

JOINT COMMITTEE ON CAPITAL REVIEW

Monday, November 10, 2025

1:00 p.m.

Senate Hearing Room 109



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

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JOINT COMMITTEE ON CAPITAL REVIEW

Monday, November 10, 2025

1:00 P.M.

Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- [Approval of Minutes of April 23, 2025.](#)
- 1. [ARIZONA DEPARTMENT OF ADMINISTRATION - Review of FY 2026 Building Renewal Allocation.](#)
- 2. [ARIZONA DEPARTMENT OF CORRECTIONS - Review of FY 2026 Building Renewal and Yuma Fire Alarm Projects.](#)
- 3. [DEPARTMENT OF HEALTH SERVICES - Review of Arizona State Hospital \(ASH\) Projects.](#)
- 4. [DEPARTMENT OF JUVENILE CORRECTIONS - Review of Adobe Mountain School Capital Projects.](#)
- 5. [ARIZONA STATE PARKS BOARD - Review of Buckskin Mountain Boat Ramp Replacement.](#)
- 6. [PRESCOTT HISTORICAL SOCIETY - Review of Territorial Governor's Mansion Restoration.](#)
- 7. [DEPARTMENT OF PUBLIC SAFETY - Review of FY 2026 Headquarter Electrical Upgrade Project.](#)
- 8. [ARIZONA DEPARTMENT OF TRANSPORTATION](#)
 - A. [Review of FY 2026 Building Renewal Allocation Plan.](#)
 - B. [Review of ADOT Capital Projects.](#)

9. NORTHERN ARIZONA UNIVERSITY - Review of Capital Infrastructure Projects.
10. UNIVERSITY OF ARIZONA - Approval of SPEED Bond Deferred Maintenance Projects.

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

10/30/2025

JB

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.



STATE OF ARIZONA

Joint Committee on Capital Review

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

April 23, 2025

The Chairman called the meeting to order at 9:03 a.m., Wednesday, April 23, 2025 in Senate Hearing Room 1. The following were present:

Members:	Senator Kavanagh, Chairman	Representative Livingston, Vice-Chairman
	Senator Alston	Representative Carbone
	Senator Farnsworth	Representative De Los Santos
	Senator Finchem	Representative Stahl-Hamilton
	Senator Kuby	Representative Way
Absent:	Senator Shamp	Representative Gress
	Senator Sundareshan	Representative Travers

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of January 21, 2025. The motion carried by voice vote.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA STATE LOTTERY COMMISSION - Review of FY 2025 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal. The Arizona State Lottery Commission requested review of the \$218,200 appropriated from the Lottery Fund for the Commission's proposed FY 2025 building renewal allocation plan. The JLBC Staff provided options.

2. ARIZONA PIONEERS' HOME (APH) - Review of FY 2025 Elevator Replacement Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects with an estimated cost of more than \$250,000. The Pioneers' Home requested review of the \$413,800 appropriated Miners' Hospital for Miners with Disabilities Land Fund for APH's planned elevator modernization project. The JLBC Staff provided options.

3. ARIZONA STATE UNIVERSITY (ASU) - Review of Polytechnic Campus Chilled Water Expansion.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. ASU requested review of \$10,200,000 in bond issuances to expand the infrastructure of the Chilled Water Plant on the Polytechnic campus. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

- A. *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.*
- B. *ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.*
- C. *On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.*

Representative Livingston moved that the Committee give a favorable review of the agency requests in consent agenda items 1 through 3 with the JLBC Staff provisions. The motion carried by a voice vote.

Without objection, the meeting adjourned at 9:04 a.m.

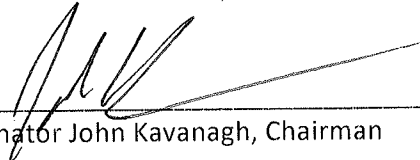
Respectfully submitted:

Jennifer Burns

Jennifer Burns, Secretary

Richard Stavneak

Richard Stavneak, Director



Senator John Kavanagh, 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 <https://www.azjlbc.gov/jlbc-meetings/>



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DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Destin Moss, Fiscal Analyst

SUBJECT: Arizona Department of Administration - Review of FY 2026 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The FY 2026 Capital Outlay Bill appropriated \$21,913,500 to the Arizona Department of Administration (ADOA) for building renewal projects. The department is requesting review of its allocation plan for the entire FY 2026 appropriation.

Committee Options

The Committee has at least the following 2 options:

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

A.R.S. § 41-794 requires ADOA to report quarterly on the status of all capital projects, such as building renewal projects, including its actual spending relative to its plan.

Key Points

- 1) The FY 2026 budget included \$21.9 million for ADOA building renewal.
- 2) ADOA's proposal allocates \$20.3 million across the following project categories:
 - \$9.8 million for HVAC, elevator, plumbing, and electrical upgrades.
 - \$4.7 million for fire and life safety projects.
 - \$2.5 million for roof replacements, paint, and other exterior upgrades to existing buildings.
 - \$1.8 million for preventative maintenance.
 - \$1.5 million for parking lot/road, security, electrical, and other infrastructure upgrades.
 - \$69,000 for ADA compliance projects.
- 3) The remaining \$1.6 million would be allocated as follows:
 - \$900,000 million for project management expenses.
 - \$250,000 for project scoping and professional services.
 - \$71,400 for the risk management construction insurance premium.
 - \$329,300 for an emergency contingency.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. ADOA is proposing to allocate its \$20.3 million of its \$21.9 million appropriation across 5 project categories: Major Building Services, Fire and Life Safety, Building Shell, Preventative Maintenance, Infrastructure, and ADA compliance. The remaining \$1.6 million is allocated for various administrative expenses and an emergency contingency.

The ADOA Building Renewal Allocation Plan lists planned projects within each category for which funds are intended to be used. The listed projects are not guaranteed funding, however, and monies may be reallocated as necessary.

Major Building Services Projects

A total of \$9.8 million will be allocated to major building services projects. The department provided a list of 17 specific projects for which these monies will be used. Priorities include various HVAC, plumbing, electrical and elevator upgrades at state-owned buildings.

Fire and Life Safety Projects

A total of \$4.7 million will be allocated to fire and life safety system replacements. ADOA provided a list of 8 specific projects for which these monies will be used. The listed projects include fire sprinkler repairs, fire alarm upgrades, and installation of new fire suppression systems at state-owned buildings.

Building Shell Projects

A total of \$2.5 million will be allocated to building shell projects, which will include roof, window, paint and other building exterior upgrades. ADOA has identified 9 specific projects for which these monies will be used, primarily consisting of roof repairs at various state-owned buildings.

Preventative Maintenance Projects

A total of \$1.8 million is allocated for planned electrical, mechanical, fire, and plumbing maintenance for ADOA-managed properties on the Capitol Mall and the Tucson Complex. As permitted by A.R.S. § 41-793.01D, ADOA may set aside up to 8% of its FY 2026 building renewal appropriation for preventative maintenance. This amount reflects 8% of the FY 2026 appropriation. The agency did not list any specific buildings or projects for which these monies will be used.

Infrastructure Projects

A total of \$1.5 million will be allocated to infrastructure projects. This amount will be used to upgrade security systems, electrical systems, parking lots, and other equipment. ADOA identified 5 specific projects for which these monies will be used.

ADA Compliance Projects

A total of \$69,000 is allocated for statewide ADA compliance projects. ADOA has identified two specific projects for which these monies will be used.

Administrative Expenses

The FY 2026 Capital Outlay bill continues a footnote allowing ADOA to allocate up to 5% of its capital appropriations for project management. ADOA has allocated \$900,000 for project management expenses, which amounts to 4% of the FY 2026 appropriation.

Because some of the project costs listed above were based solely on agency estimates, \$250,000 will be allocated for contractors to better develop detailed scopes of work to implement projects in a cost-effective manner. An amount of \$71,400 will be allocated for a Construction Insurance Premium.

Emergency Contingency

A total of \$329,300 will be set aside as an emergency contingency. The Committee may consider a provision requiring that ADOA report on the use of these funds to JLBC Staff prior to expenditure.

Table 1

FY 2026 Building Renewal Allocation Plan

Project Expenses

Major Building Services Projects	\$ 9,842,800
Infrastructure Projects	1,540,000
Building Shell Projects	2,508,000
Fire & Life Safety Projects	4,653,000
Preventative Maintenance Projects	1,750,000
ADA Compliance	<u>\$ 69,000</u>
<i>Subtotal</i>	<i>\$ 20,362,800</i>

Administrative Expenses

Project Management Expenses	\$ 900,000
Building Renewal Project Scoping	250,000
Risk Management Insurance Premium	<u>71,400</u>
<i>Subtotal</i>	<i>\$ 1,221,400</i>
Emergency Contingency	\$ 329,300

TOTAL

\$21,913,500 ^{1/}

^{1/} Total does not sum due to rounding.

September 23, 2025

The Honorable David C. Farnsworth, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable David Livingston, Vice Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Senator Farnsworth and Representative Livingston:

Arizona Revised Statutes, Title 41, Section 1252, requires the Joint Committee on Capital Review (JCCR) to review the expenditure of all monies appropriated for building renewal. Laws 2025, First Regular Session, Chapter 235, (SB 1737) appropriated \$21,913,500 to the Arizona Department of Administration (ADOA) to allocate to the ADOA Building System for building renewal projects.

ADOA requests placement on JCCR's October 2025 agenda for review of ADOA's FY 2026 Building Renewal Allocation Plan for \$21,913,500 to the ADOA Building System.

To the extent possible, ADOA completes major maintenance and replacements to the building systems before failures occur. Given the years of deferred major maintenance of an aging building infrastructure, it is difficult, if not impossible, to anticipate the timing and nature of building component failure. In the event of one or more unexpected critical breakdowns or imminent failures, ADOA may redirect all or some monies from an allocation to address critical priorities.



If you have any questions regarding ADOA's FY 2026 ADOA Building System Building Renewal Allocation Plan, please contact Nola Barnes, Assistant Director, ADOA General Services Division (GSD), at 602-361-1636.

Sincerely,

A handwritten signature in black ink, appearing to read "EAT", with a long horizontal line extending to the right.

Elizabeth Alvarado-Thorson
Director

Attachments (1): FY2026-BR Allocation Plan Detail Write Up.pdf

cc:

Richard Stavneak, Director, JLBC Staff
Morgan Dorcheus, Assistant Director, JLBC Staff
Geoffrey Paulsen, Principal Fiscal Analyst, JLBC Staff
Ben Henderson, Director, OSPB
Zachary Harris, Assistant Director, OSPB
Rémy Gaudin, Budget Analyst, OSPB
Sean Price, Deputy Director, ADOA
Nola Barnes, Assistant Director, ADOA/GSD
Jacob Wingate, Chief Financial Officer, ADOA
Jillian Kahn, Legislative Specialist, ADOA
Jill Pernice, Deputy Assistant Director, ADOA/GSD
John Hauptman, Deputy Assistant Director, ADOA/GSD

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

Laws 2025, First Regular Session, Chapter 235, (SB 1737)
\$21,913,500

FY 2026 Building Renewal Allocation Plan

Project Category	Allocation
Fire & Life Safety	\$ 4,653,000
Building Shell (Asset Preservation)	\$ 2,508,000
Major Building Services	\$ 9,842,800
Infrastructure	\$ 1,540,000
ADA Renovation	\$ 69,000
Project Scoping/Professional Services	\$ 250,000
Preventive Maintenance	\$ 1,750,000
Risk Management Construction Insurance Premium	\$ 71,446
Project Management Services	\$ 900,000
Building Renewal Emergency & Contingency Allocation	\$ 329,254
Total FY 2026 Building Renewal Allocation Plan	\$ 21,913,500

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

Laws 2025, First Regular Session, Chapter 235, (SB 1737)
\$21,913,500

\$ 4,653,000 FIRE AND LIFE SAFETY SYSTEMS

The purpose of these projects is to improve or eliminate an impending condition that threatens life or property within the ADOA Building System. A.R.S. § 41-793.D. requires that the Arizona Department of Administration (ADOA) should give priority to fire and life safety projects. When fire alarm systems are out of commission for extended repair times, agencies must employ 24-hour fire watch personnel, usually on an overtime basis, to achieve fire and life safety standards. ADOA has been using Building Renewal allocations to upgrade fire alarm and suppression systems in the ADOA Building System that have exceeded their life expectancy, are functionally obsolete and in various stages of failure. This project will upgrade remaining fire alarm and suppression systems as necessary to bring state facilities into compliance with Federal, State, and local fire and life safety regulations.

Project deficiencies include:

<i>Agency/ Tenant</i>	<i>Description</i>	<i>Estimated Costs</i>
	F&LS Fire & Life Safety Allocation Contingency	\$ 423,000
LEG	F&LS - LEG - 1700 W Washington Museum - Fire Sprinkler Repairs	\$ 300,000
Capitol Mall	F&LS - ADOA - Capitol Mall Fire Alarms - Upgrade to EST4 Fire Alarm System	\$ 750,000
DHS	F&LS - ADOA - 250 N 17th Ave - Replace Dry Fire Suppression System	\$ 300,000
AHS	F&LS - AHS - Tempe Museum Replace Pre-Action System Main Line	\$ 400,000
AHS	F&LS - AHS - Tucson Museum Attic Sprinkler System	\$ 200,000
ASDB	F&LS - ASDB - Tucson School - Upgrade to EST4 Fire Alarm System	\$ 800,000
DEMA	F&LS - DEMO - State Emergency Operations Center - Install Fire Suppression	\$ 580,000
DEMA	F&LS - DEMO - MCEOC BLDG - Install Fire Suppression	\$ 900,000

\$ 2,508,000 BUILDING SHELL

Building Shell improvements are to address deficiencies in existing roofs, exterior enclosures, walls, windows and/or doors. The deficiencies addressed here represent a small portion of the deteriorating exterior systems where continuing maintenance-based repairs are not cost effective nor prevent leaks. Neglect of exterior roofs, walls, windows and doors escalates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This project category is dedicated to proactively replacing failing roof and exterior systems throughout the ADOA Building System to mitigate negative impacts of interruption to mission critical functions and

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

Laws 2025, First Regular Session, Chapter 235, (SB 1737)
\$21,913,500

expensive "crisis-mode" abatements, emergency repairs, and replacements.

Project deficiencies include:

<i>Agency/ Tenant</i>	<i>Description</i>	<i>Estimated Costs</i>
	SHEL Shell Allocation Contingency	\$ 228,000
ADOA	SHEL - ADOA - 1802 W Jackson St - Replace West Storefront and Wall Repairs	\$ 50,000
ADJC	SHEL - ADJC - Adobe Mountain Structural Repairs for Enterprise Housing Unit	\$ 330,000
ADJC	SHEL - ADJC - Adobe Mountain Kitchen Roof Repair and Re-Coat	\$ 180,000
ASDB	SHEL - ASDB - PHX School - Roof Replacements (Pre-Vocational BLDG, Elementary)	\$ 750,000
DES	SHEL - DES - Globe - Roof Replacement	\$ 120,000
DES	SHEL - DES - ATPC - Reshingle Ann C Drew Building and Gym	\$ 320,000
DPS	SHEL - DPS - Statewide Roof Replacements	\$ 300,000
PHS	SHEL - PHS - Sharlot Hall Transportation Building Roof Replacement	\$ 150,000
PHS	SHEL - PHS - Sharlot Hall Bashford House Exterior Paint and Repairs	\$ 80,000

\$ 9,842,800 MAJOR BUILDING SERVICES

The deficiencies in the Major Building Services category reflect worsening conditions of HVAC, electrical, plumbing, and elevator components across the ADOA Building System.

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

HVAC and energy management system (EMS) controls throughout the ADOA Building System are lacking and/or equipped with disparate "front-ends," requiring multiple computers, workstations, and hardware to control HVAC systems. Some current HVAC system components are inefficient, lack interconnectivity, and are failing. Replacing and integrating multiple EMS into a single processing source will provide a centralized control of HVAC systems, reduce energy consumption, decrease equipment downtimes, and improve allocation of personnel resources. Failure to address aging and disparate systems may result in a shutdown of mission

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

Laws 2025, First Regular Session, Chapter 235, (SB 1737)
\$21,913,500

critical State services and expensive emergency basis procurements.

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

Elevator control systems in the ADOA Building System are obsolete and replacement parts are not available. Failure of elevator controls will leave buildings without passenger or freight elevator services, creating out of compliance conditions for ADA requirements, increase emergency repair costs, and have a detrimental effect on operations.

Project deficiencies include:

<i>Agency/ Tenant</i>	<i>Description</i>	<i>Estimated Costs</i>
	BSVC - Building Services Allocation Contingency	\$ 894,800
Board & Commissions	BSVC - ADOA - 1740 W Adams St - Replace Chillers	\$ 1,500,000
DES	BSVC - ADOA - 1789 W Jefferson St - Replace Generator	\$ 320,000
ADOA, DES, OEO	BSVC - ADOA - 1400 W Washington St - Fan Wall Repair	\$ 20,000
ADCRR	BSVC - ADOA - 701/801 E Jefferson St - Replace Cooling Towers, Pumps and Electrical	\$ 2,200,000
ADE, AG	BSVC - ADOA - 416 W Congress St - Elevator Modernization	\$ 600,000
Multiple Agencies	BSVC - ADOA - 400 W Congress St - Replace Failing Lighting with LED	\$ 550,000
AG	BSVC - ADOA - 402 W Congress St - Replace Failing Water Line	\$ 25,000
ADOA	BSVC - ADOA - 1919 W Jefferson St - Replace Swamp Coolers	\$ 200,000
Executive/ Multi Agency	BSVC - ADOA - 1700 W Washington St Tower - Replace Failing VAV Boxes	\$ 500,000
DOR	BSVC - ADOA - 1600 W Monroe St - Replace Air Handler Units (AHU)	\$ 500,000
Capitol Mall	BSVC - ADOA - Capitol Mall HVAC Control Upgrades	\$ 400,000
ADJC	BSVC - ADJC - Adobe Mountain - Replace Cooling tower	\$ 350,000
ASDB	BSVC - ASDB - PHX/Tucson - HVAC Replacements	\$ 393,000 *
DHS	BSVC - DHS - ASH Agave/Indigo Air handler Unit (AHU) Replacement	\$ 1,000,000
DPS	BSVC - DPS - Statewide HVAC Replacements	\$ 300,000

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

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\$21,913,500

PHS	BSVC - PHS - Sharlot Hall Museum Lawler Building HVAC Heat Pumps	\$ 65,000
PHS	BSVC - PHS - Sharlot Hall Lawler Building Humidifier Replacements	\$ 25,000

*Telecommunication Fund for the Deaf (TCFD)

\$ 1,540,000 INFRASTRUCTURE

This project can include existing roadways, parking lots, sidewalks and walkways, electrical service entrances (SES) and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, communications, and security systems such as access control, locks, and camera devices. Many of these type systems have been in a "deferred indefinitely" status for many years and are in an exhausted state of deterioration. Parking lot surfaces have succumbed to long-term erosion, shifting, and settling caused by water penetration of the pavement base and extreme weather conditions exacerbated by the weight of passing traffic. Underground infrastructure for buildings can often be overlooked, however failure of these systems can shut down entire facilities and often require expensive reactive repairs. The proposed allocation will address critical infrastructure needs throughout the ADOA Building System.

Project deficiencies include:

<i>Agency/ Tenant</i>	<i>Description</i>	<i>Estimated Costs</i>
	INFR Infrastructure Allocation Contingency	\$ 140,000
LEG	INFR - LEG - 1700 W Washington St Museum - Sewer Line Replacement	\$ 220,000
LEG	INFR - LEG - 1101 W Washington St - Repair/Replace Perimeter Fencing	\$ 190,000
Capitol Mall	INFR - ADOA - Capitol Mall Security Upgrades	\$ 490,000
ASDB	INFR - ASDB - Tucson School - Replace Clifford BLDG SES Switchgear	\$ 400,000
Judiciary	INFR - SCT - Supreme Court Generator Controls Replacement	\$ 100,000

\$ 69,000 ADA COMPLIANCE

There are numerous ADA deficiencies in the ADOA Building System that require remedy. Deficiencies include building access ramps, sidewalks, bathroom fixtures, drinking fountains, handrails, parking spaces, sites/amenities, and general reconfigurations of entrances and other areas in buildings to facilitate access to services and workplaces for persons with disabilities.

Project deficiencies include:

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

Laws 2025, First Regular Session, Chapter 235, (SB 1737)
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<i>Agency/ Tenant</i>	<i>Description</i>	<i>Estimated Costs</i>
	ADA Access Allocation Contingency	\$ 9,000
DES	ADA - DES - 1924 E University Dr - Employee ADA Entrance	\$ 40,000
PHS	ADA - PHS - Sharlot Hall Museum ADA Entry Upgrades	\$ 20,000

\$ 250,000 PROJECT SCOPING/PROFESSIONAL SERVICES

This allocation is for scoping, assessment and design services for potential and emergency building renewal projects. Some of the building renewal requests ADOA receives for funding consideration have deficient, vague, or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ADOA in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of an agency project request.

\$ 1,750,000 PREVENTATIVE MAINTENANCE

ADOA plans to spend this allocation over two years on preventative maintenance for planned electrical, mechanical, fire, and plumbing maintenance for ADOA-managed facilities on the Capitol Mall and Tucson Complex.

\$ 71,446 RISK MANAGEMENT CONSTRUCTION INSURANCE PREMIUM

The ADOA General Services Division (GSD) pays a 0.34% Construction Insurance Premium from each fiscal year's building renewal appropriation to ADOA State Risk Management for Errors and Omissions (E&O) insurance premiums associated with Construction, Engineering and Architectural (A&E) services contracts.

Arizona Department of Administration (ADOA) Building System
FY 2026 Building Renewal Appropriation Allocation Plan

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\$21,913,500

\$ 900,000 BUILDING RENEWAL PROJECT MANAGEMENT EXPENSES

This allocation is to pay for personnel services and employee related expenses (ERE) and other project management related expenses associated with managing building renewal projects. Of the amount appropriated to ADOA for FY 2026 Building Renewal, ADOA may allocate up to five percent for project management related expenses. ADOA is allocating four percent (4%) of the appropriated amount for building renewal project management expenses.

\$ 329,254 BUILDING RENEWAL EMERGENCY/CONTINGENCY ALLOCATION

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



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DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Corrections - Review of FY 2026 Building Renewal and Yuma Fire Alarm Projects

Request

The Arizona Department of Corrections (ADC) is requesting review of \$14,364,300 in capital expenditures. There are 2 components to the department's request.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADC is requesting the Committee review its FY 2026 allocation plan for \$5,864,300. The expenditure plan includes a total of 23 projects across state prisons and the Correctional Officer Training Academy (COTA).

A.R.S. § 41-1252 also requires Committee review of capital projects with estimated costs exceeding \$250,000. ADC is requesting the Committee review its expenditure plan to upgrade the fire system at the Yuma prison. The FY 2026 Capital Outlay Bill appropriated \$8,500,000 to ADC for this purpose.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The FY 2026 Capital Outlay Bill appropriated \$5.9 million for ADC building renewal. ADC's proposed expenditure includes:
 - a. \$2.7 million for plumbing and water projects.
 - b. \$1.0 million for facility improvements (restrooms, generators, ramp, furniture).
 - c. \$940,000 for building system upgrades (lighting, HVAC, roof repairs, flooring).
 - d. \$700,000 to convert kitchen to medical space.
 - e. \$400,000 to install a dialysis structure.
 - f. \$125,000 for security upgrades.
- 2) The FY 2026 Capital Outlay Bill included \$8.5 million to upgrade the fire alarm system at the Yuma prison. The FY 2026 funding will complete upgrades at all state-operated prisons.

Analysis

FY 2026 Building Renewal

The FY 2026 Capital Outlay Bill appropriated \$5.9 million from the Department of Corrections Building Renewal Fund to ADC for general building renewal. This amount represents 14.4% of their FY 2026 building renewal formula.

The request includes 23 individual projects totaling \$5.8 million, with the remaining amount set aside as contingency. *Table 1* below provides a summary of the planned expenditures by project type. For a detailed list of projects, please see the attached agency submission.

Table 1

FY 2026 Building Renewal Plan

Plumbing and Water Projects	\$ 2,650,000
Facility Improvements (restrooms, generators, ramp, furniture)	985,000
Building System Upgrades (lighting, HVAC, roof repairs, flooring)	940,000
Convert Kitchen to Medical Space	700,000
Install Dialysis Structure	400,000
Security Upgrades	125,000
Contingency	<u>64,300</u>
Building Renewal Total	\$5,864,300

In FY 2025, ADC received \$8.6 million in building renewal monies, of which \$4.4 million has been spent or encumbered to date.

Fire System Replacements

The FY 2026 Capital Outlay Bill appropriated \$8.5 million from the General Fund to ADC to replace the fire alarm systems at the Yuma prison. ADC plans to use this funding to repair and replace fire alarms and sprinkler systems at Yuma prison, which would complete the department's multi-year project to replace these systems at all 9 of the state-operated prisons.

The FY 2024 budget appropriated \$48.7 million to ADC for this same purpose at the Tucson, Perryville, Douglas, Winslow, and Safford prisons. To date, ADC reports it has spent or encumbered \$3.5 million of the FY 2024 funding.

September 10, 2025

The Honorable David Farnsworth
Chairman, Joint Committee on Capital
Review
Arizona State Senate
1700 W. Washington
Phoenix, Arizona 85007

The Honorable David Livingston
Vice-Chairman, Joint Committee on Capital
Review
Arizona House of Representatives
1700 W. Washington
Phoenix, AZ 85007

Subject: Review of FY 2026 Building Renewal and Capital Project Appropriations

Dear Senator Farnsworth and Representative Livingston:

The Arizona Department of Corrections, Rehabilitation, and Reentry (ADCRR) requests placement on the next meeting agenda of the Joint Committee on Capital Review (JCCR) to review plans for the FY 2026 Building Renewal and Capital Project Appropriations from Laws 2025, Chapter 235. The enclosure summarizes the projects planned from these appropriations.

If I can provide additional information, please do not hesitate to contact me.

Sincerely,



Ryan Thornell
Director



Enclosure

cc: Richard Stavneak, Director, Joint Legislative Budget Committee
Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Geoffrey Paulsen, Assistant Director, Joint Legislative Budget Committee
Caroline Dudas, Budget Manager, Governor's Office of Strategic Planning and Budgeting
Luke VanderSchaaff, Budget Analyst I, Governor's Office of Strategic Planning and Budgeting

FY 2026 BUILDING RENEWAL					
S/N	Project location	Project Name	Project Scope	Project Category	Est. Budget
1	Safford	Ft. Grant Cameras in inmate housing	Add cameras to 29 small inmate dorms	Security Issue	\$50,000
2	Tucson	Complex wide Staff restroom upgrades	Staff restroom upgrades complex wide	Infrastructure and Building	\$200,000
3	Phoenix	Aspen - Replace privacy screen and add Gate 3 privacy screen	Replace sun damaged screens and enhance gate areas	Security Issue	\$75,000
4	Winslow	Kaibab Lighting upgrade	South Yard lighting upgrade. Lighting upgrade to high mast	Major Building Services	\$225,000
5	Tucson	Santa Rita Replace Generator	Replace generator and Automatic Transfer Switch (ATS)	Infrastructure and Building	\$300,000
6	Douglas	Miles Detention Generator Replacement	Install new generator	Infrastructure and Building	\$225,000
7	Eyman	Complex Isolation Valves	Acquire water shut off valve and install with complex staff	Infrastructure and Building	\$250,000
8	Lewis	Rebuild all Air handlers on East side	Take down and rebuild each Air handler on each housing unit on east side (42)	Major Building Services	\$225,000
9	Yuma	Replace non-op motors and pumps at the Waste Water Treatment Plant (WWTP)	Replace not fictional 40HP Motor and impeller assembly at the raw Water Station and 60hp motor and pump at distribution station	Infrastructure and Building	\$55,000
10	Lewis	6 water tanks inspected, Cathodic protection put back in service, coating & cleaning & repair	Repair, clean and coat tanks at water treatment plant.	Major Building Services	\$500,000
11	Yuma	Aerobic Treatment System (ATS) at WWTP replacement	ATS switch at the Waste water Plant not transferring automatically, needs to be done manually. ATS needs to be replaced so that it is operable automatically.	Infrastructure and Building	\$50,000
12	Eyman	Independent Well Upgrade	Upgrade secondary backup well controls, metering and electrical so that it is a standalone fully functional well	Infrastructure and Building	\$175,000
13	Safford	Graham Roof replacements	Replace existing 3 tab shingles with modern roofing materials, total of 4 inmate living areas	Major Building Services	\$135,000
14	Douglas	Repair and refurbish complex transformers	Repair and refurbish complex transformers	Major Building Service	\$125,000
15	Douglas	Eggers water reservoir tank repairs	Repair corrosion, repair or replace cathodic protection, insulating access hatch and recoating of tank to prevent corrosion	Infrastructure and Building	\$120,000
16	Lewis	Test & replace all water shut off valves	Hire a contractor to test and/or replace all shut off valves to the units	Major Building Services	\$250,000
17	Perryville	Complex Water Tanks Service	Clean, repair and recoat #1 tank	Infrastructure and Building	\$250,000
18	Douglas	Gila/ Mohave kitchens Floor Resurfacing	Removal of old broken tile and grout, install new slip resistant tread tile and sealed grout to prevent injury and minimize health code violations	Major Building Services	\$230,000
19	Tucson	Dialysis structure	Install a dialysis structure	New construction	\$400,000
20	Perryville	Santa Cruz - Ramps for ADA	Install ADA ramps	Infrastructure and Sitework	\$150,000
21	Perryville	Santa Cruz - kitchen #13 conversion into medical space	convert former kitchen to medical space	Infrastructure and Building	\$700,000
22	COTA	Replace Mats in Cadet Gym	Gym mats are over 20 years old and need to be replaced to prevent injury.	Infrastructure and Building	\$110,000
23	Lewis	Waste Water Chemical Project	Address deterioration and Waste Water chemical storage building	Infrastructure and Building	\$1,000,000
Project Contingency Fund					\$64,300
FY 2026 BR Projects Total					\$5,864,300
FY 2026 BR Appropriation					\$5,864,300
variance					\$0

TOP 23

legend:

projects deferred from FY24
projects deferred from FY25
new projects for FY26
projects moved ahead originally planned for FY27

FY 2026 Capital Project Appropriation

S/N	Project location	Project Name	Project Scope	Project Category	Est. Budget
N/A	Yuma	Replace fire, life alarm and suppression system	Inmate Occupied Areas	Infrastructure & Building	\$8,500,000

FY 2026 Capital
Project Total \$8,500,000

FY 2026 Capital
Project Appropriation \$8,500,000

variance \$0



STATE OF ARIZONA

Joint Committee on Capital Review

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STEPHANIE STAHL HAMILTON
STACEY TRAVERS
MICHAEL WAY

DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Maggie Rocker, Principal Fiscal Analyst

SUBJECT: Department of Health Services – Review of Capital Improvement Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. The Department of Health Services (DHS) requests review of \$958,700 for 2 capital projects appropriated in the FY 2024 and FY 2026 Capital Outlay Bills:

- \$695,000 appropriated from the Arizona State Hospital (ASH) Land Earnings Fund in FY 2026 for anti-ligature renovations.
- \$263,700 for ASH water pump replacements, of which \$209,000 was appropriated from the ASH Fund in FY 2024 for this purpose and \$54,700 was appropriated from the Capital Outlay Stabilization Fund in FY 2026 to the Arizona Department of Administration (ADOA) for building renewal projects.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The FY 2026 budget appropriated \$695,000 from the ASH Land Earnings Fund to DHS for anti-ligature renovations at the state hospital. Anti-ligature renovations would remove or minimize the risk of self-inflicted injuries by hospital patients.
- 2) The FY 2024 budget included \$209,000 from the ASH Fund for ASH water pump replacements. DHS reports the cost estimate has since increased to \$263,700. To fund the difference, ADOA plans to utilize \$54,700 of its building renewal appropriation.

Analysis

Anti-Ligature Renovations

The FY 2026 budget appropriated \$695,000 from the ASH Land Fund for DHS to renovate patient care areas at ASH, including restrooms, on the civil and forensic campuses with ligature-resistant fittings. Approximately \$395,000 would support the replacement of 122 toilets with anti-ligature toilets and concealed flush valves to reduce the risk of patient self-harm. The remaining \$300,000 would be used for additional anti-ligature renovations, such as ligature-resistant partitions, plumbing, and door hardware. These renovations would comply with ligature-resistant environment standards recommended by regulatory bodies such as the Joint Commission and the Centers for Medicare & Medicaid Services.

ASH Water Pump Replacements

The FY 2024 budget appropriated \$209,000 for replacement of 9 heated and chilled water pumps on ASH's campus that are past their lifespan. The pumps provide heating and cooling water to multiple buildings across the ASH campus. Since that time, DHS has received a revised estimate of \$263,700, which would be funded by the \$209,000 FY 2024 appropriation and \$54,700 from ADOA's building renewal allocation.

MR:jbu

ARIZONA

— DEPARTMENT OF —

HEALTH SERVICES

August 22nd, 2025

The Honorable John Kavanagh, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007



The Honorable David Livingston, Vice Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007

Dear Senator Kavanagh and Representative Livingston:

The Department of Health Services (DHS) respectfully requests placement on the upcoming agenda of the Joint Committee on Capital Review (JCCR). Laws 2025, First Regular Sessions, Chapter 235, (SB 1737) appropriated \$695,000 from the Arizona State Hospital (ASH) Land Fund in FY 2026 for capital improvement projects. A.R.S. § 41-1252 requires the agency to submit the scope, purpose, and estimated costs to the JCCR. The Arizona State Hospital is requesting a favorable review of \$695,000 of the \$695,000 capital appropriation.

Anti-Ligature Improvement Projects

Estimated Cost: \$695,000

Regulatory authorities such as the Bureau for Medical Facilities Licensing, the Joint Commission and the Centers for Medicare and Medicaid Services (CMS) have standards requiring inpatient treatment facilities take necessary precautions in order to create a ligature-resistant environment. ASH has patient care areas in need of ligature-resistant retrofitting, which

Katie Hobbs | Governor

Sheila Sjolander | Interim Director

150 North 18th Avenue, Suite 500, Phoenix, AZ 85007-3247

P | 602-542-1025 W | azhealth.gov

Health and Wellness for all Arizonans

increases the safety of the environment by mitigating the likelihood of patient suicide via strangulation. The proposed project will allow ASH to renovate patient care areas, primarily restrooms, within the Civil and Forensic campuses with ligature-resistant improvements. Planned renovations include removing ligatures from partitions in restrooms, plumbing, door hardware, etc.

ASH Water Pump Replacement Projects

Estimated Cost: \$263,678.08

DHS also respectfully requests placement on the upcoming agenda of the JCCR for a review of a previously appropriated capital outlay project for ASH Water Pump Replacements. Originally budgeted for \$209,000 in FY 2024, the updated cost estimate of the work has increased to \$263,678.08. The difference between the appropriation and the total anticipated cost will be bridged with non-appropriated *building renewal funding*.

If you have any questions regarding the Hospital's FY 2026 allocation plan, please contact Michael Sheldon at Michael.Sheldon@azdhs.gov or 602-220-6000.

Sincerely,



Sheila Sjolander

Interim Director

Arizona Department of Health Services

cc: Ben Henderson, Director, OSPB

Lexi Bensberg, Budget Analyst, OSPB

Richard Stavneak, Director, JLBC

Maggie Rocker, Fiscal Analyst, JLBC

Katie Hobbs | Governor

Sheila Sjolander | Interim Director

150 North 18th Avenue, Suite 500, Phoenix, AZ 85007-3247

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Health and Wellness for all Arizonans

September 23, 2025

The Honorable David C. Farnsworth, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007

The Honorable David Livingston, Vice Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Senator Farnsworth and Representative Livingston:

The Arizona Department of Administration, on behalf of the Department of Health Services (DHS), respectfully requests placement on the October agenda of the Joint Committee on Capital Review (JCCR). Laws 2023, First Regular Session, Chapter 135, (SB 1722) appropriated \$209,000 from the Arizona State Hospital Fund to the Department of Health Services in FY 2024 for water pump replacements. A.R.S. § 41-1252 requires the agency to submit the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR). ADOA is managing the project for DHS.

Department of Health Services - Arizona State Hospital (ASH) - Water Pump Replacements

Estimated Costs: \$263,680

The Arizona State Hospital (ASH) campus requires the replacement of nine (9) heated and chilled water pumps, as they have exceeded their anticipated operational lifespan. These pumps are critical infrastructure to supply heating and cooling to various hospital buildings and the Department of Corrections Rehabilitation and Reentry facilities situated on the ASH campus. The estimated costs for the pump replacements are approximately \$263,680. ADOA will fund



the approximately \$54,680 in excess of DHS' original \$209,000 appropriation from an ADOA Building System Building Renewal Appropriation.

If you have any questions regarding the DHS water pump replacement please contact Michael Sheldon, Deputy Director DHS, at Michael.Sheldon@azdhs.gov or 602-220-600.

Sincerely,

A handwritten signature in black ink, appearing to read "Elizabeth Alvarado-Thorson".

Elizabeth Alvarado-Thorson
Director

cc:

Richard Stavneak, Director, JLBC Staff
Morgan Dorcheus, Assistant Director, JLBC Staff
Geoffrey Paulsen, Principal Fiscal Analyst, JLBC Staff
Ben Henderson, Director, OSPB
Zachary Harris, Assistant Director, OSPB
Rémy Gaudin, Budget Analyst, OSPB
Sheila Sjolander, Interim Director, DHS
Michael Sheldon, Deputy Director, DHS
Sean Price, Deputy Director, ADOA
Nola Barnes, Assistant Director, ADOA/GSD
Jacob Wingate, Chief Financial Officer, ADOA
Jillian Kahn, Legislative Specialist, ADOA
Jill Pernice, Deputy Assistant Director, ADOA/GSD
John Hauptman, Deputy Assistant Director, ADOA/GSD



STATE OF ARIZONA

Joint Committee on Capital Review

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STACEY TRAVERS
MICHAEL WAY

DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Ethan Scheider, Fiscal Analyst

SUBJECT: Department of Juvenile Corrections - Review of Adobe Mountain School Capital Projects

Request

A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. The Department of Juvenile Corrections (DJC) requests committee review of its plan to spend \$1,480,600 from the Criminal Justice Enhancement Fund (CJEF) and the DJC Local Cost Sharing Fund to complete 3 capital projects at the Adobe Mountain School facility.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The FY 2026 Capital Outlay bill appropriated \$1.5 million to DJC to complete 3 projects at the Adobe Mountain School facility.
- 2) The funding consists of \$1.4 million from the Criminal Justice Enhancement Fund and \$118,700 from the Department of Juvenile Corrections Local Cost Sharing Fund.
- 3) The projects are as follows:
 - \$641,000 to replace the make-up air unit in the kitchen.
 - \$536,600 to replace the Fire Line Booster Pumps within the water distribution system.
 - \$303,000 to replace the doors and locking systems in one of the West Housing Units.

Analysis

The FY 2026 Capital Outlay appropriates a total of \$1,480,600 for three projects. This funding consists of \$1,361,900 from the Criminal Justice Enhancement Fund and \$118,700 from the Department of Juvenile Corrections Local Cost Sharing Fund as shown in *Table 1*.

Table 1			
Adobe Mountain School Facility Projects			
<u>Project Name</u>	<u>CJEF</u>	DJC Local	<u>Total</u>
		<u>Cost Sharing</u>	
Kitchen Make-Up Air Unit Replacement	\$ 522,300	\$118,700	\$ 641,000
Fire Line Booster Pumps Replacement	536,600	0	536,600
School Door and Lock Replacements	303,000	0	100,000
Total	\$1,361,900	\$118,700	\$1,480,600

Kitchen Make-Up Air Unit Replacement

A make-up air unit is an air circulation system that replaces air removed by exhaust fans in an indoor space. In the Adobe Mountain School's kitchen, DJC plans to replace the current make-up air unit installed in 1995 that has rusted sections with a new unit, which would have service life of up to 30 years.

Fire Line Booster Pumps Replacement

Fire line booster pumps are intended to increase water pressure within a fire protection system. DJC plans to replace the damaged fire line booster pumps and install variable frequency drives (VFDs) to better regulate water pressure within the fire protection system at the Adobe Mountain School.

School Door and Lock Replacement

The FY 2026 Capital Outlay bill included \$303,000 to continue work on replacing doors and locking systems in the West Housing units. DJC used a FY 2022 capital appropriation of \$2.5 million to replace the door and locking system in 3 of the 4 units. DJC plans to replace as many doors and locking systems in the remaining West Housing unit as possible with the FY 2026 capital outlay appropriation.

ES:jbu



DEPARTMENT OF
**JUVENILE
CORRECTIONS**

100 North 15th Avenue, Suite 103
Phoenix, Arizona 85007

602.542.4302

KATIE HOBBS
GOVERNOR

DOUG SARGENT
DIRECTOR

August 19, 2025

The Honorable John Kavanagh, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, Arizona 85007



The Honorable David Livingston, Vice Chairman
Joint Committee on Capital Review
Arizona State House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Senator Kavanagh and Representative Livingston:

A.R.S. 41-1252 requires the Joint Committee on Capital Review (JCCR) to review the expenditure of all monies appropriated for capital projects. The FY 2026 Capital Outlay Bill (Laws 2025, Chapter 235) appropriated \$1,480,600 to the Arizona Department of Juvenile Corrections (ADJC) for 3 capital projects. This amount consists of an appropriation of \$1,361,900 from the Criminal Justice Enhancement Fund (CJEF) and \$118,700 from the Local Cost Sharing Fund.

ADJC requests placement on JCCR's next agenda for review of its FY 2026 Capital Project Allocation Plan.

If you have any questions or concerns regarding this request, please contact Art Smith, Business and Finance Administrator, at 602-542-0461 or awsmith@azdjcc.gov.

Respectfully submitted,

Doug Sargent
Director

Page 2
August 19, 2025
FY 2026 JCCR Request

cc: Richard Stavneak, Director, JLBC Staff
Ben Henderson, Director, OSPB
Ben Beutler, Assistant Director, JLBC Staff
Luke VanderSchaaff, Budget Analyst I, OSPB
Art Smith, Business and Finance Administrator, ADJC
Caitlin Imholte, Government and Public Affairs Administrator, ADJC



Replace Kitchen Make-Up Air Unit

Funding Source: Criminal Justice Enhancement Fund and Local Cost Sharing Fund

Problem: The Make-Up Air Unit (MAU) is the air circulation system used by ADJC Food Services in the kitchen at the Adobe Mountain School. MAU systems are designed to replace air in an interior space that has been removed by exhaust fans. The current MAU was installed in 1995 and is at the end of its service life. The cooling and blower sections of the MAU are significantly rusted/corroded and covered in calcium. The two heating sections of the unit are rusted and it is highly likely that the heat exchangers are cracked, which releases carbon monoxide into the air.

Solution: Replace the current MAU with a new unit. The new unit would have a service life of up to 30 years.

Cost Estimate: \$641,000

Replace Fire Line Booster Pumps

Funding Source: Criminal Justice Enhancement Fund

Problem: The fire line booster pumps at the Adobe Mountain School have been damaged due to pressure effects (water hammer) within the water distribution system. The damage from the water hammer is most attributable to the lack of variable frequency drives (VFDs) to regulate the water pressure within the system appropriately. The fire pumps should be able to escalate to intended water flow rather than the current operation where the pumps turn on at full speed, which is the cause of the water hammer.

Solution: Replace the fire line booster pumps and install VFDs. The VFDs that are included in this replacement will ensure that the system functions correctly. The system would have a service life of up to 30 years.

Cost Estimate: \$536,600

Replace Doors and Locking Systems in Housing Unit

Funding Source: Criminal Justice Enhancement Fund

Problem: The FY 2022 Capital Outlay Bill (Laws 2021, Chapter 406) appropriated \$2.5 million to ADJC to replace doors and locking systems in the four West Housing Units of the Adobe Mountain School. These four units have identical floor plans and were identified during an assessment as being the housing units with doors and locks that were most vulnerable to tampering. Due to cost increases between the original replacement estimate and actual construction, the appropriation was sufficient to cover 3 of the 4 units.

Solution: Utilize the appropriation to replace as many doors and locks as possible within the housing unit that could not be addressed using the FY 2022 capital appropriation.

Cost Estimate: \$303,000

FY 2026 ADJC Building Renewal Summary			
Project	CJEF	Local Cost Share	Totals
Kitchen Make-Up Air Unit	\$522,300	\$118,700	\$641,000
Fire Line Booster Pumps	\$536,600	\$0	\$536,600
Doors and Locks (Quest)	<u>\$303,000</u>	<u>\$0</u>	<u>\$303,000</u>
Totals	\$1,361,900	\$118,700	\$1,480,600



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STACEY TRAVERS
MICHAEL WAY

DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Senior Fiscal Analyst

SUBJECT: Arizona State Parks Board - Review of Buckskin Mountain Boat Ramp Replacement

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. The Arizona State Parks Board (ASPB) requests Committee review of \$1,614,900 from the non-appropriated State Lake Improvement Fund (SLIF) and federal Land and Water Conservation Fund (LWCF) to replace a boat ramp at Buckskin Mountain State Park.

The Parks Board had also requested review of \$500,000 for the Verde River State Park and \$3,633,300 for general capital improvements, but these two items are not on the agenda.

Committee Options

The Committee has at least the following 2 options:

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

A.R.S. § 41-794 requires ASPB to report quarterly on the status of all appropriated capital projects, such as building renewal projects, including actual spending.

Key Points

- 1) The Arizona State Parks Board (ASPB) is seeking review of \$1.6 million from the State Lake Improvement Fund (\$842,200) and federal grants (\$772,700) for projects at Buckskin Mountain State Park.
- 2) The project will include replacement of a boat ramp, as well as ADA compliant parking spaces and an ADA compliant path.

Analysis

ASPB is requesting review of \$1.6 million to remove and replace an existing two-lane boat ramp which is currently experiencing structural issues at Buckskin Mountain State Park located on the Colorado River near Parker. Parks reports that the existing ramp is damaged, steeper than recommended, and has lost surface roughness, making it unsafe to launch boats from. The project also includes adding Americans with Disabilities Act (ADA) compliant parking and an ADA compliant path to the beach and patio area. Of the total project cost, \$842,200 would be funded by SLIF and the remaining \$772,700 would be sourced from federal LWCF monies. ASPB did not provide details as to how they arrived at the estimated project cost.

NB:jbu



Katie Hobbs
Governor

ARIZONA STATE PARKS & TRAILS

Bob Broscheid
Executive Director



October 17, 2025

The Honorable Senator David Farnsworth, Chairman
Chairman, Joint Committee on Capital Review
Arizona State House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

RE: Arizona State Parks Board FY26 Capital Projects for the Joint Committee on Capital Review

Dear Senator Farnsworth:

The Arizona State Parks Board (Arizona State Parks & Trails - ASPT) respectfully requests to be placed on the agenda of the next Joint Committee on Capital Review (JCCR) meeting being held October 2025 for review of funding to complete the projects outlined in the table on the following pages.

ASPT is requesting Committee review on these capital projects pursuant to A.R.S § 41-1252(A)(4) & (C). Upon such review, ASPT will proceed with construction activities for these projects.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact Tom Kmetz, Chief of Development, at 602-542-6920.

Sincerely,

Robert Broscheid
Executive Director
Arizona State Parks Board

cc: The Honorable Representative David Livingston, Chairman, JLBC
Ben Henderson, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, JLBC Director
Nate Belcher, JLBC Analyst
Rudy Cen, OSPB Budget Analyst
Mark Weise, Assistant Director Operations & Development
Kevin Brock, Assistant Director Chief Financial Officer



Katie Hobbs
Governor

ARIZONA STATE PARKS & TRAILS

Bob Broscheid
Executive Director



Arizona State Parks & Trails Capital Improvement Projects Appropriations Brief project descriptions follow below

CIP Project	FY26
Buckskin Mountain State Park Boat Ramp Replacement	\$1,614,900
Verde River state park construction (Upper Verde/Del Rio Property)	\$ 500,000
Capital Improvements - Major Maintenance	\$3,633,300

Buckskin Mountain State Park Boat Ramp Replacement

ASPT is requesting \$1,614,900 to be used for the replacement of an existing two-lane boat ramp at Buckskin Mountain State Park. The ramp is very steep, slick and being undermined. This project includes the removal of the existing (badly damaged) boat ramp and installation of a new boat ramp to improve park visitor safety.

This project is vital to the park, visitors, and boaters. The scope of work is to replace the existing boat ramp, add ADA parking, both trailer and standard spots, to the existing parking lot and add ADA path of travel to the existing beach and patio area.

Funding will consist of \$335,000 left over from a prior State Lake Improvement Fund (SLIF) appropriation for Buckskin Mountain State Park redevelopment projects, \$507,200 additional SLIF, and \$772,700 federal Land and Water Conservation Fund (LWCF) grant monies. We hope to start work on this project in the fall of 2025.

If this work is not done, ASPT visitors will not be able to launch boats from the park. The next closest access would be River Island SP which has a limited access boat ramp due to the slope of the ramp and river, which only allow shallow hull and shorter boats to launch safely.

Upper Verde/Del Rio Property (Verde River state park construction)

ASPT received a FY26 appropriation of \$500,000 for Verde River State Park construction. These funds will be used for securing the property/sites, safety around attractive nuisances, soil conditions, water table evaluation, floodplain analysis, water and wastewater investigation, along with other due diligence work to help secure the property.

These safety and due diligence items are critical to securing the property and reducing liabilities and risk.

Without these funds the property will continue to have attractive nuisances that leave the State vulnerable. In addition these funds will help collect valuable and needed knowledge for moving forward with additional planning.



Katie Hobbs
Governor

ARIZONA STATE PARKS & TRAILS

Bob Broscheid
Executive Director



Capital Improvements- Major Maintenance

CATEGORY CODES	
Fire & Life Safety	\$ 290,000
Shell: Superstructure; Exterior Walls & Roofing	\$ 730,000
Major Building Services	\$ 365,000
Interiors: Interior Construction Stairs; Finishes	\$ 290,000
Special Construction & controls; Hazardous Abatement	\$ 110,000
ADA accessibility	\$ 725,000
Infrastructure & Building Sitework	\$ 725,000
Preventative maintenance	\$ 290,664
Other Projects	\$ 107,636
Total	\$ 3,633,300

Fire and Life Safety

The purpose of these deferred maintenance tasks are to improve or eliminate an impending condition that threatens life or property within the ASPT Building System or infrastructure statewide. ASPT utilizes the ADOA Quadrennial reports, State Fire Marshal Report, and Risk Management assessments to help prioritize improvements; in addition to self-identification of areas of concern. Types of deferred maintenance tasks can include, but are not limited to: Fire alarm systems, fire suppression systems, security alarm systems, air quality systems, water supply for fire suppression and potable quality, wastewater treatment and compliance, security systems such as access control, locks, and camera devices and footage storage systems, and building egress routes.

Deferred maintenance tasks will include:

- Tombstone Court House fire alarm replacement
- Slide Rock security camera replacement
- Fort Verde Commanding quarters egress route
- McFarland egress routes
- Statewide cabin fire alarm replacements
- Other Fire and Life Safety deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

Building Shell

Building Shell improvements are to address deficiencies in existing roofs, exterior enclosures, walls, windows and/or doors. Neglect of exterior roofs, walls, windows and doors escalates deterioration of building structural systems, leads to potential mold growth, and increases the risk of damage to interior contents. Further, the costs of structure damage and mold abatement can often exceed the cost of replacing a roof membrane. This deferred maintenance task category is dedicated to proactively replacing failing roof and exterior systems throughout the ASPT Building System to mitigate negative impacts of interruption to mission critical functions and expensive "crisis-mode" abatements, emergency repairs, and replacements.

Deferred maintenance tasks will include:

- Lyman Lake restroom exterior doors



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Governor

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Executive Director



- Picacho Peak shop roof replacement
- Lyman Lake residence roof replacements
- Tonto Natural bridge exterior siding replacement and painting
- Lyman lake Restroom roof replacement
- Other Building Shell deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

Major Building Services

The deficiencies in the Major Building Services category reflect worsening conditions of HVAC, electrical, plumbing, and structural components across the ASPT Building System. Many of the systems are original to building construction. These systems have surpassed their useful lives and can no longer meet the demands of the facilities they support. Many systems are so weakened that unpredictable and imminent failure conditions threaten mission critical functions of public safety and institutional operations. Replacing aged and inefficient systems with new and more efficient systems will generate energy savings, protect assets, and provide comfortable climate control in Arizona's extreme environment. Failure to address aging and dilapidating systems may result in a shutdown of mission critical State services and expensive emergency basis procurements. Numerous systems throughout the ASPT Building System are original to building construction. These aging systems, in particular, the waste and vent piping, are failing at an increasing rate. Failure to replace deteriorating piping, especially the water and wastewater lines, will result in further damage to ceilings, walls, flooring and mechanical and electrical building systems.

Deferred maintenance tasks will include:

- Oracle Lake boiler repairs
- Oracle group area electrical replacement for restroom and ramadas
- Fool Hollow restroom water heaters
- Fool hollow residence water piping replacement
- Other Major Building Services deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

Building Interior

Replacement of worn interior flooring, stairway treading, and wall finishes have been in a "deferred indefinitely" status for many years. Many floor coverings, many over 20 years old, have long been in a deferred status and are in such poor condition they require immediate attention to avert or eliminate safety hazards. Conditions inside ASPT buildings include floor coverings completely worn through, ongoing patch maintenance, extensive damage to common hallway walls, missing or damaged ceiling tiles, stains, unraveling seams and tears, delaminating stairway treads, unsuccessful duct tape repairs, and extensive rippling. Paint is not matching and faded, as well as, walls marked and scraped. ASPT will use these funds to provide a safe and presentable work environment for all ASPT employees and visitors.

Deferred maintenance tasks will include:

- Slide Rock Restroom floor re-surface
- Buckskin residence interior replacement (flooring, millwork, fixtures etc.)
- Homolovi Ruin residence interior replacement (flooring, millwork, fixtures etc.)
- Other Building Interior deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

Infrastructure



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Infrastructure deferred maintenance tasks can include existing roadways, parking lots, sidewalks and walkways, electrical service entrances (SES) and mechanical utilities, water supply and distribution, sanitary and storm sewers, waste treatment, electrical distribution, site lighting, fencing, and communications. Many of these type systems have been in a "deferred indefinitely" status for many years and are in an exhausted state of deterioration. These aging systems are failing at an increasing rate. Failure to replace deteriorating piping, will result in further damage to State property and may create an environmental impact or reporting condition. Electrical systems are rusting out, rodent damaged, and are long overdue for replacement; from both a code safety concern to park operation being out of service.

Deferred maintenance tasks will include:

- Kartchner Cavern Cave entry main electrical switch gear replacement
- Patagonia Lake beach restroom sewer line work
- Roper Lake well head pipe replacement
- Slide Rock main entry access replacement
- Lake Havasu water line and valve replacement
- Other Infrastructure deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

Special Construction & controls; Hazardous Abatement

This will be for special construction and hazardous abatement priority deferred maintenance tasks. This can include, but not limited to, design and implementation of shoreline stabilization efforts to prevent continued erosion at ASPT's water parks; marina repair for maintenance for break walls and or dredging efforts; as well as repairing and/or replacing dilapidated boat docks causing safety, liability, or long-term maintenance issues; repair or replacement of boat ramps. This also consists of building/infrastructure or special construction and hazardous abatement mitigation effort of existing sites.

Deferred maintenance tasks will include:

- Kartchner Cave cave entry stabilization
- Roper lake Boat dock bumper replacement
- Deadhorse lake Boat ramp surfacing
- Alamo Lake boat ramp erosion protection
- Other Special Construction & Controls: Hazardous Abatement deferred maintenance tasks will be reported on the CIP quarterly report per A.R.S. 41-794

ADA Accessibility

There are numerous ADA deficiencies in the ASPT Park's System that require remedy. Deficiencies include building access ramps, sidewalks, bathroom fixtures, drinking fountains, handrails, parking spaces, sites/amenities, and general reconfigurations of entrances and other areas in buildings to allow or facilitate access to services and workplaces for persons with disabilities. In addition, many recreational areas within the ASPT system need to be ADA compliant.

Preventative Maintenance

Arizona Revised Statute 41-793.01D The agency responsible for a building system shall allocate and expend the amounts appropriated for building renewal within the building system. The department may use up to eight per cent of the amount appropriated for routine preventive maintenance. Preventive maintenance which can include preventive maintenance contracts for HVAC, backup power generators, pavement maintenance (small repairs), wastewater pump stations, septic systems, Termite treatment, etc.



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Other Projects - Building Renewal Scoping

This is for scoping and design services for potential and emergency projects. Some of the requests received for funding consideration have deficient, vague, or very broad scopes of work, no supporting documentation, and insufficient, unreliable, or aged cost estimates. The proposed allocation supports ASPT in the development and implementation of detailed scopes of work that adequately and cost effectively address the requirements of current and future project request.



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DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Micaela Andrews, Assistant Director

SUBJECT: Prescott Historical Society – Review of Territorial Governor's Mansion Restoration

Request

A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. The Prescott Historical Society - Sharlot Hall Museum requests committee review of its plan to spend a FY 2026 budget appropriation of \$500,000 from the General Fund for restoration of the museum's Territorial Governor's Mansion.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) The Prescott Historical Society - Sharlot Hall Museum requests review of a FY 2026 operating appropriation of \$500,000 from the General Fund for restoration work on the Territorial Governor's Mansion in Prescott.
- 2) The mansion was built from logs in 1864. In the late 1920s, Sharlot Hall opened the Gubernatorial Mansion Museum in the building to display Arizona artifacts and collectibles.
- 3) A 2025 assessment projected a cost of \$493,000 for restoration efforts.
- 4) Monies will be spent to replace deteriorating chinking and daubing between the logs and conduct other repairs that stabilize the building and prevent future water damage.

Analysis

Based on a 2025 restoration assessment of the Territorial Governor's Mansion, the Prescott Historical Society- Sharlot Hall Museum estimates expenditures of \$493,000 and requests approval to use the \$500,000 appropriation.

The project will be managed by the Arizona Department of Administration (ADOA) and a vendor will be selected to complete the repairs. Assuming \$500,000 in expenditures, the projected cost of the repairs is \$250 per square foot for the 2,000 square foot building. The agency reports the appropriation will allow work to be completed within 2 years.

The projected work costs are \$335,000. Of the \$271,000 shown in *Table 1* for waterproofing, \$207,500 is for replacing chinking and daubing across the building's interior and exterior. Chinking is the fill between logs (various materials hard like other wood and soft like pine needles) and daubing is the outer clay/lime/mixture spread over the chinking. This is susceptible to deterioration over time. The remaining \$63,500 is for additional waterproofing efforts including treatment and replacement of wood as well as sealants. An additional \$64,000 in the Architectural, Electrical, and Structural Repairs line includes work to improve building stability, prevent exposure to elements or replacing missing/deteriorated materials. Examples including beam shoring or replacement, repainting peeled trim, and replacing deteriorated boards and siding.

As shown in *Table 1*, the plan anticipates \$116,000 for contingency costs and \$49,000 for consulting and engineering fees.

Table 1	
Prescott Historical Society Expenditure Plan	
<u>Work</u>	
Waterproofing	\$ 271,000
Architectural, Electrical, Structural Repairs	<u>64,000</u>
Subtotal	\$ 335,000
Consulting and Engineering Fees	\$ 49,000
<u>Contingency</u>	
Unexpected labor, materials, or logistical costs	\$ 50,500
Additional Contingency	<u>65,500</u>
Subtotal	\$ 116,000
Total	\$ 500,000

MA:jbu



AN ARIZONA HISTORY ADVENTURE

September 30, 2025

The Honorable Senator David C. Farnsworth, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington Street
Phoenix, AZ 85007



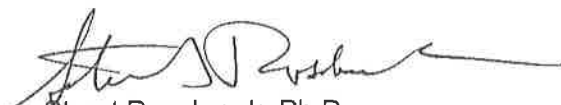
Subject: JCCR Agenda Request

Dear Senator Farnsworth:

In accordance with ARS 15-1683, the Prescott Historical Society requests that the following Prescott Historical Society's state-funded capital project to conserve and preserve the State of Arizona's Historic Governor's Mansion project be placed on the next Joint Committee on Capital Review Agenda.

Enclosed is pertinent information on this key state preservation/conservation project of our state treasure. If you have any questions or desire any clarification on the enclosed material, please contact me at 480-820-5545 (cell).

Sincerely,


Stuart Rosebrook, Ph.D.
Executive Director

Cc: Vice-Chairman David Livingston (dlivingston@azleg.gov)
JLBC Director, Richard Stavneak (jblcdirector@azleg.gov)
OSPB Director, Ben Henderson (bhenderson@az.gov)
JLBC Asst. Director Micaela Larkin Andrews (mandrews@azleg.gov)
Leg. Asst. to Senator Farnsworth, Bonny Solheim (bsolheim@azleg.gov)

Overview: The Prescott Historical Society, dba Sharlot Hall Museum, manages 11 buildings and four acres on our campus in Prescott, Arizona, including the Territorial Governor's Mansion, built in 1864. These facilities range in age from two historic structures dating back to 1864 to our most recent building, The Fred Veil Education Center, completed in 2020. Maintaining these assets is crucial for Sharlot Hall Museum's operations and service to the State of Arizona and its citizens as one of its primary state museums, archives and libraries. We were founded in 1928 by Sharlot M. Hall, our namesake, the former Territorial Historian of Arizona, 1909-1912.

The following outlines Prescott Historical Society's planned capital project to preserve and conserve the Historic Governor's Mansion in Fiscal Year 2026 with necessary work continuing into Fiscal Year 2027, as needed, as the allocation for the preservation work is non-lapsing. According to our ISA with ADOA, "The parties may extend the term of this Agreement annually for one (1) year by written amendment for a total period not to exceed five (5) years. If so amended, the first one (1) year renewal period shall begin on July 1, 2026."

Project: Historic Governor's Mansion

The Governor's Mansion, which is the oldest building associated with Arizona Territory still standing in its original location, was originally constructed from ponderosa pine logs in 1864. The Mansion is a single-story log cabin with an attic, measuring approximately 2,000 square feet in area, and is listed on the National Historic Register.

History of Renovation: The structure has undergone various repairs and modifications over the years. Notably, in 1963, steel framing was installed to support the roof via steel beams, with attic floor beams reinforced using tension rods anchored to these beams. In 1981, Schuman Larsen Architects designed overall exterior repairs. Additionally, stabilization efforts included raising the wood framing off of the soil and installing a CMU and stone foundation. Recently, the floors were refinished in 2018.

Because the mansion is listed on the National Historic Register, any repair project would be subject to applicable sections of the Secretary of the Interior's Standards for the Treatment of Historic Properties ("Standards") with Guidelines for Preserving, Rehabilitating, Restoring & Reconstructing Historic Buildings, as documented by the U.S. Department of the Interior National Park Service Technical Preservation Services. These Standards apply to all grants-in-aid projects assisted through the Historic Preservation Fund (which are authorized by the National Historic Preservation Act). The Treatment Standards, developed in 1992, were most recently revised in 2017. Please note that the requirements of the standards may vary depending upon the finalized selections for the scope of work and treatment approach selected, as described in the Discussion section of this report. We have been working closely with the State Historic Preservation Office throughout this process.

Sharlot Hall MUSEUM

Allocation: As part of the FY26 approved budget, the Prescott Historical Society received a capital outlay appropriation of \$500,000 for conservation and preservation of the Historic Governor's Mansion.

Cost estimates were provided by Walker Consultants. Their final report is titled Condition Assessment of the Historic Governor's Mansion, dated May 27, 2025. It is attached herewith as an appendix for more detailed information.

Basic Scope of Work Cost Estimate \$500,000

1. Recondition interior and exterior chinking between logs.
2. Structure beam shoring.
3. Roof/dormer repairs

Walker Consultants Opinion of Probable Repair Costs (in 2025 dollars) for the recommended, 5-year phased preservation project is shown below.

- A. Immediate– Limited structural and waterproofing repairs: \$27,000
- B. Years 1-2 – Exterior chinking and daubing, and selective exterior repairs: \$238,500
- C. Years 3-5 – Interior chinking and daubing, and selective interior repairs: \$227,500

A detailed description, including breakdown of probable project repair costs and other allowances (including consultant fees) is presented in the attached, detailed Appendix A table.

Outcome: Addressing these infrastructure challenges is essential to ensure the safety and operational integrity of the Historic Governor's Mansion at Prescott Historical Society's Sharlot Hall Museum. The restoration, conservation and preservation of the crown jewel of Arizona's Territorial history during our year-long celebration of America's 250th anniversary is a project all Arizonans can take pride in knowing honors the historic beginnings of the 48th State.

Is the goal of the Prescott Historical Society, working with ADOA, to complete this five-year scope of work, with the allocation of the \$500,000, in two years for three primary reasons:

1. The Historic Governor's Mansion is an identified AZ250 project and its conservation and preservation is a centerpiece project for the citizens of Arizona that honors, celebrates and commemorates our state's grand heritage and Arizona's important role in our nation's 250th anniversary.
2. The construction process should be continuous on the exterior and interior conservation and preservation for greatest cost savings and efficiency.
3. Prescott Historical Society does not want to delay the conservation and preservation of the Historic Governor's Mansion any further to prevent any further architectural issues and use the state's \$500,000 FY26 allocation prudently, understanding that the allocation of \$500,000 does not lapse on June 30, 2026.



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DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Department of Public Safety - Review of FY 2026 Headquarter Electrical Upgrade Project

Request

A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The Department of Public Safety (DPS) is requesting review of \$11,227,100 from the General Fund to upgrade the electrical system at the department's headquarters in Phoenix. The FY 2026 Capital Outlay Bill appropriated \$11,227,100 to DPS for this purpose.

DPS had also requested review of \$2,000,000 to replace the Sanders and Payson Area Offices, but this item is not on the agenda.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) A recent assessment of the department's headquarters indicated issues with an out-of-code electrical system, which is 48 years old (23 years past its estimated useful life).
- 2) The FY 2026 Capital Outlay Bill included \$11.2 million from the General Fund to upgrade the electrical system at the department's headquarter facilities in Phoenix.
- 3) The department plans to repair and replace the electrical systems at the training compound, criminal investigations building, central regional crime lab, and headquarters office which are all co-located on the same property.

Analysis

The DPS headquarters in Phoenix provides a central location for various department functions. A recent assessment of the facilities on this property raised concerns about the out-of-code electrical system, which is 48 years old (23 years past its estimated useful life). In particular, the assessment noted the age of the equipment and deemed it unsafe, out of code, and lacking proper protection for electrical equipment.

The FY 2026 Capital Outlay Bill appropriated \$11.2 million from the General Fund to DPS to upgrade the electrical system at the department's headquarters in Phoenix. DPS plans to use this funding to repair and replace the electrical systems, including upgrading switchboards, transformers, and panelboards, at their training compound, criminal investigations building, central regional crime lab, and headquarters office which are all co-located on the same property. *Table 1* below provides a summary of the planned expenditures.

Table 1	
FY 2026 Headquarter Electrical Upgrade Expenditure Plan	
Training Compound	\$ 5,076,100
Criminal Investigations Building	1,071,100
Central Regional Crime Lab	2,561,200
Headquarters Building	<u>2,518,700</u>
Total	\$11,227,100

The department estimates that project will be completed by December 2027.

JJ:jbu



ARIZONA DEPARTMENT OF PUBLIC SAFETY

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"Courteous Vigilance"

KATIE HOBBS
Governor

JEFFREY GLOVER
Director

September 25, 2025

Senator David C. Farnsworth, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007



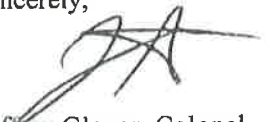
Dear Chairman Farnsworth:

Laws 2025, Chapter 235 (Senate Bill 1737) appropriates \$11,227,100 from the General Fund to the Department of Public Safety (DPS) to replace the Service Entrance Sections (SES) at our buildings at the DPS Headquarters.

Per A.R.S. § 41-1252, the JCCR must review the intended scope, purpose, and estimated cost of this project before the Department can expend the monies for construction. With this letter, we request placement on the next available agenda.

If necessary, the Department can provide additional information to your staff prior to the meeting date. Any questions may be addressed to Mike Dodd, DPS Budget Officer, at (602) 223-2463.

Sincerely,



Jeffrey Glover, Colonel
Director

cc: Representative David Livingston, Vice-Chairman
Ben Henderson, OSPB
Richard Stavneak, JLBC

Attachment

Arizona Department of Public Safety (DPS)
Service Entrance Section Replacements
Laws 2025, Chapter 235 (Senate Bill 1737)
\$11,227,100

Summary

Laws 2025, Chapter 235 (SB 1737)) appropriated \$11,227,100 from the General Fund to the Arizona Department of Public Safety (DPS) to replace the Service Entrance Sections (SES) at the Phoenix Headquarters, Compound, Criminal Investigations, and Crime Lab buildings. Prior to the expenditure of the funds, A.R.S. § 41-1252 requires DPS to present the scope, purpose, and estimated cost to the Joint Committee on Capital Review (JCCR) for review.

Purpose

The switchboards, step-down transformers, panelboards, and associated feeders at the Phoenix Headquarters, Compound, Criminal Investigations and Crime Lab buildings must be replaced. Most of the equipment is 48 years of age which is 23 years past its useful life. The age of the equipment and the arc flash testing revealed much of the equipment to be unsafe, out of code, and lacking the proper protection required for electrical equipment. A single fault incident could render the system beyond the point of operation. Simply opening the panels could result in serious bodily injury or death. The replacement of this equipment is critical to sustaining the 24-hour-a-day, 365-days-a-year operation of the buildings. Not only DPS, but other agencies use the vital services provided from these buildings. A shut down could be catastrophic. The updated equipment will increase cost-effective operations and employee safety.

The SES replacement project includes replacing the four SES panels and associated systems that are not within code. The approximate cost for the new panels and associated systems is \$11,227,100.

Procurement Method Pricing and Cost Breakdown

Below is the estimated cost breakdown for the new panels and associated systems, installation, and removal of the current panels and associated systems:

Compound	\$5,076,100
Criminal Investigations Building	\$1,071,125
Central Regional Crime Lab	\$2,561,175
Headquarters Building	\$2,518,700
TOTAL	\$11,227,100

Timeline/Conclusion

The timeline to complete the project is dependent on the lead time of the SES panels and is expected to be completed by December 2027.



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DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2026 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) is requesting that the Committee review its \$23,385,300 FY 2026 Building Renewal Allocation Plan.

ADOT has allocated \$22,990,400 from the State Highway Fund among 175 projects, leaving a contingency balance of \$40,000, \$704,700 for statewide building inventory, and \$500,000 for project management support. ADOT has also allocated \$394,900 from the State Aviation Fund for 16 projects, with no contingency funding.

Committee Options

The Committee has at least the following 2 options:

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

A.R.S. § 41-794 requires ADOT to report quarterly on the status of all nonhighway construction capital projects, such as building renewal projects, including its actual spending relative to its plan.

Key Points

- 1) ADOT Building Renewal projects span a range of categories including remodeling, safety improvements, compliance, and roofing replacements.
- 2) The \$23.0 million State Highway Fund and \$394,900 State Aviation Fund Building Renewal appropriations equate to 100% of the respective formula requirement.
- 3) The largest expenditure categories include \$6.9 million for infrastructure (sewers, wells, parking lots), \$4.4 million for roofs, \$4.1 million for building systems (HVAC, electrical, plumbing), and \$4.0 million for remodeling.
- 4) ADOT's proposal consists of 175 separate projects from the State Highway Fund and 16 separate projects from the State Aviation Fund.

Analysis

The FY 2026 Capital Outlay Bill appropriated a total of \$23.4 million for ADOT building renewal in FY 2025, including \$23.0 million from the State Highway Fund and \$394,900 from the State Aviation Fund. The FY 2026 Building Renewal appropriation represents 100% of the amount generated by the building renewal formula for the ADOT Building System and 100% for the Grand Canyon Airport building renewal formula for FY 2026. 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 175 projects:

Table 1

State Highway Fund Building Renewal Project Categories

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Fire/Life/Safety	5	\$410,000	2%
Roof Repairs/Replacement	14	4,365,000	19%
Exterior Preservation (Doors, Windows, Siding)	41	1,637,000	7%
Building Systems (HVAC, Electrical, Plumbing)	49	4,065,600	17%
Interior Finishes (Paint, Carpet, Tile)	7	215,000	1%
Remodels and Reconfigurations	11	3,976,100	17%
Americans with Disabilities Act	5	170,000	1%
Infrastructure (Sewers, Wells, Parking Lots)	43	6,907,000	30%
Project Management Support	N/A	40,000	1%
Statewide Building Inventory	N/A	500,000	2%
Contingency	N/A	704,700	3%
Total	175	\$22,990,400	100%

Of the 175 State Highway Fund projects, the 29 building projects shown in *Table 2* have a cost of \$250,000 or more.

Table 2

Major State Highway Fund Building Renewal Projects

<u>Project</u>	<u>Allocation</u>
Roof Repairs/Replacement	
Bouse Wash Rest Area, Building 2012 Restrooms – Repair/replace roof	300,000
Bouse Wash Rest Area, Building 2014 Restrooms – Repair/replace roof	300,000
Central Materials Lab Building 1121 – Reseal roof	300,000
Flagstaff Offices Building 3884 – Repair/replace roof	2,000,000
West Phoenix MVD Building 1651 – Replace roof and wood fascia	600,000
Building Systems (HVAC, Electrical, Plumbing)	
Administration Building 1005B – Install electrical service phase 2	450,000
Administration Building 1005B – Repairs to chiller piping	475,000
Central Materials Lab Building 1121 – Replace waste piping	500,000
Engineering Building 1004 – Renovate cooling tower	380,000
Flagstaff Offices Building 3884 – Replace HVAC unit support curbs	350,000
Remodeling and Reconfigurations	
East Flagstaff Maintenance Yard – Renovate restrooms and breakroom	470,000
Kingman Complex Building 3051 – Renovate building	600,000
Nogales Port of Entry Building 2270 – Replace flooring, lighting, fixtures, painting	250,000
Old MVD Building 1001D – Renovate/relocate modular building to Payson	750,000
Show Low Yard – Renovate/relocate office	300,000
Young Maintenance Camp – Convert storage into office, renovate restroom	300,000
Yuma Maintenance Complex – Renovate modular building	700,000
ECD Inspection Facility Building 1815 – Design renovation of ECD office	300,000
Statewide – Perform general repairs	250,000
Infrastructure (Sewers, Wells, Parking Lots)	
Administration Building 1005B – Repair/replace pavement	600,000
Camp Verde Maintenance Yard – Pave remaining half of yard	250,000
Canoa Rest Area – Replace water service piping	300,000
Colcord Maintenance Yard – Renovate building and replace potable water tank	275,000
Gray Mountain Maintenance Yard – Design/repair fire hydrant storage tank	350,000
Phoenix Equipment Services – Repair/replace pavement	300,000
Sonoita Maintenance Yard – Install water storage tank	375,000
Sunset Point Rest Area Building 3084 – Design/install water filtration system	260,000
Tucson Regional MVD – Repave parking lot, replace curbing	400,000
Statewide – Repair site wells, gas, water and wastewater system deficiencies	600,000
Total	\$13,285,000

ADOT expects to allocate the Building Renewal monies from the State Aviation Fund for 16 projects at the state-owned Grand Canyon Airport in the following categories:

Table 3

State Aviation Fund Building Renewal Projects

<u>Category</u>	<u>Projects</u>	<u>State Aviation Fund</u>	<u>% of Total</u>
Fire/Life/Safety	2	\$20,000	5%
Roof/Repairs Replacement	1	10,000	3%
Exterior Preservation (Doors, Windows, Siding)	2	40,000	10%
Building Systems (HVAC, Electrical, Plumbing)	4	71,000	18%
Interior Finishes (Paint, Carpet, Tile)	2	20,000	5%
Reconfigure or Remodel	1	61,000	15%
Americans with Disabilities Act	1	10,000	3%
Infrastructure	<u>3</u>	<u>162,900</u>	<u>41%</u>
Total	16	\$394,900	100%

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

JJ:jbu

September 4, 2025

The Honorable John Kavanagh
Chairman, Joint Committee on Capital Review
1716 West Adams
Phoenix, AZ 85007



Dear Senator Kavanagh:

Pursuant to Laws 2025, Chapter 235 (SB 1737), Section 7(F), the Arizona Department of Transportation (ADOT) received an FY 2026 Building Renewal appropriation of \$22,990,400 from the State Highway Fund and \$394,900 from the State Aviation Fund. A.R.S. § 41-1252 requires JCCR review of expenditure plans for building renewal monies prior to expenditure. ADOT respectfully requests placement on the next JCCR agenda for review of its FY 2026 Building Renewal Allocation.

The following summary outlines ADOT's FY 2026 Building Renewal by major category:

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE & LIFE SAFETY	\$410,000	\$20,000
CATEGORY 2 - ROOFS	\$4,365,000	\$10,000
CATEGORY 3 - BUILDING SHELL -PRESERVATION OF ASSET	\$1,637,000	\$40,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$4,065,600	\$71,000
CATEGORY 5 - BUILDING INTERIOR	\$215,000	\$20,000
CATEGORY 6 - BUILDING RECONFIGURE OR REMODEL	\$3,976,100	\$61,000
CATEGORY 7 - ADA COMPLIANCE	\$170,000	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$6,907,000	\$162,900
PROJECT MANAGEMENT SUPPORT	\$40,000	\$0
CONDUCT BUILDING ASSET INVENTORY	\$500,000	\$0
CONTINGENCY	\$704,700	\$0
Total FY 2026 Building Renewal	\$22,990,400	\$394,900

Attached is a listing of FY 2026 Building Renewal projects by major category and fund.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact David Bolter, Budget Manager, at (602) 712-8917.

Sincerely,



Jennifer Toth
Director

Enclosure

Cc: The Honorable David Livingston, Vice-Chairman, JCCR
Ben Henderson, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Jordan Johnston, JLBC Analyst
Ben Onesko, OSPB Budget Analyst
Floyd Roehrich, Jr, PE, ADOT Director's Office, Deputy Director-Business Enterprise
Teri Kennedy, ADOT Administrative Services Director
John Hetzel, ADOT Facilities Administrator
jlbwebmaster@azleg.gov

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL SUMMARY - BY CATEGORY**

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE/LIFE/SAFETY	\$410,000	\$20,000
CATEGORY 2 - ROOFS	\$4,365,000	\$10,000
CATEGORY 3 - PRESERVATION OF ASSET	\$1,637,000	\$40,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$4,065,600	\$71,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$215,000	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$3,976,100	\$61,000
CATEGORY 7 - ADA COMPLIANCE	\$170,000	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$6,907,000	\$162,900
PROJECT MANAGEMENT SUPPORT	\$40,000	\$0
STATEWIDE BUILDING INVENTORY	\$500,000	\$0
CONTINGENCY	\$704,700	\$0
Total FY 2025 Building Renewal	\$22,990,400	\$394,900

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
CATEGORY 1 - FIRE/LIFE/SAFETY	
ENGINEERING BLDG, Bldg. 1004 Office - Replace fire riser	\$100,000
State Wide - ADOT statewide - Asbestos abatement & repair	\$40,000
State Wide - ADOT statewide - Lead paint abatement & repair	\$20,000
State Wide - ADOT statewide - Mold abatement & repair	\$10,000
State Wide - ADOT statewide - Repair fire alarm & suppression systems	\$240,000
TOTAL CATEGORY 1 - FIRE/LIFE/SAFETY	\$410,000
CATEGORY 2 - ROOFS	
AGUA FRIA HWY MAINT, Bldg. 1617 Canopy - Repair roof	\$50,000
BOUSE WASH REST AREA, Bldg. 2012 RESTROOMS (E/B) - Repair / replace roof	\$300,000
BOUSE WASH REST AREA, Bldg. 2014 RESTROOMS (W/B) - Repair / replace roof	\$300,000
BURNT WELL REST AREA, Bldg. 2041 RESIDENCE (E/B) - Repair / replace roof	\$120,000
BURNT WELL REST AREA, Bldg. 2043 RESIDENCE (W/B) - Repair / replace roof	\$120,000
CENTRAL (MATERIALS) LAB, Bldg. 1121 Laboratory - Reseal roof	\$300,000
CORDES JCT. MAINT.YARD, Bldg. 3088 STORAGE / EQUIPMENT - Replace metal roofing	\$150,000
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Repair & replace roof	\$2,000,000
GREY PEAK MAINT CAMP, Bldg. 2146 OFFICE / EQUIPMENT STORAGE-Repair & recoat foamed metal roof	\$20,000
NOGALES PORT OF ENTRY, Bldg. 2270 INSPECTION BAY / OFFICES - Repair & replace roof and roof safety access	\$200,000
PHOENIX MAINT. DIST. HDQ., Bldg. 1701 Office/Lab - Repair roof	\$85,000
SAFFORD ANNEX COMPLEX, Bldg. 2137 OFFICE / EQUIPMENT STORAGE (S & S) - Repair & replace asphalt shingle roof	\$20,000
WEST PHOENIX MVD, Bldg. 1651 Office - Replace roof and wood fascia	\$600,000
State Wide - ADOT statewide - Repair roofs	\$100,000
TOTAL CATEGORY 2 - ROOFS	\$4,365,000
CATEGORY 3 - PRESERVATION OF ASSET	
BOUSE STORAGE YARD, Bldg. 2228 Storage - Replace building tie downs	\$2,500
CAMP VERDE MAINT. YARD, Bldg. 3104 STORAGE / SIGN - Remove rust spots & touch up paint on roof	\$10,000
CAMP VERDE MAINT. YARD, Bldg. 3859 - Install concrete landing at entrance door	\$2,500
CANOA REST AREA - Replace dumpster enclosure	\$75,000
CASA GRANDE CONSTR YARD (OLD), Bldg. 2637 PUMP HOUSE - Repair & paint exterior	\$5,000
CASA GRANDE CONSTR YARD, Bldg. 2064 OFFICE / S & S - Replace windows	\$30,000
CASA GRANDE CONSTR YARD, Bldg. 2371 CANOPY - Install structural strapping to prevent wind damage	\$2,500
CASA GRANDE MAINT YARD, Bldg. 2379 STORAGE / TANK / FUEL - Remove containment wall	\$35,000
COLCORD MAINT. YARD, Bldg. 3846 STORAGE / LIQUID DEICER - Renovate containment area	\$185,000
COOLIDGE MAINT / MVD COMPLEX, Bldg. 2386 STORAGE / SIGN - Repair exterior wall	\$60,000
CORDES JCT. MAINT.YARD, Bldg. 3088 STORAGE / EQUIPMENT - Repair / replace Insulation	\$100,000
CORDES JCT. MAINT.YARD, Bldg. 3824 TRUCK WASH - Remove rust spots & touch up paint on handrails	\$2,500
ENGINEERING BLDG, Bldg. 1010 Office/Modular - Repair & paint exterior and doors	\$30,000
ENGINEERING BLDG, Bldg. 1011 Office/Modular - Repair & paint exterior and doors	\$30,000
GILA BEND MAINT. YARD, Bldg. 2056 STORAGE / EQUIPMENT - Replace exterior Windows	\$20,000
GILA BEND MAINT. YARD, Bldg. 2359 STORAGE - Repair & paint exterior	\$10,000
GILA BEND MAINT. YARD, Bldg. 2360 STORAGE - Repair & paint exterior and doors	\$10,000
GREY PEAK MAINT CAMP, Bldg. 2705 Storage/Spreader - Install 4 spreader suspension points	\$10,000
KAYENTA MAINT.YARD, Bldg. 3865 Storage / Deicer Liquid - Repair containment area	\$230,000
KAYENTA MAINT.YARD, Bldg. 3866 Storage / Asphalt Tank - Repair containment area	\$230,000
N.W. PHOENIX REGIONAL MVD, Bldg. 1431 Office/MVD - Repair and paint exterior metal surfaces	\$7,000
NORTH PHOENIX MAINT. YARD, Bldg. 1241 Office - Repair & paint exterior and doors	\$8,000
NORTH PHOENIX MAINT. YARD, Bldg. 1243 Storage - Repair & paint exterior and doors	\$8,000
NORTH PHOENIX MAINT. YARD, Bldg. 1245 Canopy - Repair & paint exterior	\$8,000
NORTH PHOENIX MAINT. YARD, Bldg. 1246 Canopy - Repair & paint exterior	\$8,000
NORTH PHOENIX MAINT. YARD, Bldg. 1247 Fuel Station - Repair & paint exterior	\$5,000
NORTH PHOENIX MAINT. YARD, Bldg. 1250 Office/Construction/Modular - Repair & paint exterior and doors	\$20,000
NORTH PHOENIX MAINT. YARD, Bldg. 1252 Canopy - Repair & paint exterior	\$5,000
NORTH PHOENIX MAINT. YARD, Bldg. 1253 Canopy - Repair & paint exterior	\$5,000
NORTH PHOENIX MAINT. YARD, Bldg. 1255 Office/Landscape/Modular - Repair & paint exterior and doors	\$8,000
PRESCOTT VALLEY YARD, Bldg. 3616 FUEL STATION - Repair & paint exterior	\$5,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
SHOW LOW YARD, Bldg. 3270 EQUIPMENT SHOP - Replace roll-up doors with insulated doors	\$170,000
TEEC NOS POS PORT OF ENTRY, Bldg. 3366 RESIDENCE / MODULAR - Repair & paint exterior	\$6,000
THREEWAY (CLIFTON) MAINT / MVD COMPLEX, Bldg. 2701 WASH RACK - Install 4 spreader suspension points	\$10,000
TONOPAH MAINT. YARD, Bldg. 2318 WASH RACK - Repair & paint exterior	\$9,000
WIKIEUP MAINT. YARD, Bldg. 3204 OFFICE / CONSTRUCTION / MODULAR - Replace windows	\$75,000
YUMA MAINT & ADMIN COMPLEX, Bldg. 2034 EQUIPMENT SERVICES SHOP - Repair & paint exterior	\$60,000
YUMA MAINT & ADMIN COMPLEX, Bldg. 2034 EQUIPMENT SERVICES SHOP - Replace building windows	\$45,000
YUMA MVD, Bldg. 2280 STORAGE - Repair and paint interior and exterior walls and doors	\$5,000
State Wide - ADOT statewide - Repaint/repair exterior surfaces	\$40,000
State Wide - ADOT statewide - Repair doors, windows & other exterior features and surfaces	\$50,000
TOTAL CATEGORY 3 - PRESERVATION OF ASSET	\$1,637,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	
1801 BLDG, Bldg. 1006 Office/MVD - Install recharge filter in chilled water system loop	\$2,300
ADMIN BLDG, Bldg. 1005A Office - Install recharge filter in chilled water system loop	\$2,000
ADMIN BLDG, Bldg. 1005B Office - Install electrical service Phase 2	\$450,000
ADMIN BLDG, Bldg. 1005B Office - Repairs to chiller piping	\$475,000
AGUA FRIA HWY MAINT, Bldg. 1612 Storage/Equipment - Replace canopy lighting with LED	\$40,000
AGUA FRIA HWY MAINT, Bldg. 1615 Office/Modular/Landscape - Replace interior lighting with LED	\$20,000
AGUA FRIA HWY MAINT, Bldg. 1618 Canopy - Replace canopy lighting with LED	\$5,000
AVONDALE MVD, Bldg. 1602 Office - Install recharge filter in chilled water system loop	\$6,700
BOUSE WASH REST AREA - Replace parking lot light fixtures	\$48,000
Capital Mall Shop, Bldg. 1032 Office/Equipment Services - Replace waste piping	\$75,000
CASA GRANDE CONSTR YARD - Replace hose bibs	\$2,000
CASA GRANDE MVD, Bldg. 2383 CANOPY / INSPECTION - Replace lighting with LED	\$25,000
CENTRAL (MATERIALS) LAB, Bldg. 1121 Laboratory - Replace waste piping	\$500,000
CORDES JCT. MAINT.YARD, Bldg. 3088 STORAGE / EQUIPMENT - Replace interior and exterior lighting with LED	\$10,000
CORDES JCT. MAINT.YARD, Bldg. 3093 STORAGE / DEICER - Replace lighting with LED	\$15,000
CORDES JCT. MAINT.YARD, Bldg. 3801 OFFICE COMPLEX - Locate and install new sewer clean outs	\$3,000
CORDES JCT. MAINT.YARD, Bldg. 3801 OFFICE COMPLEX - Replace electrical breakers to the same manufacturer	\$2,500
ENGINEERING BLDG, Bldg. 1004 Office - Install recharge filter in chilled water system loop	\$8,100
ENGINEERING BLDG, Bldg. 1004 Office - Renovate cooling tower	\$380,000
FACILITIES MGT & ENGR CONTRACTS ADMIN, Bldg. 1002 Office - Install recharge filter in chilled water system loop	\$2,000
FACILITIES MGT WAREHOUSE, Bldg. 1003 Office/Shop - Repair / replace HVAC package unit	\$20,000
FLAGSTAFF OFFICES, Bldg. 3884 Office Complex - Replace roof top HVAC unit support curbs	\$350,000
KAYENTA MAINT.YARD, Bldg. 3406 STORAGE / SPREADER - Replace lighting and install 5 block heater outlets	\$15,000
NORTH PHOENIX MAINT. YARD, Bldg. 1246 Canopy - Replace lighting with LED	\$5,000
PHX EQUIPMENT SERVICES, Bldg. 1752 Office/Annex - Repair / replace exhaust fans	\$20,000
PHX EQUIPMENT SERVICES, Bldg. 1754 Equipment Shop/Light Duty - Remove exhaust fans	\$20,000
PHX EQUIPMENT SERVICES, Bldg. 1756 Office/Equipment Services - Install recharge filter in chilled water system loop	\$7,500
PRESCOTT VALLEY YARD, Bldg. 3068 OFFICE - Replace lighting with LED	\$15,000
PRESCOTT VALLEY YARD, Bldg. 3073 OFFICE / NATURAL RESOURCES - Replace lighting with LED	\$6,000
SALT RIVER COMPLEX, Bldg. 1330 Wash Rack - Replace propane piping to boiler	\$5,000
SOUTH MOUNTAIN MVD, Bldg. 1901 Office/MVD - Install recharge filter in chilled water system loop	\$6,400
TRAFFIC OPNS CENTER, Bldg. 1711 Office - Install recharge filter in chilled water system loop	\$5,400
TUCSON CONST COMPLEX, Bldg. 2158 LABORATORY - Replace dust collection system	\$210,000
TUCSON REGIONAL MVD - Replace parking lot lighting with LED	\$200,000
TUCSON REGIONAL MVD, Bldg. 2150 OFFICE / MVD - Install recharge filter in chilled water system loop	\$6,400
WEST PHOENIX MVD, Bldg. 1651 Office - Install recharge filter in chilled water system loop	\$7,300
WIKIEUP MAINT. YARD, Bldg. 3204 OFFICE / CONSTRUCTION / MODULAR - Replace five Bard heat pump units	\$125,000
State Wide - ADOT statewide - HVAC control systems	\$75,000
State Wide - ADOT statewide - Repair electrical systems	\$60,000
State Wide - ADOT statewide - Repair elevator systems	\$30,000
State Wide - ADOT statewide - Repair HVAC systems	\$60,000
State Wide - ADOT statewide - Repair HVAC systems in ASD buildings	\$140,000
State Wide - ADOT statewide - Repair HVAC systems in ECD buildings	\$45,000
State Wide - ADOT statewide - Repair HVAC systems in EQS buildings	\$45,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
State Wide - ADOT statewide - Repair HVAC systems in MVD buildings	\$180,000
State Wide - ADOT statewide - Repair HVAC systems in PDO buildings	\$105,000
State Wide - ADOT statewide - Repair plumbing systems	\$100,000
State Wide - ADOT statewide - Retrofit unserviceable light fixtures	\$30,000
State Wide - ADOT statewide - Service building electrical systems	\$100,000
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$4,065,600
CATEGORY 5 - INTERIOR BUILDING FINISHES	
CASA GRANDE MAINT YARD, Bldg. 2069 OFFICE / SHOP - Replace office/shop separation wall	\$20,000
CORDES JCT. MAINT.YARD, Bldg. 3088 STORAGE / EQUIPMENT - Repair spalling and seal cracks in concrete floor	\$50,000
GLENDALE MVD, Bldg. 1421 Office/MVD - Repair & paint interior	\$25,000
PRESCOTT VALLEY YARD, Bldg. 3070 WASH RACK - Repair & paint interior structural steel	\$30,000
State Wide - ADOT statewide - Repaint/repair interior surfaces	\$20,000
State Wide - ADOT statewide - Repair/replace casework	\$20,000
State Wide - ADOT statewide - Repair/replace flooring	\$50,000
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	\$215,000
CATEGORY 6 - RECONFIGURE OR REMODEL	
EAST FLAGSTAFF MAINT. YARD, Bldg. 3174 STORAGE / SIGN - Renovate restrooms and break area Phase 2	\$470,000
KINGMAN COMPLEX, Bldg. 3051 OFFICE / MVD - Renovate building	\$600,000
NOGALES PORT OF ENTRY, Bldg. 2270 INSPECTION BAY / OFFICES - Replace flooring, lighting, fixtures, painting	\$250,000
Old MVD, Bldg. 1001D Office/Modular - Renovate and relocate modular building to Payson Phase 1	\$750,000
SHOW LOW YARD, Bldg. 3270 EQUIPMENT SHOP - Relocate & renovate office Phase 2	\$300,000
TEEC NOS POS PORT OF ENTRY, Bldg. 3364 OFFICE / MVD / MODULAR - Relevel modular building	\$15,000
YOUNG MAINT CAMP, Bldg. 2094 STORAGE / EQUIPMENT - Convert storage into office, renovate restroom	\$300,000
YUMA MAINT & ADMIN COMPLEX, Bldg. 1001C Office/Modular - Renovate modular Phase 3	\$700,000
YUMA MAINT & ADMIN COMPLEX, Bldg. 2034 EQUIPMENT SERVICES SHOP - Renovate restrooms	\$41,100
Enforcement and Compliance Division Inspection Facility, Bldg. 1815 Office - Design renovation of 18,000 SF ECD office	\$300,000
State Wide - ADOT statewide - Perform general repairs	\$250,000
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	\$3,976,100
CATEGORY 7 - ADA COMPLIANCE	
CAMP VERDE MAINT. YARD - Re-stripe parking areas to be ADA complaint	\$60,000
CORDES JCT. MAINT.YARD, Bldg. 3801 OFFICE COMPLEX - Correct ramp incline, Install automatic door opener	\$15,000
HOLBROOK YARD, Bldg. 3258 STORAGE / EQUIPMENT - Rework & refinish hand railing	\$20,000
PHX SURVEY OFFICE, Bldg. 1131 Office - Renovate restrooms for ADA compliance	\$50,000
State Wide - ADOT statewide - ADA compliance repairs/renovations	\$25,000
TOTAL CATEGORY 7 - ADA COMPLIANCE	\$170,000
CATEGORY 8 - INFRASTRUCTURE	
ADMIN BLDG, Bldg. 1005B Office - Repair / replace pavement	\$600,000
BOUSE WASH REST AREA - Replace Electrical Service Entrance Section (SES)	\$100,000
BOUSE WASH REST AREA - Replace reverse osmosis system and chlorinator Phase 2	\$221,000
BOUSE WASH REST AREA - Wastewater lagoon rehabilitation	\$120,000
BOUSE WASH REST AREA, Bldg. 2223 WATER SYSTEM / PUMP HOUSE - Install remote water system monitoring system	\$90,000
BURNT WELL REST AREA - Replace Electrical Service Entrance Section (SES)	\$100,000
BURNT WELL REST AREA - Replace reverse osmosis systems Phase 2	\$219,000
CAMP VERDE MAINT. YARD - Pave remaining half of yard	\$250,000
CANOA REST AREA - Replace Electrical Service Entrance Section (SES)	\$100,000
CANOA REST AREA - Replace water service piping	\$300,000
CASA GRANDE CONSTR YARD - Grade around parking structure	\$50,000
CASA GRANDE MAINT YARD - Replace site lighting with LED	\$15,000
CASA GRANDE MAINT YARD - Replace water service piping	\$25,000
CHAMBERS MAINT.YARD, Bldg. 3330 WATER SYSTEM / PUMP HOUSE - Design and install new water filtration system	\$225,000
COLCORD MAINT. YARD, Bldg. 3184 WATER SYSTEM / PUMP HOUSE - Renovate building and replace potable water storage tank	\$275,000
CORDES JCT. MAINT.YARD - Install security light at entrance gate	\$5,000
CORDES JCT. MAINT.YARD - Repair security fencing	\$175,000

**ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY**

Project Description	Estimated Cost
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STATE HIGHWAY FUND (SHF)

FISH CREEK MAINT. CAMP - Site improvements, lighting, fencing	\$145,000
GRAY MTN. MAINT.YARD - Design and Repair fire hydrant water storage tank and water truck fill	\$350,000
HAVILAND REST AREA, Bldg. 3017 WATER SYSTEM / PUMP HOUSE (E/B) - Install remote water system monitoring system	\$60,000
KAYENTA MAINT.YARD - Repair fencing and replace gate operator	\$25,000
METEOR CRATER REST AREA, Bldg. 3826 WATER SYSTEM TANK (NEW) - Design additional water storage tank	\$20,000
PAGE YARD - Repair MVD/POE Pavement	\$150,000
PAINTED CLIFFS REST AREA, Bldg. 3359 WATER SYSTEM / PUMP HOUSE - Design and install new water filtration system	\$225,000
PHX EQUIPMENT SERVICES - Repair /replace pavement	\$300,000
PRESCOTT VALLEY YARD - Repair site lighting	\$15,000
SONOITA MAINTENANCE YARD - Install new water storage tank Phase 2	\$375,000
SONOITA MAINTENANCE YARD - Replace reverse osmosis systems Phase 2	\$90,000
ST. DAVID MAINT YARD - Design and correct site drainage issues to prevent flooding	\$50,000
SUNSET POINT REST AREA, Bldg. 3084 WATER SYSTEM / PUMP HOUSE - Design and install water filtration system	\$260,000
TEEC NOS POS MAINT. YARD - Replace perimeter fence	\$150,000
TEXAS CANYON REST AREA, Bldg. 2438 WATER SYSTEM / TANK (W/B) - Install remote water system monitoring system	\$90,000
TRAFFIC OPNS CENTER - Crack fill and seal parking lot	\$80,000
TUCSON DISTRICT COMPLEX - Repair / replace pavement	\$140,000
TUCSON DISTRICT COMPLEX - Repair, seal, & stripe parking area	\$140,000
TUCSON OPERATIONS YARD - Repair gas monitoring probes and testing	\$12,000
TUCSON REGIONAL MVD - Repair failing, uplifted sidewalks	\$30,000
TUCSON REGIONAL MVD - Repave public parking and other sections, replace failed curbing with non-extruded type	\$400,000
TUCSON REGIONAL MVD - Replace curbing with non-extruded, Reseal and stripe employee parking lot	\$100,000
YOUNG MAINT CAMP - Repair / replace site fencing	\$50,000
State Wide - ADOT statewide - Repair fencing, gates & barrier walls	\$80,000
State Wide - ADOT statewide - Repair parking lot pavements/curbing/stripping	\$100,000
State Wide - ADOT statewide - Repair site wells, gas, water and wastewater system deficiencies	\$600,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	\$6,907,000

TOTAL OF ALL SHF PROJECTS REQUESTED	\$21,745,700
State Wide - ADOT Statewide - Conduct building asset inventory	\$500,000
State Wide - Contingency	\$704,700
State Wide - Project management support	\$40,000
TOTAL AUTHORIZED SHF FUNDS	\$22,990,400

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE/LIFE/SAFETY	\$410,000
CATEGORY 2 - ROOFS	\$4,365,000
CATEGORY 3 - PRESERVATION OF ASSET	\$1,637,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$4,065,600
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$215,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$3,976,100
CATEGORY 7 - ADA COMPLIANCE	\$170,000
CATEGORY 8 - INFRASTRUCTURE	\$6,907,000
PROJECT MANAGEMENT SUPPORT	\$500,000
STATEWIDE BUILDING INVENTORY	\$704,700
CONTINGENCY	\$40,000
TOTAL AUTHORIZED SHF FUNDS	\$22,990,400

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2026 BUILDING RENEWAL ALLOCATION
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
STATE AVIATION FUND	
CATEGORY 1 - FIRE/LIFE/SAFETY	
GRAND CANYON AIRPORT - Abate asbestos, lead paint & environmental hazards	\$10,000
GRAND CANYON AIRPORT - Repair fire alarm & sprinkler systems	\$10,000
TOTAL CATEGORY 1 - FIRE/LIFE/SAFETY	\$20,000
CATEGORY 2 - ROOFS	
GRAND CANYON AIRPORT- Repair roofs	\$10,000
TOTAL CATEGORY 2 - ROOFS	\$10,000
CATEGORY 3 - PRESERVATION OF ASSET	
GRAND CANYON AIRPORT- Repaint/repair exterior surfaces & doors	\$30,000
GRAND CANYON AIRPORT- Replace/repair windows	\$10,000
TOTAL CATEGORY 3 - PRESERVATION OF ASSET	\$40,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	
GRAND CANYON AIRPORT - Repair / replace HVAC systems	\$50,000
GRAND CANYON AIRPORT - Repair electrical systems	\$6,000
GRAND CANYON AIRPORT - Repair elevator	\$5,000
GRAND CANYON AIRPORT - Repair plumbing	\$10,000
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$71,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	
GRAND CANYON AIRPORT - Repair & paint interior	\$10,000
GRAND CANYON AIRPORT - Replace/repair flooring	\$10,000
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	
GRAND CANYON AIRPORT- General repairs	\$61,000
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	\$61,000
CATEGORY 7 - ADA COMPLIANCE	
GRAND CANYON AIRPORT, Bldg. - Repair ADA	\$10,000
TOTAL CATEGORY 7 - ADA COMPLIANCE	\$10,000
CATEGORY 8 - INFRASTRUCTURE	
GRAND CANYON AIRPORT - Repair / replace fence, gates & barrier walls	\$35,000
GRAND CANYON AIRPORT - Repair / replace pavement, sidewalks, & signage	\$52,900
GRAND CANYON AIRPORT - Repair water & waste water systems	\$75,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	\$162,900
TOTAL OF ALL STATE AVIATION FUND PROJECTS REQUESTED	\$394,900
PROJECT MANAGEMENT SUPPORT	0
CONTINGENCY	0
TOTAL AUTHORIZED STATE AVIATION FUNDS	\$394,900

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE/LIFE/SAFETY	\$20,000
CATEGORY 2 - ROOFS	\$10,000
CATEGORY 3 - PRESERVATION OF ASSET	\$40,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$71,000
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	\$61,000
CATEGORY 7 - ADA COMPLIANCE	\$10,000
CATEGORY 8 - INFRASTRUCTURE	\$162,900
PROJECT MANAGEMENT SUPPORT	\$0
CONTINGENCY	\$0
TOTAL AUTHORIZED STATE AVIATION FUNDS	\$394,900



STATE OF ARIZONA

Joint Committee on Capital Review

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MICHAEL WAY

DATE: November 03, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of ADOT Capital Projects

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. The Arizona Department of Transportation (ADOT) requests review of 2 capital projects totaling \$13,812,000 from the State Highway Fund, which were funded in the FY 2026 Capital Outlay Bill:

- \$6,951,000 for a new vehicle repair shop in Avondale, and
- \$6,861,000 for new maintenance facilities in Little Antelope and Gray Mountain.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

The Arizona Department of Transportation (ADOT) is seeking review of the following \$13.8 million in State Highway Fund appropriations:

- 1) \$6.9 million for the construction of a new 10,000 square foot vehicle repair shop located in Avondale that services over 265 department and state fleet vehicles and heavy equipment.
- 2) \$6.9 million for the construction of 2 new 3,500 square foot maintenance facilities located in Little Antelope and Gray Mountain to facilitate road maintenance services in northern Arizona.

Analysis

The department has requested review of the following projects pursuant to statutory provisions requiring JCCR review of any capital project with an estimated cost over \$250,000:

Vehicle Repair Shop in Avondale

ADOT currently manages a facility in Avondale that services over 265 department and state fleet vehicles and heavy equipment. The department reports that this facility includes a storage canopy with no doors, securable areas, climate control, restrooms, or administrative support spaces. The department further reports that this facility provides challenging working conditions, particularly in inclement weather during the hot summer months.

ADOT is proposing to spend \$6.9 million to construct a new 10,000 square foot vehicle repair shop in Avondale with a secure, enclosed structure with the comparable maintenance spaces, equipment, and other amenities. *Table 1* below breaks down the cost of constructing the vehicle repair shop in Avondale by category.

Table 1	
Vehicle Repair Shop Expenditure Plan	
<u>Item</u>	<u>Cost Estimate</u>
Construction	\$ 5,346,000
Design and Construction Administration	535,000
Information Technology	100,000
Furniture, Fixtures, and Equipment	435,000
Contingency	535,000
Total Appropriated Budget	\$6,951,000

Maintenance Facilities in Little Antelope and Gray Mountain

ADOT utilizes approximately 45 maintenance buildings throughout the state. Constructed in 1960's and 1970's, the department reports that the maintenance facilities in Little Antelope and Gray Mountain are too small for current staff size and for equipment to be enclosed during the winter months.

ADOT is proposing to spend \$6.9 million to construct 2 new 3,500 square foot maintenance facilities to coordinate highway maintenance services in northern Arizona. The new office space and crew area will provide employees with ADA-compliant restrooms, a breakroom, computer workstations, and a training area. In addition, the new facilities will include 1,000 square feet of space to be outfitted by the Department of Public Safety (DPS) to support highway patrol operations. *Table 2* below breaks down the cost of the new maintenance facilities in Little Antelope and Gray Mountain by category.

Table 2	
Little Antelope/Gray Mountain Maintenance Facilities Expenditure Plan	
<u>Item</u>	<u>Cost Estimate</u>
Construction	\$ 5,322,000
Design and Administration	532,000
Information Technology	75,000
Furniture, Fixtures, and Equipment	400,000
Contingency	532,000
Total Appropriated Budget	\$6,861,000

July 31, 2025

The Honorable John Kavanagh
Chairman, Joint Committee on Capital Review
1716 West Adams St.
Phoenix, AZ 85007



Dear Senator Kavanagh:

The Arizona Department of Transportation (ADOT) respectfully requests to be placed on the agenda of the next Joint Committee on Capital Review (JCCR) meeting for review of the following projects:

Capital Improvement Project	FY 2026 Capital Appropriation
Improvements to vehicle repair shop in Avondale	\$6,951,000
Construct New Maintenance Offices/Crew Rooms in Little Antelope and Gray Mountain	\$6,861,000

Improvements to vehicle repair shop in Avondale

Laws 2025, Chapter 235 (SB 1737), Section 8 appropriates \$6,951,000 to construct a new 10,000 square foot equipment repair facility in Avondale. Currently, the equipment maintenance technicians are working on vehicles under a storage canopy with no doors, securable areas, climate control, restrooms, or administrative support areas.

With over 150 days a year above 90 degrees, working outdoors without any climate control does not provide an adequate environment for quality vehicle maintenance work. The new facility will provide a secure, enclosed structure with the comparable maintenance spaces, equipment, and amenities found in other vehicle repair shops. The new shop will support seven to nine staff maintaining over 265 vehicles and heavy equipment.

Item	Amount
Construction	\$5,346,000
Design and Construction Administration	\$535,000
Information Technology/Security	\$100,000
Furniture, Fixtures & Equipment	\$435,000
Contingency	\$535,000
FY 2026 Appropriation Total	\$6,951,000

Construct New Maintenance Offices and Crew Rooms in Little Antelope and Gray Mountain

Laws 2025, Chapter 235 (SB 1737), Section 8 appropriates \$6,861,000 to construct two new 3,500 square foot Roadway Maintenance Offices located in Northern Arizona, one at Little Antelope and one at Gray Mountain.

The current facilities at Little Antelope and Gray Mountain are outdated and insufficient, consisting of mobile homes from the 1960's, 1971, and 1988. These locations lack the space and infrastructure to support assigned staff (12 positions at Little Antelope and 11 at Gray Mountain) and equipment, and the upgrades will greatly improve working conditions, especially during snow removal season when augmented staff are on site.

Leveraging their proximity, this project will deliver two distinct facilities, one at each site, using a single, standardized design to reduce costs and improve operational efficiency.

Item	Amount
Construction	\$5,322,000
Design and Construction Administration	\$532,000
Information Technology/Security	\$75,000
Furniture, Fixtures & Equipment	\$400,000
Contingency	\$532,000
FY 2026 Appropriation Total	\$6,861,000

Thank you for your consideration of this request. If you have any questions or need additional information, please contact David Bolter, Budget Manager, at (602) 712-8917.

Sincerely,



Jennifer Toth
Director

Cc: The Honorable David Livingston, Vice-Chairman, JCCR
Ben Henderson, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee (JLBC)
Jordan Johnston, JLBC Analyst
Ben Onesko, OSPB Budget Analyst
Floyd Roehrich, Jr, PE, ADOT Director's Office, Deputy Director-Business Enterprise
Teri Kennedy, ADOT Administrative Services Director
John Hetzel, ADOT Facilities Manager
jlbcwebmaster@azleg.gov



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MICHAEL WAY

DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Ethan Scheider, Fiscal Analyst

SUBJECT: Northern Arizona University – Review of Capital Infrastructure Fund Projects

Request

A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). Northern Arizona University (NAU) requests committee review of \$5,142,200 for capital improvement projects funded via CIF cash.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the capital projects.
2. An unfavorable review of the capital projects.

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

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the projects are complete.
- B. On or before October 15 of each year until completion of the projects, NAU shall report to the JLBC Staff on the status and expenditures of the capital projects. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the projects.

Key Points

- 1) NAU plans to complete capital projects using \$5.1 million from the university's FY 2026 CIF appropriation.
- 2) CIF consists of statutory General Fund appropriations for university capital and deferred maintenance projects. Universities may use these monies to pay 50% of the debt service on bond issuances or for cash-funded construction projects.
- 3) The projects consist of:
 - \$4.8 million for renovations to the heating and cooling systems in the Forestry Sciences building.
 - \$222,000 for installation of electronic card access control and security cameras at the Forestry Sciences building.
 - \$120,000 for the repair of IT systems at the Science Annex buildings.

Analysis

NAU is proposing 3 capital projects totaling \$5.1 million:

- NAU will spend \$4.8 million for phase one of a Forestry Sciences building renovation, which will include approximately \$3.8 million to connect the heating and cooling lines from the South Campus Energy Plant to the Forestry Science Complex facility, \$300,000 to replace the current boiler with heating and cooling exchangers in the Forestry building mechanical room, \$300,000 for design costs, \$120,000 for commissioning to ensure compatibility, and \$280,000 for contingency funding. NAU expects the project to be completed by the Fall 2026 semester.

NAU anticipates phase two of the project to include additional upgrades to plumbing, lighting, flooring, and mechanical systems in the building at a cost of approximately \$3.5 million in FY 2027, which would be reviewed by the Committee at a later date.

- NAU will spend \$222,000 for security upgrades at the Forestry Sciences building, which includes replacing failed security cameras and electronic card access control at the entrances of the building. NAU expects the project to be completed by this winter.
- NAU will spend \$120,000 for the repair of IT systems at the Science Annex buildings. NAU will replace a failed IT system, which supports building operations and network stability. NAU expects work to begin in Summer of 2026 following a procurement process.

Financing

NAU plans to pay cash for the projects using the entirety of its \$5.1 million FY 2026 CIF Appropriation.

Laws 2017, Chapter 328 established A.R.S. § 15-1671, which provides General Fund appropriations from FY 2019 to FY 2043 for new university research facilities, building renewal, or other capital construction projects. The law appropriates \$27.0 million to the universities in FY 2019 and increases the appropriation each year thereafter by 2.0% or the rate of inflation, whichever is less.

The FY 2026 appropriations are allocated to each university as follows:

- ASU: \$13,566,700
- NAU: \$5,142,200
- UA: \$12,001,900
- **Total: \$30,710,800**

The universities may use these monies for debt service on infrastructure long-term financing and for cash construction costs. New debt issued under this program may not exceed \$1.0 billion.

Under the law, each university's General Fund appropriation is deposited into a newly-created Capital Infrastructure Fund (CIF). Each university must match any General Fund contributions to its fund that are used for debt service payments at a 1:1 rate. In this instance, there is no match requirement as NAU is not using its appropriation to issue debt.

CIF cash projects are subject to JCCR review, while university bonding projects financed with CIF monies require committee approval.

ES:jbu

Northern Arizona University
Office of the Senior Vice President
Of Business Operations
PO Box 4132, Flagstaff, AZ 86011
Tel 928-523-4240 Fax 928-523-0332
www.nau.edu



September 30, 2025

The Honorable David C. Farnsworth, Chair
Joint Committee on Capital Review
Arizona State Senate
1700 W. Washington
Phoenix, AZ 85007

Dear Senator Farnsworth:

Pursuant to Arizona Revised Statute §15-1671 Northern Arizona University (NAU) submits this letter on the proposed use of University Capital Infrastructure monies for Fiscal Year 2026.

NAU is appreciative of the state's investment in Arizona's public universities' infrastructure through the ongoing allocation of the Capital Infrastructure Funds (CIF) funds. In previous years, NAU has taken advantage of the cash option for CIF funds to address several deferred maintenance projects spanning multiple buildings on the Flagstaff Campus in the North Science Corridor. Those projects were favorably reviewed by the Joint Committee on Capital Review (JCCR) with the most recent project reviewed in September 2024. NAU now requests favorable review to use the Fiscal Year 2026 allocation of \$5.1M to fund renovations in the Forestry building as well as several deferred maintenance and electronic card access projects in STEM buildings as detailed in the attached materials.

Thank you for your consideration. If you have any questions, please feel free to contact me at (928) 523-4240 or bjorn.flugstad@nau.edu.

Sincerely,

A handwritten signature in black ink, appearing to read "Bjorn Flugstad".

Bjorn Flugstad
Senior Vice President, Chief Financial Officer

Attachment

cc: Richard Stavneak, Director, JLBC
Ethan Scheider, JLBC Fiscal Analyst
Ben Onesko, OSPB, Budget Analyst
Chad Sampson, ABOR, Executive Director
Bradley Kendrex, ABOR, Vice President for Finance & Administration
José Luis Cruz Rivera, NAU, President
Katy Yanez, NAU, Vice President of Government Affairs and Community Relations



FY26 State Capital Infrastructure Funds

Forestry Building Renovations (Phase 1)

Project Scope

Phase 1 of the Forestry Science Complex Renovations will replace the outdated boiler and wet-wall system and connect the facility to the South Campus distributed hot water and chilled water system. Work includes replacement of boilers, associated piping, and integration into the Building Automation System (BAS). Phase 2, anticipated in the following fiscal year (~\$3.5M), will complete the remainder of the scope outlined in the Owner's Project Requirements (OPR), including additional distribution upgrades, plumbing, lighting, flooring, and lab-specific mechanical requirements.

Project Justification

The Forestry Science Complex, constructed in 1992, contains original HVAC components which are failing and past useful life. The 2022 Facility Condition Assessment (FCA) identified all major HVAC systems that are due for replacement. The building is shared with the USDA Forest Service, whose components are also in failure, making this a critical shared-use infrastructure upgrade. Phase 1 addresses the highest-priority items (connection to distributed system and boiler replacement), while Phase 2 will follow in FY27 to complete the full OPR-defined scope.

Estimated Project Cost:

\$4.8M (Phase 1)

\$3.5M (Phase 2, FY27)

Basis of Cost Estimate:

Costs are based on design team estimates. The final construction estimate will be provided once design documents are completed.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

All work will be designed to NAU's Technical Standards, providing long-term maintainability, energy efficiency, and durability. The project emphasizes sustainable systems designed for a multi-decade lifecycle.

Project Delivery

This project will utilize a Construction Manager at Risk delivery method.

Renovation vs. new construction:

This project is a renovation of the existing building. The renovation of this space is a cost-effective solution to maintain the square footage on campus as compared to building a new building of similar square footage and will reduce the deferred maintenance costs on campus.

Timeline

Procurement of the CMAR team will begin after funding approval. Design is scheduled to complete by the end of 2025, with construction beginning in Spring 2026 and completing before the Fall 2026 semester.

STEM Buildings (Science Annex) Maintenance

Project Scope

This project focuses on replacing the failed passive optical network (PON) system at the Science Annex. The current system failure is causing significant operational disruptions. The FY26 funding request provides initial funding to begin this critical repair. The remaining funds will be allocated in FY27.

Project Justification

The failed PON system impacts building operations, network stability, and functionality for faculty and students. Addressing this failure is critical to restore reliable systems performance and maintain the operational capacity of the facility. Spreading the cost over multiple years provides financial flexibility while ensuring urgent work begins immediately.

Estimated Project Cost:

\$0.120M (initial FY26 funding)

Additional funding anticipated FY27 (\$0.080M)

Basis of Cost Estimate:

These costs are based on contractor's estimates. Final costs are dependent on timeline and final designs.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

Replacement PON equipment will provide reliable performance for an expected 10–15 years with routine IT maintenance and upgrades.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project encompasses renovations of existing infrastructure. New construction is not applicable.

Timeline

Procurement of the job order contractors and design professional firms (where necessary) will begin shortly after funding approval. Construction is anticipated in Summer 2026.

STEM Building Electronic Card Access Install, Phase 2

Project Scope

This continuation of campus security upgrades will install electronic card access control and security cameras at the Southwest Forest Science Complex (Forestry). This replaces outdated lock-and-key methods with modern, technology-integrated building security systems.

Project Justification

Building safety and security is paramount to the success of the students, faculty, and staff on campus. Electronic access and security cameras are a more effective method of building security over the traditional lock and key as this approach offers enhanced security including preventing unauthorized access, access tracking and audit trails, and integration into other smart technologies. Further, maintenance and operations efforts are reduced by removing the need to have an individual physically lock and unlock the exterior doors every day.

Estimated Project Cost:

\$0.222M

Basis of Cost Estimate:

The estimated project cost is derived from a contractor's estimate.

Cash vs Bonding:

This project is funded with cash, utilizing the State Capital Infrastructure funding.

Life of the project components:

The conservative expectation of useful life for the hardware is 10 years considering the outdoor elements, technology updates, functionality, and compatibility.

Project Delivery

This project will utilize an electronic safety and security vendor procured under a purchase order in accordance with ABOR policy.

Renovation vs. new construction:

This project is a modification to existing buildings for safety and security enhancements. New construction is not applicable.

Timeline

Completion date is expected for Winter 2025.



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MICHAEL WAY

DATE: November 3, 2025

TO: Members of the Joint Committee on Capital Review

FROM: Grace Timpany, Fiscal Analyst

SUBJECT: University of Arizona – Approval of SPEED Bond Deferred Maintenance Projects

Request

A.R.S. § 15-1682.03 requires Committee approval of any projects financed with lottery revenue (SPEED) bonds. The University of Arizona (UA) requests Committee approval of \$38,750,000 in SPEED bonds for deferred maintenance projects across multiple campus buildings. The debt service for SPEED bonds is paid 80% by state lottery revenues and 20% by university resources. Lottery revenues used to pay debt service would otherwise be deposited into the General Fund.

Committee Options

The Committee has at least the following 2 options:

1. Approval of the request.
2. Disapproval of the request.

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

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for operations and maintenance costs when the project is complete.
- B. UA shall provide the final debt service schedule and interest rate for the projects as soon as they are available.
- C. On or before October 15 of each year until completion of the project, UA shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date by type of building system, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Additional Provision

- D. UA shall report to the Chairman and the JLBC Staff prior to reallocating monies between projects as listed in the agency submission materials.

Key Points

- 1) UA plans to complete deferred maintenance projects across multiple buildings including upgrades to HVAC and cooling systems, fire safety systems, plumbing, campus streets, roofing, and other utility infrastructure projects.
- 2) These projects will be funded with \$38.8 million in lottery revenue (SPEED) bonds.
- 3) The annual debt service will be \$3.1 million with 80% paid by lottery revenues and 20% paid by tuition revenue.

Analysis

UA intends to complete deferred maintenance projects across multiple buildings to address the university's aging building infrastructure needs. Of the total \$38.8 million cost, \$13.4 million will be used for 12 HVAC and cooling system upgrades, \$7.0 million will be for 8 utilities infrastructure projects and \$6.0 million will be for student union projects.

The remaining \$12.4 million will be for various projects including upgrades to fire and public safety items, plumbing, electrical and emergency power, building automation, roofing, elevators, campus streets, and asbestos removal. UA states that the existing systems have reached the end of their useful life and upgrades are necessary for safety and Americans with Disabilities Act (ADA) compliance.

Table 1 displays estimated project costs by category. Please see the agency submittal letter for a more detailed list of specific projects in each category.

Table 1

**University of Arizona
FY 2026 Deferred Maintenance Projects**

HVAC & Cooling Upgrades	\$13,376,298
Utilities Infrastructure	7,000,000
Student Union	6,026,650
Fire Safety System Upgrades	3,900,000
Public Safety Upgrades	2,000,000
Plumbing Upgrades	1,942,000
Electrical and Emergency Power	1,403,689
Building Automation Upgrades	1,000,000
Roofing	830,000
Elevator Upgrades	760,000
Campus Street Upgrades	411,363
Asbestos Removal	<u>100,000</u>
Total	\$38,750,000

Financing

UA plans to issue \$38.8 million in lottery revenue (SPEED) bonds with an anticipated rating of Aa3 (Moody's)/AA- (S&P) and an estimated interest rate of 5.00% over a 20-year term. Estimated issuance costs are \$310,000.

The annual debt service will be \$3.1 million from FY 2027 to FY 2046. Of the total \$62.7 million in debt service costs, \$50.1 million (80%) will be paid for with lottery revenue and the remaining \$12.6 million (20%) with tuition revenue. (See Table 2 for a summary of the bond financing terms).

SPEED bonds are excluded from each university's statutory debt ratio. UA's current projected FY 2026 debt ratio is 3.28%. If SPEED bonds were included, this project would increase the debt ratio by 0.46%.

University SPEED Bonds

Pursuant to A.R.S. § 15-1682.03, the Arizona Board of Regents (ABOR) is authorized to enter into lease-to-own and bond transactions up to a certain maximum to pay for building renewal projects and new facilities. Annual debt service payments on these transactions are funded 80% by lottery revenues and 20% by other university revenues. Any lottery revenue used for debt service payments would otherwise be deposited into the General Fund. The program began in 2010, allowing universities to bond for up to \$800.0 million. The universities have committed all the original allocation.

The FY 2026 budget increased the maximum of SPEED bond transactions from \$800.0 million to \$1.125 billion. Of the \$325.0 million increase, \$162.5 million became available in FY 2026 and \$162.5 million becomes available in FY 2027. ABOR approved allocation of the increased bonding authority at its September 2025 board meeting, distributing \$123.5 million (38%) to ASU, \$87.8 million (27%) to NAU, and \$113.8 million (35%) to UA.

The FY 2026 UA deferred maintenance project would utilize \$38.8 million from the newly authorized bonds, leaving \$75.0 million in UA's SPEED bonding capacity.

Table 2

UA Deferred Maintenance Financing Terms

Issuance Amount	\$38.8 million
Issuance Date	Early 2026
Issuance Transaction Fees	\$310,000
Rating	Aa3 (Moody's)/AA- (S&P)
Interest Rate	5.00%
Term	20 years
Total Debt Service Costs	\$62.7 million
Debt Service Payments	\$3.1 million
Payment Source	\$50.1 million lottery revenue (SPEED) \$12.6 million tuition revenue
Debt Ratio Increase	SPEED Bonds are excluded from debt ratio calculation



THE UNIVERSITY OF ARIZONA
Business Affairs

BUSINESS AFFAIRS

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September 29, 2025

The Honorable David Farnsworth
Chairman, Joint Committee on Capital Review
Arizona State Senate
1700 West Washington St.
Phoenix, Az 85007-2890



Dear Senator Farnsworth:

In accordance with A.R.S. §15-1682.03, the Arizona Board of Regents requests the Center for Advanced Molecular Immunological Therapies (CAMI) and upcoming deferred maintenance projects be placed on the next Joint Committee on Capital Review agenda for approval so that the University of Arizona may utilize Stimulus Plan for Economic and Educational Development (SPEED) bonds for these projects. The committee previously approved the CAMI project in January 2025 as a system revenue bond (SRB) project. Since that review, the university has reworked the project and is requesting to change the financing mechanism from SRB to SPEED. This change will offset millions in annual debt service allowing the university to invest in other student success initiatives.

To finance these projects, the University of Arizona will issue SPEED bonds across two fiscal years in the following manner:

	Center for Advanced Molecular Immunological Therapies	Deferred Maintenance	Total
Fiscal Year 2026	\$56,875,000	\$0	\$56,875,000
Fiscal Year 2027	\$18,125,000	\$38,750,000	\$56,875,000
	<u>\$75,000,000</u>	<u>\$38,750,000</u>	<u>\$113,750,000</u>

Included with this request, please find summaries of both projects and details on the issuance of bonds for each.

Thank you for your support of the University of Arizona's land-grant mission, as we provide access to a world-class education, research with real-world impact, and service to the state of Arizona and its people.

Sincerely,

John S. Arnold
Chief Financial Officer

cc: Representative David Livingston, Vice-Chairman
Richard Stavneak, Director, JLBC
Grace Timpany, Fiscal Analyst, JLBC



Project Summary: Center for Advanced Molecular Immunological Therapies¹

The Committee originally reviewed this project in January 2025. Since that review, U of A went through a value engineering process to reduce costs and decided to stage the interior buildout of the building. At this stage of the project, U of A will complete the buildout of 2 of the 7 floors. These changes reduced the project cost from \$290 million to \$232 million. \$75 million of the project will be financed through SPEED Bonds issued by the University of Arizona. U of A plans to use indirect cost recovery funds to pay the university portion of the debt service. The estimated annual debt service for the project is \$4.9 million. The remainder of the project will be paid for as follows:

- \$57 million in State of Arizona American Rescue Plan Act (ARPA) funding
- \$8 million in Maricopa County ARPA funding
- \$31 million from tuition and indirect cost recovery enabled through ARPA reimbursements
- \$61 million from other university funds including gifts, tuition, and indirect cost recovery

CAMI will be a national biomedical research hub on the U of A's downtown Phoenix Bioscience Core ("PBC") campus. Located on the southwest corner of Fillmore Street and 7th Street, the seven-story, 202,000 square foot building is designed to house research groups and potential private partnerships. Researchers and physician-scientists based out of CAMI will use precision medicine to develop new cell- and gene-based therapeutical options for diseases including cancer, building on the concept that the most effective defense against health issues is the body's natural immune system. CAMI will accelerate the pursuit of immunotherapies already underway at the U of A, and open new doors to advance precision medicine to improve health outcomes for people across Arizona and around the world.

CAMI Research & Discovery

The CAMI building will provide space focused on the following areas:

- **CANCER**
Immunotherapy holds the promise of a new standard of care for treatments of cancer, a disease that disproportionately affects older people. Immunotherapy can generate precise drug treatments based on the individual patient's unique features of their cancer. The research that will take place at CAMI has the potential to fundamentally change the way cancers are treated.
- **INFECTIOUS DISEASES**
The relevance of classic immunological therapies has been highlighted throughout the COVID-19 pandemic. Through the discovery and interdisciplinary research done at CAMI, new immunotherapies will be able to overcome the challenges typically faced by existing infectious disease prevention, such as drug toxicity and resistance. Ultimately, this work can change how public health efforts combat communicable diseases in Arizona and around the world.
- **AUTOIMMUNE DISEASES**
Living with an autoimmune disease means the body is fighting against itself every day. The body's natural defense system cannot distinguish between its own cells and foreign cells, causing it to

¹ Revised from January 2025 JCCR Approval

mistakenly attack normal cells. Research will help the body gain control over this fight. CAMI research will create immunotherapies that target or alter components of the immune system to suppress specific autoimmune diseases such as type 1 diabetes, lupus, rheumatoid arthritis, and Crohn's disease.

Workforce Development

Student education will be prioritized in learning spaces dedicated to programs that will allow CAMI faculty and researchers to mentor and train the next generation of scientists. A principal function of CAMI's research laboratories and student office/cubicle space is to facilitate hands-on student participation and innovation. Students with strong experience working on multidisciplinary and application-driven project teams are highly sought in today's economy. It is estimated that 100 to 150 new, high wage research positions will be created at CAMI.

Access to Immunotherapies for Arizonans

CAMI will work with clinical partners in Phoenix and across the state to ensure the latest personalized treatments are made available to Arizonans. Treatments to target the specific causes of an individual's illness are becoming a reality, especially for diseases like cancer. However, these treatments are often only available at the hospitals and institutions that created the therapy because they must be personalized and cannot be mass-produced. A critical component of CAMI is to incorporate the latest basic insights and cutting-edge technologies into the facility to make these therapies available to Arizonans.

Project Phases and Costs

U of A is using design-build as the project delivery method, and a variety of procurement methods are being engaged for sub-contractor selection including lowest qualified bid. The entire project is scheduled to be completed in May 2027, with occupancy taking place over the summer of 2027.

Below is the estimated cost associated with each major area of the \$232 million project.

\$ 183,900,000	Construction Costs New Construction Fixed Equipment Utilities extensions
\$ 33,600,000	Consultant Fees Design-Build Fees Special Consultants
\$ 11,400,000	Indirect Costs Furniture, Fixtures & Equipment Contingency, Design & Construction Phases Telecommunications Equipment
\$3,100,000	Additional Costs Surveys & Test Move-in Costs Construction Management State Risk Management Insurance

Bond and Finance Summary

Total Project Budget:	\$232,000,000
Portion of Budget to be Issued:	\$75,000,000
Estimated SPEED Revenue Bond Par Amount:	\$75,000,000
Estimated Cost of Issuance:	\$600,000
Estimated Interest Rate:	5.00%
Payment Terms:	Approximately 30 years
Fund Source for Total Debt Payment:	Lottery Revenue Proceeds & Indirect Cost Recovery
Total Annual Debt Service (by fund source):	
Principal & Int. FY26-45 (Avg.) \$4,879,000	Lottery Revenue Proceeds & Indirect Cost Recovery
Total Debt Service Through Maturity: \$147,309,000	
Anticipated Date of Issuance:	First portion: early 2026
Expected Bond Rating:	AA- (S &P) Aa3 (Moody's)

Debt Ratio Information:

Current Projected Debt Ratio (FY26):	3.28%
Increment Debt Ratio for All Proposed Projects:	0.46%
Projected Highest Debt Ratio:	3.74%

Joint Committee on Capital Review
October 2025 JCCR Meeting
University of Arizona Projects Submission

Center for Advanced Molecular & Immunological Therapies (CAMI)
Tax Exempt System Revenue Bonds
Amortization Schedule

Period Ending	Annual Principal	Annual Interest	Annual Debt Service
6/1/2027	1,130,000	4,687,500	5,817,500
6/1/2028	1,185,000	3,693,500	4,878,500
6/1/2029	1,245,000	3,634,250	4,879,250
6/1/2030	1,305,000	3,572,000	4,877,000
6/1/2031	1,370,000	3,506,750	4,876,750
6/1/2032	1,440,000	3,438,250	4,878,250
6/1/2033	1,515,000	3,366,250	4,881,250
6/1/2034	1,590,000	3,290,500	4,880,500
6/1/2035	1,670,000	3,211,000	4,881,000
6/1/2036	1,750,000	3,127,500	4,877,500
6/1/2037	1,840,000	3,040,000	4,880,000
6/1/2038	1,930,000	2,948,000	4,878,000
6/1/2039	2,025,000	2,851,500	4,876,500
6/1/2040	2,130,000	2,750,250	4,880,250
6/1/2041	2,235,000	2,643,750	4,878,750
6/1/2042	2,345,000	2,532,000	4,877,000
6/1/2043	2,465,000	2,414,750	4,879,750
6/1/2044	2,585,000	2,291,500	4,876,500
6/1/2045	2,715,000	2,162,250	4,877,250
6/1/2046	2,850,000	2,026,500	4,876,500
6/1/2047	2,995,000	1,884,000	4,879,000
6/1/2048	3,145,000	1,734,250	4,879,250
6/1/2049	3,300,000	1,577,000	4,877,000
6/1/2050	3,465,000	1,412,000	4,877,000
6/1/2051	3,640,000	1,238,750	4,878,750
6/1/2052	3,820,000	1,056,750	4,876,750
6/1/2053	4,015,000	865,750	4,880,750
6/1/2054	4,215,000	665,000	4,880,000
6/1/2055	4,425,000	454,250	4,879,250
6/1/2056	4,660,000	233,000	4,893,000
	75,000,000	72,308,750	147,308,750

Project Summary: Deferred Maintenance

The total cost for the deferred maintenance projects is \$38.75 million. This includes various general deferred maintenance projects for U of A campus buildings and streets. The projects will be financed through SPEED bonds issued by the U of A. The U of A plans to use lottery revenue proceeds and retained tuition to pay the debt service. The estimated annual debt service for the project is \$3.1 million.

The general deferred maintenance projects for U of A’s campus buildings and streets consist of various fire alarm and sprinkler, heating and cooling, building automation, and campus street upgrades. In addition, various plumbing and heat exchangers, roofs, and generators will be replaced. All campus systems and infrastructure receive routine preventative inspections, maintenance, and repairs. The building components being upgraded, repaired, or replaced have reached the end of their useful life and are necessary to ensure compliance with safety codes and the Americans with Disabilities Act. The various project delivery methods and processes for the projects will include competitive bids, government cooperative contracts, and job order contracting.

Total Project Cost Breakdown:

\$38,750,000	General Campus Deferred Maintenance
	Fire Alarm and Sprinkler Upgrades
	HVAC Upgrades
	Building Automation Upgrades
	Plumbing and Heat Exchangers Life
	Elevator Code Compliance/Modernizations
	Electrical Code Compliance
	Roof Replacements Life
	Campus Street Upgrades
	ADA Upgrades
	New Generators

Bond and Finance Summary

Total Project Budget:	\$38,750,000
Estimated SPEED Revenue Bond Par Amount:	\$38,750,000
Estimated Cost of Issuance:	\$310,000
Estimated Interest Rate:	5.00%
Payment Terms:	Approximately 20 years
Fund Source for Total Debt Payment:	Lottery Revenue Proceeds & Retained Tuition
Total Annual Debt Service (by fund source):	
Principal & Int. FY26-45 (Avg.) \$3,110,000	Lottery Revenue Proceeds & Retained Tuition
Total Debt Service Through Maturity: \$62,677,000	
Anticipated Date of Issuance:	Early 2026
Expected Bond Rating:	AA- (S &P) Aa3 (Moody's)

Debt Ratio Information:

Current Projected Debt Ratio (FY26):	3.28%
Increment Debt Ratio for All Proposed Projects:	0.46%
Projected Highest Debt Ratio:	3.74%

Joint Committee on Capital Review
October 2025 JCCR Meeting
University of Arizona Projects Submission

Deferred Maintenance
Tax Exempt System Revenue Bonds
Amortization Schedule

Period Ending	Annual Principal	Annual Interest	Annual Debt Service
6/1/2027	1,170,000	2,421,875	3,591,875
6/1/2028	1,230,000	1,879,000	3,109,000
6/1/2029	1,290,000	1,817,500	3,107,500
6/1/2030	1,355,000	1,753,000	3,108,000
6/1/2031	1,425,000	1,685,250	3,110,250
6/1/2032	1,495,000	1,614,000	3,109,000
6/1/2033	1,570,000	1,539,250	3,109,250
6/1/2034	1,650,000	1,460,750	3,110,750
6/1/2035	1,730,000	1,378,250	3,108,250
6/1/2036	1,820,000	1,291,750	3,111,750
6/1/2037	1,910,000	1,200,750	3,110,750
6/1/2038	2,005,000	1,105,250	3,110,250
6/1/2039	2,105,000	1,005,000	3,110,000
6/1/2040	2,210,000	899,750	3,109,750
6/1/2041	2,320,000	789,250	3,109,250
6/1/2042	2,435,000	673,250	3,108,250
6/1/2043	2,560,000	551,500	3,111,500
6/1/2044	2,685,000	423,500	3,108,500
6/1/2045	2,820,000	289,250	3,109,250
6/1/2046	2,965,000	148,250	3,113,250
	38,750,000	23,926,375	62,676,375

University of Arizona FY26 Deferred Maintenance

Project Description	Budget
HVAC & Cooling:	
Modern Languages Air Handler Unit	\$ 2,500,000
Main Library 1B AHU - Special Collections	\$ 3,920,000
PAS A/H - Auditorium	\$ 1,500,000
Poetry Center - HVAC Cooling & De-Humidification	\$ 1,470,000
Poetry Center - HVAC Heating	\$ 1,570,000
School of Art 3rd and 31/2 Floor Engineering	\$ 198,000
Arizona State Museum - Photo Archives	\$ 200,000
Meinel Air Compressor	\$ 32,303
ART AHU9 Cooling Coil	\$ 24,995
Babcock Cooling Tower	\$ 61,000
ART - AHU 6 Design & Engineering	\$ 400,000
Saguaro Hall replace piping and HVAC	\$ 1,500,000
Total HVAC & Cooling	\$ 13,376,298
Student Union:	
Student Union - Canyon Entrance ADA Repair	\$ 42,500
Student Union - Smoke Curtain Books Store	\$ 17,150
Student Union - IQ Fresh HVAC Blower Coils	\$ 157,000
Student Union - Sewer Replacement	\$ 2,000,000
Student Union - Domestic Hot Water Heater	\$ 1,460,000
Student Union - Painting of Building	\$ 400,000
Student Union - AHU1 and AHU2 and Controls	\$ 1,600,000
Student Union - Main Production Flooring	\$ 150,000
Student Union - 8 Double Door Replacements	\$ 200,000
Total Student Union	\$ 6,026,650
Fire Safety:	
Fire Ext Replacement Year 5	\$ 100,000
Chemical Sciences Bldg. Fire Pump Controller	\$ 35,000
Support Services #129, Fire Alarm / Fire Sprinkler Heads	\$ 165,000
Harshbarger/Mines #11/12 Sprinkler Heads	\$ 150,000
Marvel #37 Sprinkler Heads	\$ 105,000
Fire Alarm and Sprinkler Permits, inspections, contingency	\$ 200,000
Douglas Bldg 28 Fire Alarm and Sprinkler Updates	\$ 1,150,000
Arizona State Museum - Library Fire Sprinkler	\$ 1,995,000
Total Fire Safety	\$ 3,900,000
Public Safety:	
Marley Stair Safety North - Public Safety	\$ 141,789
Marley Stair Safety South - Public Safety	\$ 175,247
Robson Tennis Courts - Add Lighting -Public Safety	\$ 15,000
Marley VMS/Controlled Access/Lighting/Film -Public Safety	\$ 300,000
Main Library - VMS/lighting/security film -Public Safety	\$ 200,000
Open Area VMS/Lighting -Public Safety	\$ 250,000
AED/Stop the Bleed - Achieve Campus Goal -Public Safety	\$ 115,000
Mobile Metal Detectors (4) -Public Safety	\$ 100,000
Campus Wide Lighting, Access Control and Cameras	\$ 702,964
Total Public Safety	\$ 2,000,000
Plumbing:	
Heat Exchangers Keating	\$ 1,850,000
AME Booster Domestic Water Pump	\$ 92,000
Total Plumbing	\$ 1,942,000

Electrical and Backup Power:

UPS Replacement	\$	250,000
Music #4, Electrical Engineering/Review	\$	100,000
UITS Liebert Back Up Unit Replacement	\$	353,689
Drama #3A, Electrical Engineering/Review	\$	100,000
Steward Observatory - Emergency Power System	\$	600,000
Total Electrical and Backup Power:	\$	1,403,689

Building Automation:

Building Automation - Drachman	\$	300,000
Building Automation - McClelland	\$	400,000
Building Automation - Law	\$	300,000
Total Building Automations	\$	1,000,000

Roofing:

Roofing - Water Resource Center	\$	330,000
Roofing - Bldg. 120 Dennis Deconcini Environment and Natural Res	\$	500,000
Total Roofing	\$	830,000

Elevator:

Elevator Emergency Communication Upgrades	\$	600,000
Pharmacy Elevator Drive Rebuild	\$	25,000
HSIB Elevator ropoep	\$	135,000
Total Elevator	\$	760,000

Campus Steet Upgrades:

Paving Tyndall Ave - 6th to University - Seal	\$	23,268
Paving University Blvd- East of Cherry - Seal	\$	24,452
Paving 4th Street- Between Highland & Cherry - Seal	\$	10,254
Paving University Cherry to Campbell - Seal	\$	26,112
Paving Alley- South Marvel	\$	23,400
Paving Roger's Way- Mountain to Park	\$	156,857
Paving Street East of Social Sciences	\$	26,870
Paving Loop around Old Main	\$	120,150
Total Campus Street Upgrades	\$	411,363

Asbestos Removal:

Asbestos Abatement	\$	43,124
Asbestos Abatement - SBS Anex Windows	\$	56,876
Total Asbestos Removal	\$	100,000

Utilities:

Utilities - CHRP & Main Campus gear connection Phase 3	\$	2,384,161
Utilities - AHSC AHU/TX Control Upgrades	\$	61,274
CHRP Boiler #5 vessel replacement	\$	330,351
Utilities -Martin Well Repairs	\$	51,502
Utilities -CRB - Condenser Water Pump	\$	100,000
Utilities -CHRP - Deaerator (DA) Tank Design	\$	300,000
Utilities -CHRP - Deaerator (DA) Tank Construction (Phase 1 of 2)	\$	2,700,000
Utilities -Emergency Projects	\$	1,072,712
Total Utilities	\$	7,000,000

Total	\$	38,750,000
Budget Balance	\$	38,750,000