

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

RUSSELL K. PEARCE  
CHAIRMAN 2009  
PAULA ABOUD  
AMANDA AGUIRRE  
SYLVIA ALLEN  
JORGE LUIS GARCIA  
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RICH CRANDALL  
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JOHN MCCOMISH  
NANCY MCLAIN  
DAVID SCHAPIRA  
KYRSTEN SINEMA

**\*\* CANCELLED \*\***

JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, November 10, 2009

CANCELLED - 2:00 P.M.

Senate Appropriations, Room 109

### MEETING NOTICE

- Call to Order
- [Approval of Minutes of September 22, 2009.](#)
- DIRECTOR'S REPORT (if necessary).

EXECUTIVE SESSION - Arizona Department of Administration/Arizona Department of Corrections - Review of Request for Information for a State Prison Concession Agreement per A.R.S. § 38-431.03A2.

1. [ARIZONA GAME AND FISH DEPARTMENT- Review of FY 2010 Building Renewal Allocation Plan and Ben Avery Shooting Facility Improvements and Consider Approval of Appropriations Transfers.](#)
2. [ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2010 Building Renewal Allocation Plan.](#)
3. [SCHOOL FACILITIES BOARD - Review of FY 2010 New School Construction Report.](#)

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

~~11/3/09~~

11/9/09

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

Tuesday, September 22, 2009

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The Chairman called the meeting to order at 1:00 pm., Tuesday, September 22, 2009 in Senate Appropriations Room 109. The following were present:

Members:	Senator Pearce, Chairman	Representative Kavanagh, Vice-Chairman
	Senator Aguirre	Representative Crandall
	Senator Aboud	Representative Lujan
	Senator Allen	Representative McComish
	Senator Garcia	Representative Schapira
	Senator Gray	
	Senator Melvin	

Absent:	Representative McLain
	Representative Sinema

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman Russell Pearce stated the minutes of June 16, 2009 would stand approved.

#### DEPARTMENT OF VETERANS' SERVICES - Review of the Tucson Veterans' Home.

Ms. Amy Upston, JLBC Staff, stated that this item is a review of the construction of a new Veterans' Home in Tucson. The FY 2007 Capital Outlay Bill appropriated \$10 million from the General Fund for the construction of a Veterans' Home in Tucson. The JLBC Staff presented options to the Committee.

Colonel Joey Strickland, Director, Department of Veterans' Services, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review of the estimated General Fund cost of \$10 million (\$28.5 million Total Fund cost) for Department of Veterans' Services to construct a new Veterans' Home in Tucson. The motion carried.*

(Continued)

## ARIZONA DEPARTMENT OF ADMINISTRATION

### A. Review of the Department of Health Services' Arizona State Hospital Forensic Unit Project.

Mr. Art Smith, JLBC Staff, stated that this item is a review of Department of Health Services' (DHS) Arizona State Hospital (ASH) Forensic Unit project. At its June 2009 meeting, DHS requested review of the scope of work for the entire project, but instead the JCCR gave a favorable review for renovating ASH's 24<sup>th</sup> Street entrance with the provision that ADOA seek JCCR review before beginning the rest of the project. The JLBC Staff presented options to the Committee.

Mr. John Cooper, Chief Executive Officer, Arizona State Hospital, responded to member questions.

Mr. Roger Berna, General Manager, Construction Services, Arizona Department of Administration, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review to ADOA's request for the construction of a new Forensic Unit at DHS' Arizona State Hospital in Phoenix with an estimated cost of \$32.2 million. The motion carried.*

### B. Review of FY 2010 Building Renewal Projects.

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is a review of the ADOA's building renewal projects. In FY 2010 ADOA was appropriated \$1 million for building renewal. In prior years, ADOA has submitted specific lists of projects for Committee review. However, due to the limited funding of \$1 million this year, ADOA believes that they cannot commit to a specific list of projects so their plan is to expend the \$1 million on emergencies as the need arises. The JLBC Staff recommended a favorable review.

*Representative Kavanagh moved that the Committee give a favorable review for ADOA to expend \$1 million on building renewal emergency projects as the need arises with the following provisions:*

- 1. ADOA notify the Chairman and JLBC Staff as they identify specific projects.*
- 2. The Chairman will notify ADOA if he does not agree that the project is an emergency and will request that the Committee review the project.*

The motion carried.

### C. Consider Recommending FY 2010 Quarterly Rent Payments and Rent Exemption.

Mr. Dan Hunting, JLBC Staff, stated that this item is a request from ADOA to allow several small agencies to adjust their rent payments for FY 2010. Statute allows ADOA to make these adjustments upon recommendation of this Committee. The JLBC Staff recommended the 4 rent adjustments.

*Representative Kavanagh moved that the Committee recommend the FY 2010 proposed payment plans for the Office of Pest Management, the Board of Homeopathic and Integrated Medicine Examiners, and the Board of Equalization to make payments at the end of each quarter in FY 2010 instead of 1 annual payment due by the beginning of FY 2010. Additionally he moved that the Committee recommend the FY 2010 rent exemption for the Personnel Board. The motion carried.*

**NORTHERN ARIZONA UNIVERSITY - Review of Health and Learning Center, Police Relocation, and Utility Extensions Bond Projects.**

Ms. Leah Kritzer, JLBC Staff, stated that this item includes 3 Northern Arizona University (NAU) projects. NAU is proposing to spend a total of \$114.3 million in system revenue bonds, of which \$107 million would be for a Health and Learning Center, \$750,000 for the relocation of the NAU Police Department, and \$6.5 million for a utilities extension project. The JLBC Staff presented options to the Committee.

Mr. John Haeger, President, NAU, responded to member questions.

Ms. Christy Farley, Associate Vice President, Government Affairs, NAU, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review to NAU's request for a \$114.3 million system revenue bond with the standard university financing provisions listed below.*

Standard University Financing Provisions:

- *NAU shall report to the Committee before expenditure of any allocations that exceed the greater of \$1,000,000 or 10% of the reported contingency amount total for add-alternates that do not expand the scope of the project. NAU shall also report to the Committee before any reallocation exceeding \$1,000,000 among the individual planned renovations, renewals, or extensions.*
- *NAU shall submit for Committee review any allocations that exceed the greater of \$1,000,000 or 10% of the reported contingency amount total for add-alternates that expand the scope of the project. In case of an emergency, NAU may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. JLBC Staff will inform the university if they do not concur with the emergency nature of the change in scope.*
- *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.*
- *NAU shall not use bonding to finance any costs whose typical life span is less than the bond repayment period. The exceptions to this stipulation are circumstances where such repairs are required to complete a major renovation.*

Senator Gray requested a roll call vote.

The motion carried by a roll call vote of 8-3-0-2. (Attachment 1)

Without objection, the meeting adjourned at 2:52 p.m.

Respectfully submitted:

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Sandy Schumacher, Secretary

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Leatta McLaughlin, Principal Fiscal Analyst

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Senator Russell Pearce, 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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KYRSTEN SINEMA

DATE: November 3, 2009

TO: Senator Russell Pearce, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Dan Hunting, Senior Fiscal Analyst

SUBJECT: Arizona Game and Fish Department – Review of FY 2010 Building Renewal Allocation Plan and Ben Avery Shooting Facility Improvements and Consider Approval of Appropriations Transfers

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Game and Fish Department (AGFD) requests Committee review of its FY 2010 Building Renewal Allocation Plan. Laws 2009, 1<sup>st</sup> Regular Session, Chapter 10 appropriated \$473,200 from the Game and Fish Fund to AGFD to fund 100% of the building renewal formula in FY 2010.

A.R.S. § 41-1252 also requires Committee review of expenditure plans for capital projects. AGFD is requesting Committee review of \$489,300 for improvements to the Ben Avery Shooting Facility, which is located just off Interstate 17 on the Carefree Highway.

Finally, A.R.S. § 35-173 requires Committee approval of the transfer of spending authority for land acquisition and capital projects. AGFD requests the transfers of appropriations for shooting ranges in the Lake Havasu and greater Flagstaff areas.

### Recommendation

#### Building Renewal Allocation Plan

The JLBC Staff recommends that the Committee give a favorable review of the department's Building Renewal Allocation Plan to expend \$473,200 from the Game and Fish Fund in FY 2010. The plan includes the following expenditures:

- \$105,800 for fish hatchery projects.
- \$48,100 for shooting range projects.
- \$283,900 for office projects.
- \$35,400 for contingencies.

(Continued)

These monies are not available to help resolve the FY 2010 budget shortfall due to federal regulations that restrict their use.

#### Ben Avery Shooting Facility Improvements

The JLBC Staff recommends that the Committee give a favorable review of the department's \$489,300 expenditure plan for infrastructure improvements at the Ben Avery Shooting Facility, with the provision that the remainder of this project will still require Committee review prior to expenditure. These monies are not available to help resolve the FY 2010 budget shortfall due to federal regulations that restrict their use.

#### Shooting Range Appropriations Transfers

##### *Lake Havasu Area Shooting Range*

The Committee has at least the following 2 options:

1. Approve the transfer of the department's Laws 2004, Chapter 276 \$300,000 Tri-State Shooting Range appropriation to the Laws 2003, Chapter 261 \$300,000 Lake Havasu Shooting Range appropriation. The scope, purpose and estimated cost of the project would still require Committee review prior to expenditure.
2. Disapprove the transfer.

##### *Flagstaff Area Shooting Range*

The Committee has at least the following 2 options:

1. Approve the transfer of the department's Laws 2004, Chapter 276 \$800,000 Bellemont Shooting Range appropriation to the Laws 2001, Chapter 237 \$500,000 Flagstaff Shooting Range appropriation. The scope, purpose and estimated cost of the project would still require Committee review prior to expenditure.
3. Disapprove the transfer.

#### **Analysis**

##### Building Renewal Allocation Plan

Laws 1986, Chapter 85 established the Joint Committee on Capital Review (JCCR) and charged it with developing a Building Renewal formula to guide the Legislature in appropriating monies for maintenance and repair of state buildings. A.R.S. § 41-1252 requires JCCR review of the expenditure plan for Building Renewal monies. Laws 2009, 1<sup>st</sup> Regular Session, Chapter 10 appropriated a total of \$473,200 in FY 2010 from the Game and Fish Fund to AGFD for building renewal activities.

AGFD has more than 270 structures within its building and infrastructure system across the state totaling over 542,000 square feet. Facilities include the department headquarters in Phoenix, 6 regional offices, fish hatcheries, and multiple residences and storage buildings. The FY 2010 proposed Building Renewal expenditure plan is illustrated in *Table 1*:

<b>Category</b>	<b>Building Renewal Allocation</b>	<b>Total Cost<sup>1/</sup></b>
<b>Fish Hatchery Projects</b>		
Tonto Creek – <i>Pavement Restoration</i>	\$ 57,800	\$ 57,800
Canyon Creek – <i>Pavement Restoration</i>	48,000	48,000
<b>Shooting Range Projects</b>		
Ben Avery Shooting Facility – <i>Air Gun/Indoor Archery Facility</i>	48,100	48,100
<b>Other Projects</b>		
Yuma Regional Office – <i>Office Renovation/Expansion</i>	135,600	954,000
Region 2 - House Rock Wildlife Area – <i>Diesel Generator Replacement</i>	11,800	11,800
Region 5 - Cluff Wildlife Area – <i>Window Replacement</i>	21,800	21,800
Pinetop Regional Office – <i>Asphalt Surfacing and Interior Finishes</i>	62,500	62,500
Headquarters – <i>Major Maintenance Fund</i>	52,200	52,200
<b>Unanticipated modifications or repairs</b>	<u>35,400</u>	<u>N/A</u>
<b>Total</b>	<b>\$473,200</b>	<b>\$1,256,200</b>

<sup>1/</sup> Includes additional funding from Game and Fish Capital Improvement Fund.

The Yuma Regional Office project is a major building renovation and expansion project for which building renewal funds will supplement a FY 2010 capital improvement appropriation of \$818,400. AGFD plans to construct 2,550 square feet of office space and 3,750 square feet of warehouse and boat storage space. For the existing space, 6,000 square feet of interior space will be painted and new flooring will be installed, while 11,200 square feet of roofing will be renovated.

The submitted material provides additional detail for each project. The projects are consistent with building renewal guidelines and appropriations.

Ben Avery Shooting Facility Improvements

A.R.S. § 41-1252 requires that the Committee review the scope, purpose, and estimated cost before the release of monies for construction of new capital projects costing over \$250,000. Laws 2009, 1<sup>st</sup> Regular Session, Chapter 10 appropriated AGFD \$950,000 from the Game and Fish Capital Improvement Fund for infrastructure improvements at the Ben Avery Shooting Facility. The department is seeking review of expenditures totaling \$489,300. Of this amount, \$282,100 would be used for water and sewer line extensions to the following proposed new facilities on the site including the Wildlife Center, Winter Range, Mounted Shooters RV Campground, and a multipurpose event building. The remaining \$207,200 would be spent on paving and maintenance of existing drives at the facility and slurry seal of a parking lot. AGFD expects to expend the remaining \$460,700 appropriation on construction of the RV Campground and to complete connections with the City of Phoenix water system, which will still require Committee review before expenditure.

Shooting Range Appropriations Transfers

A.R.S. §35-173 requires Committee approval of transfers of spending authority for land acquisition and capital projects.

Lake Havasu Area Shooting Range

Laws 2004, Chapter 276 appropriated the department \$300,000 from the Game and Fish Capital Improvement Fund for development of the Tri-State Shooting Range in the Lake Havasu area. The department is asking to transfer this funding to the \$300,000 Laws 2003, Chapter 261 appropriation, which was also intended for the development of a shooting range in the Lake Havasu area. There have been delays in finding an appropriate site for a shooting range. The site selection issues appear to have been resolved through a transfer of land from the federal government to AGFD. The department expects to begin expenditures from these consolidated appropriations in FY 2011, when the land transfer is finalized.

(Continued)



*Flagstaff Area Shooting Range*

Laws 2001, Chapter 237, appropriated \$500,000 from the Game and Fish Capital Improvement Fund for the development of a shooting range in the Flagstaff area. Laws 2004, Chapter 276 also appropriated AGFD \$800,000 from the Game and Fish Capital Improvement Fund for development of a multi-purpose shooting range in the Bellemont area west of Flagstaff. A court ordered injunction postponing construction and the threat of litigation have delayed construction and AGFD no longer considers Bellemont a viable site for this project. Due to the difficulties in finding a suitable site for the shooting range, no expenditures have been made from this appropriation and it is in danger of lapsing. AGFD is proposing to transfer this appropriation to the Laws 2001, Chapter 237 Flagstaff Shooting Range Development appropriation.

The department is proposing to use the Flagstaff Shooting Range Development appropriation to secure a suitable site within 30 miles of Flagstaff. Opposition to the Bellemont site west of Flagstaff and the Willard Springs site near Munds Park south of the city has led the department to investigate alternative sites in the region. If a site on National Forest land is chosen, the department may spend approximately \$200,000 from the appropriation in FY 2010 for an environmental protection assessment of the area. A private parcel is also under consideration and if this site is chosen for the shooting range, the department may purchase the site for approximately \$1 million.

RS:DH:ss



THE STATE OF ARIZONA  
**GAME AND FISH DEPARTMENT**

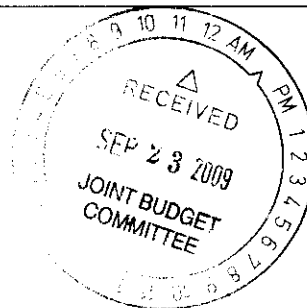
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September 18, 2009

Senator Russell K. Pearce, Chairman  
Joint Committee on Capital Review  
Arizona House of Representatives  
Capitol Complex  
1700 W. Washington  
Phoenix, AZ 85007-2890



Re: Request for Placement on Joint Committee on Capital Review Agenda

Dear Senator Pearce:

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

1. Transfer of FY05 Appropriation No. 03035 - Bellemont Shooting Range (Expires 6/30/10) to FY02 Appropriation No. 03023 - Flagstaff Shooting Range (Expires 6/30/22)
2. Re-title Appropriation No. 03023 - Flagstaff Shooting Range To Northern Arizona Shooting Range Land Acquisition and Development
3. Transfer of FY05 Appropriation No. 03033 - Tri-state Shooting Range Development (Expires 6/30/10) to Appropriation No. 03031 - Tri-state Shooting Range Development (Expires 6/30/2022)
4. FY10 Appropriation No. 03050 - Ben Avery Shooting Facility Improvements (approval of partial expenditure)
5. FY10 Building Renewal Expenditure Plan

The information for this review is attached.

Sincerely,

Fred J. Bloom, P.E.  
Chief Engineer

FJB:fb

cc: Eileen Klein, Director, OSPB  
Bill Greeney, OSPB  
Representative John Kavanagh  
Richard Stavneak, Staff Director, JLBC  
Leatta McLaughlin, JLBC  
Dan Hunting, JLBC  
Tony Guiles, AGFD

## **1. Transfer of FY05 Appropriation No. 03035 - Bellemont Shooting Range (\$800,000 - Expires 6/30/10) To FY02 Appropriation No. 03023 – Flagstaff Shooting Range (\$500,000 - Expires 6/30/22)**

Flagstaff is the largest city in Arizona without a public shooting range, forcing recreational shooters to use makeshift areas, such as cinder pits in the forest, and causing law enforcement personnel to travel to other cities with shooting ranges for training. A local shooting range would provide multi-purpose shooting facilities that may include rifle sight-in, pistol, shotgun, clay target, and archery venues. Beginning in 1998 the Arizona Game and Fish Department (Department) began its efforts to acquire a site to construct a shooting range facility. After a lengthy site evaluation process, the Department selected what has been commonly referred to as the Bellemont site; approximately 15 miles west of Flagstaff on US Forest Service. The Department completed an Environmental Assessment (required by the National Environmental Policy Act) with a favorable memorandum of decision by the Forest Service. The property would be acquired via a land exchange between the Department and the Forest Service. However, the Department abandoned its efforts to execute the land exchange due to a Court ordered injunction postponing construction of the range as well as imminent litigation by adjacent private landowners.

The Department is requesting JCCR to approve transfer of Appropriation No. 03035 - Bellemont Shooting Range (\$800,000), which expires at the end of the current fiscal year, to Appropriation No. 03023 Flagstaff Shooting Range. This would allow the Department to proceed beyond this fiscal year at its currently established funding level with its efforts to establish a shooting range facility in the Flagstaff area. Actual expenditures will be submitted to the JCCR for review and approval prior to implementation.

## **2. Re-title Appropriation No. 03023 - Flagstaff Shooting Range To Northern Arizona Shooting Range Land Acquisition and Development**

The Arizona Game and Fish Department continues to pursue alternative sites to achieve its objective of providing a safe, professionally designed and operated shooting facility in northern Arizona. Department staff has reviewed an additional 23 potential sites that include public, private, state, and tribal lands in an effort to identify the most suitable location and possibly reduce the timeline or costs associated with developing a fully operational local/community public shooting range. At its June 27, 2009 meeting in Phoenix, the commission directed the Department to execute an Agreement to Initiate (ATI) with the Coconino National Forest for an alternative site approximately 16 miles south of Flagstaff, referred to as the Willard Springs site. However, due to objections by an organized group of residents in the Munds Park community, the Department will also be investigating three additional site locations. The Cochrane Hill and the Winona/Telephone Range sites, both Coconino National Forest properties, will undergo cultural surveys to determine if acquiring either of these sites would more adequately meet the critical need for a local recreational public shooting range near Flagstaff, while avoiding possible litigation by the Munds Park residents. A third alternative, a private land holding south of Winona is also under evaluation and would be a fee simple purchase and would likely be the most expeditious alternative. All three alternate sites are located 30 minutes east of Flagstaff.

Pursuant to ARS 17-292 the Arizona Game and Fish Capital Improvement Fund may be expended by the Department, subject to legislative appropriation for “acquiring real property for game and fish facilities.” Because both viable public and private property alternatives have been identified, the Department is requesting eligible expenditures under this appropriation include all costs associated with site acquisition such as appraisals, National Environmental Policy Act requirements and the purchase of real property. The details of any such proposed acquisition would be presented to the JCCR for review and approval.

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### **3. Transfer of FY05 Appropriation No. 03033 – Tri-state Shooting Range Development (\$300,000 - Expires 6/30/10) to FY 04 Appropriation No. 03031 Tri-state Shooting Range Development (\$300,000 - Expires 6/30/2022)**

Due to ongoing negotiations between the Department, the Bureau of Land Management and the Fort Mohave Indian Tribe, it is inevitable that progress on establishing this shooting range site near Lake Havasu City will be delayed beyond this fiscal year. However in April of this year, U.S. Representative Trent Franks introduced House Bill 2100 which directs the Secretary of the Interior, through the Bureau of Land Management (BLM), to convey specified public lands in Mohave County, Arizona, to the Arizona Game and Fish Department to permit the Department to use such lands as a public shooting range. Since this appropriation will expire June 30, 2010, the Department is requesting the JCCR approve transfer of Appropriation No. 03033 to Appropriation 03031. This would allow the Department to proceed beyond this fiscal year at its currently established funding level with its efforts to establish a shooting range facility in the Lake Havasu area. Actual expenditures will be submitted to the JCCR for review and approval prior to implementation.

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### **4. Approval of Partial Expenditure of FY10 Appropriation No. 03050 – Ben Avery Shooting Facility Improvements**

This \$950,000 appropriation is intended to provide funding for various infrastructure improvements at the Ben Avery Shooting Facility including water, sewer and road improvements. The Department is requesting review and approval of the expenditure of \$282,150 for water and sewer line extensions to its proposed Wildlife Center, Winter Range and Mounted Shooters RV campground and multipurpose covered event building. Bids from a Department contractor are attached.

The Department is also requesting approval for the expenditure of \$207,190 for paving and paving maintenance of Archery and Skeet Drives and slurry seal of the Clay Target Center parking lot at its Ben Avery Shooting Facility. Bids from a State contractor are attached.

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### **5. FY10 Building Renewal Expenditure Plan**

The Department is requesting approval of its FY10 Building Renewal Expenditure Plan. Details are attached.

<b>AGFD FY 2010 BUILDING RENEWAL EXPENDITURE PLAN</b>		<b>\$473,200</b>
<b>FY 10 AGFD APPROPRIATION</b>		
<b>FISH HATCHERY PROJECTS</b>		
<i>Tonto Creek Pavement Restoration</i>		
Cut and Replace Repair, Crack Seal and Type II Slurry Seal		\$57,750
<i>Canyon Creek Pavement Restoration</i>		
Cut and Replace Repair, Crack Seal and Type II Slurry Seal		\$48,000
<b>SUBTOTAL:</b>		<b>\$105,750</b>
<b>SHOOTING RANGE PROJECTS</b>		
<i>Ben Avery Shooting Facility - Air Gun/Indoor Archery Facility</i>		
Roll Up Door Replacement, Insulation and Electrical/Lighting Upgrades		\$29,700
Electrical System Renovation		\$18,410
<b>SUBTOTAL:</b>		<b>\$48,110</b>
<b>OTHER PROPERTIES</b>		
<b>(See attached summary of Hatchery Projects)</b>		
<i>Yuma Regional Office</i>		
Regional Office Renovation/Expansion (Building Renewal Eligible Components)		\$135,650
<i>Region 2 - House Rock Wildlife Area</i>		
Diesel Generator Replacement		\$11,800
<i>Region 5 - Cluff Wildlife Area</i>		
Residence and Office Improvements (HVAC, Window Replacement)		\$21,800
<i>Pinetop Regional Office</i>		
Asphalt Surfacing and Pavement Restoration		\$16,500
Interior Finishes - Flooring and Painting		\$46,000
<i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i>		\$52,230
<b>SUBTOTAL:</b>		<b>\$283,980</b>
<b>TOTAL PLANNED BUILDING RENEWAL EXPENDITURES</b>		<b>\$437,840</b>
<i>Unanticipated Building Modifications, Repairs, Health and Life Safety Items, Contingencies</i>		<b>\$38,360</b>
<b>TOTAL FY 2009 BUILDING RENEWAL ESTIMATED EXPENDITURE:</b>		<b>\$473,200</b>

<b>AGFD FY 10 BUILDING RENEWAL PROJECT ESTIMATE SUMMARY</b>				
<b>PROJECT LOCATION/DESCRIPTION</b>	<b>Project Construction Estimate</b>	<b>Design/Construction Admin</b>	<b>FY 10 Building Renewal Portion</b>	<b>Supplemental Funding Sources</b>
<b>FISH HATCHERY PROJECTS</b>				
<i>Based on recent similar work bids by the Departments On-Call Contractor</i>				
<i>Tonto Creek Pavement Restoration</i> Cut and Replace Repair, Crack Seal and Type II Slurry Seal 7700 sqyds @ 7.50/sqyd	\$57,750	N/A	\$57,750	None
<i>Canyon Creek Pavement Restoration</i> Cut and Replace Repair, Crack Seal and Type II Slurry Seal 6400 sqyds @ 7.50/sqyd	\$48,000	N/A	\$48,000	None
<b>SUBTOTAL:</b>	<b>\$105,750</b>		<b>\$105,750</b>	
<b>SHOOTING RANGE PROJECTS</b>				
<i>Ben Avery Shooting Facility - Air Gun/Indoor Archery Facility</i> Roll Up Door Replacement, Insulation and Lighting Replacement Electrical System Renovation - APS Distribution per Quote	\$29,700 \$18,410		\$29,700 \$18,410	Shooting Range Development Fund
<b>SUBTOTAL:</b>	<b>\$48,110</b>	<b>\$6,800</b>	<b>\$48,110</b>	
<b>OTHER PROPERTIES - APS Distribution</b>				
<i>Yuma Regional Office</i> Regional Office Renovation/Expansion (See attached cost estimate)	\$954,000	\$195,000	\$135,650	GF Capital Improvement Fund
<i>Region 2 - House Rock Wildlife Area</i> Generac QT025T 25 kW Diesel Generator Replacement (Per vendor quote)	\$11,800	N/A	\$11,800	None
<i>Region 5 - Cluff Wildlife Area</i> Replace Windows in Residence and Office (Per contractor quote)	\$21,800	N/A	\$21,800	None
<i>Pinetop Regional Office</i> Asphalt Surfacing and Pavement Restoration Slurry Seal 3000 sqyds @ \$5.50 sqyd Interior Finishes - Flooring (Per vendor quote ) Interior Finishes - Painting (Per contractor quote )	\$16,500 \$35,000 \$11,000	N/A N/A	\$16,500 \$35,000 \$11,000	None None
<i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i> (Per Trustee indenture Agreement)	\$52,230	N/A	\$52,230	None
<b>SUBTOTAL:</b>	<b>\$1,102,330</b>		<b>\$283,980</b>	
<b>TOTAL PROJECT AMOUNT:</b>	<b>\$1,256,190</b>		<b>\$437,840</b>	
<b>BALANCE TO UNANTICIPATED ACTIVITIES:</b>			<b>\$35,960</b>	
<b>TOTAL PLANNED EXPENDITURE:</b>			<b>\$473,200</b>	

**AGFD FY 10 BUILDING RENEWAL PROJECT JUSTIFICATION**

PROJECT LOCATION	PROJECT DESCRIPTION
<b>FISH HATCHERY PROJECTS</b>	
<p><i>Tonto Creek Pavement Restoration</i></p> <p>Cut and Replace Repair, Crack Seal and Type II Slurry Seal</p>	<p>This project is part of the Hatchery cyclic maintenance program. Pavement is maintained at Hatchery entrance, parking lots and circulation surfaces around fish rearing area.</p>
<p><i>Canyon Creek Pavement Restoration</i></p> <p>Cut and Replace Repair, Crack Seal and Type II Slurry Seal</p>	<p>This project is part of the Hatchery cyclic maintenance program. Pavement is maintained at Hatchery entrance, parking lots and circulation surfaces around fish rearing area.</p>
<b>SHOOTING RANGE PROJECTS</b>	
<p><i>Ben Avery Shooting Facility - Air Gun/Indoor Archery Facility</i></p> <p>Roll Up Door Replacement, Insulation and Lighting Replacement, Electrical Upgrades and HVAC Installation</p>	<p>The Ben Avery Shooting Facility has experienced a growing demand for an improved air gun facility. At the same time, this facility can provide a location for youth indoor archery. The Department is in the process of renovating an existing pre-engineered metal building for this purpose.</p>
<b>OTHER PROPERTIES</b>	
<p><i>Yuma Regional Office</i></p> <p>Regional Office Renovation/Expansion (See attached cost estimate)</p>	<p>The Department is pursuing the renovation and expansion of three of its Regional Offices (three others have already been implemented) at Flagstaff, Yuma and Kingman over the next three years. The Flagstaff project is currently under construction. The Yuma project was postponed from FY 09 due to funding/cash flow issues relating to available Capital Improvement fund cash, which relies on license sales revenues as well as need for additional building renewal funding from FY 10. This allocation will be applied toward building renewal eligible costs identified in the scope of work. This project is anticipated to go to bid in May 2010.</p>
<p><i>Region 2 - House Rock Wildlife Area</i></p> <p>Diesel Generator Replacement (See attached quote)</p>	<p>The Department has recently implemented several upgrades to the House Rock Wildlife Area manager's headquarters including the solar power system. However the headquarter relies on a generator backup system. The existing generator is over 15 years old and is unreliable. Generator replacement is included in the Department's cyclic maintenance program.</p>
<p><i>Region 5 - Cluff Wildlife Area</i></p> <p>Residence and Office Improvements (See attached cost estimate)</p>	<p>The HVAC system in the residence is 14 year old and unreliable. Recent repair estimates were cost prohibitive relative to purchasing a new unit. The new equipment will be a minimum of 14 SEER and will be far more efficient. Additionally, the window in both the office building and the residence are in very poor condition as they leak, cannot be opened or closed and wood encasements are rotting. The window will be replaced with windows that match the historic architecture of the building and have superior insulation properties.</p>
<p><i>Pinetop Regional Office</i></p> <p>Asphalt Surfacing and Pavement Restoration (See attached cost estimate)</p> <p>Interior Finishes - Flooring and Painting (See attached cost estimate)</p>	<p>This is a continuation of pavement restoration at this facility from last year. Large sections of failing pavement were cut out, removed and replaced with hot asphalt. This funding will be used to complete crack sealing and apply a Type II Slurry Seal.</p> <p>This is a continuation of the Departments cyclic maintenance plan for it Regional Offices. This is the third of three Regional Offices scheduled for new flooring and interior painting (Tucson and Mesa were done over the last two fiscal years).</p>
<p><i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i></p>	<p>As part of our lease purchase agreement for its new Headquarters facility, the Department deposits a portion of its annual building renewal allocation into a trust fund for long term major maintenance items per an established schedule.</p>

## Yuma Regional Office Renovation/Expansion

### NEED

*Office Space:* Regional activities and programs have undergone significant changes and growth since the construction of this facility in 1991. A corresponding increase in regional personnel has typically stretched workspace and storage allocation beyond design capacity. This is currently reflected by crowded personal workspaces, decreased space for office equipment and records storage, and overflow of such storage into the warehouses, compromising their intended use. There is also a need to increase the size of the region's conference room to better accommodate the public during activities such as Commission meetings and other events. As such, the Department is pursuing expansion and upgrade strategies for this facility.

*Storage/warehouse Space:* This is a critical need at this location as well. Currently office overflow storage is filling more and more warehouse space. This creates a problem by reducing space to be used for essential equipment that should be stored in these areas. Also, increasing inventories of equipment and materials has created a situation where exposure to extreme temperature and sun has significantly reduced its useful life. This in turn has resulted in a need to reevaluate parking space needs to help alleviate congestion at the facility.

*Technology Upgrades:* Although not included in the cost estimates below, upgrades to specialty features such as data communications and information technology should be evaluated in order to allow all the Regional offices to keep pace with technological advancements. With more room to operate and better technology, these facilities have the potential to be more efficient and useful to the public and more productive for the employees stationed at these various locations. An example of this would be the use of a teleconferencing system or an IT enabled classroom that would provide direct links between the regional offices and the AGFD headquarters. A result, there would be a reduction in commuting expenses of regional employees, thus reducing operation and maintenance costs to vehicles, fuel expenses, etc.

### SCOPE AND ESTIMATED COSTS

#### ▪ Additional Space

*Office Workspace/File Storage:* Approximately 1,800 sq. ft. of office space and/or file storage space is required to alleviate space concerns in the Regional Office. The 1,800 sq. ft. could be configured to create adequate workspace area for up to nine persons.

**Total cost estimate for office workspace/file storage: \$288,000.00  
(+ 10% mobilization and 10% contingency) = \$345,600.00\***

*\*Calculated using a cost of \$160 per sq. ft. of additional space, i.e. \$160 x 1,800 sq. ft.  
(includes 12% overhead for architectural fees)*



*Conference Room:* 750 sq. ft. of additional conference room space is proposed. The addition of 750 sq. ft. will be a vast improvement for regionally sponsored activities and events, allowing larger attendance at these events.

**Total cost estimate for conference room: \$120,000.00**  
**(+ 10% mobilization and 10% contingency) = \$144,000.00\*\***

*\*\*Calculated using a cost of \$160 per sq. ft. of additional space, i.e. \$160 x 1,800 sq. ft. (includes 12% overhead for architectural fees)*

*Warehouse/Boat Storage:* The new warehouse space is based on adding a building module based on the standard existing footprint at all the Regional Offices. The approximate area of the existing warehouse modules is 3,750 sq. ft. The additional space will be configured as a combination of closed/secure storage and open bay storage based on the needs of each Region.

**Total cost estimate for warehouse/boat storage: \$281,250.00\***

*\*Calculated using a cost of \$75 per sq. ft. of additional space, i.e. \$75 x 3,750 sq. ft.*

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▪ **Renovation of Existing Structure (Based on 6000 sq.ft. Existing Total Building Area)**

*Carpet/Flooring*

.75 X 6000 sq.ft. = 4500 sq.ft. = 500 yrds X \$27.50/yard = **\$13,750**

*Paint (interior)*

.90 X 6000 sq.ft. = 5400 sq.ft. (ceiling) + .9 X 1.6 X 6000 = 8640 sq.ft (walls)  
= 14040 sq.ft. X \$.90/sq.ft. = **\$12,700**

*Paint (exterior)*

1.6 X 6000 = 8640 sq.ft X .95 = **\$8,200**

*Roofing*

11200 sq.ft X \$5/sq.ft. (metal tile type) = **\$56,000**

**Total: \$90,650**

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▪ **Modifications to Existing Workspace**

This is a contingency estimate to allow for alterations to existing space such as adding/removing walls, modifying front counter/public areas, etc.

500 sq.ft. @ \$90/sq.ft. = **\$45,000**

**Total: \$45,000**

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▪ **Building Systems Upgrades (Based on Build Out)**

HVAC – 8900 sq.ft./500 = 18 tons HVAC capacity required (equipment only)  
 \$1500/ton X 18 tons = **\$27,000**

Plumbing – None anticipated

Electrical Service – 600 amp service upgrade ~**\$12,000**

**Total: \$39,000**

▪ **Infrastructure**

*Paving:* No areas of pavement will be affected by this expansion. The parking area is currently very small and requires additional area. However, there is not much space to work with. There is a setback requirement on the west side, which would not be able to provide enough space to add additional parking. The parking on the south side of the building is limited because the setback would not conform to City of Yuma road standards. The property would lose a large amount of space, which is currently being used as parking, if required to conform to City of Yuma standards. The standard is not currently enforced, as there have been no plans to develop past the existing property boundaries.

*Utilities:* All connections are currently to city, municipal, or corporate providers.

*Landscaping:* Landscaping of a typical 650 sq. ft. area, broken up around the perimeter of the building has been quoted, on average, at \$8,500 for generic flora and other landscape material. This figure is hard to determine, as landscaping should be performed on a case-by-case evaluation for appearance and type of environment. A specific value is not assigned here, only a general landscape contractor's quote.

**Total cost estimate for landscaping: \$8,500.00**

**COST ESTIMATE SUMMARY**

<b>Category</b>	<b>Region 4</b>
Additional Space	\$770,850
Renovation*	\$90,650
Modifications*	\$45,000
Building Systems	\$39,000
Infrastructure	\$8,500
<b>TOTAL:</b>	<b>\$954,000</b>

**\*These items are eligible for Building Renewal funds (\$135,650).**

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

RUSSELL K. PEARCE  
CHAIRMAN 2009  
PAULA ABOUD  
AMANDA AGUIRRE  
SYLVIA ALLEN  
JORGE LUIS GARCIA  
CHUCK GRAY  
AL MELVIN

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

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HOUSE OF  
REPRESENTATIVES

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NANCY MCLAIN  
DAVID SCHAPIRA  
KYRSTEN SINEMA

DATE: November 3, 2009

TO: Senator Russell Pearce, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Juan Beltran, Fiscal Analyst

SUBJECT: Arizona Department of Transportation – Review of FY 2010 Building Renewal Allocation Plan

### Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Transportation (ADOT) requests that the Committee review its \$1,050,000 FY 2010 Building Renewal Allocation Plan, including \$1,000,000 from the State Highway Fund and \$50,000 from the State Aviation Fund. In addition, the plan includes \$71,200 from the FY 2009 building renewal contingency allocation.

ADOT has allocated \$1,000,000 from the State Highway Fund among 97 projects, leaving a contingency balance of \$42,900 and \$60,000 for project management support. ADOT has also allocated \$121,200 from the State Aviation Fund for 5 projects.

### Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the FY 2010 Building Renewal allocation plan. The proposed expenditure plan is consistent with building renewal guidelines and appropriations. The JLBC Staff also recommends that ADOT report any project reallocations above \$100,000.

### Analysis

The FY 2010 Capital Outlay Bill (Laws 2009, 1<sup>st</sup> Regular Session, Chapter 10) appropriated a total of \$1,050,000 for building renewal in FY 2010, including \$1,000,000 from the State Highway Fund and \$50,000 from the State Aviation Fund. The FY 2010 Building Renewal appropriation represents 12% of the amount generated by the revised building renewal formula for the ADOT Building System and 31% for the Grand Canyon Airport for FY 2010. The formula is based on the square footage and replacement cost of existing buildings.

(Continued)

ADOT expects to allocate the Building Renewal monies from the State Highway Fund in the following categories for 97 projects:

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Roof Repairs/Replacement	53	\$ 354,800	35.5%
Building Systems (HVAC, Electrical, Plumbing)	20	317,300	31.7%
Fire/Life/Safety	13	145,700	14.6%
Project Management Support	N/A	60,000	6.0%
Contingency	N/A	42,900	4.3%
Exterior Preservation (Doors, Windows, Siding)	6	26,800	2.7%
Major Renovation (Reconfigure, Remodel)	1	25,000	2.5%
Infrastructure (Sewers)	3	25,000	2.5%
Americans with Disabilities Act	<u>1</u>	<u>2,500</u>	<u>0.2%</u>
<b>Total</b>	<b>97</b>	<b>\$1,000,000</b>	<b>100.0%</b>

The following 2 State Highway Fund projects require \$50,000 or more:

<u>Project</u>	<u>Allocation</u>
<b>Fire/Life/Safety</b>	
Repair catwalk - Williams Vehicle Washrack	\$ 60,000
<b>Building Systems (HVAC, Electrical, Plumbing)</b>	
Replace motorized inlet dampers - Phoenix Equipment Services Complex	<u>60,300</u>
<b>Total</b>	<b>\$120,300</b>

ADOT expects to allocate the \$121,200 (\$50,000 FY 2010 and \$71,200 FY 2009) of Building Renewal monies from the State Aviation Fund for 5 projects at the Grand Canyon Airport including installing a required UV disinfection system and re-plumbing a water treatment plant, repairing existing water meters, performing water system repairs, and repairing deteriorated water storage tanks and valves.

The attached material submitted by ADOT lists each project and its estimated cost. The projects are consistent with Building Renewal guidelines and appropriations.

RS/JB:sls  
Attachment



# Arizona Department of Transportation

## Office of the Director

206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janice K. Brewer  
Governor

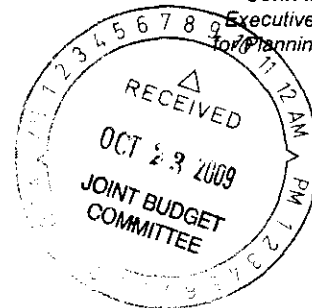
John S. Halikowski  
Director

October 22, 2009

John A. Bogert  
Chief of Operations

John McGee  
Executive Director  
for Planning & Policy

Senator Russell Pearce, Chairman  
Joint Committee on Capital Review  
1716 W. Adams Street  
Phoenix, Arizona 85007



Dear Senator Pearce:

We respectfully request that the Arizona Department of Transportation's (ADOT) planned FY2010 Building Renewal projects be placed on the next Joint Committee on Capital Review (JCCR) meeting agenda for review and approval.

The following summary outlines the scope of work:

**State Highways Fund Building Renewal Projects:**

Category 1 - Fire/Live/Safety	\$ 145,733
Category 2 - Roof Repairs/Replacement	354,827
Category 3 - Preservation of Asset	26,755
Category 4 - Major Building Systems	317,324
Category 6 - Major Renovation	25,000
Category 7 - ADA Compliance	2,500
Category 8 - Infrastructure	25,000
Project Management Support	60,000
Contingency	<u>42,861</u>
Sub Total	\$ <u>1,000,000</u>

**Aviation Fund Building Renewal Projects:**

Category 4 - Major Building Systems	15,000
Category 8 - Infrastructure	<u>35,000</u>
Sub total	<u>50,000</u>

FY2010 Total \$1,050,000

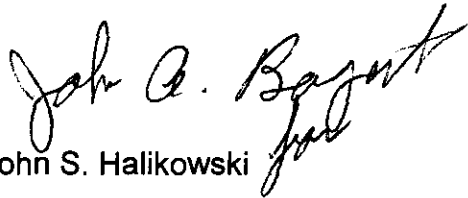
Senator Russell Pearce, Chairman  
October 22, 2009  
Page Two

In addition, we are submitting the following FY2009 Aviation Fund Building  
Renewal project:

Repair Grand Canyon Airport Water Storage Tanks	\$ 71,223
--	-----------

Your favorable review and approval of our request is appreciated.

Sincerely,



John S. Halikowski

cc: Representative John Kavanagh, Vice-Chairman  
Richard Stavneak, JLBC  
Juan Beltran, JLBC  
Brandon Nee, OSPB  
John Hetzel, ADOT

**STATE OF ARIZONA**  
**FY 2010 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2010 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
<b>STATE HIGHWAY FUND</b>	
<b>CATEGORY 1 - FIRE/LIFE SAFETY</b>	
Statewide ITD Facilities - Install missing mezzanine load limit signage	\$ 2,000
East Flagstaff Traffic Signals Bldg 3176 - Replace unserviceable stairwell handrail	\$ 2,000
Williams Vehicle Washrack - Repair catwalk to eliminate hazard	\$ 60,000
Show Low Training Bldg Bldg 3279 - Replace failing steps	\$ 2,883
Wickenburg Maint Yard - Repair/replace unserviceable stairs & handrails	\$ 10,000
Tucson Signing & Striping Warehouse (I-10/I-19 yard) - Install pigeon control measures	\$ 10,000
Statewide Equipment Services Facilities - Install missing mezzanine load limit signage	\$ 2,000
Safford Equipment Services Office - Replace asbestos containing deteriorated flooring	\$ 15,000
Phoenix Equipment Services Heavy Duty Shop - Tie-in 3 air wash smoke detect into fire alarm panel	\$ 4,000
ADOT Statewide - Install/replace emergency exit signs & lights	\$ 2,000
ADOT Statewide - Asbestos and lead paint abatement	\$ 7,500
Flagstaff MVD Bldg 3150 - Install gutter heat strip to prevent ice hazard	\$ 3,350
Tucson North MVD - Replace unsafe walkways	\$ 25,000
<b>TOTAL</b>	<b>\$ 145,733</b>

<b>CATEGORY 2 - ROOFS</b>	
Flagstaff Office/Modular Bldg 324 - Repair failing roof	\$ 900
Flagstaff District Office Bldg 3152 - Replace failing roof	\$ 1,782
Flagstaff Office/Shop Bldg 3151 - Repair failing roof	\$ 2,400
Flagstaff District Bldg 3154 - Replace failing roof	\$ 6,560
Flagstaff Storage Bldg 3432 - Replace failing roof	\$ 450
Gray Mountain Water System/Well Head Bldg 3696 - Replace failing roof	\$ 400
Gray Mountain Water System/Pump House Bldg 3195 - Replace failing roof	\$ 1,975
Gray Mountain Residence Bldg 3198 - Replace failing roof	\$ 8,260
Gray Mountain Residence Bldg 3199 - Replace failing roof	\$ 8,210
Gray Mountain Residence Bldg 3200 - Replace failing roof	\$ 8,210
Gray Mountain Residence Bldg 3201 - Replace failing roof	\$ 8,210
Gray Mountain Residence Bldg 3202 - Replace failing roof	\$ 8,500
Gray Mountain Maintenance Office Bldg 3205 - Repair failing roof	\$ 6,815
Gray Mountain Storage Bldg 3206 - Replace failing roof	\$ 3,700
Gray Mountain Storage Bldg 3445 - Replace failing roof	\$ 475
Gray Mountain Storage/Sign Bldg 3444 - Replace failing roof	\$ 12,325
Snowflake Office/Traffic Signals Bldg 3282 - Repair failing roof	\$ 3,665
Snowflake Storage Bldg 3283 - Repair failing roof	\$ 500
St. Johns Fuel Station Bldg 3773 - Replace failing roof	\$ 1,350
St. Johns Storage Bldg 3398 - Repair failing roof	\$ 1,910
Springerville Fuel Station Bldg 3775 - Replace failing roof	\$ 1,680
Kayenta Storage Bldg 3342 - Repair failing roof	\$ 3,025
Kayenta Office/Maintenance Bldg 3343 - Replace failing roof	\$ 4,050
Window Rock Office/Construction Bldg 3363 - Repair failing roof	\$ 3,195
Teec Nos Pos Residence Bldg 3367 - Repair failing roof	\$ 3,075
Teec Nos Pos Residence Bldg 3368 - Repair failing roof	\$ 2,595
Teec Nos Pos Fuel Station Bldg 3371 - Repair failing roof	\$ 360
Teec Nos Pos Storage Bldg 3380 - Replace failing roof	\$ 675
Winslow Maintenance Office Bldg 3229 - Replace failing roof	\$ 8,100
Winslow Office/Equipment Storage Bldg 3230 - Replace failing roof	\$ 28,700
Winslow West Storage Bldg 3233 - Replace failing roof	\$ 2,325

**STATE OF ARIZONA**  
**FY 2010 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2010 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
Winslow East Storage Bldg 3235 - Replace failing roof	\$ 18,900
Fort Rock Water System Well House Bldg 3658 - Replace failing roof	\$ 500
Fort Rock Water System/Pump House Bldg 3062 - Replace failing roof	\$ 1,050
Grey Peak Generator Shed - Repair failing roof	\$ 5,200
Ajo Maintenance Office - Replace failing roof	\$ 5,000
Phoenix Equipment Services Complex - Repair roof drains	\$ 7,680
Show Low Equipment Services Shop - Repair failing roof	\$ 1,000
St Johns Equipment Services Shop Bldg 3315 - Repair failing roof	\$ 10,925
Safford Equipment Services Shop (2132) - Patch & recoat roof; replace failing gutters	\$ 20,000
ADOT Statewide - Repair roofs	\$ 5,000
Teec Nos Pos Office/MVD Bldg 3364 - Replace failing roof	\$ 3,950
Teec Nos Pos Storage Bldg 3366 - Repair failing roof	\$ 2,895
Chinle Office/MVD Bldg 3353 - Replace failing roof	\$ 7,650
Window Rock Office/MVD/POE Bldg 3362 - Replace failing roof	\$ 7,895
Springerville Office/MVD/POE Bldg 3324 - Repair failing roof	\$ 15,000
Springerville POE Storage Bldg 3403 - Replace failing roof	\$ 900
Show Low Office/MVD Bldg 3273 - Repair failing roof	\$ 10,245
Tuba City MVD Bldg 3237 - Replace failing roof	\$ 14,000
Tuba City Storage Bldg 3236 - Replace Failing roof	\$ 660
Cottonwood MVD Bldg 3098 - Replace failing roof	\$ 35,000
Tucson Regional MVD Inspection Bay - Replace/repair failed roof	\$ 5,000
Nogales MVD - Replace failing clay tile roof and rafters	\$ 32,000
<b>TOTAL</b>	<b>\$ 354,827</b>

<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	
Mesa Maint Yard (Recker Rd) Bldg 1367 - Replace unserviceable overhead rollup door	\$ 3,500
Administration Bldg - Repaint rusted and deteriorated exterior canopy supports on westside	\$ 3,500
Sierra Vista MVD - Replace failing entry doors	\$ 4,000
South Mountain MVD - Replace unserviceable man gates	\$ 4,755
Casa Grande MVD - Rectify security issue by replacing failing entry doors (2 sets)	\$ 8,000
Claypool MVD - Rectify security issue by replacing failing entry doors (2)	\$ 3,000
<b>TOTAL</b>	<b>\$ 26,755</b>

<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	
Engineering Bldg - Perform chiller and other HVAC repairs	\$ 20,000
Central Materials Lab - Perform HVAC repairs	\$ 10,000
Flagstaff Maintenance Yard Bldg 3747 - Repair 2 electrical outlets for block heaters for loaders	\$ 540
Globe Maintenance Office - HVAC unit heat strip repairs	\$ 5,000
Tucson ITG Office - Replace failing inefficient HVAC system	\$ 15,000
Tucson District Office Training Center - Replace failing inefficient HVAC system	\$ 10,000
Yuma District Office - Replace failing inefficient HVAC units	\$ 30,000
Phoenix Equipment Services Complex - Repair floor drains	\$ 8,500
Phoenix Equipment Services Heavy Duty Shop - Replace 5 unserviceable evaporative coolers	\$ 25,000
Phoenix Equipment Services Complex - Replace unserviceable motorized inlet dampers on 8 air washers	\$ 60,284
Safford Equipment Services Shop - Replace failing downdraft evap coolers	\$ 15,000
Tucson Equipment Services Shop - Replace failing evap coolers	\$ 17,500
Tucson Equipment Services Shop - Replace failing HVAC units	\$ 10,500
ADOT Statewide - Repair HVAC systems	\$ 20,000
ADOT Statewide - Repair plumbing systems	\$ 5,000
ADOT Statewide - Repair electrical systems	\$ 5,000



**STATE OF ARIZONA**  
**FY 2010 CAPITAL IMPROVEMENT PLAN**  
**DEPARTMENT OF TRANSPORTATION FY 2010 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
ADOT Statewide - Retrofit unserviceable light fixtures	\$ 5,000
Administration Bldg - Design for replacement of unserviceable SES and motor control electrical system	\$ 20,000
MVD Facilities - Repair HVAC systems	\$ 10,000
Avondale MVD - Replace unserviceable cooling tower	\$ 25,000
<b>TOTAL</b>	<b>\$ 317,324</b>

<b>CATEGORY 6 - RECONFIGURE OR REMODEL</b>	
Phoenix Regional Lab - Repair fog room	\$ 25,000
<b>TOTAL</b>	<b>\$ 25,000</b>

<b>CATEGORY 7 - ADA</b>	
SE Mesa MVD Bldg 1331 - Replace unserviceable ADA door opener at north entrance	\$ 2,500
<b>TOTAL</b>	<b>\$ 2,500</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
Casa Grande Construction Office - Repair sewer & septic systems	\$ 5,000
ADOT Statewide - Repair well systems	\$ 5,000
Duncan POE - Assess septic system for serviceability	\$ 15,000
<b>TOTAL</b>	<b>\$ 25,000</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 897,139</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 60,000</b>
<b>CONTINGENCY</b>	<b>\$ 42,861</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 1,000,000</b>

<b>RECAP</b>	
<b>CATEGORY 1 - FIRE/LIFE/SAFETY</b>	<b>\$ 145,733</b>
<b>CATEGORY 2 - ROOFS</b>	<b>\$ 354,827</b>
<b>CATEGORY 3 - PRESERVATION OF ASSET</b>	<b>\$ 26,755</b>
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 317,324</b>
<b>CATEGORY 5 - INTERIOR BUILDING FINISHES</b>	<b>\$ -</b>
<b>CATEGORY 6 - RECONFIGURE OR REMODEL</b>	<b>\$ 25,000</b>
<b>CATEGORY 7 - ADA COMPLIANCE</b>	<b>\$ 2,500</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 25,000</b>
<b>PROJECT MANAGEMENT SUPPORT</b>	<b>\$ 60,000</b>
<b>CONTINGENCY</b>	<b>\$ 42,861</b>
<b>TOTAL</b>	<b>\$ 1,000,000</b>

**STATE OF ARIZONA  
 FY 2010 CAPITAL IMPROVEMENT PLAN  
 DEPARTMENT OF TRANSPORTATION FY 2010 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
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**STATE AVIATION FUND**

<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	
Grand Canyon Airport Bldg 3551 - Install required UV disinfection system in water treatment plant	\$ 12,000
Grand Canyon Airport Bldg 3551 - Replumb circulation pump piping in water treatment plant	\$ 3,000
<b>TOTAL</b>	<b>\$ 15,000</b>

<b>CATEGORY 8 - INFRASTRUCTURE</b>	
Grand Canyon Airport - Repair/replace existing water meters	\$ 14,500
Grand Canyon Airport - Perform water system repairs	\$ 20,500
<b>TOTAL</b>	<b>\$ 35,000</b>

<b>TOTAL OF ALL PROJECTS REQUESTED</b>	<b>\$ 50,000</b>
<b>CONTINGENCY</b>	<b>\$ -</b>
<b>TOTAL AUTHORIZED FUNDS</b>	<b>\$ 50,000</b>

<b>RECAP</b>	
<b>CATEGORY 4 - MAJOR BUILDING SYSTEMS</b>	<b>\$ 15,000</b>
<b>CATEGORY 8 - INFRASTRUCTURE</b>	<b>\$ 35,000</b>
<b>TOTAL</b>	<b>\$ 50,000</b>

STATE OF ARIZONA  
 FY 2009 CAPITAL IMPROVEMENT PLAN  
 DEPARTMENT OF TRANSPORTATION FY 2009 ADDED BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Project Cost	Dist/Div	Category Number *	Region
<b>AERONAUTICS PROGRAM</b>				
Grand Canyon Airport Water Storage Tanks - Repair deteriorated water storage tanks and valves	\$ 71,223	AERO	4	N
<b>TOTAL</b>	<b>\$ 71,223</b>			
<b>Total of Added Building Renewal Projects</b>	<b>\$ 71,223</b>			
<b>Project List Favorably Reviewed by JCCR on 11/13/08</b>	<b>\$ 64,300</b>			
<b>Contingency Amount</b>	<b>\$ 21,377</b>			
<b>Appropriated State Aviation Fund Amount FY 2009</b>	<b>\$ 156,900</b>			

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

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CHAIRMAN 2009  
PAULA ABOUD  
AMANDA AGUIRRE  
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DAVID SCHAPIRA  
KYRSTEN SINEMA

DATE: November 3, 2009

TO: Senator Russell Pearce, Chairman  
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Leatta McLaughlin, Principal Fiscal Analyst

SUBJECT: School Facilities Board – Review of FY 2010 New School Construction Report

### Request

Pursuant to A.R.S. § 15-2002, the School Facilities Board (SFB) requests the Committee review its demographic assumptions, proposed construction schedule, and new school construction cost estimates for FY 2010. The board is annually required to submit this information by June 15.

### Recommendation

The Committee has at least the following 2 options:

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

The board estimates that it will oversee 15 new school construction projects in FY 2010 and will spend a total of \$50.8 million. This amount includes completing projects that started construction prior to the FY 2009 new construction moratorium and starting construction on projects that meet the FY 2010 newly authorized federal bonding program.

### Analysis

#### *New Construction Moratorium*

A moratorium on new construction projects was authorized for FY 2009 by the FY 2009 Education Budget Reconciliation Bill (BRB) (Laws 2008, Chapter 287). The bill prohibited SFB from authorizing or awarding funding for the design or construction of any new school facility, except for full-day kindergarten (FDK), or for school site acquisition in FY 2009. The moratorium was enacted due to declines in the state's housing market and the state's population growth rate. The moratorium also required SFB to provide monies for architectural and engineering fees, project management services, and preconstruction services if a school district qualifies for additional space in FY 2009 due to the

(Continued)

implementation of FDK. It also required school districts to submit capital plans during FY 2009 and permitted SFB to review and award new school projects subject to future appropriations.

The FY 2010 Education BRB (Laws 2009, 3<sup>rd</sup> Special Session, Chapter 12) continues to prohibit SFB from authorizing or awarding funding for the design or construction of any new school facility, including FDK but excluding \$100.0 million in new bonding authority (see below), or for school site acquisitions. The bill continues to require school districts to submit capital plans during FY 2010 and permits SFB to review and award new school facilities subject to future appropriations. The bill also requires kindergarten students to be counted as half-time Average Daily Membership (ADM) pupils for purposes of determining minimum school facility adequacy requirements, thereby not requiring SFB to fund new classroom costs for FDK beginning in FY 2010. In addition, the bill restricts SFB from providing new construction projects inflationary funding above the statutory formula amount beginning in FY 2010.

#### *FY 2010 Bonding*

The FY 2010 Education BRB requires SFB to issue up to \$100.0 million of Qualified School Construction Bonds (QSCBs) as authorized by the American Reinvestment and Recovery Act (ARRA) of 2009 to be spent on new construction projects only. The proceeds will first be given to school districts whose projected FY 2010 ADM exceeds the district-wide space capacity. ARRA allows the state to issue up to \$186.3 million of QSCBs in CY 2009, and the proceeds from these bonds can be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land. The proceeds have to be spent within 3 years after issuance. SFB has not yet issued its QSCBs.

These bonds were designed so that bondholders would receive federal tax credits in lieu of interest, and it was the intent that the tax credit amount would provide 100% of the required interest. However, that has not been the case in the QSCB market to date. By the beginning of October, over 20 QSCBs had been issued nationwide. Since the QSCB market has turned out to be much more narrow than the traditional tax-exempt bond market, issuers have had to pay interest on these bonds above the bondholders' federal tax credit amount. Of the QSCBs issued by the beginning of October, the additional interest required by the issuer was an average of 1.64% for AA rated bonds, 3.14% for A rated bonds, and 4.14% for BBB rated bonds.

#### *Demographic Assumptions*

SFB bases its demographic assumptions on its analysis of the school district forecasts of ADM included in the FY 2010 Capital Plans submitted by districts to the board. To conduct the analysis, SFB uses district population data, grade progression estimates, historical ADM growth, and, if applicable, residential housing growth. Analysis of student enrollment growth is performed on a district-by-district basis for districts that submitted a Capital Plan to the board, but only the demographic estimates (not the analysis) are included in the New Construction Report.

The following demographics are included in the FY 2010 New Construction Report for districts that submitted a Capital Plan: FY 2008 actual new home occupancies, FY 2009 – FY 2016 SFB estimated new home occupancies, FY 2007 – FY 2008 actual ADM, and both district and SFB estimated ADM for FY 2009 – FY 2017.

For districts that submitted a Capital Plan to the board, SFB expects “enrollment growth” districts to increase at a slower rate in FY 2009 and FY 2010 than in FY 2008. The board expects enrollment growth to be 1.8% in FY 2009 and 2.3% in FY 2010. Actual enrollment growth was 5.3% in FY 2008. These estimates are higher than overall statewide enrollment growth since the calculation only focuses on districts with increasing population.

For FY 2010 within Maricopa County, SFB expects growth of approximately 3.0% in the southeastern portion of the county, including the cities of Chandler, Higley, and Queen Creek. In the northern part of

(Continued)

the county, including Deer Valley and Dysart, the board also expects growth of about 1.1%. In the western and southern districts of Phoenix, including Tolleson, the board expects growth of 1.3%. In the districts outlying the western edge of the Phoenix metro area, including Agua Fria, Buckeye, and Saddle Mountain, SFB expects growth of 3.1%.

In the other areas of the state, the board expects an increase of 8.4% in Pinal County, 1.4% in Yuma and La Paz Counties, 1.2% in Southern Arizona, 3.5% in Gila and Greenlee Counties, and a decline of (0.3)% in Northern Arizona for FY 2010.

Due to the decline in the state's housing market, student population is expected to grow slower than compared to the previous few years. Even before the FY 2009 new construction moratorium was authorized, SFB put 16 of their new construction projects on hold due to student growth not materializing as fast as previously projected.

#### *Construction Schedule*

The board estimates it will oversee 15 new school construction projects in FY 2010. Of the total, SFB estimates 6 prior year projects that began construction prior to the FY 2009 moratorium will be completed in FY 2010 and 9 projects will begin construction in FY 2010 as a result of the newly authorized federal bond program. Of these 15 projects, 7 are currently above their student threshold. This means that the district's FY 2009 actual ADM count is above their district-wide ADM capacity.

#### *Cost Estimates*

The board estimates spending a total of \$50.8 million in FY 2010, including:

- \$1.3 million for land. This estimate is for Sahuarita Unified High School, which is the only project scheduled to break ground in FY 2010 that currently does not have land.
- \$49.5 million for construction projects. Of this amount, SFB estimates that \$12.9 million will be spent on completing construction for 6 prior year projects, \$27.3 million will be spent on 10 new projects that will begin construction due to the newly authorized federal bonds, and \$9.3 million will be spent paying off the remaining balances of 57 projects that have already completed construction.

To finance the projected \$50.8 million in expenditures, the board expects to use QSCB financing as authorized by the FY 2010 Education BRB. The board expects to allocate funding from the following revenue sources:

- FY 2010 beginning cash balance of \$32.2 million.
- \$100.0 million in lease-purchase proceeds, which is expected to be issued in January or February 2010. This is based on the newly approved QSCB authority authorized by the FY 2010 Education BRB.

RS/LMc:sls  
Attachment



STATE OF ARIZONA  
SCHOOL FACILITIES BOARD

Governor of Arizona  
Janice K. Brewer

Executive Director  
John Arnold

June 15, 2009

Senator Russell Pearce, Chairman  
Joint Committee on Capital Review  
1716 West Adams  
Phoenix, Arizona 85007



Dear Chairman Pearce:

A.R.S. §15-2002, subsection A, paragraph 13, requires the School Facilities Board (SFB) to submit demographic assumptions, construction schedules, and cost estimates for the new construction program to the Joint Committee on Capital Review by June 15.

The FY 09 budget authorized the SFB to approve new construction projects, subject to legislative appropriation. The budget also changed how kindergarten students are counted in ADM and provided \$8 million for design costs for projects that were awarded as a result of the new methodology. The SFB awarded seven projects in the FY 09 cycle, valued at \$41.4 million. The Board also cancelled or revised five projects valued at \$64.1 million, for a total net savings of \$22.7 million.

Included in this report are:

- **Demographic Context**

In the FY 2009 Capital Plan cycle, SFB staff reviewed capital plans on a regional basis. Concentrating on an entire region at once proved to be more efficient than simply reviewing Plans in the order in which they were received. Nine major regions were identified and are listed below. Regional overviews are provided in this section in addition to individual district overviews. This section also includes a summary of the statewide new construction climate and its projected impact on the SFB.

- **Projected Schedules of Projects that are Under Construction or Board Approved**

Schedules are provided for all new construction projects approved by the SFB that are not yet completed.

- **New Construction Revenue and Cost Estimates by Fiscal Year**

This is a schedule of SFB's New School Facilities Fund revenues and expenditures for FY 2008, and projected revenues and expenditures for FY 2009 and FY 2010. It is based on projects that were approved or conceptually approved in the FY 2009 Capital Plan cycle and prior years.

- **Projects Scheduled to be Approved in FY 10**

This is a list of conceptually-approved projects that could be approved in the next capital plan cycle if ADM projections materialize.

- **Backup Information used in FY 2009 Capital Plan Cycle**

This section contains the ADM projections established for the districts that applied to the SFB for new construction in their FY 2009 Capital Plans, and information that was used in the analyses. The backup is divided into the following nine geographic regions:

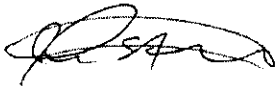
Western Maricopa County  
Maricopa County – East Valley  
Northern Maricopa County  
Pinal County  
Yuma and La Paz Counties  
Southern Arizona  
Northern Arizona  
Mohave County  
Gila, Graham, and Greenlee Counties

- **Appendix – ADM Projections Submitted by Districts not Requesting New Construction**

Even districts that do not seek new construction funds from the SFB are asked to submit student population projections in their capital plans. This section contains the projections submitted by the districts that complied.

This report will also be posted on the SFB website. Please feel free to contact me with any questions or comments.

Sincerely,



John Arnold

Xc: Jan Brewer, Governor  
Eileen Klein, OSPB Director  
Members of the School Facilities Board



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- II. Projected Schedules of Projects that are Under Construction or Board Approved
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- IV. Projects Scheduled to be Approved in FY 2010
- V. Backup Information used in FY 2009 Capital Plan Cycle
  - a. Western Maricopa County
  - b. Maricopa County - East Valley
  - c. Northern Maricopa County
  - d. Pinal County
  - e. Yuma and La Paz Counties
  - f. Southern Arizona
  - g. Northern Arizona
  - h. Mohave County
  - i. Gila, Graham, and Greenlee Counties

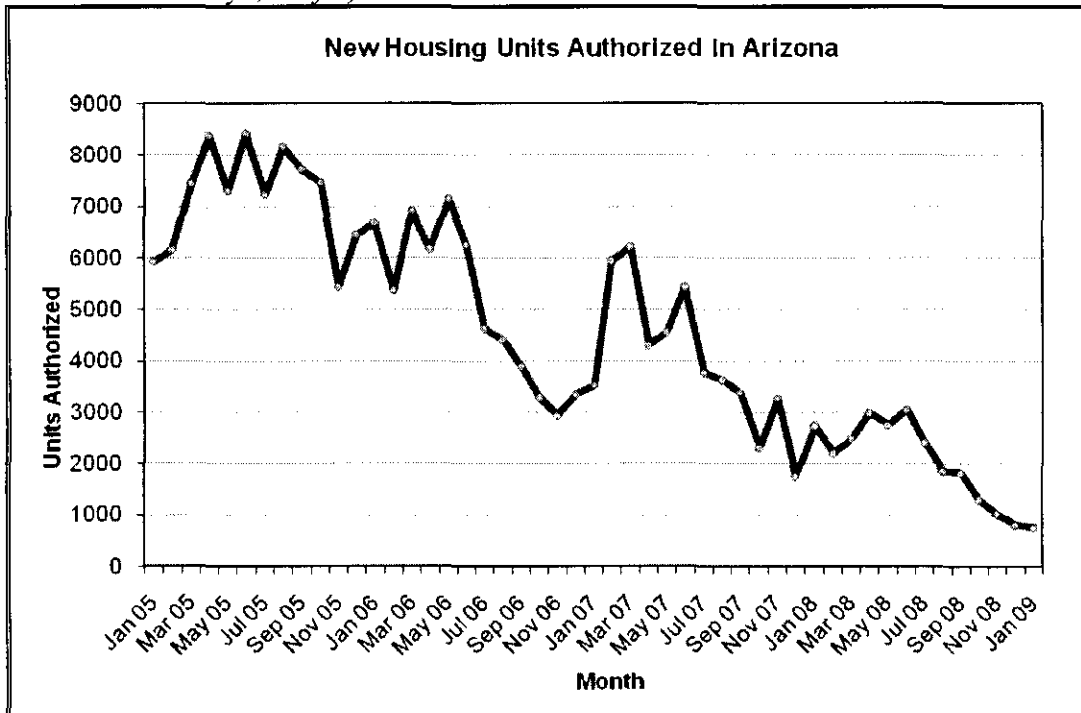
Appendix – ADM Projections Submitted by Districts not Requesting New Construction

## Demographic Context

**Economic and Demographic Context for New School Construction**  
**Updated June 15, 2009**

The housing market in Arizona has experienced dramatic changes in the past four years (Chart 1). The housing boom reached its peak in the summer of 2005 and the number of permits started to decline in the fall of that year. The market went sideways for about half a year before the bubble finally burst in the summer of 2006. Permitting activities picked up speed in the spring of 2007, giving the false indication of a rebound. The upturn was followed by an even deeper decline that lasted at least until January 2009, the latest month we have data for. Chart 1 shows the monthly number of residential housing permits issued in Arizona between January 2005 and January 2009. The average monthly number of permits issued in the last three months of this period is only about one-tenth of the monthly number of permits issued in the peak months of spring and summer of 2005.

Chart 1: New housing permits in Arizona – June 2005 to January 2009 (Source: *Arizona's Economy\**, *U of A*)



\* Various issues published between July 2005 and April 2009.

Chart 2: New housing permits and units sold in Phoenix metro area – January 2005 to January 2009. (Source: *Arizona's Economy*)

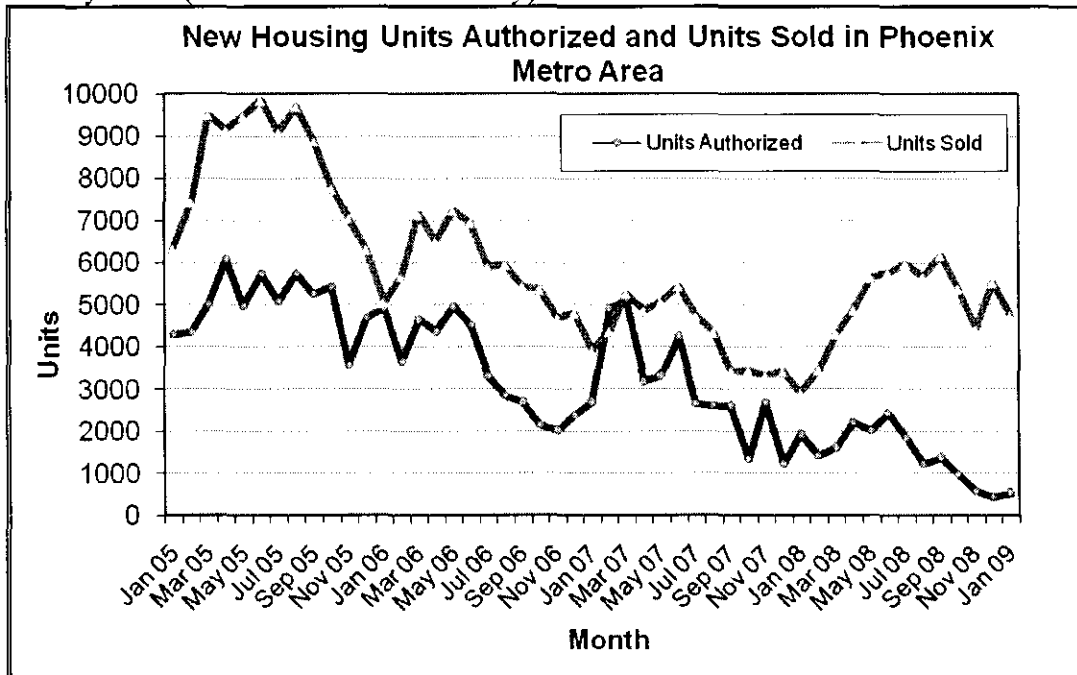


Chart 2 contains information about permits and housing sales (both new and existing) for the Phoenix metro area (Maricopa and Pinal counties). This follows pretty much the same pattern as the State. The situation in the Tucson metro area (Pima County) is very similar.

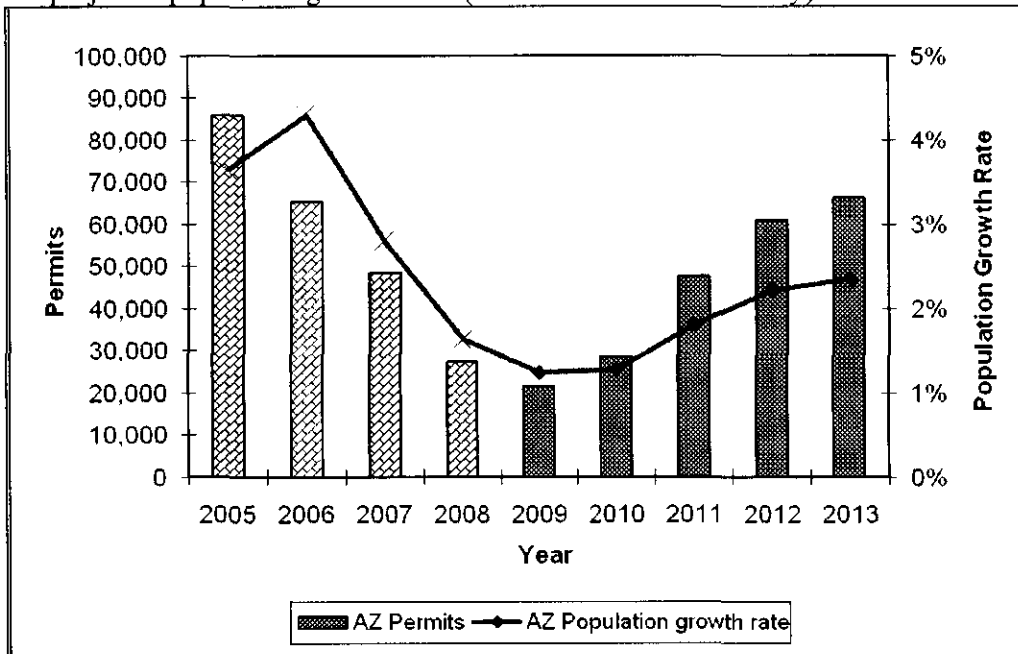
Much has been said about what caused this downturn in the housing market. In a sense, the State, especially in the two major metro areas, was “pre-building” in 2004 and 2005 as a result of investor purchases. “When the bubble burst and the speculators were no longer buying houses, it became obvious that the market was flooded. Some analysts estimate the surplus was as high as 80,000 homes at its peak.” (*Arizona Capital Times*, May 29, 2009, Vol. 110 Issue 22, p. 24). These units need to be absorbed. The situation was confounded by the credit crisis that began to surface in early 2007, became more and more severe throughout the year, and developed into a full-blown crisis in the fall of 2008. The declining housing prices and the difficulty of obtaining credit drove many would-be buyers to the sidelines, prolonging the process of absorbing the housing overstock.

Few economists predicted the severity and length of this housing downturn. In the December 2006 issue of the *Arizona Blue Chip Economic Forecast* (by W. P. Carey School of Business at ASU), the consensus forecast by a panel of 18 economists and institutions was that permits for single-family units in Arizona would drop by 7.5% in 2007 from 2006 while permits for multifamily units would drop by 0.8%. As it turned out, Arizona’s residential building permits declined by 24% in 2007 on top of an almost identical drop in the previous year (*Arizona's Economy*, January 2008 issue). In the December 2007 issue of the *Arizona Blue Chip Economic Forecast*, the forecasters made

almost identical predictions for 2008 as they did for 2007: permits for single-family units in Arizona would drop by 7.5% and permits for multifamily units would drop by 0.2%. They were again wildly off the mark: Residential permits declined by 43.6% in 2008 as compared to 2007 (*Arizona's Economy*, January 2009 issue).

All of this has affected and is expected to continue to affect the state's population growth. Arizona had the highest population growth rate in the nation in 2006 and it ranked No. 2 in 2007 and 2008 (Census Bureau). The growth rate is not yet available for 2009, but is projected to drop to about 1% (see Chart 3).

Chart 3: Actual and projected new residential permits compared with actual and projected population growth rates (Source: *Arizona's Economy*)



Because of the slowdown in population growth and some high profile, proposed school closures widely reported in the media, many people got the impression that Arizona's student enrollment is declining rapidly. A rule change by the Department of Education also further fueled such speculation. The rule change mostly affected how students who concurrently enroll in a high school and a technical institute are accounted for. These students used to be counted at more than one school; now they are counted only once. This rule change, along with some other factors, resulted in the apparent decline of more than 6% in Arizona's K-12 public school enrollment. SFB staff has sometimes been asked to comment on the state's "dramatic decline" in enrollment. Therefore, it is necessary to examine the numbers more closely and separate the myth from fact.

It is true that many school districts experienced enrollment declines in FY 2009. However, many other districts experienced enrollment growth. Statewide ADM at public school districts declined slightly (-0.47%). ADM growth has been decelerating in the past

couple of years before finally turning negative this year. Part of the deceleration could be attributed to the faster growth rate of charter school enrollments (see Table 1).

Table 1: ADM growth in public school districts and charter schools

Fiscal Yr	100 <sup>th</sup> day ADM (Districts) *	District ADM growth rate	100 <sup>th</sup> day ADM (Charters) **	Charter ADM growth rate
FY 2001	825,636		52,577	
FY 2002	844,361	2.27%	62,462	18.80%
FY 2003	862,451	2.14%	70,046	12.14%
FY 2004	878,739	1.89%	77,422	10.53%
FY 2005	906,299	3.14%	83,540	7.90%
FY 2006	934,027	3.06%	85,707	2.59%
FY 2007	955,573	2.31%	90,289	5.39%
FY 2008	967,940	1.29%	94,656	4.79%
FY 2009	963,367	-0.47%	100,606	6.29%

\* From tables prepared by Arizona Department of Education (ADE) for the SFB.

\*\* From ADE's LEA information request website:

<http://www.ade.az.gov/schoolfinance/forms/LEAQuery/InformationRequest.aspx>.

There are 218 public school districts that enrolled students in FY 2009. Among these districts, 92 experienced enrollment growth and 126 had declining enrollment between FY 2008 and FY 2009 (as measured by 100<sup>th</sup> day ADM). But this is only part of the story. The other part is that the declining districts tend to be those that have sufficient capacity and the growing districts tend to be those without available capacity. Table 2 lists the ten districts in the state that lost the most ADM and the ten districts that gained the most ADM in FY 2008.

Table 2: Top 10 districts that lost ADM and top 10 districts that gained ADM

District	FY 09 100th ADM	ADM Chang - FY08 to FY09
Top ADM Losers		
Mesa Unified	68,813	-2,058
Tucson Unified	56,410	-1,472
Cartwright Elementary	18,597	-1,292
Roosevelt Elementary	11,609	-828
Tempe Union High	12,291	-661
Maricopa County Regional	308	-648
Washington Elementary	23,212	-606
Amphitheater Unified	15,625	-590
Peoria Unified	37,438	-569
Pendergast Elementary	10,431	-425
Top ADM Gainers		
Chandler Unified	36,998	1,654
Dysart Unified	23,865	830
Maricopa Unified School	6,213	815
J O Combs Unified School	3,910	653
Vail Unified	9,370	551
Litchfield Elementary	9,913	522
Scottsdale Unified	26,505	480
Higley Unified	9,631	438
Florence Unified School	7,323	433
Sahuarita Unified	4,816	391

In summary, Arizona's residential housing market experienced an incredible bubble-bust cycle in the past few years. Few people had expected the extent of the crash. Population growth and student enrollment growth have also slowed significantly. All of these conditions are reflected in the current fiscal year's award for new schools construction, which is the lowest since the Students First program was implemented both in terms of the number of awards and in terms of dollars (even counting the funds that are not available due to the moratorium). There is no doubt that the current slow-down is severe; however, there is still need for new school construction in certain communities, mostly in the suburbs of the Phoenix and Tucson metro areas.

Going forward, SFB staff will continue to closely monitor the condition in the housing market and trends of population growth to best plan for new school construction.

## Regional Overviews

In the FY 2009 Capital Plan cycle, as in the previous cycle, SFB staff reviewed capital plans on a regional basis. Every effort was made to review all districts in the same region at the same time. However, it was sometimes not possible to get all the districts in the same region on the same agenda of a particular month's board meeting due to a variety of reasons. For instance, some districts might not have all the required information in place in time for the meeting, or they might disagree with staff's recommendation and request a delay. For each board meeting where capital plans were on the agenda, staff provided an overview for the region or regions under review. The March 5 meeting was an exception. Twenty-three (23) districts from 10 counties were reviewed on that agenda. Since those districts were from such diverse regions, there were no common themes for them except that the current recession affected all of them to different degrees. For that reason, no regional overview was provided on that agenda. As a result, not all counties were discussed in the separate regional overviews provided over the course of this Capital Plan cycle. To make up for this deficiency, staff prepared the following comparisons between the counties.

Table1: Population of Arizona counties – 2000, 2007, 2008 (Source: Arizona Department of Commerce).

County	April 1, 2000 Population	July 1, 2007 Population	July 1, 2008 Population	Growth Rate 2007 to 2008	Annual Growth Rate: 2000 to 2008
Pinal	179,727	327,670	350,558	6.99%	8.43%
Yavapai	167,517	223,934	227,348	1.52%	3.77%
Mohave	155,032	204,122	205,862	0.85%	3.50%
Maricopa	3,072,149	3,907,492	3,987,942	2.06%	3.21%
Yuma	160,026	201,298	203,779	1.23%	2.97%
Santa Cruz	38,381	46,907	47,471	1.20%	2.61%
Pima	843,746	1,003,235	1,014,023	1.08%	2.25%
Cochise	117,755	137,200	139,434	1.63%	2.07%
Navajo	97,470	113,796	114,780	0.86%	2.00%
Coconino	116,320	134,898	135,613	0.53%	1.88%
Graham	33,489	37,338	38,633	3.47%	1.75%
Gila	51,335	56,885	57,361	0.84%	1.35%
Apache	69,423	75,496	76,156	0.87%	1.13%
La Paz	19,715	21,529	21,544	0.07%	1.08%
Greenlee	8,547	8,394	8,950	6.62%	0.56%
<b>Arizona</b>	<b>5,130,632</b>	<b>6,500,194</b>	<b>6,629,454</b>	<b>1.99%</b>	<b>3.16%</b>

Table 1 compares the last two years' population estimates of Arizona counties with their populations enumerated in the 2000 census. The counties are ranked in descending order of annual population growth rates between 2000 and 2008. It is clear that Pinal was by far the fastest growing county in Arizona. The growth rates of Yavapai, Mohave, Maricopa, Yuma, Santa Cruz, Pima counties were within one percentage point of the state's average



annual growth rate. The other counties were significantly behind, but all had positive growth. For the last year of the period, Graham and Greenlee counties experienced faster than usual growth due to the expansion of existing copper mines and the opening of new ones. However, the recession has severely affected the mining industry since; whether the population gain in these two counties can be sustained remains to be seen.

Table 2: ADM of Arizona counties – FY 2001, FY2008 and FY 2009 (Source: Arizona Department of Education).

County	FY 2001 ADM	FY 2008 ADM	FY 2009 ADM	Growth Rate: FY 08 to FY 09	Annual Growth Rate: FY 01 to FY 09
Pinal	26,583	44,994	46,696	3.78%	7.30%
Maricopa	498,650	609,963	606,835	-0.51%	2.48%
Yuma	30,225	35,852	35,760	-0.25%	2.12%
Yavapai	21,511	24,295	23,872	-1.74%	1.31%
Santa Cruz	9,270	10,326	10,167	-1.54%	1.16%
Mohave	21,739	23,530	23,072	-1.95%	0.75%
Pima	124,967	132,403	131,252	-0.87%	0.62%
Graham	5,731	5,761	5,929	2.91%	0.43%
Greenlee	1,928	1,778	1,874	5.35%	-0.35%
Cochise	19,826	18,844	18,640	-1.08%	-0.77%
Navajo	20,393	19,380	19,112	-1.39%	-0.81%
Coconino	18,896	17,606	17,182	-2.40%	-1.18%
Gila	8,711	7,781	7,735	-0.59%	-1.48%
La Paz	2,642	2,453	2,344	-4.47%	-1.49%
Apache	14,564	12,974	12,898	-0.58%	-1.51%
<b>Arizona</b>	<b>825,636</b>	<b>967,940</b>	<b>963,367</b>	<b>-0.47%</b>	<b>1.95%</b>

Table 2 compares the latest two fiscal years' ADM with that of FY 2001. It should be noted that these ADM numbers only include public school districts, not charter schools. The counties are ranked in descending order of annual ADM growth rate between FY 2001 and FY 2009. Consistent with population growth, Pinal County's ADM grew the fastest in the period. Its average annual growth rate was nearly three times that of Maricopa County, the nearest competitor in terms of ADM growth rate. Growth rates for both counties dropped significantly in the current fiscal year. Maricopa County even turned negative, which has never happened in recent history. Eleven other counties also had a net loss for the year. Over the period between FY 2001 and FY 2009, seven of the 15 counties experienced a net decline. Graham and Greenlee counties, which had robust growth this year, were essentially flat for the eight-year period.