

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

DON SHOOTER  
CHAIRMAN 2013  
GAIL GRIFFIN  
LEAH LANDRUM TAYLOR  
JOHN McCOMISH  
AL MELVIN  
LYNNE PANCRAZI  
ANNA TOVAR

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

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HOUSE OF  
REPRESENTATIVES

JOHN KAVANAGH  
CHAIRMAN 2014  
LELA ALSTON  
CHAD CAMPBELL  
TOM FORESE  
DAVID GOWAN, SR.  
RICK GRAY  
ANDREW C. SHERWOOD

### JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, October 29, 2013

2:30 or upon adjournment of the JLBC Meeting

House Hearing Room 4

### MEETING NOTICE

- Call to Order
- [Approval of Minutes of August 20, 2013.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [SCHOOL FACILITIES BOARD - Review of Lease-Purchase Refinancing.](#)
- 2. [ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2014 Building Renewal Allocation Plan.](#)
- 3. [ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Recommending FY 2014 Partial Rent Exemption.](#)

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

10/21/13

tls

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



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### MINUTES OF THE MEETING

#### JOINT COMMITTEE ON CAPITAL REVIEW

August 20, 2013

The Chairman called the meeting to order at 2:45 p.m., Tuesday, August 20, 2013 in House Hearing Room 4. The following were present:

Members:	Senator Shooter, Chairman	Representative Kavanagh, Vice-Chairman
	Senator Griffin	Representative Campbell
	Senator Landrum Taylor	Representative Forese
	Senator McComish	Representative Gowan
	Senator Melvin	Representative Gray
	Senator Pancrazi	Representative Sherwood
	Senator Tovar	

Absent: Representative Alston

#### APPROVAL OF MINUTES

Representative Kavanagh moved that the Committee adopt the minutes from June 12, 2013. The motion carried.

#### ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2014 Building Renewal Allocation Plan.

Mr. Jack Brown, JLBC Staff, stated that this item is a review of its FY 2014 Building Renewal Allocation Plan. Laws 2013, 1<sup>st</sup> Special Session, Chapter 8 appropriated \$9.0 million from the Capital Outlay Stabilization Fund to ADOA in FY 2014.

The JLBC Staff presented options to the Committee.

Representative Kavanagh moved that the Committee give a favorable review to ADOA's FY 2014 \$9.0 million building renewal allocation plan. The favorable review includes the provision that ADOA shall report any change in the building renewal spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADOA, the JLBC Staff shall recommend ADOA to request Committee review of the reallocation.

(Continued)

*The favorable review also included the following provisions for the emergency contingency allocation of \$650,000:*

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

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

The motion carried.

#### **ARIZONA DEPARTMENT OF CORRECTIONS - Review of Arizona State Prison Complex (ASPC) - Yuma Cheyenne Building Repair Plan.**

Ms. Micaela Larkin, JLBC Staff, stated that this item is a review of the Arizona Department of Corrections' appropriation of \$8.0 million for repairs at the Cheyenne unit of the Arizona Department of Corrections' Yuma Prison Complex.

The JLBC Staff presented options to the Committee.

*Representative Kavanagh moved that the Committee give a favorable review to ADC's proposed \$8.0 million building repair project plan for the Cheyenne unit with the provision that ADC shall report any change in the spending plan to the JLBC Staff. The motion carried.*

#### **ARIZONA DEPARTMENT OF CORRECTIONS - Review of FY 2014 Building Renewal Allocation Plan.**

Ms. Micaela Larkin, JLBC Staff, presented the Arizona Department of Corrections' (ADC) request for review of its FY 2014 Building Renewal Allocation Plan. They were appropriated \$5.0 million and intend to spend it on perimeter electronic security systems and the replacement of obsolete locking and control systems.

The JLBC Staff presented options to the Committee.

*Representative Kavanagh moved that the Committee give a favorable review to ADC's FY 2014 \$5.0 million building renewal allocation plan with the provision that ADC shall report any change in the spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation.*

*The favorable review also included the following provisions for the emergency contingency allocation of \$221,712:*

- 1. ADC shall notify the Chairman and JLBC Staff if they plan to spend less than \$50,000 on an emergency project. ADC can proceed without Committee review.*
- 2. If the emergency project is \$50,000 or greater, ADC will request JCCR review.*
- 3. The Chairman can allow ADC to move forward with an emergency project of greater than \$50,000 without Committee review.*

(Continued)

4. *The Chairman will notify ADC if he does not agree that the project is an emergency and will request that ADC not proceed with the project.*

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

The motion carried.

#### **ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND - Review of FY 2014 Residential Dormitory Renovation Plan.**

Mr. Tom Ritland, JLBC Staff, presented the Arizona State Schools for the Deaf and the Blind's (ASDB) review of the FY 2014 residential dormitory renovation plan. ASDB was appropriated \$1.0 million to fund the renovation of residential halls on the Tucson campus.

Mr. Robert Hill, ASDB Superintendent, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review for ASDB's FY 2014 \$1.0 million Residential Dormitory Renovation Plan. The motion carried.*

#### **ARIZONA STATE PARKS BOARD - Review of FY 2014 State Parks Revenue Fund and State Lake Improvement Fund Capital Expenditures.**

Mr. Art Smith, JLBC Staff, presented the Arizona State Parks Board's FY 2014 capital projects totaling \$2.9 million. Of that amount, \$1.8 million would be used for new construction and building renewal, \$730,000 would be for Arizona Department of Environmental Quality compliance and \$325,000 would be used for miscellaneous repairs and replacement at parks that allow the use of motorized boats.

Mr. Bryan Martyn, Director, Arizona State Parks Board, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review for the FY 2014 Arizona State Parks Board's proposal to expend \$2.9 million for FY 2014 capital projects.*

*The favorable review included a provision that the projects be ultimately approved by the Parks Board. In addition, the Committee adopted the following provisions for the \$325,000 emergency contingency allocation:*

1. *The Parks Board shall notify the Chairman and the JLBC Staff if they plan to spend less than \$50,000 on an emergency project. The Parks Board can proceed without Committee review.*
2. *If the emergency project is \$50,000 or greater, the Parks Board will request the Joint Committee on Capital Review (JCCR) to review the project.*
3. *The Chairman can allow the Parks Board to move forward with an emergency project of greater than \$50,000 without Committee review.*
4. *The Chairman will notify the Parks Board if he does not agree that the project is an emergency and will request that the Parks Board not proceed with the project.*

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

The motion carried.

(Continued)

**NORTHERN ARIZONA UNIVERSITY - Review of Housing Indirect Financing Projects Addendum.**

Mr. Art Smith, JLBC Staff, presented Northern Arizona University's (NAU) review of Housing Indirect Financing Projects Addendum (third party financing). At its April 2011 meeting, the Committee favorably reviewed a NAU proposal to enter into ground lease agreements with American Campus Communities (ACC) for development of additional new student housing facilities on the Flagstaff campus for a total of \$68.0 million. NAU requested Committee review of an addendum to the ground lease agreements for 2 additional residence wings on the Flagstaff campus for a total of \$24.7 million.

*Representative Kavanagh moved that the Committee give a favorable review to NAU's addendum to the ground lease agreement for 2 additional residence wings on the Flagstaff campus for a total of \$24.7 million, with the provision that the review does not constitute endorsement of any level of General Fund appropriations. The motion carried.*

**ARIZONA STATE UNIVERSITY - Review of 3 Bond Projects.**

Mr. Art Smith, JLBC Staff, presented Arizona State University's (ASU) review of \$33.3 million in University Lottery revenue bond issuances to fund 3 projects. The 3 projects include building renewal and campus infrastructure, classroom renovations and research laboratory renovations.

*Representative Kavanagh moved that the Committee give a favorable review for the \$33.3 million in University Lottery revenue bond issuances to fund building renewal and campus infrastructure, classroom renovations and research laboratory renovations with the following standard university financing provisions:*

Standard University Financing Provisions

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

The motion carried.

Without objection, the meeting adjourned at 3:11 p.m.

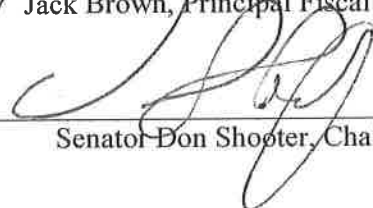
Respectfully submitted:



Tera Scherer, Secretary



Jack Brown, Principal Fiscal Analyst



Senator Don Shooter, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.



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DATE: October 22, 2013

TO: Senator Don Shooter, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Ben Henderson, Fiscal Analyst *BH*

SUBJECT: School Facilities Board - Review of Lease-Purchase Refinancing

### Request

The FY 2014 K-12 Education Budget Reconciliation Bill (BRB) (Laws 2013, 1<sup>st</sup> Special Session, Chapter 3) authorizes the School Facilities Board (SFB) to enter into a refinancing agreement that reduces the board's lease-purchase payments in FY 2014 and FY 2015 by a combined total of at least \$4.0 million, but will not increase or decrease the total amount of lease-purchase payments in any other fiscal year by more than \$100,000.

The FY 2014 K-12 Education BRB requires that, before entering into a refinancing agreement, the agreement's proposed terms must be submitted for review by the Joint Committee on Capital Review.

### Recommendation

The Committee has at least the following 2 options:

1. A favorable review of the refinancing agreement.
2. An unfavorable review of the refinancing agreement.

Under either option, the JLBC Staff recommends that SFB submit a final debt service schedule associated with the refinancing agreement.

### Analysis

In FY 2003 - FY 2005, FY 2008, FY 2009, and FY 2011, SFB entered into lease-purchase agreements to finance the costs of new school construction. For each agreement, SFB issued Certificates of Participation (COPs) that are typically repaid over a period of 15 years.

(Continued)

Under the proposed refinancing agreement, there would be an estimated total of \$4.5 million of non-recurring savings: \$1.3 million in FY 2014 and \$3.2 million in FY 2015, along with minor amounts between FY 2016 and FY 2020. To achieve these savings of \$4.5 million, SFB would retire existing debt by reissuing new debt at an average interest rate of 1.6%. This reissuance process would also allocate \$380,300 of proceeds for transaction costs.

SFB expects the refinancing issuance to occur by the end of November 2013. Due to the recent volatility of the bond markets, the nature of this refinancing agreement is time sensitive, and delaying the agreement may result in a loss of savings, or the agreement may not meet the statutory requirements.

Table 1 below outlines the changes to SFB's current debt service schedule.

<b>Table 1</b>			
<b>Changes to Debt Service Schedule Due To Refinancing</b>			
<b><u>Fiscal Year</u></b>	<b><u>Current Debt Schedule</u></b>	<b><u>Updated Debt Schedule</u></b>	<b><u>Difference</u></b>
FY 2014	174,165,000	172,876,000	(1,289,000)
FY 2015	173,956,000	170,729,600	(3,226,400)
FY 2016	173,735,500	173,724,600	(10,900)
FY 2017	173,511,600	173,509,300	(2,300)
FY 2018	173,271,600	173,262,500	(9,100)
FY 2019	137,793,700	137,790,100	(3,600)
FY 2020	134,532,800	134,528,400	(4,400)
FY 2021	69,835,600	69,835,600	-
FY 2022	69,835,000	69,835,000	-
FY 2023	69,835,100	69,835,100	-
FY 2024	69,834,900	69,834,900	-
FY 2025	11,187,300	11,187,300	-
FY 2026	11,187,300	11,187,300	-
FY 2027	11,187,300	11,187,300	-
FY 2028	8,447,600	8,447,600	-
<b>Total</b>	<b>\$1,462,316,300</b>	<b>\$1,457,770,600</b>	<b>\$ (4,545,700)</b>

RS/BH:ts



**STATE OF ARIZONA  
SCHOOL FACILITIES BOARD**

**Governor of Arizona  
Janice K. Brewer**

**Executive Director  
Dean T. Gray**

October 4, 2013

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



Dear Senator Shooter:

Laws 2013, First Special Session, Chapter 3, Section 48 authorizes the School Facilities Board (SFB) to enter into a refinancing or refunding agreement in FY 2013-14 to reduce the FY 2013-14 and 2014-15 Certificate of Participation (COP) program lease purchase payments. Under the law, the transaction is required to generate a combined total of at least \$4 million savings in the two fiscal years in order to be executed. Additionally, the law requires that annual lease purchase payments in each of the other fiscal years not be increased or decreased by more than \$100,000.

Prior to entering into the agreement, the proposed terms are required to be submitted for review to the Joint Committee on Capital Review (JCCR). As such, please accept this letter as the SFB request for JCCR review at its meeting on October 29, 2013.

As brief background, the General Fund annually appropriated lease purchase payments are debt service for the outstanding State COP obligations for new school facilities funding through the SFB. Under current conditions in the government bond market, we believe the proposed refunding transaction (consisting of Series 2003B, 2004A, 2004B, and 2004C) is poised to meet the savings requirement stated in the law. As of September 26, 2013, the following savings estimates, by maturity, were prepared by our financial team:

<b>Maturity Date</b>	<b>Par Amount Being Refunded</b>	<b>Net Estimated Savings</b>
6-30-14		\$1,288,950
6-30-15	\$15,185,000	\$3,226,431
6-30-16	\$21,965,000	\$10,875
6-30-17	\$23,125,000	\$2,313
6-30-18	\$8,405,000	\$9,125
6-30-19	\$8,850,000	\$3,638
6-30-20	\$4,710,000	\$4,363

In sum, it is currently anticipated that the transaction will refund approximately \$82.2 million in COPs. The total debt service savings is estimated at \$4.5 million, virtually all of which will be realized in fiscal years 2014 and 2015. These savings accrue to the State General Fund. This is an expected savings of nearly 5.5% of the bonds being refunded. Additionally, the debt



service in each of fiscal years 2016 through 2020 will change by less than \$11,000. All other basic terms (such as timing of principal payments and length of maturity) remain the same.

Finally, as required by law, this transaction will not be executed by the SFB if we are not able to meet the stated General Fund savings criteria. We appreciate your review of the information. Please contact me at 602-542-6143 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'D. Gray', with a stylized, looping flourish at the end.

Dean T. Gray  
Executive Director

cc: Representative John Kavanagh, House of Representatives  
John Arnold, OSPB  
Richard Stavneak, JLBC  
Jack Brown, JLBC  
Ben Henderson, JLBC  
Phil Williams, SFB



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DATE: October 22, 2013

TO: Senator Don Shooter, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Benjamin Beutler, Fiscal Analyst *BB*

SUBJECT: Arizona Department of Transportation - Review of FY 2014 Building Renewal Allocation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) requests that the Committee review its \$3,188,200 FY 2014 Building Renewal Allocation Plan, including \$3,000,000 from the State Highway Fund and \$188,200 from the State Aviation Fund.

ADOT has allocated \$3,000,000 from the State Highway Fund among 125 projects, leaving a contingency balance of \$96,600 and \$100,000 for project management support. ADOT has also allocated \$188,200 from the State Aviation Fund for 11 projects.

### Recommendation

The Committee has at least the following 2 options:

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

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

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

(Continued)

## Analysis

The FY 2014 Capital Outlay Bill (Laws 2013, 1<sup>st</sup> Special Session, Chapter 8) appropriated a total of \$3,188,200 for building renewal in FY 2014, including \$3,000,000 from the State Highway Fund and \$188,200 from the State Aviation Fund. The FY 2014 Building Renewal appropriation represents 28.5% of the amount generated by the revised building renewal formula for the ADOT Building System and 100% for the Grand Canyon Airport building renewal formula for FY 2014. The formula is based on the square footage and replacement cost of existing buildings.

ADOT expects to allocate the Building Renewal monies from the State Highway Fund in the following categories for 125 projects:

<b><u>Category</u></b>	<b><u>Projects</u></b>	<b><u>State Highway Fund</u></b>	<b><u>% of Total</u></b>
Building Systems (HVAC, Electrical, Plumbing)	39	\$ 869,100	29%
Exterior Preservation (Doors, Windows, Siding)	39	376,400	13%
Infrastructure (Sewers, Wells)	6	371,000	12%
Fire/Life Safety	18	358,800	12%
Roof Repairs/Replacement	9	337,500	11%
Interior Finishes (Paint, Carpet, Tile)	10	230,600	8%
Remodel	2	200,000	7%
Americans with Disabilities Act	2	60,000	2%
Project Management Support	NA	100,000	3%
Contingency	<u>NA</u>	<u>96,600</u>	<u>3%</u>
<b>Total</b>	<b>125</b>	<b>\$3,000,000</b>	<b>100%</b>

Of the 125 State Highway Fund projects, the following 7 projects require \$100,000 or more:

<b><u>Project</u></b>	<b><u>Allocation</u></b>
<b>Infrastructure (Sewers, Wells)</b>	
Page Maintenance Yard Site 440 - Connect existing buildings to existing local sanitary sewer line	\$ 250,000
<b>Roof Repairs/Replacement</b>	
Engineering Building 1004 - Replace unserviceable roof	200,000
<b>Building Systems (HVAC, Electrical, Plumbing)</b>	
Engineering Building 1004 - Replace section entry section (electrical switch gear cabinet) and motor controls panels	200,000
<b>Remodel</b>	
Surprise MVD Building - Perform interior renovation and structural repairs	150,000
<b>Building Systems (HVAC, Electrical, Plumbing)</b>	
Surprise MVD Building - Replace 5 unserviceable roof top heat pump units and ducting	125,000
<b>Interior Finishes (Paint, Carpet, Tile)</b>	
Administration Building 1005A & B - Replace unserviceable hallway flooring	100,000
<b>Fire/Life Safety</b>	
Administration Building 1005A - Asbestos abatement of hallway ceilings	<u>100,000</u>
<b>Total</b>	<b>\$1,125,000</b>

(Continued)

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund in the following categories for 11 projects:

<u>Category</u>	<u>Projects</u>	<u>State Aviation Fund</u>	<u>% of Total</u>
Remodel	1	59,700	32%
Building Systems (HVAC, Electrical, Plumbing)	5	46,500	25%
Infrastructure (Sewers, Wells)	2	30,000	16%
Exterior Preservation (Doors, Windows, Siding)	1	25,000	13%
Fire/Life Safety	1	15,000	8%
Interior Finishes (Paint, Carpet, Tile)	<u>1</u>	<u>12,000</u>	<u>6%</u>
<b>Total</b>	<b>11</b>	<b>\$188,200</b>	<b>100%</b>

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

RS/BB:kp

September 26, 2013

The Honorable John Kavanagh  
Chairman  
Joint Committee on Capital Review  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, Arizona 85007



Dear Chairman Kavanagh:

We respectfully request that Arizona Department of Transportation (ADOT) planned FY2014 Building Renewal projects be placed on the next JCCR meeting agenda for review and approval.

The following summary outlines the scope of work:

**Renewal Projects – State Highway Fund:**

Category 1- Fire/Live/Safety	\$ 358,740
Category 2- Roof Repairs/Replacement	337,500
Category 3- Preservation of Asset	376,400
Category 4- Major Building Systems	869,111
Category 5- Interior Building Finishes	230,630
Category 6- Reconfigure Occupied Space	200,000
Category 7- ADA Compliance	60,000
Category 8- Infrastructure	371,000
Project Management Support	100,000
Contingency	<u>96,619</u>
 Subtotal	 \$ <u>3,000,000</u>

The Honorable John Kavanagh, Chairman  
Joint Committee on Capital Review  
Page Two

### Renewal Projects – State Aviation Fund:

Category 1- Fire/Live/Safety	15,000
Category 3- Preservation of Asset	25,000
Category 4- Major Building Systems	46,500
Category 5- Interior Building Finishes	12,000
Category 6- Reconfigure Occupied Space	59,700
Category 8- Infrastructure	<u>30,000</u>
Subtotal	<u>188,200</u>

FY2014 Total	\$ <u>3,188,200</u>
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Project details are attached. Your favorable review and approval of our request is appreciated.

Sincerely,

erely,  
John R. K. S.  
for.

John S. Halikowski

C: Richard Stavneak, JLBC  
Ben Beutler, JLBC  
Illya Riske, OSPB  
John Hetzel, ADOT

Attachments (4)

**STATE OF ARIZONA**  
**FY 2014 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2014 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
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**STATE HIGHWAY FUND**

**CATEGORY 1 - FIRE/LIFE SAFETY**

Chambers Asphalt Storage Tank Bldg 3060 - Install a safety catwalk to access top of tank	\$ 40,000
Holbrook Asphalt Storage Tank Bldg 3419 - Install a safety catwalk to access top of tank	\$ 40,000
Wickiup Spreader Rack Bldg 3486 - Analyze Load Limit	\$ 9,766
Seligman Spreader Rack Bldg 3496 - Analyze Load Limit	\$ 9,766
Kingman Spreader Rack Bldg 3666 - Analyze Load Limit	\$ 9,766
Administration Bldg 1005A - Repair fire dampers	\$ 20,000
Administration Bldg 1005A - Asbestos abatement of hallway ceilings	\$ 100,000
HRDC Bldg 1161 - Replace unserviceable fire alarm panel	\$ 19,000
Salt River Spreader Rack Bldg 1342 - Analyze Load Limit	\$ 6,435
Durango Spreader Rack Bldg 1753 - Analyze Load Limit	\$ 6,435
Agua Fria Spreader Rack Bldg 1609 - Analyze Load Limit	\$ 6,435
East Area Lab Bldg 1141 - Install roof access safety ladder	\$ 20,000
Arizona Highways Magazine Bldg 1101 - Replace unserviceable vault fire suppression system	\$ 15,000
Roosevelt Spreader Rack Bldg 2414 - Analyze Load Limit	\$ 11,083
Grey Peak Spreader Rack Bldg 2508 - Analyze Load Limit	\$ 8,412
Yuma Spreader Rack Bldg 2289 - Analyze Load Limit	\$ 10,821
Quartzsite Spreader Rack Bldg 2251 - Analyze Load Limit	\$ 10,821
ADOT Statewide - Asbestos and lead paint abatement	\$ 15,000
<b>TOTAL</b>	<b>\$ 358,740</b>

**CATEGORY 2 - ROOFS**

Ganado Office/Equipment Storage Bldg 3335 - Re-roof building	\$ 50,000
Holbrook Sign Storage and Dock Bldg 3251 - Foam metal roof, replace fascia boards and repaint exterior	\$ 5,000
Engineering Bldg 1004 - Replace unserviceable roof	\$ 200,000
Glendale MVD Bldg 1421 - Roof and parapet wall repairs	\$ 25,000
West Valley Construction Office Bldg 1631 - Repair roof	\$ 15,000
Salt River Construction Office Bldg 1346 - Repair roof	\$ 8,000
Yuma District Office Bldg 2027 - Repaint exterior	\$ 4,500
Yuma Maintenance Truck Barn Bldg 2031 - Foam roof	\$ 20,000
ADOT Statewide - Repair roofs	\$ 10,000
<b>TOTAL</b>	<b>\$ 337,500</b>

**CATEGORY 3 - PRESERVATION OF ASSET**

Winslow MVD Bldg 3227 - Replace 6 sand blasted windows	\$ 6,000
Jacob Lake Maintenance Yard Bldgs 3220, 3222, & 3223 - Repaint building exterior	\$ 15,000
Williams Equipment Storage Bldg 3112 - Paint exterior of building	\$ 15,000
Kingman District Shed Bldg 3534 - Repaint Exterior	\$ 1,200
Kingman District Truck Barn Bldg 3034 - Replace two man doors and repaint exterior	\$ 6,000
Kingman District Truck Barn Bldg 3036 - Replace two man doors and repaint exterior	\$ 6,000
Seligman Maint Yard Bldg 3077 - Replace two rusted man doors	\$ 1,200
Seligman Maint Yard Bldg 3079 - Replace two rusted man doors	\$ 1,200
Cordes Junction Maint Yard Storage/Sign Bldg 3095 - Repaint exterior	\$ 10,000
Prescott Valley Natural Resources Bldg 3073 - Repair stucco and brick exterior	\$ 13,300
Payson Equipment Storage Bldg 3169 - Replace damaged siding	\$ 15,000
Payson Fuel Station Bldg 3638 - Repair building exterior and paint	\$ 2,000
Ashfork Maint Yard Bldg 3490 - Repaint interior and exterior	\$ 1,500
Ashfork Maint Yard Bldg 3548 - Repaint interior and exterior	\$ 1,500
Glendale MVD QA Bldg 1411 - Replace unserviceable exterior vertical joint sealant	\$ 5,000
Chandler MVD Bldg 1921 - Repair stucco and paint around top exterior	\$ 14,000
Tempe MVD Bldg 1541 - Repair ceiling under inspection bay and repaint bldg exterior including entrance area	\$ 18,000
OIG Office Bldg 1202 - Repaint exterior	\$ 18,000
OIG Office Bldg 1203 - Reside exterior	\$ 9,000
Agua Fria Maintenance Yard Bldg 1611 - Replace exterior vertical joint sealants	\$ 3,500
Salt River Roadway Maintenance Office Bldg 1349 - Repaint exterior	\$ 3,500
East Metro Roadway Maintenance Office Bldg 1365 - Repaint exterior	\$ 8,500
Agua Fria Maintenance Yard Bldg 1611 - Repaint exterior fascia wood	\$ 4,000
Roosevelt Maintenance Office Bldg 2085 - Replace bad skirting to keep out snakes & rodents	\$ 10,000
Fish Creek Wellhouse 2215 - Replace failing exterior siding	\$ 10,000
Globe Maintenance Shed Bldg 2081 - Repaint exterior	\$ 10,000
Douglas Maintenance Office 2120 - Repaint exterior	\$ 10,000

**STATE OF ARIZONA**  
**FY 2014 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2014 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
Safford Signing & Striping Warehouse Bldg 2137 - Repaint exterior	\$ 15,000
Grey Peak Modular Residence Bldg 2144 - Replace failing windows with energy-efficient type	\$ 7,000
St. David Maintenance Equipment Barn Bldg 2115 - Design & replace failing support posts	\$ 35,000
Safford District Office Bldg 2134 - Install window screens/awnings on south and west sides	\$ 4,500
Safford District Conference/Training Rm 2135 - replace older windows with energy-efficient type	\$ 8,000
Three Points Maintenance Shed/Office Bldg 2163 - Repair/replace failing insulation	\$ 10,000
Yuma Maintenance Truck Barn Bldg 2031 - Replace rusted siding	\$ 10,000
Parker Roadway Maintenance Yard Site 296 - Repaint exteriors of all buildings	\$ 9,000
Yuma Equipment Services Shop Bldg 2034 - Recoat foam roof	\$ 15,000
Yuma Equipment Services Shop Bldg 2034 - Replace failing exterior siding in wash bay area	\$ 3,500
Tucson Regional MVD Bldg 2150 - Repaint exterior	\$ 20,000
Tucson East MVD Bldg 2151 - Repaint exterior and interior	\$ 20,000
<b>TOTAL</b>	<b>\$ 376,400</b>

<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	
Springerville Equipment Services Shop Bldg 3323 - Install floor drainage & oil separator and connect to sewer system	\$ 40,000
Flagstaff Equipment Services Shop Bldg 3180 - New dedicated 20 amp circuit in breakroom	\$ 1,500
Holbrook Equipment Services Shop Bldg 3267 - Replace unserviceable building exterior security lighting	\$ 3,000
Holbrook Equipment Services Shop Bldg 3267 - Redesign HVAC system for air quality issues in offices & mtg. rms.	\$ 5,244
Holbrook Equipment Services Bldg 3267 - Replace evaporative coolers with Master cool type units	\$ 10,000
Window Rock MVD Bldg 3362 - Replace failing 5 ton electric heat pump	\$ 8,967
Gray Mt. Residences Bldgs 3198, 3199, 3200, 3201, 3202 - Replace outdated inefficient furnaces	\$ 25,000
Gray Mt. Residences Bldgs 3198, 3199, 3200, 3201, 3202 - Replace old inefficient standing pilot ranges	\$ 2,000
Payson Yard Modular Office Bldg 3163 - Replace HVAC unit	\$ 11,900
Kingman Facilities Office Bldg 3045 - Replace failing evap cooler	\$ 4,000
Engineering Bldg 1004 - Replace SES and Motor Controls Panels	\$ 200,000
Administration Bldg 1005A - Design for replacement of unserviceable SES and motor control electrical system	\$ 35,000
Administration Bldg 1005B - Design for replacement of unserviceable CRAC Units (2 each)	\$ 20,000
Scottsdale MVD Bldg 1211 - Replace unserviceable rooftop a/c units	\$ 50,000
Southeast Mesa MVD Bldg 1331 - Replace unserviceable rooftop a/c units	\$ 50,000
Mesa Regional MVD Bldg 1351 - Replace unserviceable rooftop a/c units	\$ 45,000
Surprise MVD Bldg 1641 - Replace 5 each unserviceable roof top heat pump units and ducting	\$ 125,000
Mesa Equipment Services Bldg 1343 - Replace unserviceable main breaker panel box	\$ 17,000
Globe Maintenance Office Bldg 2079 - replace failing aging HVAC	\$ 9,000
Three Way Maintenance Office Bldg 2142 - Replace failing inefficient HVAC unit	\$ 15,000
Willcox Maintenance Shed/Office 2107 - Replace failing HVAC system	\$ 15,000
Safford Maintenance Truck Barn Bldg 2031 - Replace failing evap coolers in EQS area	\$ 6,000
Safford District Office Bldg 2134 - Install exhaust fan in men's rest room	\$ 2,000
Safford District Office Bldg 2134 - realign HVAC ductwork for more efficient air distribution	\$ 15,000
Tucson Grant Road Maintenance Office Bldg 2188 - Replace failing bathroom exhaust fan system	\$ 2,500
Yuma Maintenance Office Bldg 2032 - Replace HVAC units	\$ 12,500
Casa Grande Equipment Services Shop Bldg 2069 - Repair/replace failing heaters	\$ 25,000
Yuma Equipment Services Shop Bldg 2034 - Replace aging heat pump unit	\$ 15,000
Yuma Equipment Services Shop Bldg 2034 - Replace failing evap cooler	\$ 6,000
Globe Equipment Services Shop Bldg 2082 - Replace aging non-compliant HVAC in ofc/parts rm	\$ 15,000
Globe Equipment Services Shop Bldg 2082 - Replace failing evap coolers in shop area	\$ 6,000
Yuma Equipment Services Shop Bldg 2034 - Replace unserviceable wash sinks	\$ 7,000
Tucson CDL Bldg 2159 - Evaluate electrical service and design corrective action	\$ 15,000
Ehrenberg POE Pumphouse Bldg 2226 - Replace defective sight glass and 3" valve	\$ 2,000
Yuma B-8 POE 2015 - Replace failing HVAC	\$ 12,500
ADOT Statewide - Repair HVAC systems	\$ 15,000
ADOT Statewide - Repair plumbing systems	\$ 5,000
ADOT Statewide - Repair electrical systems	\$ 5,000
ADOT Statewide - Retrofit unserviceable light fixtures	\$ 10,000
<b>TOTAL</b>	<b>\$ 869,111</b>

<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	
1801 Building Bldg 1006 - Repaint hallway doors	\$ 4,630
Administration Bldg 1005A - Repaint hallway ceilings & walls	\$ 55,000
Administration Bldg 1005A & B - Replace unservice hallway flooring	\$ 100,000
Enforcement Office - Bldg 1021 Replace unserviceable flooring	\$ 16,000
OIG Office Bldg 1202 - Repaint interior	\$ 13,000
OIG Office Bldg 1202 - Replace unserviceable carpeting	\$ 19,000
Agua Fria Maintenance Yard Bldg 1611 - Repaint all interior walls	\$ 5,000
Agua Fria Maintenance Yard Bldg 1611 - Replace unserviceable flooring	\$ 8,000



**STATE OF ARIZONA**  
**FY 2014 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2014 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
Nogales Roadway Maint Office Bldg 2171 - Replace floor tile on 2nd floor	\$ 6,000
Yuma Construction Lab Bldg 2028 - Paint interior back room	\$ 4,000
<b>TOTAL</b>	<b>\$ 230,630</b>

<b>CATEGORY 6 - RECONFIGURE OCCUPIED SPACE</b>	
Administration Bldg 1005B - Replace exterior sunshades on south façade	\$ 50,000
Surprise MVD Bldg 1641 - Perform interior renovation and structural repairs	\$ 150,000
<b>TOTAL</b>	<b>\$ 200,000</b>

<b>CATEGORY 7 - ADA COMPLIANCE</b>	
Surprise MVD Bldg 1641 - Reconfigure restroom for ADA compliance	\$ 50,000
ADOT Statewide - Repair ADA bldg features	\$ 10,000
<b>TOTAL</b>	<b>\$ 60,000</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
Springerville Maintenance Yard Site 453 - Connect buildings to existing city sewer line	\$ 80,000
Fredonia Maintenance Yard Site 419 - Evaluate site electrical systems and design corrective changes	\$ 15,000
Page Maintenance Yard Site 440 - Connect existing buildings to existing local sanitary sewer line	\$ 250,000
Ajo Maintenance Yard Site 220 - Replace failing water lines	\$ 6,000
Casa Grande Maint Yard Site 223 - Evaluate electric system & design corrective changes	\$ 15,000
ADOT Statewide - Repair well systems	\$ 5,000
<b>TOTAL</b>	<b>\$ 371,000</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 2,803,381</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 100,000</b>
<b>CONTINGENCY</b>	<b>\$ 96,619</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 3,000,000</b>

<b>RECAP</b>	
<b>CATEGORY 1 - FIRE/LIFE/SAFETY</b>	<b>\$ 358,740</b>
<b>CATEGORY 2 - ROOFS</b>	<b>\$ 337,500</b>
<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	<b>\$ 376,400</b>
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 869,111</b>
<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	<b>\$ 230,630</b>
<b>CATEGORY 6 - RECONFIGURE OR REMODEL</b>	<b>\$ 200,000</b>
<b>CATEGORY 7 - ADA COMPLIANCE</b>	<b>\$ 60,000</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 371,000</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 100,000</b>
<b>CONTINGENCY</b>	<b>\$ 96,619</b>
<b>TOTAL</b>	<b>\$ 3,000,000</b>

**STATE OF ARIZONA**  
**FY 2014 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2014 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
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**STATE AVIATION FUND**

<b>CATEGORY 1 - FIRE AND LIFE SAFETY</b>	
Grand Canyon Airport Site 463 - Perform asbestos abatement on various buildings	\$ 15,000
<b>TOTAL</b>	<b>\$ 15,000</b>

<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	
Grand Canyon Airport Bldg 3551 - Rebuild and refurbish five electric sliding doors	\$ 25,000
<b>TOTAL</b>	<b>\$ 25,000</b>

<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	
Grand Canyon Airport Site 463 - Roof repairs	\$ 3,500
Grand Canyon Airport Fire Station Bldg 3802 - Install HVAC filter grilles in ceiling grid	\$ 3,000
Grand Canyon Airport Site 463 - Electrical repairs	\$ 15,000
Grand Canyon Airport Site 463 - HVAC repairs	\$ 15,000
Grand Canyon Airport Site 463 - Plumbing repairs	\$ 10,000
<b>TOTAL</b>	<b>\$ 46,500</b>

<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	
Grand Canyon Airport Admin Bldg 3582 - Replace unserviceable carpet with carpet tiles	\$ 12,000
<b>TOTAL</b>	<b>\$ 12,000</b>

<b>CATEGORY 6 - RECONFIGURE OCCUPIED SPACE</b>	
Grand Canyon Airport Bldg 3551 - Renovate public restrooms, paint, replace unserviceable lavatories	\$ 59,700
<b>TOTAL</b>	<b>\$ 59,700</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
Grand Canyon Airport Site 465 - Water and waste water system repairs	\$ 25,000
Grand Canyon Airport Site 465 - Project Management Support	\$ 5,000
<b>TOTAL</b>	<b>\$ 30,000</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 188,200</b>
<b>CONTINGENCY</b>	<b>\$ -</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 188,200</b>

<b>RECAP</b>	
<b>CATEGORY 1 - FIRE AND LIFE SAFETY</b>	<b>\$ 15,000</b>
<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	<b>\$ 25,000</b>
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 46,500</b>
<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	<b>\$ 12,000</b>
<b>CATEGORY 6 - RECONFIGURE OCCUPIED SPACE</b>	<b>\$ 59,700</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 30,000</b>
<b>TOTAL</b>	<b>\$ 188,200</b>



STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

DON SHOOTER  
CHAIRMAN 2013  
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1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

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RICK GRAY  
ANDREW C. SHERWOOD

DATE: October 22, 2013

TO: Senator Don Shooter, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Steve Grunig, Senior Fiscal Analyst *SG*

SUBJECT: Arizona Department of Administration - Consider Recommending FY 2014 Partial Rent Exemption

### Request

A.R.S. § 41-792.01D authorizes the Director of the Arizona Department of Administration (ADOA), on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of state-owned rental fees if the agency has vacated its space or if an agency does not have the financial resources to make the payment. ADOA requests the Committee recommend a partial rent exemption totaling \$3,700 in FY 2014 for the State Board of Psychologist Examiners. The appropriate level of rent funding for the board is expected to be addressed as part of the FY 2015 budget process.

### Recommendation

The JLBC Staff recommends that the Committee recommend the partial exemption of \$3,700 for the State Board of Psychologist Examiners.

### Analysis

The State Board of Psychologist Examiners has relocated to a larger office suite at 1400 West Washington. This adjustment was not reflected in the agency's FY 2014 appropriation. The partial rent exemption would provide the board relief until the appropriation can be adjusted for FY 2015.

RS/SG:kp

Janice K. Brewer  
Governor



Brian C. McNeil  
Director

**ARIZONA DEPARTMENT OF ADMINISTRATION**

OFFICE OF THE DIRECTOR

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



October 3, 2013

The Honorable Don Shooter, Chairman  
Joint Committee on Capital Review  
Arizona State Senate  
1700 West Washington Street  
Phoenix, AZ 85007

Dear Senator Shooter:

The Arizona Board of Psychologist Examiners (Psychologist Examiners) requests that the Arizona Department of Administration (ADOA) provide a partial exemption of its FY 2014 Capital Outlay Stabilization Fund (COSF) rent (see attachment).

A.R.S. § 41-792.01(D) provides that the ADOA Director, on recommendation of the Joint Committee on Capital Review (JCCR), may authorize a whole or partial exemption of COSF rent if the agency does not have the financial resources for payment. Agencies that occupy state-owned buildings shall pay the higher of the amount reported by Joint Legislative Budget Committee (JLBC) Staff or the pro rata share based on actual occupancy.

The Psychologist Examiners requested an increase to its FY 2014 appropriation for expenses to relocate to a larger office suite at 1400 West Washington. The Legislature authorized additional appropriation for the relocation expenses; however, it did not appropriate the increased FY 2014 COSF rental amount. The \$16,900 appropriated for COSF rent is \$3,700 short of the \$20,600 rental amount of the larger space.

ADOA requests favorable review of the Psychologist Examiners request for a FY 2014 COSF rent exemption of \$3,700, with the understanding that the matter will be resolved for FY 2015.

If you have any questions regarding the proposed COSF rent exemption, please contact William G. Hernandez, Assistant Director, ADOA General Services Division (GSD), at 602-364-2872.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian C. McNeil".  
Brian C. McNeil  
Director

The Honorable Don Shooter  
Arizona Board of Psychologist Examiners  
October 3, 2013  
Page 2 of 2

Attachment

cc: The Honorable John Kavanagh, Vice-Chairman, JCCR  
Richard Stavneak, Director, JLBC Staff  
Jack Brown, Fiscal Analyst, JLBC Staff  
John Arnold, Director, OSPB  
Ken Matthews, Fiscal Analyst, OSPB  
Jeff Grant, Deputy Director, ADOA/DO  
Paul Shannon, Assistant Director, ADOA/DO  
William G. Hernandez, Assistant Director, ADOA/GSD  
Nola Barnes, General Manager, ADOA/GSD  
Cindy Olvey, Psy.D., Executive Director, Arizona Board of Psychologist Examiners

*Board Members*

Janice K. Brundage, Ph.D.  
Chair  
Bob Bohanske, Ph.D.  
Vice-Chair  
John P. DiBacco, Ph.D.  
Secretary  
Paul Beljan, Psy.D., ABPdN, ABN  
Joseph C. Donaldson  
Ramona Mellou, Ph.D.  
Rob Robichaud  
Frederick S. Wechsler, Ph.D., Psy.D.  
ABPP



*State of Arizona*  
**Board of Psychologist Examiners**

1400 West Washington, Suite 235  
Phoenix, Arizona 85007

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[www.psychboard.az.gov](http://www.psychboard.az.gov)

*Staff*

Dr. Cindy Olvey  
Executive Director

Megan Martin  
Deputy Director

Heather Duracinski  
Licensing Coordinator

September 17, 2013

Mr. Brian C. McNeil, Director  
Arizona Department of Administration  
100 N. 15<sup>th</sup> Avenue  
Phoenix, Arizona 85007

Dear Director McNeil:

During the 2013 Legislative Session, the Arizona Board of Psychologist Examiners requested additional appropriation to either relocate or remodel the office in order to ensure greater security of the work environment. The appropriation request was approved and the agency made plans to relocate to office space that provides a second exit as well as a more secure entrance, which is located within the building located at 1400 W. Washington. However, a closer look revealed that, while the appropriation was approved, the specific amount of rent approved by the Legislature (\$16,900) falls short of the \$20,600 needed for FY 2014.

In order to relocate the office at this time, I am writing to request an exemption of \$3,700 for FY 2014 that would allow our agency to pay the \$16,900 for the new space, as approved by the Legislature. If the exemption is approved, we understand that beginning in FY 2015, the agency will pay the actual amount of rent for this office space.

We greatly appreciate your consideration of this request. Please contact me if you have questions or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Olvey".

Cindy Olvey, Psy.D.  
Executive Director

cc: Bill Hernandez  
Paul Shannon  
Nola Barnes