140199	YUMA COUNTY ACCOMMODATION	\$ -	\$ -	\$ -	\$ -	-
140401	<b>YUMA ELEMENTARY</b>	\$ 58,288	\$ 720,467		\$ 778,755	108%
140570	YUMA UNION HIGH SCHOOL	\$ 644,668	\$ 823,821	\$ 801,727	\$ 666,762	81%
	Subtotal Yuma County	\$ 1,564,174	\$ 2,496,865	\$ 1,189,001	\$ 2,872,038	115%
<b>LaPaz County</b>						
150576	<b>BICENTENNIAL UNION HIGH SCHOOL</b>	\$ 59,612	\$ 65,582		\$ 125,194	191%
150426	BOUSE ELEMENTARY	\$ 6,674	\$ 28,972	\$ 5,782	\$ 29,864	103%
150227	PARKER UNIFIED	\$ 458,088	\$ 524,800	\$ 739,179	\$ 243,709	46%
150404	<b>QUARTZSITE ELEMENTARY</b>	\$ 33,708	\$ 39,966		\$ 73,674	184%
150430	SALOME CONSOLIDATED ELEMENTARY	\$ 7,183	\$ 8,431	\$ 7,183	\$ 8,431	100%
150419	WENDEN ELEMENTARY	\$ 37,197	\$ 40,617	\$ 56,334	\$ 21,480	53%
	Subtotal LaPaz County	\$ 602,462	\$ 708,368	\$ 808,478	\$ 502,352	71%
<b>Grand Total</b>						
		\$ 58,897,126	\$ 82,500,000	\$ 45,717,069	\$ 95,680,057	116%

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

RUTH SOLOMON  
CHAIRMAN 2001  
KEN BENNETT  
JACK A. BROWN  
EDWARD J. CIRILLO  
HERB GUENTHER  
DARDEN C. HAMILTON  
HARRY E. MITCHELL

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF  
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LINDA GRAY  
LINDA J. LOPEZ  
RUSSELL K. PEARCE  
CHRISTINE WEASON

DATE: October 19, 2001

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

THRU: Richard Stavneak, Director

FROM: Jake Corey, Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION/ARIZONA STATE SCHOOLS  
FOR THE DEAF AND BLIND - REVIEW OF SCOPE, PURPOSE, AND ESTIMATED  
COST OF CONSTRUCTION OF A NEW TRANSPORTATION BUILDING AT THE  
PHOENIX CAMPUS

### Request

The Arizona Department of Administration (ADOA) requests a favorable review of the construction plan for a new transportation building at the Arizona State Schools for the Deaf and Blind (ASDB) Phoenix campus.

### Recommendation

From a technical perspective, the ASDB proposal is consistent with the original intent of the appropriation. This project is listed as a possible budget reduction in the October 17 list of House options. As a result, the Committee has the policy decision of whether to recommend a favorable review of the request at this time. Of the \$427,700 appropriated for the project, \$323,800 will be for construction and the remainder will be used for planning and design, demolition, asbestos abatement, project management, and contingencies.

### Analysis

Laws 2001, Chapter 237 (Capital Outlay Bill) appropriated \$427,700 from the General Fund to ADOA in FY 2002 to demolish the current transportation building at the ASDB Phoenix campus and to replace it with a new one. The current building, which existed on the property when it was purchased in 1967, is a 1,939 square foot house. Structural problems with the roof, rundown conditions, and the presence of asbestos all make renovation impractical. In addition, the problems with the roof have forced ASDB to board up 325 square feet of the building, and 108 square feet of the building space is a basement, which is unavailable for office use. Therefore, the building has only about 1,500 square feet of available space.

(Continued)

This space is insufficient to house the existing needs of the Transportation Program, which has increased from 9 daily routes to 27 daily routes in the last 15 years. The new structure would be a 4,350 square foot modular building, of which 1,750 square feet would be dedicated to office space, and 2,600 square feet would be used as a warehouse. Presently, the campus does not have a central, accessible consolidated location for storage. The costs of the project components appear reasonable. The following table summarizes the estimated costs of the project.

<b><u>Item</u></b>	<b><u>Estimated Cost</u></b>
Architectural Planning and Design	\$ 33,200
Construction	323,800
Asbestos Study and Abatement	18,900
Demolition of Existing Structures	16,000
Project Management	1,100
Contingency Allowance	<u>34,800</u>
<b>TOTAL</b>	<b><u>\$427,700</u></b>

The project is estimated to be bid the last week of November and is expected to be completed by May, 2002.

RS/JC:jb

Jane Dee Hull  
Governor



J. Elliott Hibbs  
Director

October 8, 2001

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

The Honorable Ruth Soloman, Chairman  
Joint Committee on Capital Review  
Arizona House of Representatives  
1700 West Washington Street  
Phoenix, Arizona 85007

OCT 10 2001

Re: Request for Placement on Joint Committee on Capital Review Agenda-October 2001

Dear Representative Soloman:

The Arizona Department of Administration (ADOA) requests placement on the October 2001 agenda of the Joint Committee on Capital Review to review the following item below. Please note for this item, ADOA and the Arizona Schools for the Deaf and Blind (ASDB) are anticipating a favorable review.

1. Expenditure Plan for the construction of a new modular Transportation Building to be located at 2012 West Morten Avenue, Phoenix, Arizona.

The information for this project is attached. Thank you for your attention to this matter and please do not hesitate to contact me at (602) 542-1701 if you wish to discuss this matter further.

Sincerely,

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

Attachment:

- C: Tom Betlach, Director, OSPB (email)  
Robert Smook (email)  
Richard Stavneak, Staff Director, JLBC  
Lorenzo Martinez, JLBC  
J. Elliott Hibbs, Director, ADOA  
Charlotte Hosseini (email)  
Jack Jones (email)  
Bruce Ringwald, General Manager, Construction Services (email)  
Ken Proksa, Assistant Superintendent, ASDB (email)  
Kim Casey, Project Manager, Construction Services (email)

## **ARIZONA SCHOOLS FOR THE DEAF AND BLIND**

### **BACKGROUND**

House Bill 2632, Chapter 237 appropriated \$427,700.00 in the fiscal year of 2001 from the State General Fund to the Arizona Department of Administration (ADOA) for the asbestos abatement, demolition of existing facilities and construction of a new modular Transportation Building for the Arizona Schools for the Deaf and Blind. Currently, the ASDB Transportation Staff is operating out of a ranch-style home converted into office space. The home has been assessed to have asbestos. Operation is accomplished in tight quarters. Storage of supplies for the school is in two sheds on premise.

### **STATUS**

- Plans and specifications have been completed and approved by staff in preparation for the procurement process.
- The ASDB staff at the Phoenix Campus has ordered a temporary office to be set on premise the week of October 15, 2001 to be used as temporary offices during the construction period.
- Bid date for this project is estimated to be October 29, 2001.
- Notice to Proceed is estimated to be November 5, 2001.
- Substantial Completion is estimated to be March 30, 2002.

### **REQUEST**

The Department of Administration requests that the Joint Committee on Capital Review review the following item per House Bill 2632:

1. The commencement of new construction of a modular facility that is estimated to be \$323,755.00.

ARIZONA DEPARTMENT of ADMINISTRATION		CONSTRUCTION SERVICES
PROJECT: ASDB PHOENIX TRANSPORTATION BUILDING		
PROJECT NUMBER:	8914	DATE PREPARED:
PROJECT MANAGER:	Kim Casey	REVISED :
SENIOR PROJECT MANAGER:	Janet Collegio	
DESCRIPTION		AMOUNT
FUNDING SOURCES:	INDEX:	
FY02 HB 2632 HR 45TH LEG 1ST SESSION	21900	\$427,700
TOTAL FUNDING		\$427,700
PROJECT COST:		ESTIMATE
Land Acquisition Costs:		
Subtotal		\$0
Professional Services:		
1. A/E Fees		22,395
2. Reimbursables		5,780
3. Haz Materials Consultant Fee		4,994
Subtotal		\$33,169
Construction Services (GC):		
1. Base Contract		323,755
Subtotal		\$323,755
Separate Contracts:		
1. Asbestos Study Estimate		1,965
2. Asbestos Abatement		16,890
3. Demolition of Existing Structures		16,000
Subtotal		\$34,855
Project Support:		
1. ADOA Salaries		0
2. ADOA Expenses		1,100
Subtotal		\$1,100
Contingency Allowance:		\$34,821
Previous/Future Projects:		
Subtotal		\$0
TOTAL PROJECT COST		\$ 427,700
Funds Remaining/ (Additional Funds Required)		0

## NOTES:

1.

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

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HOUSE OF  
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RUSSELL K. PEARCE  
CHRISTINE WEASON

DATE: October 19, 2001

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

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA STATE UNIVERSITY - REVIEW OF SCOPE, PURPOSE, AND  
ESTIMATED COST OF DIGITAL TELEVISION CONVERSION

### Request

Arizona State University (ASU) is requesting Committee review of the expenditure plan for appropriated monies for the conversion of the ASU public television station, KAET, to digital broadcasting as required by the Federal Telecommunications Act of 1996.

### Recommendation

The JLBC Staff recommends a favorable review of the request. The expenditure plan will use a \$1,500,000 General Fund appropriation to reimburse fund sources that helped finance an early start for the project. Total project cost is estimated to be \$4,900,000. The project will be funded from the General Fund appropriation of \$1,500,000, \$1,000,000 from a federal grant, and \$2,400,000 from gifts.

The Committee favorably reviewed a similar conversion project for the University of Arizona (UofA) at its last meeting.

### Analysis

The Federal Telecommunications Act of 1996 mandates public television stations to be converted to digital broadcasting by May 2003. Laws 2001, Chapter 237 (Capital Outlay Bill) appropriated General Fund monies in FY 2002 totaling \$1,500,000 for ASU and \$2,500,000 for UofA to convert their public television stations to digital format. The Committee favorably reviewed the scope, purpose, and estimated cost of the UofA project at its last meeting.

The ASU project requires the purchase and installation of equipment necessary to allow their public broadcasting station, KAET, to produce and broadcast digital television programs. The project will require construction and installation of new equipment at the transmitter site on South Mountain and the studio on the ASU campus. The attached ASU submission includes additional detail for the project.

(Continued)

The UofA project also involved the construction and installation of new equipment at the transmitter sites and the studio on the UofA campus. The total cost of the UofA project is estimated to be \$7,105,500, which will be funded by a FY2002 General Fund appropriation of \$2,500,000 and \$4,605,500 from gifts.

RS/LM:jb





October 15, 2001



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Flagstaff  
President  
**George H. Amos, III**  
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**Jaime A. Molera**  
Superintendent of  
Public Instruction

*Executive Director*  
**Linda J. Blessing**

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

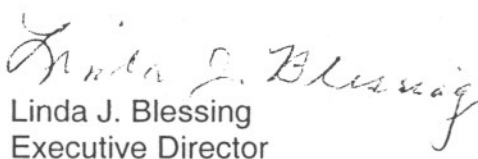
Dear Senator Solomon:

The Arizona Board of Regents requests that the Joint Committee on Capital Review place Arizona State University on the October 25, 2001, meeting agenda for review of the digital TV conversion project in accordance with A.R.S. 41-1252C.

Enclosed is information relating to this digital TV conversion project. The Board approved this project at its January 20-21, 2000 meeting.

If you have any questions, or desire any clarification on the enclosed material, please contact me at (602) 229-2505.

Sincerely,

  
Linda J. Blessing  
Executive Director

Enclosure

xc: Lorenzo Martinez, Senior Fiscal Analyst, JCCR  
Mernoy Harrison, Vice Provost for Administrative Services, ASU

2020 N. Central Ave.  
Suite 230  
Phoenix, AZ 85004  
(602) 229-2500  
fax (602) 229-2555  
[www.abor.asu.edu](http://www.abor.asu.edu)

**ASU**  
ARIZONA STATE UNIVERSITY



October 10, 2001

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

Subject: Submission to JCCR

Dear Dr. Blessing:

Arizona State University (ASU) submits the digital TV conversion project for review by the Joint Committee on Capital Review (JCCR) at its upcoming October 25, 2001 meeting.

Enclosed is a draft letter from you addressed to the JCCR with enclosures. We would be happy to supply any additional information that the JCCR may request.

We appreciate your assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Memo E. Harrison".

Memo E. Harrison  
Vice Provost for Administrative Services

Enclosures

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

**VICE PROVOST FOR ADMINISTRATIVE SERVICES**

PO BOX 872303, TEMPE, AZ 85287-2303  
(480) 965-3201 FAX: (480) 965-8388

**ASU**  
ARIZONA STATE UNIVERSITY

Fl

December 8, 2000

Mr. Lorenzo Martinez  
Joint Legislative Budget Council  
1716 W. Adams  
Phoenix, AZ 85997

Mr. Jeff Young  
Office of Strategic Planning and Budgeting  
1700 W. Washington, Suite 500  
Phoenix, AZ 85007

Dear Mr. Martinez and Mr. Young:

This is to request an amendment to the Capital Improvement Plan for Arizona State University to include the Digital Television Conversion project costing \$4.9 million.

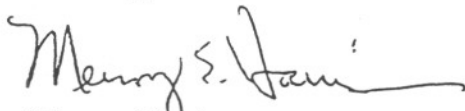
When we first approached the legislature about matching funds for this unfunded federal mandate, ASU projected the ability to raise \$2.4 million and requested a state match of \$2.5 million. We are pleased to report that ASU's KAET has been substantially more successful than projected, and \$3.4 million has been raised; KAET is therefore able to reduce the amount of the match from \$2.5 million to \$1.5 million.

This project is included in the 2000-2004 CIP submitted on October 1, 1999 and is omitted from the 2002-2005 CIP only because the project is now underway.

I have attached a description of this project as approved by the ABOR and some additional details on the project.

Please contact me if you have any questions or require additional information.

Sincerely,



Mernoy Harrison  
Vice Provost for Administrative Services

C: Linda Blessing, Arizona Board of Regents  
Lattie Coor, Arizona State University  
Milton Glick, Arizona State University  
Allan Price, Arizona State University  
Chuck Allen, Arizona State University

VICE PROVOST FOR ADMINISTRATIVE SERVICES

PO BOX 872303, TEMPE, AZ 85287-2303  
(480) 965-3201 FAX: (480) 965-8388



## ARIZONA BOARD OF REGENTS

2020 NORTH CENTRAL, SUITE 230  
PHOENIX, ARIZONA 85004-4593  
(602) 229-2500  
FAX (602) 229-2555

nE-00-18  
Digital TV Conversion

① [Signature]  
② CSW  
③ JCH

### MEMORANDUM

Date: March 8, 2000  
To: President Lattie Coor  
Arizona State University  
From: Linda Blessing *Linda J. Blessing*  
Subject: Digital TV Conversion Project: Project Approval

Consistent with the modifications to the Board's policy framework regarding the capital development process approved by the Board in January 1999, I hereby authorize Project Approval for the Digital Television Conversion Project at Arizona State University

The Board granted Conceptual Approval at the January 2000 Board meeting. Based on the Project Approval documentation submitted to the central office, the project budget has not increased and the project scope has not changed materially since Conceptual Approval. Because I have authorized Project Approval, Board approval is not required.

Please contact me if you have questions or need additional information.

cc: Memoy Harrison

Executive Director Approval  
February 29, 2000  
Arizona State University

Arizona State University's Digital TV Conversion Project  
Project Approval (ASU Main)

Summary

ASU requests Project Approval to convert its public television station (KAET) to digital broadcasting, as required by the Federal Telecommunications Act of 1996.

## EXECUTIVE SUMMARY

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**ACTION ITEM:** Arizona State University's Digital TV Conversion Project  
Project Approval (ASU Main)

**ISSUE:** ASU requests Project Approval to convert its public television (TV) station (KAET) to digital broadcasting, as required by the Federal Telecommunications Act of 1996.

### PROJECT DESCRIPTION:

- Previous Board Action
  - Project Initiation                      September 1999
  - Conceptual Approval                  January 2000
- The Telecommunications Act of 1996 mandates that all public and commercial TV stations are to broadcast their programming on a new Digital TV (DTV) channel.
- To comply with this mandate, KAET's project will consist, in large part, of the purchase and installation of equipment necessary to broadcast DTV. Modifications and upgrades to the existing transmitter facility at South Mountain will be required, including modifications to the building at the location to accommodate additional equipment.
- ASU estimates that the cost of its conversion to DTV as follows:

Transmitter Conversion	\$2,125,000
Studio Equipment Requirements	<u>\$2,775,000</u>
Total	\$4,900,000
- ASU anticipates several funding sources for this project: Gifts, Federal Government Matching Grants, and State Appropriations.
- The proposed project schedule is as follows:

Conceptual Approval Review	1/2000
Construction Start	2000
Final Completion	2001

**Contact:** Mernoy Harrison, (480) 965-3201  
Vice Provost, Administrative Services

## EXECUTIVE SUMMARY

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### PROJECT JUSTIFICATION:

- At their January 20-21, 2000 meeting, the Board granted ASU Conceptual Approval to convert their public television stations (KAET, KUAT/KUAS) to digital broadcasting, as required by the Federal Telecommunications Act of 1996.
- The Telecommunications Act of 1996 mandates that all public and commercial broadcasting TV stations broadcast their programming on a new DTV channel. All public TV stations must be broadcasting on their new DTV channel by 2003. KAET must return its analog channel to the Federal Communications Commission by 2006.
- To comply with this federal mandate, Arizona State University and KAET plan to construct and activate the newly assigned DTV channel 29 in January 2001. Phoenix commercial TV stations activated their DTV broadcasting in November 1999.
- Public broadcasting, presented through ASU's public broadcasting station KAET, is an important asset to the community and serves the state of Arizona with educational programming.
- The proposed DTV conversion complies with a federal mandate imposed on all broadcasting stations and will enhance ASU's educational service to the community by enabling ASU to offer multiple educational programming not currently available in the state of Arizona.
- KAET's conversion is a priority at this time since it is being mandated by the Federal Communications Act of 1996 and must be completed by the end of 2003. Without conversion, KAET will, by law, cease to exist as it is now.
- Current users of KAET programming include a potential audience of 80% of the residents of Arizona.

### ADDITIONAL CONSIDERATIONS:

- There have been no significant or material changes or revisions to this project since the Board granted Conceptual Approval at their meeting of January 20-21, 2000.

### RECOMMENDATION:

**RESOLVED** That Arizona State University's request for Project Approval, for the DTV Conversion Project be granted.

## EXECUTIVE SUMMARY

### Capital Project Information Summary

University: Arizona State University Main Project Name: Digital TV Conversion Project  
ASU Project No. 00-031

#### Project Description/Location:

Equipment purchase, installation, modifications to existing transmitting facility and new construction of approximately 680 GSF. Transmitting facility located at South Mountain and KAET station at the ASU Main campus.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	9/23-24/99	1/20-21/2000	2/16/2000
<u>Project Scope:</u>			
Gross Square Feet	680	680	680
Net Assignable Square Feet	610	610	680
Efficiency Ratio (NASF/GSF)	89%	89%	89%
NASF by Space Type			
Class Laboratories			
Research Laboratories			
Library			
Office			
Other (Transmitter Building)	610	610	610
<u>Project Schedule (Beginning Month/Year):</u>			
Planning	1999	1999	1999
Design	1999	1999	1999
Construction	2000	2000	2000
Occupancy	2001	2001	2001
<u>Project Budget:</u>			
Total Project Cost	\$4,900,000	\$4,900,000	\$4,900,000
Direct Construction Cost	N/A	N/A	N/A
Total Project Cost per GSF	N/A	N/A	N/A
Construction Cost per GSF	N/A	N/A	N/A
Change in Annual Operation/Maintenance Cost			
Utilities	\$120,000	\$120,000	\$120,000
Personnel	TBD	TBD	TBD
Other	TBD	TBD	TBD
<u>Funding Sources:</u>			
Capital			
A. Academic Revenue Bonds	\$0	\$0	\$0
B. Plant Fund Reserves	\$0	\$0	\$0
C. General Fund; Gifts; Fed. Grants; Other	\$4,150,000	\$4,150,000	\$4,150,000
D. State Appropriation	\$ 750,000	\$ 750,000	\$ 750,000
Operation/Maintenance			
A. General Fund	\$120,000	\$120,000	\$120,000



## EXECUTIVE SUMMARY

### Capital Project Budget Summary

University: Arizona State University Main

Project Name: Digital TV Conversion  
ASU Project No. 00-031

	Conceptual Approval Estimate	Project Approval Estimate	Final Budget at Substantial Completion
Date of Budget Estimate	1/21/1999	2/16/2000	
1. Land Acquisition			
2. Construction Cost			
A. New Construction			
B. Renovation	\$ 81,000	\$ 81,000	
C. Fixed Equip. (DTV studio & transmitter equip)	\$ 3,976,000	\$ 3,976,000	
D. Site Development (excl.2.E.)			
E. Parking and Landscaping			
F. Utilities Extensions			
G. Other (DTV test equip. & replacement standby generator)	\$ 243,000	\$ 243,000	
H. Inflation Adj. (construction midpoint)			
Subtotal Construction Cost	\$ 4,300,000	\$ 4,300,000	\$ -
3. Consultant Fees (% of Construction Cost)			
A. Construction Manager			
B. A/E (.6%)	\$ 25,000	\$ 25,000	
C. Other (FCC & Legal services) (.4%)	\$ 17,000	\$ 17,000	
Subtotal Consultant Fees	\$ 42,000	\$ 42,000	\$ -
4. FF&E Movable			
5. Contingency, Design Phase	\$ 13,000	\$ 13,000	
6. Contingency, Construction Phase	\$ 545,000	\$ 545,000	
7. Parking Reserve			
8. Telecommunications Equipment			
Subtotal Items 4-8	\$ 558,000	\$ 558,000	\$ -
9. Additional University Costs			
A. Surveys and Tests			
B. Move-In Costs			
C. Public Art ( $\leq 0.005 \times$ subtotal construction)			
D. Printing/Advertisement			
E. Other* (Asbestos)			
F. State Risk Management Insurance (.006)**			
Subtotal Additional University Costs	\$ -	\$ -	\$ -
<b>TOTAL CAPITAL COST</b>	<b>\$ 4,900,000</b>	<b>\$ 4,900,000</b>	<b>\$ -</b>

Projected Cash Flow Needs for Total Project Cost  
(in millions; updated at each submission)

FY99	FY00
\$0.0	\$4.9

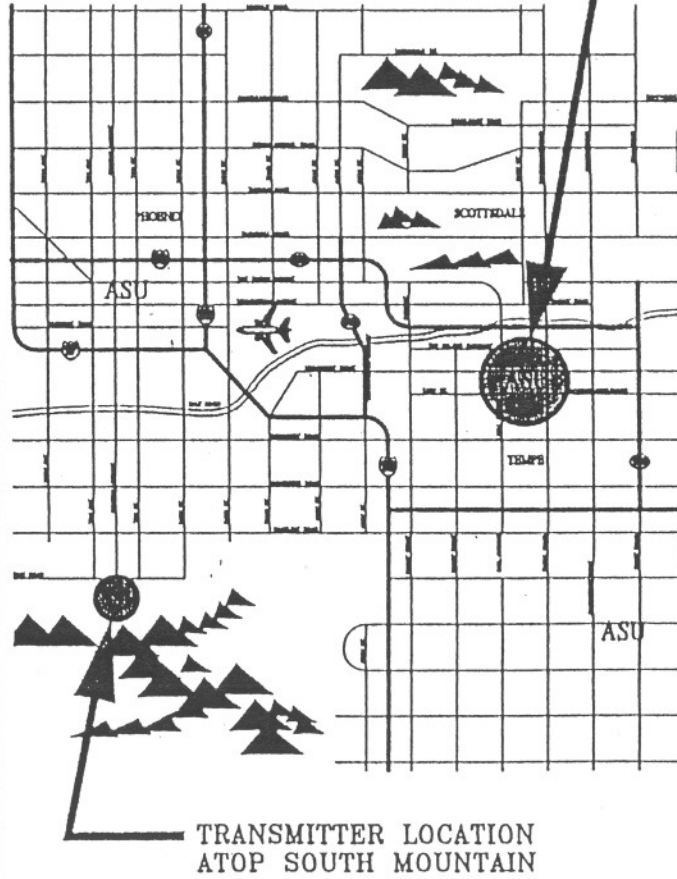
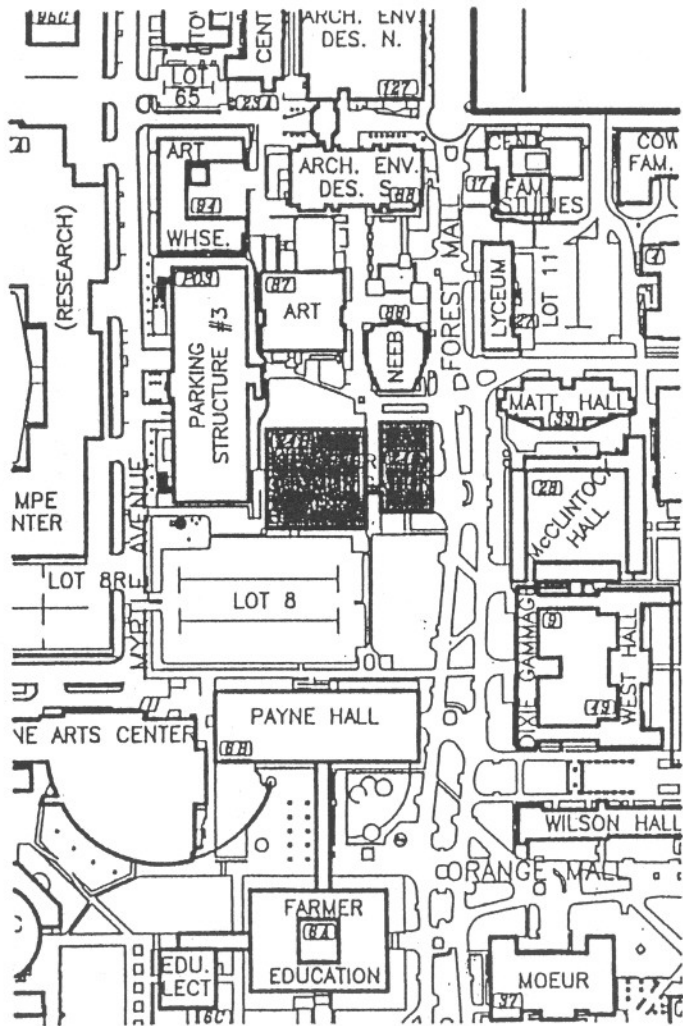
"New Construction Cost" estimated using Regent's Cost Guidelines (if applicable)\*\*\* \$ N/A

\* Line item 9E "Other" includes asbestos assessment and abatement, programming services, planning and construction project management services, and facilities management services.

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

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

GENERAL LOCATION MAP



NE-00-18

CERTIFICATION

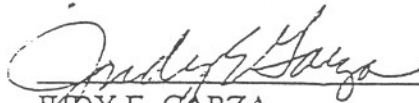
STATE OF ARIZONA )  
 )  
County of Maricopa )

I, JUDY E. GARZA, the duly appointed, qualified and acting Secretary to the Arizona Board of Regents, do hereby certify that during a regular meeting of said Board held on January 20 and 21, 2000, the Board, by motion duly made, seconded and carried, approved and authorized the following:

The request of Arizona State University for Project Conceptual Approval for the Digital Television Conversion Project. ASU estimates the cost of its conversion to DTV will be \$4.9M. ASU received Project Initiation approval in September 1999.

I further certify that said meeting was duly called and regularly convened and was attended throughout by a majority of the members of said Board, and that approval has not since been altered or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of said Board this 25th day of January 2,000.



JUDY E. GARZA  
Secretary to the  
Board of Regents

## EXECUTIVE SUMMARY

**ACTION ITEM:** Arizona State University's Digital TV Conversion Project  
Conceptual Approval (ASU Main)

**ISSUE:** ASU requests Conceptual Approval to convert its public television station (KAET) to digital broadcasting, as required by the Federal Telecommunications Act of 1996.

## PROJECT DESCRIPTION:

- Previous Board Action  
Project Initiation September 1999
- The Telecommunications Act of 1996 mandates that all public and commercial TV stations are to broadcast their programming on a new Digital TV (DTV) channel.
- To comply with this mandate, KAET's project will consist, in large part, of the purchase and installation of equipment necessary to broadcast DTV. Modifications and upgrades to the existing transmitter facility at South Mountain will be required, including small additions to the building at that location to accommodate additional equipment.
- ASU estimates that the cost of its conversion to DTV as follows:

Transmitter Conversion	\$2,125,000
Studio Equipment Requirements	<u>\$2,775,000</u>
Total	\$4,900,000

- ASU will utilize several funding sources for this project: gift income and federal matching grants (\$3,400,000) and a state appropriation (\$1,500,000). Since the September 1999 project initiation request, ASU received a federal matching grant and various private contributions that reduces the need for a state appropriation from \$2.5 to \$1.5 million.
- The proposed project schedule is as follows:

Conceptual Approval Review	1/2000
Construction Start	2000
Final Completion	2001

**Contact:** Mernoy Harrison, (480) 965-3201  
Vice Provost, Administrative Services

## EXECUTIVE SUMMARY

### Capital Project Information Summary

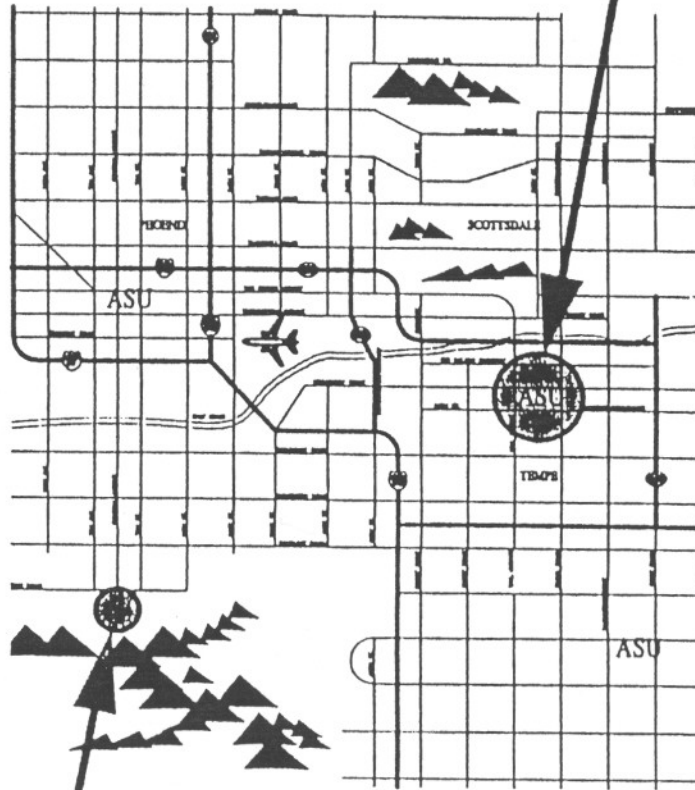
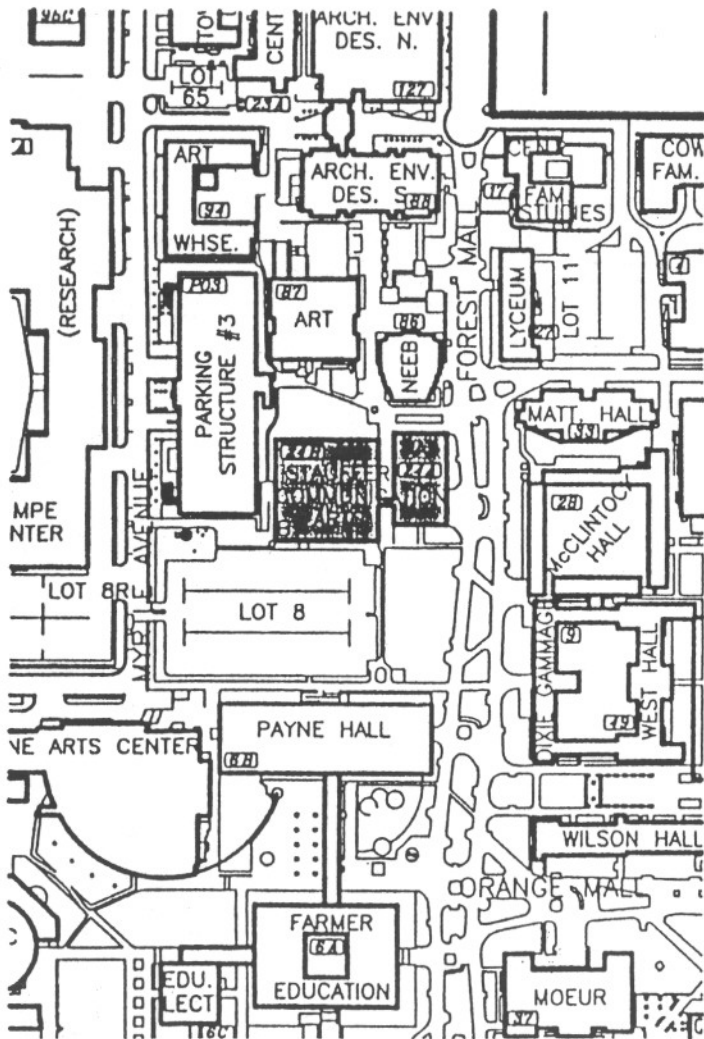
**University:** Arizona State University Main **Project Name:** Digital TV Conversion Project  
ASU Project No. 00-031

#### Project Description/Location:

Equipment purchase, installation, modifications to existing transmitting facility and new construction of approximately 680 gsf. Transmitting facility located at South Mountain and KAET station at the ASU Main campus.

	<u>Project Initiation</u>	<u>Conceptual Approval</u>	<u>Project Approval</u>
<u>Date of Board Action:</u>	9/23-24/99		
<u>Project Scope:</u>			
Gross Square Feet	680	680	
Net Assignable Square Feet	610	610	
Efficiency Ratio (NASF/GSF)	89%	89%	
NASF by Space Type			
Class Laboratories			
Research Laboratories			
Library			
Office			
Other (Transmitter Building)	610	610	
<u>Project Schedule (Beginning Month/Year):</u>			
Planning	1999	1999	
Design	1999	1999	
Construction	2000	2000	
Occupancy	2001	2001	
<u>Project Budget:</u>			
Total Project Cost	\$4,900,000	\$4,900,000	
Direct Construction Cost	N/A	N/A	
Total Project Cost per GSF	N/A	N/A	
Construction Cost per GSF	N/A	N/A	
Change in Annual Operation/Maintenance Cost			
Utilities	\$ 120,000	\$ 120,000	
Personnel	TBD	TBD	
Other	TBD	TBD	
<u>Funding Sources:</u>			
Capital			
A. Academic Revenue Bonds	\$0	\$0	
B. Plant Fund Reserves	\$0	\$0	
C. General Fund; Gifts; Fed. Grants; Other	\$2,450,000	\$3,400,000	
D. State Appropriation	\$2,450,000	\$1,500,000	
Operation/Maintenance			
A. General Fund	\$ 120,000	\$ 120,000	

# GENERAL LOCATION MAP



TRANSMITTER LOCATION  
ATOP SOUTH MOUNTAIN



STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
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CHAIRMAN 2001  
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JACK A. BROWN  
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HARRY E. MITCHELL

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PHOENIX, ARIZONA 85007

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FAX (602) 542-1616

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RUSSELL K. PEARCE  
CHRISTINE WEASON

DATE: October 18, 2001

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

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS - FOLLOW UP REPORT ON THE USE OF  
CERTIFICATES OF PARTICIPATION VERSUS BOND FINANCING

### Request

The Arizona Board of Regents (ABOR) has submitted information on the review process followed by ABOR for university capital projects. The information is submitted as a follow up to a request from the Committee on the use of Certificates of Participation (COP) and bond financing for university capital projects.

### Recommendation

This item is for information only and no Committee action is required. ABOR will be considering draft guidelines for the use of COPs as capital financing. JLBC Staff recommends that any capital financing guidelines adopted by ABOR be submitted to the Committee for its comments.

### Analysis

At its August 30, 2001 meeting, the Committee received a report from ABOR on the cost effectiveness of COP versus bond financing. The Committee requested that ABOR submit additional information on any established guidelines used for determining whether COP financing or bond financing should be used on projects.

ABOR currently does not have any established guidelines; however, the information submitted indicates that capital projects receive multiple reviews by ABOR before final approval is granted. Included in the process is review of the proposed project financing. The attached letter from ABOR contains additional detail on items considered during project review.

At its September meeting, ABOR directed the universities and its staff to draft guidelines for the use of COPs as a financing mechanism for capital projects. The guidelines are being developed and will be submitted to ABOR at a future date. The JLBC Staff recommends that any guidelines adopted by ABOR be submitted to the Committee for its comments.

RS/LM:jb





October 10, 2001

Mr. Richard Stavneak, Director  
Joint Committee on Capital Review  
1716 West Adams  
Phoenix, Arizona 85007

Dear Mr. Stavneak:

At the August 2001 meeting of the Joint Committee on Capital Review, the Committee requested that the Arizona Board of Regents submit additional information on any established guidelines used for determining whether Certificate of Participation ("COP") financing or System Revenue Bond financing should be used for any specific university borrowing.

To date, the Board has not adopted formal guidelines that dictate or restrict the use of these financing approaches for specific projects or conditions. The Board has taken this approach for several reasons. The Board goes through a rigorous capital development and review process for any capital project undertaken for the university system. By law, the Board is required every other year to develop a two-year capital plan, as well as a forecast of the system's capital needs for the two subsequent years. This requirement serves to identify the broad needs of the system. Based on the plan, the Board narrows the projects that actually go forward by requiring each capital project to go through a multi-step approval process.

The steps required in this process include both conceptual review of the project as well as separate approval of the proposed financing mechanism. It is at this point that a university's rationale for the financing approach is fully reviewed by the Board and Board staff. As part of this process the Board limits all capital debt to an amount not to exceed ten per cent of projected unrestricted revenues and mandatory transfers. In addition to these measures, the Board has recently further revised its capital development process to require each university to submit, in the spring of each year, its plans for all capital expenditures for the upcoming fiscal year which are then subject to Board approval. The annual capital development plans include a description of the intended funding mechanisms for each individual project and a matrix depicting total funding required and its impact on funding sources (see attached example from the University of Arizona).

Mr. Richard Stavneak

-2-

October 10, 2001

In addition to the review processes that the Board undertakes, the universities also go through an extensive process that guides their determination of whether to use COPs or bonds to finance each individual capital project. This financing development is undertaken with their outside financial and legal professionals and takes into consideration a broad range of legal, financial and credit market issues. Examples of the issues that are considered include:

- Whether the capital asset to be financed has sufficient collateral value from a creditor or investor standpoint.
- Whether it is legally possible to do a lease-purchase COP financing for the project or, conversely, whether the law only allows a COP financing such as the case with projects funded with Proposition 301 monies.
- Identifying the costs involved with different financing approaches.
- Appropriately leveraging both the cash flow and revenues of the institution, as well as the capital assets of the institution (similar to an individual borrowing against ongoing wages and income, as well as having a home equity loan).
- Whether the capital project is supported by outside gifts or grants and the timing of receipt of those funds.
- The credit or other capacity available to incur COPs or bonds.
- The timing need for the project.

As you can see, both the Board and the universities go through a rigorous process in reviewing and approving capital projects for the university system, including the financing for these projects. Nevertheless, this item was addressed at the September 2001 meeting of the Board of Regents, and the Board directed the three universities and the central office to develop draft guidelines for Board consideration that will define the appropriate circumstances under which Certificates of Participation may be used as a mechanism for capital financing. We would be pleased to share the new guidelines with you as soon as they are approved by the Board. We hope this information is responsive to your request and helps provide greater understanding of these issues.

Sincerely,

Linda J. Blessing  
Executive Director

Attachment

cc: President Kay McKay, Arizona Board of Regents  
President Owen Cargol, Northern Arizona University  
President Lattie Coor, Arizona State University  
President Peter Likins, University of Arizona

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

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RUSSELL W. "RUSTY" BOWERS  
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CHRISTINE WEASON

DATE: October 19, 2001

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

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: UNIVERSITY OF ARIZONA - REPORT ON LEASE-PURCHASE PROJECTS

### Request

The University of Arizona (UofA) is submitting a report on the issuance of Certificates of Participation (COPs) to finance the Expansion of the Ina E. Gittings Facility, Highland District Planning and Site Preparation, Completion of Shell Space and Replacement of Plaza Deck, and Arizona International College (AIC) Facilities.

### Recommendation

This item is for information only and no Committee action is required. UofA plans to issue approximately \$26,400,000 in COPs to finance the projects. The debt service on the issuances will be funded from a variety of sources.

### Analysis

Current statutes do not require legislative approval or review of university projects financed with COPs, also known as lease-purchase agreements. In May 2000, the Arizona Board of Regents (ABOR) and the universities agreed to a request that university lease-purchase projects approved by ABOR be submitted to the Committee as informational items. This request was made given that COP financed projects could have direct General Fund operating impacts or indirect General Fund operating impacts as a result of tuition revenue repaying the COPs rather than being available for operating budgets.

At its September 2001 meeting, ABOR approved the issuance of up to \$26,400,000 in COPs for 4 projects. The repayment period is not to exceed 25 years. *Table 1* lists the capital project costs and the JLBC Staff estimate for the annual debt service (at a 5.2% interest rate) on each project.

(Continued)

Table 1

UofA Lease-Purchase Projects			
	COP Issuance	Annual Debt Service	Debt Service Fund Source
Gittings Expansion <sup>1/</sup>	\$ 3,000,000	\$ 217,100	Approved Tuition with General Fund Offset
Highland District Planning & Site Preparation	7,500,000	542,900	Indirect Cost Recovery/Investment Income
Shell Space Completion & Plaza Deck Replacement <sup>2/</sup>	10,440,000	755,700	Indirect Cost Recovery
AIC Facilities	5,400,000	390,900	Approved General Fund Decision Package Funding
TOTAL	\$26,340,000	\$1,906,600	
<sup>1/</sup> Total project cost is \$9,000,000. Additional \$6,000,000 will be funded from gifts.			
<sup>2/</sup> Total project cost is \$13,100,000. Additional \$2,660,000 will be funded with federal grants.			

### Gittings Expansion Project

UofA plans to expand the Ina E. Gittings Facility to provide 25,600 gross square feet of new space for the School of Music and Dance. The project will add instructional laboratory (studio) space, performance (theatre) space, and support space. The total project cost is \$9,000,000. Of the total amount, \$6,000,000 will come from gifts and \$3,000,000 will be financed with COPs. UofA received a General Fund increase in FY 2002 and FY 2003 to offset the loss of tuition revenues that will be used to pay the debt service on the COPs.

### Highland District Planning and Site Preparation

UofA will issue \$7,500,000 in COPs to finance site work and infrastructure and utility expansions in preparation for future construction of a Campus Health Services Facility, Disability Resource Center, and Residence Life Facilities. Debt service will be funded from indirect cost recovery and investment income (non-appropriated funds).

### Shell Space Completion and Plaza Deck Replacement

The UofA plans to complete and reconfigure 26,230 gross square feet of research space at the Health Sciences Center (HSC) Animal Facilities, and the Central Animal Facility and Life Sciences South facility on the main campus to ensure compliance with the Federal Animal Welfare Act and Public Health Sciences standards. The plaza deck at the HSC will also be replaced. The total project cost is \$13,100,000. Of the total amount, \$10,440,000 will be financed with COPs and \$2,660,000 will be funded with federal grants. Debt service on the COPs will be funded from indirect cost recovery revenue.

### Arizona International College Facilities

As part of a joint agreement with the Pima County Community College District (PCCD), UofA will construct a 22,000 gross square foot building on the PCCD campus and relocate the Arizona International College (AIC) to the new site. AIC is currently located on the UofA main campus. UofA will issue \$5,400,000 in COPs to finance the project. UofA will use a portion of decision package funding appropriated in FY 2002 and FY 2003 for debt service.

RS/LM:jb

Senior Vice President  
for Business Affairs

THE UNIVERSITY OF  
**ARIZONA**<sup>®</sup>  
TUCSON ARIZONA

Administration Building  
Tucson, Arizona 85721  
Tel (520) 621-5977  
Fax (520) 621-7714

SEP 19 2001  
September 19, 2001

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

OCT 16 2001

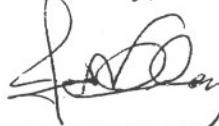
Dear Senator Solomon:

Enclosed is the Executive Summary of the Arizona Board of Regents agenda item requesting the authorization to sell Certificates of Participation for four projects approved by the Board.

This communication is sent for information as requested by Mr. Lorenzo Martinez of the Joint Legislative Budget Committee staff. Please note that funds to retire debt for two of the projects have been allocated by the State, the Gittings and UA North.

If you required further information please call me at (520) 621-5977

Sincerely,



Joel D. Valdez  
Sr. Vice President for Business Affairs

JDV:dak

attachment

cc: Lorenzo Martinez  
Greg Fahey



## EXECUTIVE SUMMARY

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**ACTION ITEM:** The University of Arizona (UA) requests authority to (i) sell Certificates of Participation (COPs) not to exceed \$26.4 million for the purpose of financing all or a portion of the Gittings Expansion Project, the Highland District Planning and Site Preparation Project, the Finish Shell Space Phase II and Replace Plaza Deck Project and the Arizona International College Relocation Project and pay the costs of issuance of the COPs and (ii) to take related actions, to enter into necessary agreements and to execute necessary documents.

## ISSUE

The University of Arizona seeks Board authorization to sell one or more series of Certificates of Participation sufficient to finance all or a portion of (a) the Gittings Expansion Project, (b) the Highland District Planning and Site Preparation Project, (c) the Finish Shell Space Phase II and Replace Plaza Deck Project, (d) the Arizona International College Relocation Project and (e) the costs of issuance related to the COPs. In connection with this financing, the University seeks authorization to take all related actions and to enter into all necessary agreements related to the COPs or the projects, including certificate insurance, reserve fund surety bonds, and certificate purchase, and continuing disclosure agreements.

## BACKGROUND

*The Gittings Expansion Project.* The project is comprised of an expansion to the present Ina E. Gittings Facility on the University's main campus, which would provide 25,600 gross square feet of new space necessary for the School of Music and Dance to improve the quality of this nationally recognized dance program. The expansion includes instructional laboratory (studio) space; performance (theatre) space designed specifically for dance, and associated support spaces. The total project cost is \$9,000,000. The University expects to finance \$3,000,000 through the issuance of COPs with debt service being paid from appropriated State General Fund. The remaining \$6,000,000 will be funded from gifts: \$3,000,000 financed as a bridge loan on pledges and \$3,000,000 cash on hand with this portion of debt service paid by gifts.

### Previous Board Actions:

Project Initiation	November 1999
Conceptual Approval	January 2001

**CONTACT:** Joel D. Valdez, (520) 621-5977  
Senior Vice President for Business Affairs  
[jvaldez@u.arizona.edu](mailto:jvaldez@u.arizona.edu)

## EXECUTIVE SUMMARY

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*Highland District Planning and Site Preparation Project.* The project consists of site work and improvements, including the installation of water, sewer, electrical, fire alarm and telecommunication lines and facilities and storm drainage improvements in the Highland District of the University's main campus in preparation for the future construction of the Campus Health Services Facility and Disability Resource Center and Residence Life Facilities. Current utility and other infrastructure in the area will be inadequate to service users of the planned facilities. The University expects to finance the entire \$7.5 million total cost through the issuance of COPs. The University anticipates debt service from a combination of indirect cost recovery and investment income.

Previous Board Actions:

Conceptual Approval	November 2000
Project Approval (Executive Director)	January 2001

*Finish Shell Space Phase II and Replace Plaza Deck Project.* The project consists of the completion and reconfiguration of 26,230 gross square feet of space within the Arizona Health Sciences Center (AHSC) Animal Facility, the Central Animal Facility, and Life Sciences South on the University's main campus to meet current and future research needs. The project is necessary for the University Animal Care, the College of Science and the Graduate College to ensure compliance with the federally mandated Animal Welfare Act and Public Health Sciences standards and to replace the existing exterior plaza deck at AHSC. The University expects to finance approximately \$10.44 million of the total cost of \$13.1 million through the issuance of COPs with the remaining \$2.66 million coming from federal grants. Initially, the financing plan included \$1.8 million dollars of Building Renewal but as discussed previously, since no allocation for Building Renewal has been allocated, the University must increase the amount financed through COPs. Indirect cost recovery dollars will fund the debt service for the financed portion of this project.

Previous Board Actions:

Conceptual Approval	January 2001
Project Approval (Executive Director)	July 2001

*The Arizona International College (AIC) Relocation Project.* The project consists of the acquisition and construction of a two-story, 22,000 gross square foot building and related facilities on the new campus of Pima County Community College District (PCCD) located in the northwest portion of the metropolitan Tucson area. The new facilities would be used as the new home for AIC, which would relocate from its current site on the University's main campus. The University and PCCD would enter into necessary use agreements



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providing for shared use of common and other facilities. The University's building and related facilities would be situated on land owned by PCCD under a long-term ground lease (20 years). In connection with COPs financing, the University would sublease the site to a bank serving as trustee, and lease back the site and building for the term of the COPs. Upon retirement of the COPs, the sublease would terminate without further payments by the University. The University expects to finance the \$5.4 million total cost through the issuance of COPs. The State has appropriated funds to cover the anticipated debt service.

### **Previous Board Actions:**

Preliminary Justification	June 2000
Capital Improvement Plan	September 2000

## **FINANCING PLAN**

The University intends to finance the projects described above by selling one or more series of COPs in an amount not to exceed \$26.4 million for the projects, or portions thereof, described above and to pay the costs of issuance of the COPs. The University expects that the COPs of each series would mature over a period of not more than 25 years from their date. The University expects that the COPs will be issued under common or similar financing documents. Projects would be combined into financing packages, to the extent practicable, both to achieve size efficiencies in issuance costs and to provide diversified collateral, which is often more attractive to COPs investors.

The COPs would be issued as conventional fixed-rate instruments with debt retirement adapted to the funding sources for the projects being financed.

The University will be called upon to enter into various agreements in connection with the COPs, such as certificate insurance for the COPs, reserve fund surety bonds, and certificate purchase agreements.

*Marketing of COPs; Timing.* All COPs would be sold at current market rates at the time of pricing, at yields not exceeding 7.5% per annum. The University expects that the first COPs series will be marketed and sold during the fourth quarter of calendar year 2001, in order to meet the construction and acquisition schedules.

The University intends to utilize its current bond counsel, Snell & Wilmer, and its current financial advisor, Dain Rauscher, Incorporated, in conjunction with the proposed financing. The



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COPs would be marketed and sold through a negotiated basis to one or more of the investment banking firms previously selected by the University through a competitive process.

The action being requested would authorize the University to execute these financings within the parameters set by the Board.

## RECOMMENDATION/CONCLUSION

RESOLVED: That the University of Arizona be, and hereby is, authorized to sell one or more series of Certificates of Participation not to exceed \$26.4 million to produce sufficient proceeds to finance the acquisition, construction and improvement budgets for the Gittings Expansion Project, the Highland District Planning and Site Preparation Project, the Finish Shell Space Phase II and Replace Plaza Deck Project and the Arizona International College Relocation Project, and to pay costs of issuance of the COPs, to take related actions and to enter into all necessary agreements, as provided in a resolution approved by Board counsel and staff.