JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, November 17, 2026

1:15 p.m. or Upon Adjournment of JLBC

Senate Hearing Room 1

JLBC

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID C. FARNSWORTH
VICE-CHAIRMAN
LELA ALSTON
MARK FINCHEM
JOHN KAVANAGH
LAUREN KUBY
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1716 WEST ADAMS
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DAVID LIVINGSTON
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STACEY TRAVERS
MICHAEL WAY

** R E V I S E D #2**

JOINT COMMITTEE ON CAPITAL REVIEW
Tuesday, November 17, 2026
1:15 P.M. or Upon Adjournment of JLBC
Senate Hearing Room 1

MEETING NOTICE

- Call to Order

- Approval of Minutes of May 6, 2026.

1. *ARIZONA DEPARTMENT OF ADMINISTRATION - Review of $5,154,000 of FY 2027 Building Renewal Appropriations.

2. *ARIZONA DEPARTMENT OF CORRECTIONS - Review of $1,757,000 of FY 2027 Building Renewal Allocation Plan.

3. *ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2027 Building Renewal and Capital Project Allocations - Game and Fish Fund.

4. *ARIZONA STATE PARKS BOARD - Review of $3,552,200 for FY 2027 Capital Improvements and $200,000 for Tonto Bridge Land Shift Monitoring.

5. *PINAL COUNTY COMMUNITY COLLEGE DISTRICT - Review of Revenue Bond Projects.

6. *ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2027 Building Renewal Allocation Plan.

7. **RIO NUEVO DISTRICT - Presentation of Projects. (Moved to Regular Agenda)**

8. *ARIZONA STATE UNIVERSITY - Review of Polytechnic Student Union Renovation and Expansion.

9. *NORTHERN ARIZONA UNIVERSITY - Review of Renovation and Deferred Maintenance Projects.

10. *UNIVERSITY OF ARIZONA - Review of Deferred Maintenance and Modernization Projects.

11. *ARIZONA STATE LOTTERY COMMISSION - Review of FY 2027 Building Renewal Allocation Plan.

* Consent Agenda - These items will be considered in one motion and no testimony will be taken.

The Chairman reserves the right to set the order of the agenda.
~~11/05/2026~~
~~11/13/2026~~
11/17/2026
~~JB~~
~~KP~~
JB

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

May 6, 2026

The Chairman called the meeting to order at 11:01 a.m., Wednesday, May 6, 2026 in Senate Hearing Room 109. The following were present:

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

APPROVAL OF MINUTES

Senator Farnsworth moved that the Committee approve the minutes of January 29, 2026. The motion carried by voice vote.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2026 Building Renewal and Yuma Fire Alarm Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. Arizona Department of Corrections (ADC) requested review of $4,639,300 of the department's $5,864,300 building renewal expenditure plan and $8,500,000 to upgrade the fire system at the Yuma prison. The $4,639,300 consists of $2,650,000 for

plumbing and water projects, $985,000 for facility improvements, $940,000 for building system upgrades, and $64,300 for contingency costs. The committee previously reviewed and approved the remaining $1,225,000 of the department's building renewal plan at its November 2025 meeting. The JLBC Staff provided options.

2. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2026 Capital Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. The Arizona Game and Fish Department requested Committee review of $2,630,000 for 3 capital projects at the Ben Avery Shooting Facility, Cunningham Tracts Wildlife Area, and Cluff Ranch Wildlife Area that are funded by federal grants, matching monies, Game and Fish fund monies, and legal settlements. The JLBC Staff provided options.

3. ARIZONA STATE LOTTERY COMMISSION - Review of FY 2026 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona State Lottery Commission requested the Committee review its FY 2026 Building Renewal Allocation Plan. The FY 2026 Capital Outlay Bill appropriated $218,200 from the Lottery Fund to the Commission to fund 100% of the building renewal formula in FY 2026 for capital improvement projects to the main Phoenix facility. This includes $67,300 to replace the motor control cabinet, $10,900 to remove an old cooler damper, $122,300 to replace 11 heat pumps, and $17,700 to replace an automatic sliding door in the building. The JLBC Staff provided options.

4. ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2026 Verde River State Park and Capital Improvement Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for all monies appropriated for capital projects. The Arizona State Parks Board requested Committee review to spend $3,633,300 from the State Parks Revenue Fund on various capital and maintenance projects and $500,000 from the General Fund to begin construction efforts at the future Verde River State Park. The JLBC Staff provided options.

5. ARIZONA PIONEERS' HOME - Review of Window and Door Replacement Project.

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 $1,515,000 from the Pioneers' Home Miners' Hospital Fund for window and door replacements at the Arizona Pioneers' Home. The Home requested review of $463,600 of the appropriated amount to begin the final phase of the window and door replacement project. The JLBC Staff provided options.

6. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of FY 2026 Area Office Replacements.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for capital projects. The Department of Public Safety (DPS) requested Committee review of their $2,000,000 General Fund appropriation from the FY 2026 Capital Outlay Bill to replace area offices in Sanders and Payson. The $2,000,000 includes $1,800,000 for the purchase and installation of area offices, $100,000 for data lines and utilities, and $100,000 for demolition and abatement. The JLBC Staff provided options.

7. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of ADOT Capital Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for capital projects. ADOT requested Committee 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.

The JLBC Staff provided options.

8A. ARIZONA STATE UNIVERSITY (ASU) - Review of MacroTechnology Works and Bateman Physical Sciences Center H Wing Building Renovations.

A.R.S. § 15-1683 requires Committee review of any university project financed with system revenue bonds. Arizona State University (ASU) requested Committee review of $40,000,000 in system revenue bonds issuances to renovate the MacroTechnology Works (MTW) building at the ASU Research Park and $115,000,000 in system revenue bond issuances to renovate the Bateman Physical Sciences Center H Wing at the Tempe Campus. ASU will fund debt service with tuition revenues. 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.*

8B. ARIZONA STATE UNIVERSITY (ASU) - Review of Building and Infrastructure Enhancement Modifications Increase.

A.R.S. § 15-1683 requires Committee review of any university project financed with system revenue bonds. A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). ASU requested Committee review $30,000,000 in system revenue bond issuances and $20,000,000 in CIF cash for building and infrastructure enhancement modifications. ASU will fund debt service with tuition revenues.

This project was previously reviewed at the Committee's December 2024 meeting at a cost of $45,000,000 in system revenue bonds. ASU requested an increase of $50,000,000 for a total of $95,000,000 to fund new deferred maintenance priorities. 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 any 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.*

9A. UNIVERSITY OF ARIZONA (UA) - Approval of Deferred Maintenance Projects.

A.R.S. § 15-1671 requires Committee approval of any debt financed university capital projects paid for with funds from the university's Capital Infrastructure Fund (CIF). These monies are from the $1 billion capital investment program enacted in 2017. The University of Arizona (UA) requested Committee approval of $75,000,000 in bond issuances for deferred maintenance projects and renovations across multiple campuses. 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 any 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.*

9B. UNIVERSITY OF ARIZONA (UA) - Review of Third-Party Financed Housing and Dining Facility.

A.R.S. § 15-1682.02 requires Committee review of any university project using indirect debt financing (also known as third-party financing). The University of Arizona (UA) requested Committee review of $250,000,000 in third-party financing to construct a new student residence hall and related amenities near the UA Health Sciences Campus in Tucson. The third-party will finance and construct the facility in exchange for a 50-year ground lease of the 2.99 acres of land for the residence hall. 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. *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.*

Senator Farnsworth moved that the Committee give a favorable review of the agency requests in consent agenda items 1, 2, 3, 4, 5, 6, 7 and 8A, 8B, 9B with the applicable JLBC Staff provisions; and approval of item 9A with the applicable JLBC Staff provisions. The motion carried by a voice vote.

REGULAR AGENDA

10. ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of State Fair Capital Projects – Arizona Exposition and State Fair Fund.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. The Arizona Exposition and State Fair Board requested Committee review to spend $800,000 from the Arizona Exposition and State Fair Fund to supplement funding for projects to replace the Exhibit Building restrooms ($400,000) and replace risers in the Coliseum ($400,000). The JLBC Staff provided options.

The Committee previously gave a favorable review of $500,000 to replace the coliseum risers and $450,000 for the Exhibit Building restrooms at its December 2024 meeting. The total proposed amount is now $900,000 to replace the coliseum risers and $850,000 to install new Exhibit Building restrooms.

Mr. Dale Adams, Executive Director, AESF, responded to member questions.

Senator Farnsworth moved that the Committee give a favorable review of AESF's capital projects totaling $800,000. The motion carried by a voice vote.

Without objection, the meeting adjourned at 11:10 a.m.

Respectfully submitted:

Jennifer Burns

Jennifer Burns, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, 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 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Ethan Scheider, Fiscal Analyst

SUBJECT: Arizona Department of Administration - Review of $5,154,000 of FY 2027 Building Renewal Appropriations

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Administration (ADOA) requests the Committee review its FY 2027 Building Renewal Allocation Plan. The FY 2027 budget appropriates $15,154,000 to ADOA for building renewal.

The Chairman has limited the review to $5.2 million, consisting of $4.6 million from the Capital Outlay Stabilization Fund (COSF) and $554,000 from the Arizona State Hospital Land Earnings Fund.

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.

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

A. The department's spending on building renewal projects is limited to the projects included in the agency's FY 2027 Building Renewal Allocation Plan submission. ADOA shall request Committee review prior to expending any building renewal monies on projects not detailed in the Agency's submission.

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 2027 budget included $15.2 million for ADOA building renewal. Statute requires JCCR review of the proposed expenditure of these monies.
2) Of the $15.2 million, $10.0 million was from the General Fund with the remaining $5.2 million from non-General Fund sources.
3) The Chairman's agenda item is limited to the non-General Fund monies of $5.2 million, as detailed below:
   - $2.2 million for roof replacements, paint, and other exterior upgrades to existing buildings.
   - $1.2 million for preventative maintenance.
   - $345,000 for ADA compliance projects.
   - $1.4 million for any projects from the remainder of ADOA's request.

Analysis

Building renewal appropriations provide for the major maintenance and repair of state-owned buildings. The FY 2027 budget appropriated $15.2 million to ADOA for building renewal. Of this total amount, $10.0 million was from the General Fund, $4.6 million was from the Capital Outlay Stabilization Fund (COSF) and $554,000 was from the Arizona State Hospital (ASH) Land Earnings Fund. (*Please see Attachment A for further detail on ADOA's proposed allocation of the FY 2027 building renewal appropriation.*)

The agenda item is limited to $5.2 million, consisting of $4.6 million from COSF and $554,000 from the ASH Land Earnings Fund, for projects within the following building renewal categories:

Building Shell Projects

A total of $2.2 million will be allocated to building shell projects, which will include roof, window, paint and other building exterior upgrades. ADOA's allocation plan includes $554,000 from the ASH Land Earnings Fund for a roof replacement at the ASH Civil Campus. ADOA has identified 4 other 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 $1.2 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 2027 building renewal appropriation for preventative maintenance. This amount reflects 8% of the FY 2027 appropriation. The agency did not list any specific buildings or projects for which these monies will be used.

ADA Compliance Projects

A total of $345,000 is allocated for statewide ADA compliance projects. ADOA specifically identified restroom upgrades at the Arizona Historical Society's Tucson Museum as the only project under this category.

All Other Projects

A total of $1,392,300 for all other projects included in the ADOA building renewal allocation plan.

The Committee may also consider a provision that limits the department's spending on building renewal projects to the projects detailed in the agency's FY 2027 Building Renewal Allocation Plan submission.

ADOA shall request Committee review prior to expending any building renewal monies on projects not detailed in the agency's submission.

Table 1

FY 2027 Building Renewal Allocation Plan

Project Expenses	ADOA Request	Amount for Review
Building Shell Projects	$2,204,400	$2,204,400
Preventative Maintenance Projects	1,212,300	1,212,300
ADA Compliance	345,000	345,000
Major Building Services Projects	7,165,800	0
Infrastructure Projects	1,320,000	0
Fire & Life Safety Projects	1,210,000	0
Building Interiors	391,000	0
Subtotal	*$13,848,500*	*$3,761,700*
Administrative Expenses	$1,056,600	$0
Emergency Contingency	$248,800	0
All Other Projects	0	$1,392,300
TOTAL	**$15,154,000**	**$5,154,000**

ES:jbu

ATTACHMENT A – ADOA Building Renewal Request

ADOA is proposing to allocate its $15.2 million appropriation across 9 project categories. The Chairman's agenda item fully funds the ADOA request for 3 categories: Building Shell, Preventative Maintenance and ADA Compliance. The Chairman's proposal excludes the 6 other categories but would permit ADOA to fund components of any these 6 categories as part of the $1.4 million in All Other Projects.

Major Building Services Projects
ADOA requested $7.2 million for major building services projects, including 15 specific initiatives. *(Please see page 4 of the ADOA request).* Priorities include various HVAC, plumbing, electrical and elevator upgrades at state-owned buildings. The agenda item does not include funding for this category.

Infrastructure Projects
ADOA requested $1.3 million for infrastructure projects, including 6 specific projects. This amount will be used to upgrade roadways, parking lots, plumbing and sewer lines and other equipment. The agenda item does not include specific funding for this category.

Fire and Life Safety Projects
ADOA requested $1.2 million for fire and life safety system replacements, including 4 specific projects. The listed projects include fire sprinkler repairs, fire alarm upgrades, and installation of new fire suppression systems at state-owned buildings. The agenda item does not include funding for this category.

Building Interiors
ADOA requested $391,000 for building interior repairs. ADOA specifically identified the replacement of the carpet and ceiling of Prescott Historical Society's Sharlot Hall Museum as the two projects receiving allocations under this category. The agenda item does not include funding for this category.

Administrative Expenses
The FY 2027 Capital Outlay bill continues a footnote allowing ADOA to allocate up to 5% of its capital appropriations for project management. ADOA requested $757,700 for project management expenses, which amounts to 5% of the FY 2027 appropriation.

Because some of the project costs listed above were based solely on agency estimates, ADOA would allocate $250,000 for contractors to better develop detailed scopes of work to implement projects in a cost-effective manner. An amount of $48,900 would be allocated for a Construction Insurance Premium. The agenda item does not include funding for this category.

Emergency Contingency
A total of $248,800 will be set aside as an emergency contingency. The agenda item does not include funding for this category.

ARIZONA
DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION

Katie Hobbs
Arizona Governor

Elizabeth Alvarado-Thorson
ADOA Director

Jill Pernice
Assistant Director

September 30, 2026

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

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

Dear Representative Livingston and Senator Farnsworth:

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 2026, Second Regular Session, Chapter 128, (HB 4156) appropriated $ 15,154,000 to the Arizona Department of Administration (ADOA) to allocate to the ADOA Building System for building renewal projects.

ADOA requests placement on JCCR's next available 2026 agenda for review of ADOA's FY 2027 Building Renewal Allocation Plan for $ 15,154,000 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 2027 ADOA Building System Building Renewal Allocation Plan, please contact Jill Pernice, Assistant Director, ADOA General Services Division (GSD), at (602) 510-3435.

Sincerely,

Elizabeth Alvarado-Thorson
Director

Attachments (1): FY2027-BR Allocation Plan Detail Write Up.pdf

cc:

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

Arizona Department of Administration (ADOA) Building System
FY 2027 Building Renewal Appropriation Allocation Plan

Laws 2026, Second Regular Session, Chapter 128, (HB 4156)
$ 15,154,000

FY 2027 Building Renewal Allocation Plan

Project Category	Allocation
Fire & Life Safety	$ 1,210,000
Building Shell (Asset Preservation)	$ 2,204,400
Major Building Services	$ 7,165,800
Infrastructure	$ 1,320,000
ADA Renovation	$ 345,000
Building Interiors	$ 391,000
Project Scoping/Professional Services	$ 250,000
Preventive Maintenance	$ 1,212,320
Risk Management Construction Insurance Premium	$ 48,947
Project Management Services	$ 757,700
Building Renewal Emergency & Contingency Allocation	$ 248,833
Total FY 2027 Building Renewal Allocation Plan	**$ 15,154,000**

Laws 2026, Second Regular Session, Chapter 128, (HB 4156)
$ 15,154,000

$ 1,210,000 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:

Agency/ Tenant	*Description*	*Estimated Costs*
	F&LS Fire & Life Safety Allocation Contingency	$ 110,000
ADJC	FRLS - ADJC - Adobe Mountain Fire Alarm Replacements	$ 200,000
DPS	FRLS - DPS - PHX Headquarters Replace Halon Fire Suppression System	$ 600,000
DEMA	FRLS - DEMA - PPMR M5315 Install Fire Suppression and Alarm (75% Fed, 25% State)	$ 150,000
DEMA	FRLS - DEMA - PPMR M5470 Install Fire Suppression and Alarm (75% Fed, 25% State)	$ 150,000

$ 2,204,400 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 expensive "crisis-mode" abatements, emergency repairs, and replacements.

Project deficiencies include:

Laws 2026, Second Regular Session, Chapter 128, (HB 4156)
$ 15,154,000

Agency/ Tenant	*Description*	*Estimated Costs*
	SHEL Shell Allocation Contingency	$ 200,400
DES	SHEL - DES - 3013 W Lincoln St Warehouse Roof Replacement	$ 150,000
DHS	SHEL - DHS - AHS Civil Campus Roof Replacements	$ 554,000 *
DPS	SHEL - DPS - Statewide Roof Replacements	$ 600,000
DPS	SHEL - DPS - Statewide Exterior Pre-Cast Joint Repairs	$ 500,000
ADOA	SHEL - ADOA - 400 W Congress Atrium Repairs	$ 200,000

* ASHLF AZ State Hospital Land Fund

$ 7,165,800 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 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.

Laws 2026, Second Regular Session, Chapter 128, (HB 4156)
$ 15,154,000

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:

Agency/ Tenant	*Description*	*Estimated Costs*
	BSVC - Building Services Allocation Contingency	$ 530,800
ADOA	BSVC - ADOA - 1600 W Monroe Air Handler Replacements	$ 1,250,000
ADOA	BSVC - ADOA - 400 W Congress St - Restroom Sewer/Plumbing Replacements	$ 1,300,000
Executive/ Multi Agency	BSVC - DOA - 1700 Tower - 1700 Tower Wastewater Plumbing	$ 1,200,000
ADOA	BSVC - DOA - 701 E Jefferson St Water Source Heat Pump Replacements	$ 250,000
ASDB	BSVC - ASDB - Phoenix Day School HVAC Replacements	$ 500,000
DES	BSVC - DES - 1717 W Jefferson St Replace Air Handling Unit (AHU)	$ 625,000
DHS	BSVC - DHS - ASH Dietary Building Restroom Repairs	$ 200,000
PHS	BSVC - PHS - Sharlot Hall Transportation Building Humidifier	$ 40,000
Judiciary	BSVC - SCT - Supreme Court Chiller Renewal Repairs	$ 500,000
DPS	BSVC - DPS - Phoenix OpComms HVAC Unit Replacement	$ 50,000
DPS	BSVC - DPS - Phoenix CI BUilding HVAC Unit Replacement	$ 300,000
DPS	BSVC - DPS - Phoenix HQ & Crime Lab HVAC Chiller Repairs	$ 40,000
DPS	BSVC - DPS - Gila Bend Mobile Homes HVAC Unit Replacements	$ 50,000
DPS	BSVC - DPS - Phoenix UPS Building HVAC Evap Cooler Replacements	$ 80,000
DVS	BSVC - DVS - Tucson Veteran's Home Major Building Services Repairs/Replacements	$250,000

$ 1,320,000 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:

Agency/ Tenant	*Description*	*Estimated Costs*
	INFR Infrastructure Allocation Contingency	$ 120,000
ASDB	INFR - ASDB - PHX Day School Fuel Island Replacement	$ 300,000
DVS	INFR - DVS - Tucson Vets Home Concrete Repairs	$ 100,000
ADOA	INFR - ADOA - 1802 W Jackson Plumbing Replacement	$ 50,000
ADOA	INFR - ADOA - 1688 W Adams Sewer Line Replacement	$50,000
ADOA	INFR - ADOA - Capitol Mall Paving Repairs	$ 200,000
DVS	INFR - DVS - Phoenix Vets Home Parking Lot Replacement	$ 500,000

$ 345,000 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:

Agency/ Tenant	*Description*	*Estimated Costs*
	ADA Access Allocation Contingency	$ 45,000
AHS	ADA - AHS - Tucson Museum ADA Restroom Upgrades	$ 300,000

$ 391,000 BUILDING INTERIOR PROJECTS

Replacement of worn interior flooring, stairway treading, and wall finishes have been in a "deferred indefinitely" status for many years. Many floor coverings, some as old as 20 years, 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 State 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.

Project deficiencies include:

Agency/ Tenant	*Description*	*Estimated Costs*
	Building Interiors Allocation Contingency	$ 51,000
PHS	IREN - PHS - Sharlot Hall Education Building Ceiling Replacement	$ 300,000
PHS	IREN - PHS - Sharlot Hall Education Building Auditorium Carpet Replacement	$ 40,000

$ 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.

$ 1,212,320 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.

$ 48,947 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.

$ 757,700 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 (5%) of the appropriated amount for building renewal project management expenses.

$ 248,833 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.

2

STATE OF ARIZONA

Joint Committee on Capital Review

STATE SENATE

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MICHAEL WAY

DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Principal Fiscal Analyst

SUBJECT: Arizona Department of Corrections - Review of $1,757,000 of FY 2027 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Department of Corrections (ADC) is requesting the Committee review its FY 2027 allocation plan for $15,652,200.

The Chairman has limited the review to $1,757,000 allocated across 7 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.

A.R.S. § 41-794 requires ADC 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 2027 Capital Outlay Bill appropriated $15.7 million for ADC building renewal. Statute requires Committee review of ADC's proposed expenditure plan.
2) The Chairman's agenda item is limited to $1,757,000 for the following items:
    a. $357,000 for 3 security issues projects
    b. $240,000 for 2 fire and life safety projects
    c. $850,000 for plumbing upgrades at Eyman prison
    d. $310,000 for wastewater system upgrades at Kingman prison

Analysis

FY 2027 Building Renewal

The FY 2027 Capital Outlay Bill appropriated $15.7 million from the Department of Corrections Building Renewal Fund to ADC for general building renewal (*see Attachment A*). The review consists of 7 projects across the entire expenditure plan that totals $1,757,000. *Table 1* below provides a summary of the planned expenditures for each of the 7 reviewed projects.

Table 1

Summary of Reviewed Projects

Security Issues	
Security Camera Replacements at Globe Unit at Safford Prison	$ 225,000
Security Camera Replacements at Graham Unit at Safford Prison	117,000
Camera Installation at Maricopa Reentry Center	15,000
Subtotal	*357,000*
Fire and Life Safety	
Generator for K9 Service Dog AC at Tucson Prison	175,000
Interior Lighting Replacement at Perryville Prison	65,000
Subtotal	*240,000*
Major Building Services	
Plumbing Upgrades at Eyman Prison	850,000
Wastewater System Upgrades at Kingman Prison	310,000
Subtotal	*1,160,000*
Project Total	**$1,757,000**

In FY 2026, ADC received $5.9 million in building renewal monies, of which $230,800 has been spent or encumbered to date.

JJ:JBu

Attachment A – ADC Building Renewal Request

The FY 2027 Capital Outlay Bill appropriated $15.7 million from the Department of Corrections Building Renewal Fund to ADC for general building renewal. The request includes 25 individual projects totaling $15.7 million, with no amount set aside as contingency. The 25 projects are listed in the ADC submission. *Table 2* below provides a summary of the planned expenditures by project type, including how much from each category is part of the proposed review.

Table 2

FY 2027 Building Renewal Plan

Project Category	All Projects	Proposed Reviewed Projects
Statewide medical buildings	$ 4,570,000	$0
Infrastructure and Building Improvements	6,065,200	0
Major Building Services	4,420,000	1,160,000
Security Issues	357,000	357,000
Fire and Life Safety	240,000	240,000
Building Renewal Total	**$15,652,200**	**$1,757,000**

Regarding the medical facilities, the department is permitted to expend up to $4.6 million of their building renewal on such facility renovations pursuant to a footnote in the FY 2027 Capital Outlay Bill. You can find additional details on the medical facilities project in the ADC submission.

Other major projects listed in the ADC expenditure plan, but not part of the proposed review, include:

Major Building Services
$1.1 million for roof repairs at the Eyman complex's Rynning Unit buildings 5, 6 and 7.

Infrastructure and Building Improvements
$932,300 to replace sally port gates and controls at the Phoenix complex, and $145,000 for a steel water tank recoat and updated cathodic protection installation.

DEPARTMENT OF CORRECTIONS, REHABILITATION & REENTRY

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Phoenix, AZ 85034

602.542.5497

KATIE HOBBS
GOVERNOR

RYAN THORNELL, PH.D
DIRECTOR

September 8, 2026

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

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



Subject: Review of FY 2027 Building Renewal Appropriation

Dear Representative Livingston and Senator Farnsworth:

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 2027 Building Renewal Appropriation from Laws 2026, Chapter 128 (HB4156), Sec. 11 C. The enclosure summarizes the projects planned from this appropriation.

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
Jordan Johnston, Principal Fiscal Analyst, Joint Legislative Budget Committee
Luke VanderSchaaff, Budget Analyst II, Governor's Office of Strategic Planning and Budgeting

DEPARTMENT OF
CORRECTIONS,
REHABILITATION & REENTRY

FY 2027 Building Renewal Projects

Evidence - Based Priorities

- Each project was selected based on three objective criterias: likelihood of failure, impact of failure and custody level. These reflect real operational vulnerabilities, not hypothetical risks.
- Failures in basic infrastructure compromise life-safety systems, sanitation, and perimeter security, putting lives and the public safety at risk.
- Each project improves resilience, reduces maintenance, and prevents higher future costs, making this a fiscally sound investment for the state.
- Deferring critical infrastructure projects increases exposure to emergency outages, environmental violations, and legal liabilities, all of which cost more than proactive solutions.

FY27 BR PRIORITIES

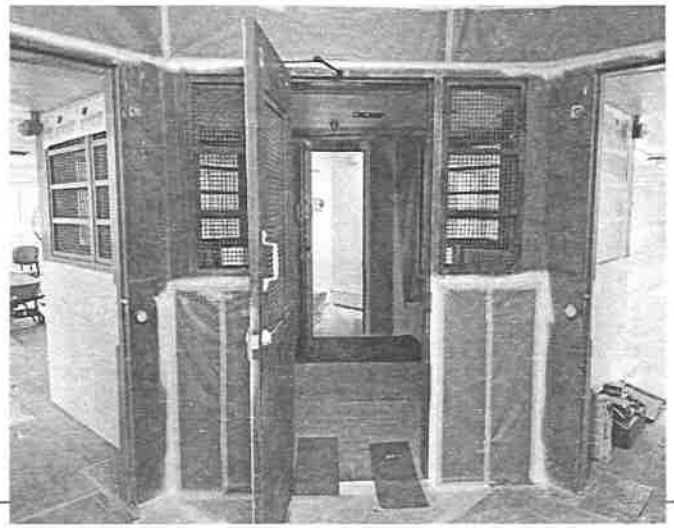
FY27 BUILDING RENEWAL					
S/N	Project location	Project Name	Project Scope	Project Category	Est. Budget
1	STATEWIDE	Statewide Medical buildings	Construct medical buildings at all ADCRR Facilities	Major Building Services	$ 4,570,000.00
2	KINGMAN	Waste Water System Upgrades	Waste Water System Upgrades	Major Building Services	$ 310,000.00
3	PERRYVILLE	Complex Roof Replacement	Complex Building 1 roof needs replacement (Admin all the way to kitchen)	Infrastructure and Building	$ 1,500,000.00
4	EYMAN	Rynning Replace Roof buildings 5, 6 & 7	Remove and replace roofing material. Repair the mezzanine.	Major Building Service	$ 1,100,000.00
5	TUCSON	Complex Phase 1 Cornerstone upgrades	Replace zone, building and perimeter wiring and equipment or update to a different system	Infrastructure and Building	$ 800,000.00
6	EYMAN	Rynning Plumbing Chase Building 5, 6 & 7	Remove and replace waste and vent piping. Remove and replace water blocks to T&S valves.	Major Building Services	$ 850,000.00
7	LEWIS	Water Treatment Plant 3 water boosters pumps	Replace all three water booster pumps at water treatment.	Major Building Services	$ 165,000.00
8	LEWIS	Morey Unit Replace Automatic transfer switch	Replace ATS for backup power.	Major Building Services	$ 135,000.00
9	TUCSON	Complex Wide Upgrade Electrical Capacity	Install new transformer in Administration Building	Infrastructure and Building	$ 2,075,000.00
10	TUCSON	Rincon Underground Electric Service	Replace Underground Electric Lines at Rincon (hazardous electrical)	Infrastructure & Building	$ 286,000.00
11	DOUGLAS	Switchgear replacement - Gila Unit	Replace failing switchgear - Gila Unit (currently not on generator)	Infrastructure & Building	$ 100,000.00
12	TUCSON	Waste Macerator	Replace and upgrade waste macerator	Infrastructure & Building	$ 16,900.00
13	COTA	Leach field Rebuild/Relocate Parking Lot	Engineer & build a new leach field - Current leach field is not functioning up to standard due to cadet pa	Major Building Services	$ 1,200,000.00
14	DOUGLAS	Eggers water tank rebuild	Recoat interior of steel tank, install updated cathodic protection	Infrastructure & Building	$ 145,000.00
15	PERRYVILLE	Lumley & Santa Cruz - Interior Lighting	Upgrade to LED lighting systems	Fire & Life Safety	$ 65,000.00
16	EYMAN	Complex Warehouse Walk in Cooler and Freezer	Replace 5 condensers and 5 evaporators at Complex Warehouse for food storage	Major Building Services	$ 475,000.00
17	SAFFORD	Graham - AXIS cameras (18)	Upgrade and install AXIS cameras	Security Issue	$ 117,000.00
18	TUCSON	K9 Generator	Add Generator (small) to maintain K9 A/C	Fire & Life Safety	$ 175,000.00
19	SAFFORD	Globe - AXIS cameras (50)	Upgrade and install AXIS cameras	Security Issue	$ 225,000.00
20	PHOENIX	Alhambra Sally port Install 5 New Gates and Controls at Alhambra	Replace 5 Sallyport Gates at Alhambra. Replace Motors, Controls, and Gates.	Infrastructure and Building	$ 932,300.00
21	YUMA	Replace broken Auto Sampler, at the Headworks	Replace equipment not functional, broken beyond repair, refrigerated unit and keeps the sample cold.	Infrastructure and Building	$ 25,000.00
22	TUCSON	Well pumps 2	Install 2 well pumps	Infrastructure & Building	$ 50,000.00
23	MRC	Camera Install	Place new camera in blind spots and replace a couple cameras that are sun flares and covers are cracked	Security	$ 15,000.00
24	EYMAN	Florence North Unit Visitation/Media Center Roof / Special needs	Repair or Replace visitation roof	Superstructure & Exterior	$ 135,000.00
25	LEWIS	Complex Medical Hub Replace 3 AC's	Replace 3 AC's at complex medical	Major Building Services	$ 185,000.00
			Total		$ 15,652,200.00

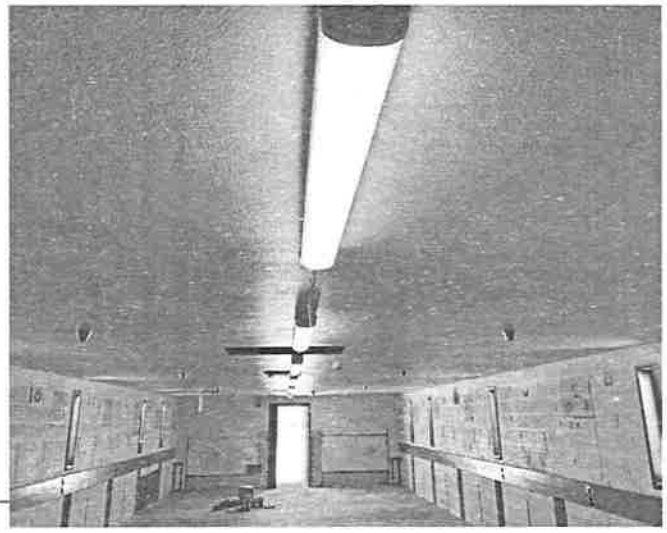
Project Location	Project Scope	Estimated Budget
STATEWIDE	Construct medical buildings at all ADCRR Facilities	$ 4,570,000.00
KINGMAN	Waste Water System Upgrades	$ 310,000.00
ASPC EYMAN	Remove and replace waste and vent piping in Rynning Building 5,6 & 7. Remove and replace water blocks to T&S valves.	$ 1,500,000.00
ASPC EYMAN	Remove and replace roofing material in Rynning building 5,6 & 7. Repair the mezzanine.	$ 1,100,000.00
ASPC DOUGLAS	Eggers steel water tank recoat and install updated cathodic protection	$ 145,000.00
ASPC PHOENIX	Replace 5 Sallyport Gates at Alhambra. Replace Motors, Controls, and Gates.	$ 932,300.00

STATEWIDE - Construct medical buildings at all ADCRR Facilities

Statewide medical operations across all ADCRR facilities are constrained by aging, undersized, and functionally outdated clinical spaces that no longer meet current healthcare delivery, compliance, or operational requirements. The medical spaces currently available at each facility are insufficient to support the volume of care, the complexity of services, and the operational demands of modern correctional healthcare. Existing areas lack adequate exam rooms, treatment spaces, infection-control features, secure medication storage, and appropriate layouts to support efficient clinical workflows. These deficiencies limit the ability to provide timely medical care, reduce operational efficiency, and create compliance risks related to accreditation, and clinical standards.

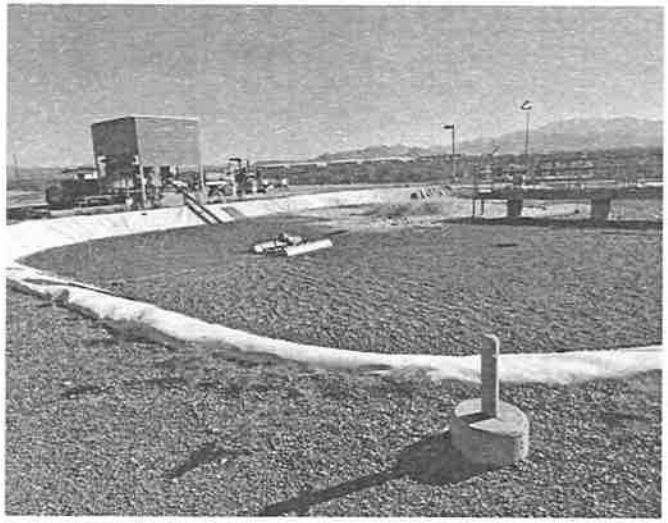


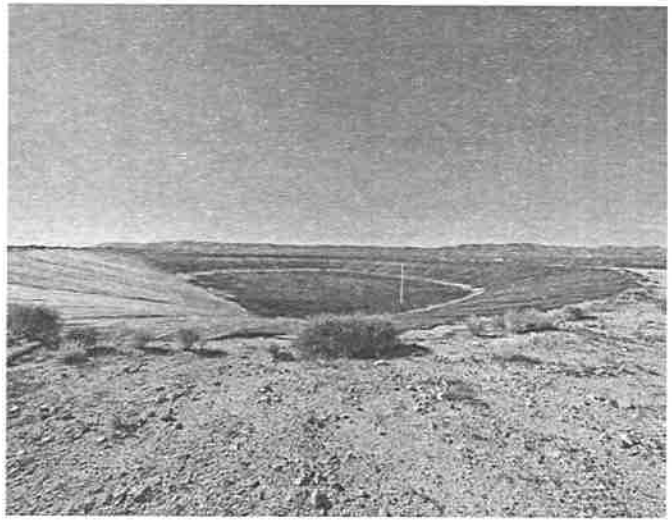


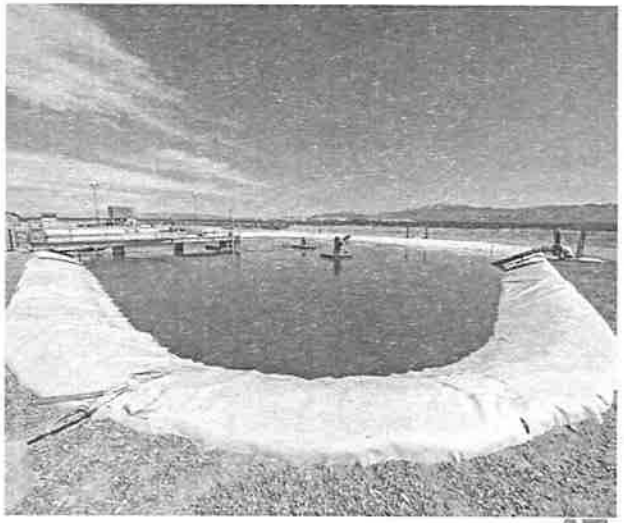


KINGMAN - Waste Water System Upgrades

The wastewater system at ASPC Kingman is experiencing performance decline due to aging infrastructure, failing components, and insufficient capacity to meet current operational demands. Existing equipment, piping, and treatment elements show signs of corrosion, wear, and reduced efficiency, resulting in recurring maintenance issues, inconsistent wastewater flow, and elevated risk of system backups. These deficiencies create compliance concerns related to environmental discharge standards and increase the likelihood of operational disruptions. Without upgrades, the facility will continue to face sanitation risks, potential regulatory violations, and escalating repair costs.



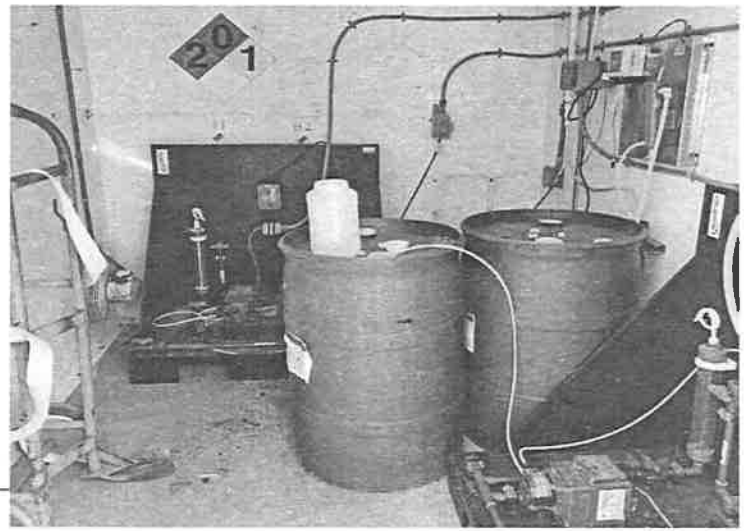




KINGMAN - Waste Water System Upgrades







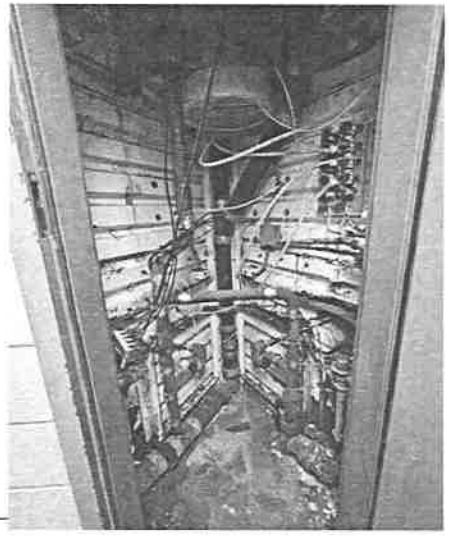
EYMAN - Rynning Building 5,6 & 7 Plumbing Chase Repair

The waste and vent piping systems serving Rynning Buildings 5, 6, and 7 have deteriorated due to age, corrosion, and repeated service failures. These conditions have resulted in leaks, blockages, and reduced drainage efficiency, creating sanitation concerns and increasing maintenance demands. Additionally, the water blocks connected to the T&S valves are no longer functioning reliably and require full replacement to maintain proper water flow control and prevent fixture failures. Continued operation without corrective action poses risks of wastewater backflow, unsanitary conditions, plumbing failures, and non-compliance with facility health and safety requirements.

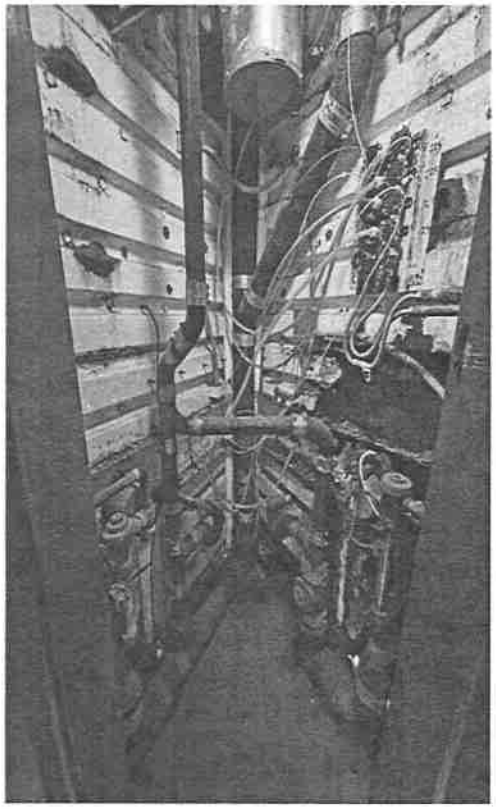
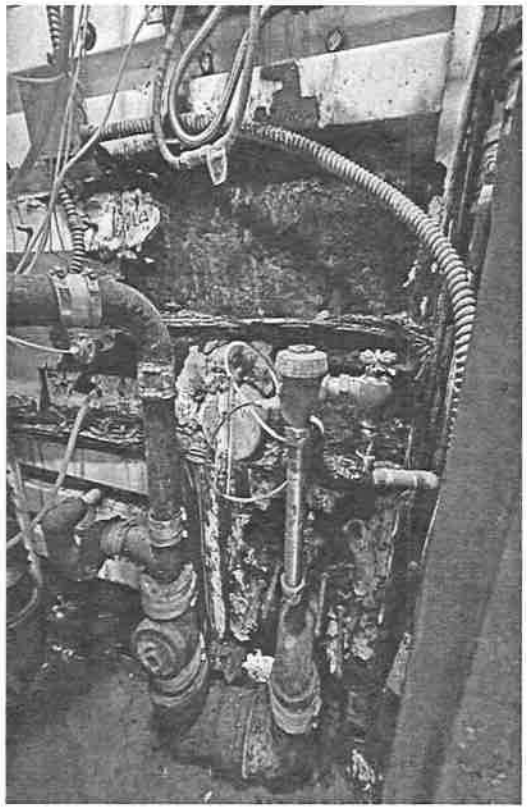
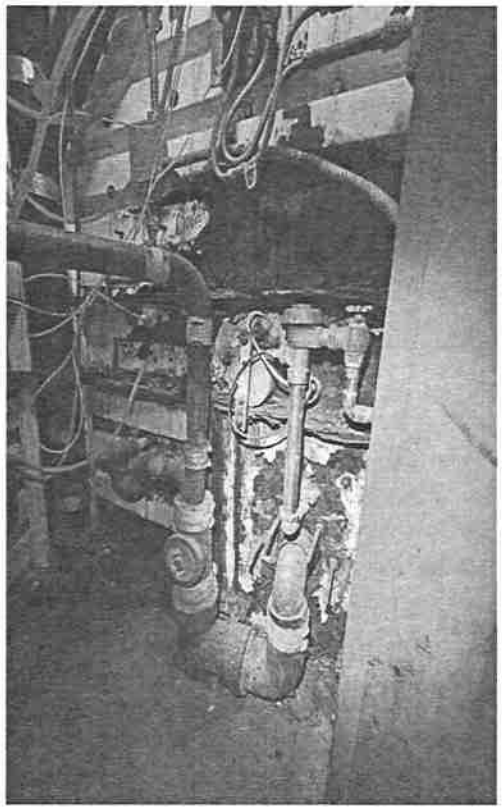
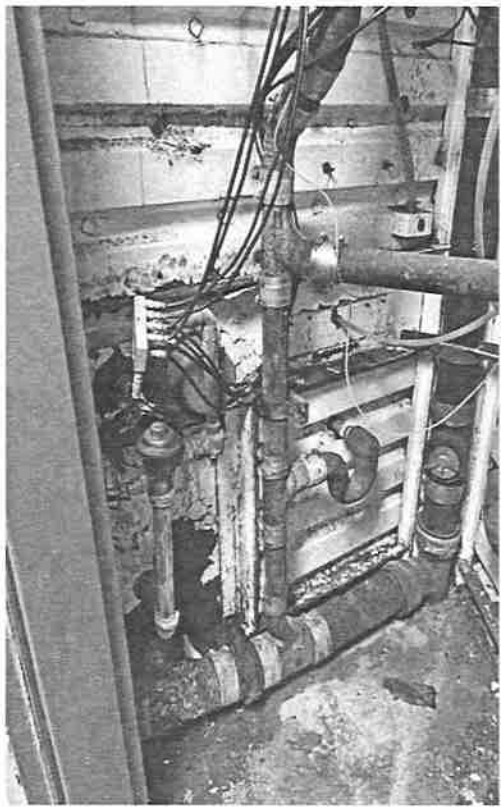




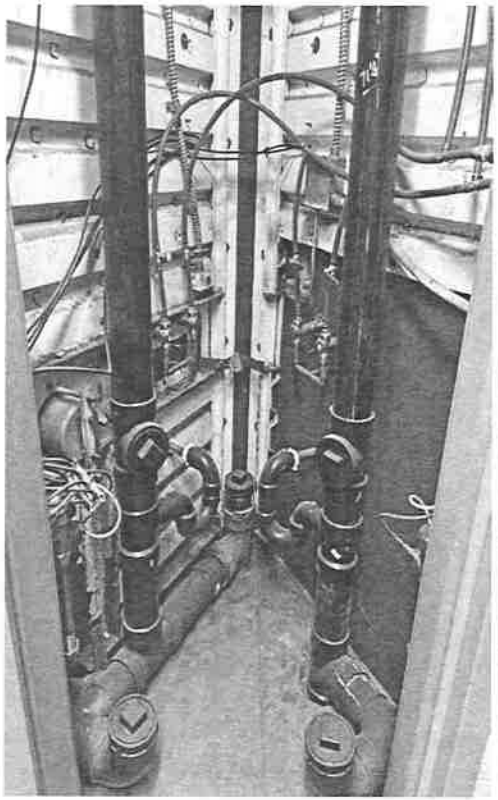
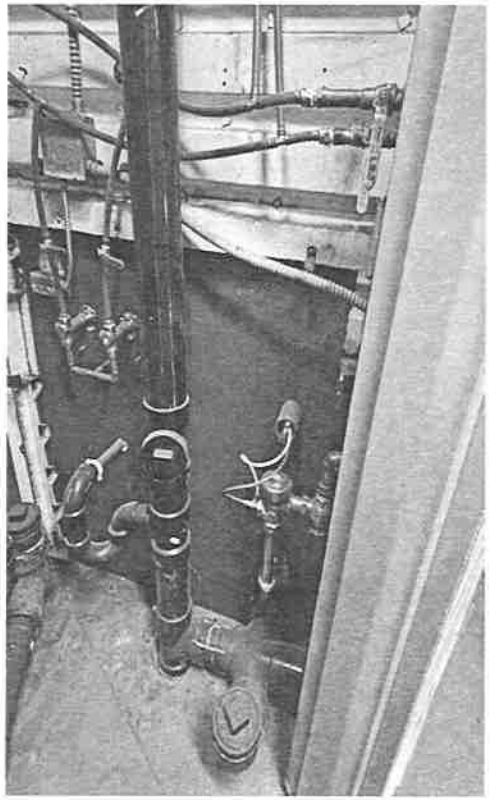
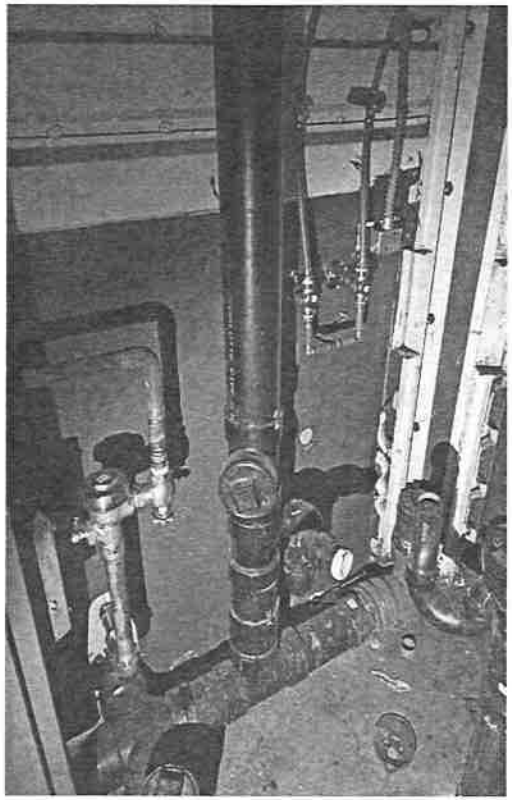
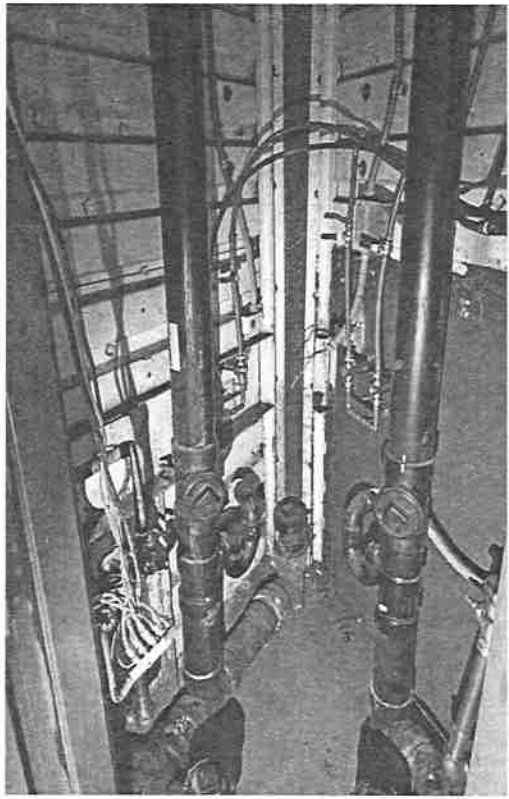




EYMAN - Rynning Building 5,6 & 7 Plumbing Chase Repair

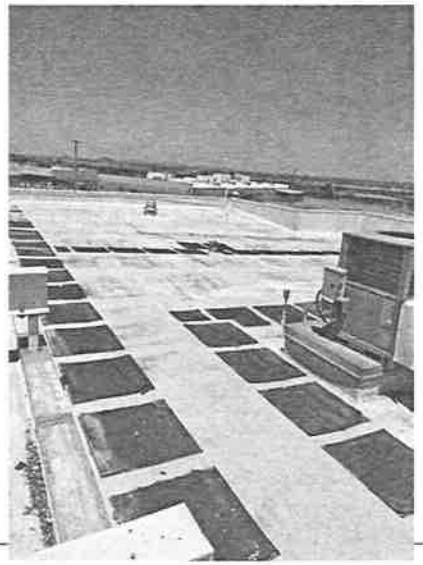
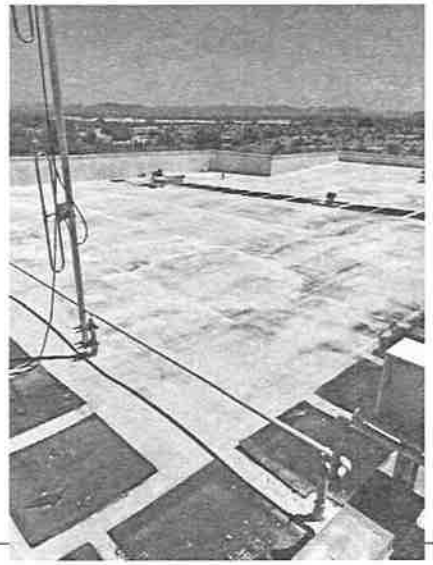
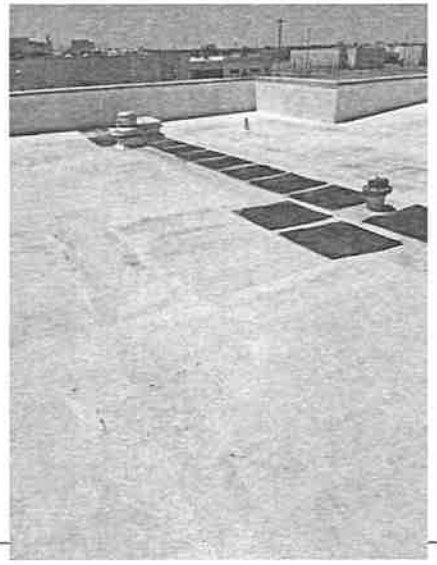





EYMAN - Rynning Building 5,6 & 7 Plumbing Chase Repair

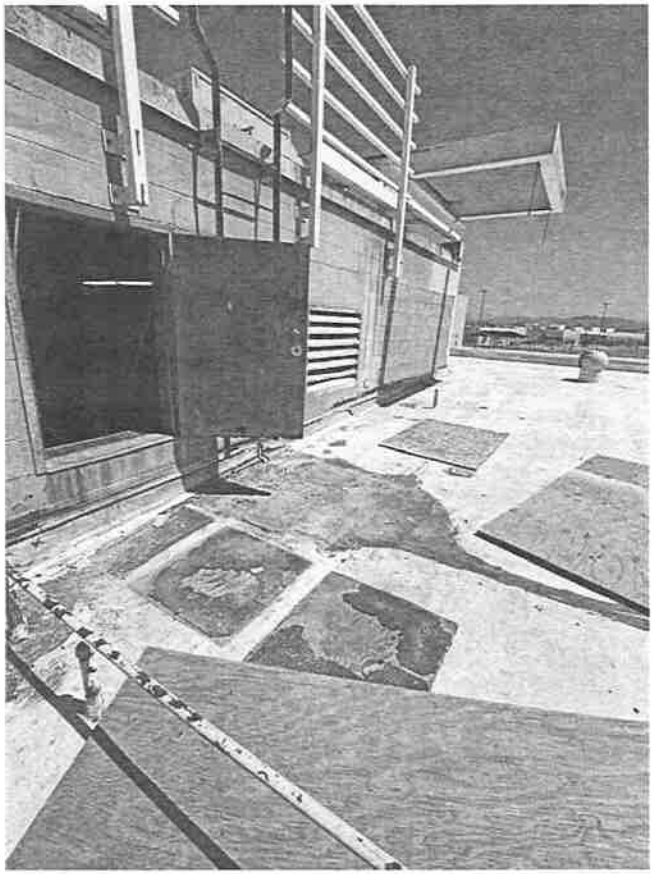





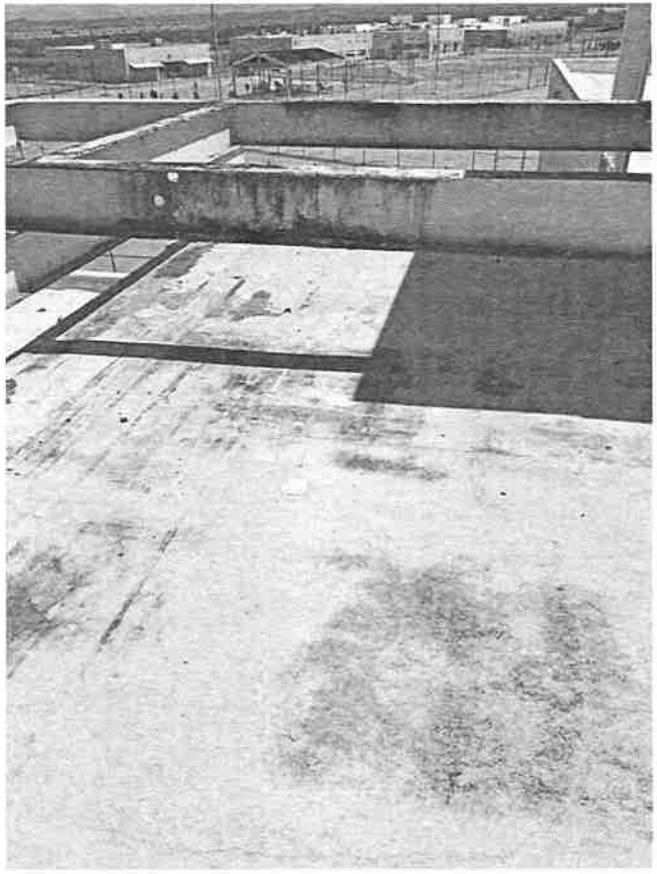
EYMAN - Rynning Building 5,6 & 7 Roofing Repair

The roofing systems on Rynning Buildings 5, 6, and 7 have deteriorated due to age, weather exposure, and material failure, resulting in leaks, moisture intrusion, and compromised insulation performance. These conditions threaten interior building components, create maintenance burdens, and increase the risk of mold, structural degradation, and operational disruptions. Additionally, the mezzanine structure requires repair to address damage caused by prolonged moisture exposure and general wear. Without corrective action, the facility will continue to experience water intrusion, safety hazards, and non-compliance with building performance standards.


EYMAN - Rynning Building 5,6 & 7 Roofing Repair

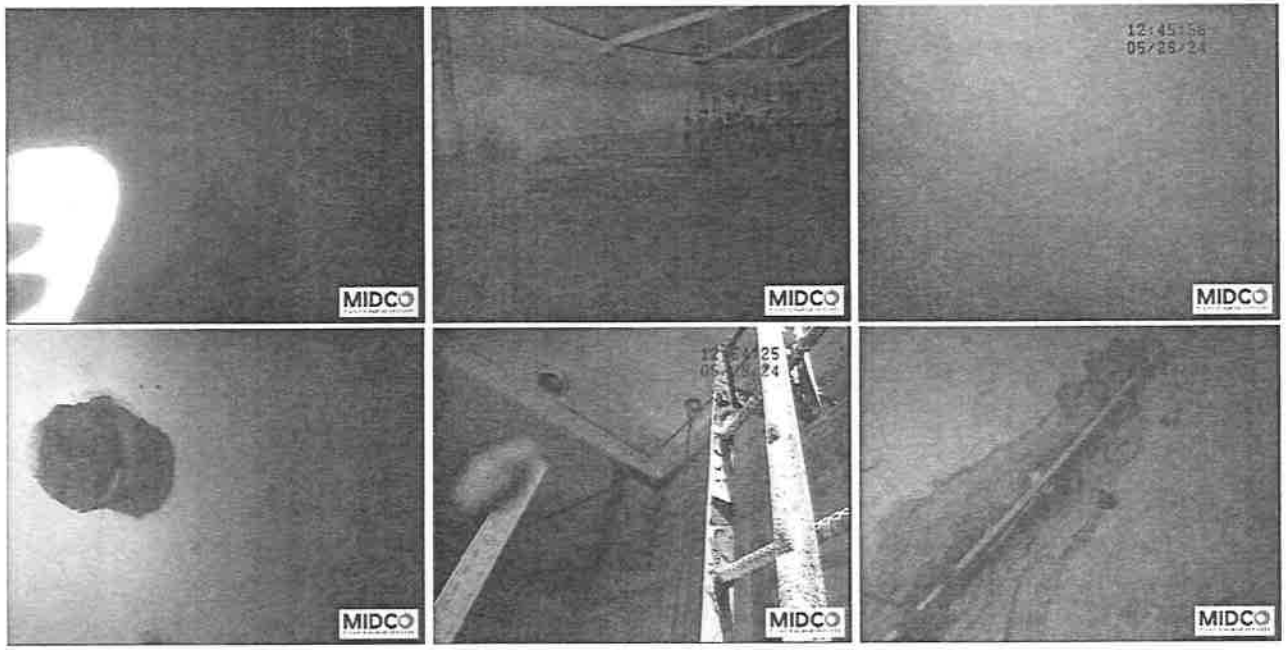






DOUGLAS - Eggers steel water tank repair

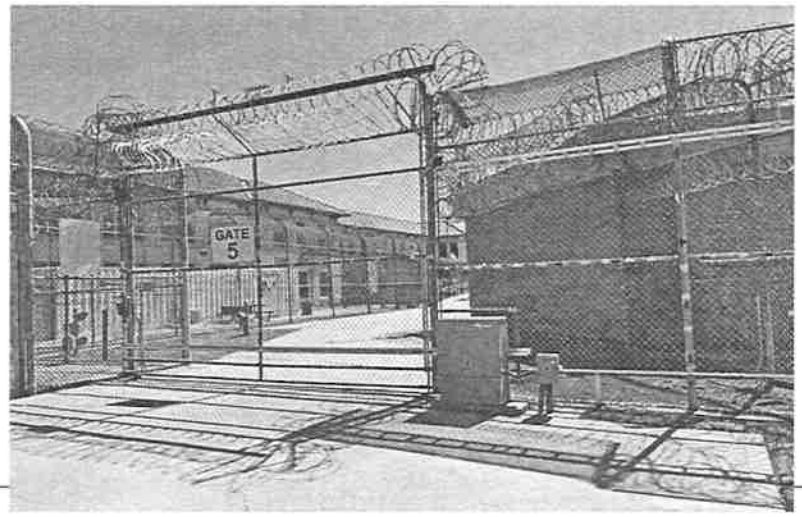
The Eggers Unit steel water tank requires structural repair, interior cleaning, protective recoating, and reactivation of its cathodic protection system to prevent corrosion, maintain water quality, and ensure continued compliance with water storage standards. Completing this work is essential to restore the tank to safe, reliable operational condition and mitigate risks associated with deterioration or contamination.





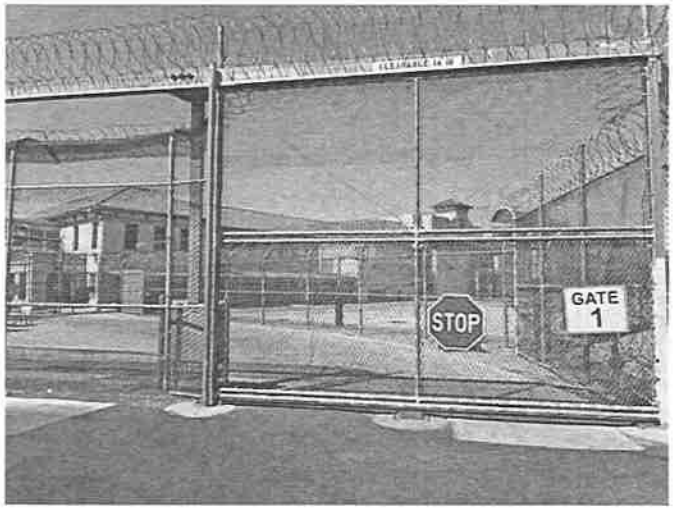
PHOENIX - Alhambra 5 Sallyport Gates Replacement

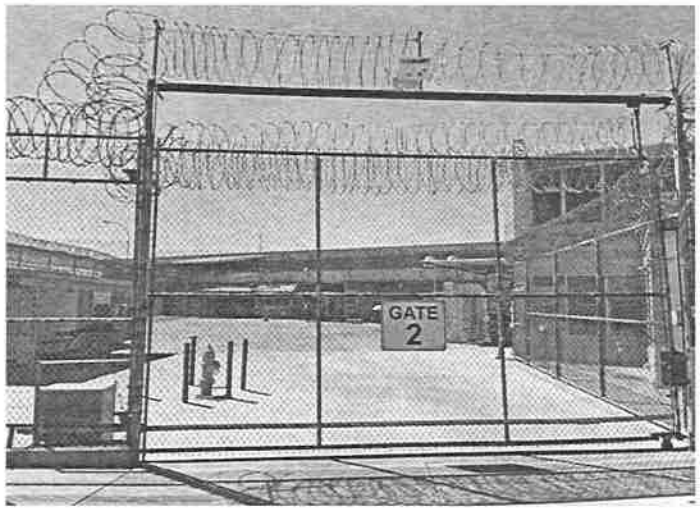
The five sallyport gates at ASPC Phoenix – Alhambra have reached the end of their service life due to continuous operational use, mechanical wear, and deterioration of gate components. Motors and control systems are experiencing failures, slow operation, and inconsistent performance, creating security vulnerabilities and increasing maintenance demands. Gate structures themselves show signs of fatigue and misalignment, reducing reliability during secure movement operations. Continued use without replacement increases the risk of gate malfunction, delayed inmate transport, compromised perimeter control, and non-compliance with security infrastructure standards.

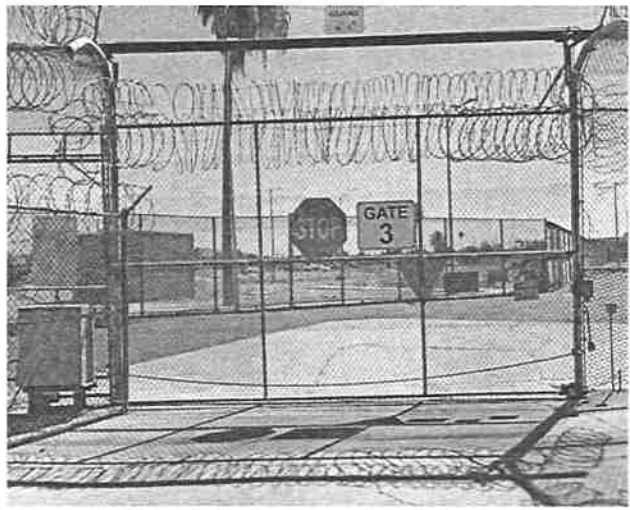




PHOENIX - Alhambra 5 Sallyport Gates Replacement











3

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Senior Fiscal Analyst

SUBJECT: Arizona Game and Fish Department – Review of FY 2027 Building Renewal and Capital Project Allocations – Game and Fish Fund

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 Arizona Game and Fish Department (AGFD) requests that the Committee review $4,478,200 appropriated from the Game and Fish Fund in FY 2027. Of this amount, $1,878,200 is for 20 projects from the AGFD's FY 2027 building renewal appropriation of $1,939,200 and 2 capital projects totaling $2,600,000 from the AGFD's $11,000,000 FY 2027 appropriation for Hatchery Repairs.

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 AGFD to report quarterly on the status of all appropriated capital projects, such as building renewal projects, including actual spending.

Key Points

- AGFD is seeking review of $1.9 million from its FY 2027 building renewal appropriation from the Game and Fish Fund for 20 projects.
- AGFD is also seeking review of $2,600,000 for 2 capital projects from the $11.0 million appropriated in FY 2027 for Hatchery Repairs:
  - $2,000,000 to repair water conveyance infrastructure and repair production ponds at Bubbling Ponds Hatchery (Cornville)
  - $600,000 to install permanent electrical equipment at Silver Creek Hatchery (Show Low).

Analysis

FY 2027 Building Renewal Projects

The FY 2027 Capital Outlay Bill appropriated a total of $1.9 million from the Game and Fish Fund for building renewal, which provides for the major maintenance and repair of state-owned buildings. AGFD requests review of this amount for 20 projects, preventative maintenance, and emergency allocations as shown in *Table 1*. The allocations include $1.1 million for 8 projects at the headquarters and regional offices, $295,000 for 5 hatchery projects, and $185,500 for 7 wildlife area projects, $152,500 for preventative maintenance, and $120,000 for emergency repairs. Large requests include $500,000 to replace the 15-year-old headquarters security system, $250,000 to repave the regional Kingman office parking lot, and $100,000 to renovate the Quigley Wildlife Area residence, garage and carport. If the Committee approves these projects, $54,700 would remain unallocated from AGFD's FY 2027 building renewal appropriation.

Table 1

FY 2027 Building Renewal Plan

Hatcheries	
Bubbling Ponds (Cornville) – Replace Roof of Hatchery Manager's Future Residence	$ 50,000
Silver Creek (Show Low) – Replace 3 Roofs: Hatchery Mobile Office & 2 Residences	230,000
Sterling Springs (Sedona) – Treated Water Line/Valve Improvements	15,000
Subtotal	**$ 295,000**
Regional Offices and AGFD Headquarters	
Headquarters and Regional Offices – Replace 15-Year-Old Security Systems	$ 500,000
Headquarters – Replace HVAC Units (Phase 2)	50,000
Headquarters – Recoat Warehouse and ADOT Shop Roofs	120,000
Headquarters – Wildlife Center Parking Lot Maintenance	23,000
Headquarters – Major Maintenance Fund Allocation	152,200
Horseshoe Ranch (Mayer) – Replace Broken Window at Main Casita	5,000
Kingman – Parking Lot Asphalt and Drainage Repairs	250,000
Pinetop – Replace Front Fence	25,000
Subtotal	**$ 1,125,200**
Wildlife Areas	
Quigley Achee Wildlife Area (Yuma County) – Repair Residence, Garage, and Carport	$ 100,000
Raymond Wildlife Area (Coconino County) – Bring Electrical Equipment Up to Code	40,000
Robbins Butte Wildlife Area (Buckeye) – Reroute AC and Furnace Intakes	5,000
Robbins Butte Wildlife Area – Inspect and Repair Main House Roof	7,500
Robbins Butte Wildlife Area – Inspect Main House AC Vent	3,000
Sipe Wildlife Area (Apache County) – Replace Power Pole	25,000
Sipe Wildlife Area – Repair Residence Electrical Equipment	5,000
Subtotal	**$ 185,500**
Maintenance and Emergency Allocations	
Building Renewal Emergency Allocation	$ 120,000
Preventative Maintenance	152,500
Subtotal	**$ 272,500**
TOTAL ALL PROJECTS	**$1,878,200**
Unallocated FY 2027 Building Renewal	$ 54,700
Total	**$1,932,900**

Hatchery Repair Projects

The FY 2027 Capital Outlay Bill included $11.0 million from the Game and Fish Fund for Hatchery Repairs, of which AGFD is seeking review of $2.6 million for 2 projects. If the Committee approves these two projects, $8.4 million would remain from the Department's FY 2027 Hatchery Repairs appropriation.

Bubbling Ponds (Cornville)

One project would use $2.0 million to improve the water lines and pumps at Bubbling Ponds Hatchery in addition to regrading and relining some of the ponds.

Silver Creek Hatchery (Show Low)

The Silver Creek project would use $600,000 to install permanent electrical hookups and distribution equipment.

NB:jbu



August 31, 2026

Representative David Livingston, Chairman
Joint Committee on Capital Review
Capitol Complex
1700 W. Washington
Phoenix, AZ 85007-2890

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

Honorable Chairman Livingston:

In accordance with A.R.S. § 41-1252 A(4), the Arizona Game and Fish Department respectfully requests to be on the next scheduled agenda of the Joint Committee on Capital Review to review the Department's building renewal and capital projects expenditure plan.

Sincerely,

Joshua Hurst,
Deputy Director

cc: Senator John Kavanagh, Vice Chair, JCCR
Richard Stavneak, Staff Director, JLBC
Ben Henderson, Director, OSPB

Arizona Game and Fish Department Building Renewal and Capital Projects Expenditure Plan Fiscal Year 2027

Overview: The Arizona Game and Fish Department (AZGFD) manages over six hundred facilities statewide, encompassing administrative offices, sites, shooting ranges, actively and passively managed wildlife areas, dams, boating facilities, and other recreational enhancements. These facilities range in age from historic structures dating back to the 1930s to more modern operational and administrative buildings. Maintaining these assets is crucial for AZGFD, necessitating a comprehensive maintenance program that includes scheduled replacement or renovation of major building systems and infrastructure. This approach minimizes costly repairs and extends the value and useful life of these critical assets. AZGFD is requesting approval of its Fiscal Year 2027 Building Renewal and Capital Improvement projects. The following sections outline AZGFD's proposed Fiscal Year 2027 Building Renewal and capital projects.

Arizona Game and Fish Department Building Renewal Project Descriptions:

Project: Region 1 - Sipe Wildlife Area Power Pole Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: Per the Sipe White Mountain Wildlife Area (SWMWA) Operational Management Plan, the vision for the property is to balance the needs of wildlife and constituents while supporting the Department's mission through the maintenance of existing infrastructure and facilities. The power pole adjacent to the bunkhouse supports the electrical transformer and meter serving multiple operational structures at the wildlife area. Over time, the pole has begun to lean significantly, creating a growing safety and operational concern. Failure of the pole could result in loss of electrical service to critical facilities and create a hazardous situation involving downed live electrical lines that could endanger employees, residents, volunteers, and visitors.

Solution: AZGFD will contract with Navopache Electric Company to replace and properly reset the existing power pole, ensuring safe and reliable electrical service to the affected facilities and restoring the infrastructure to current operational standards.

Cost Estimate: $25,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe and professional work environment for its employees, interns, and visitors while advancing its mission to conserve and protect Arizona's wildlife. If this project is not approved, the deteriorating pole may fail, resulting in the loss of electrical service to the bunkhouse, big barn, steel building, and loafing structures within the horseshoe area. In addition, the pole supports the automatic transfer switch for the backup generator system serving these facilities. Failure of the system could disrupt wildlife area operations, compromise emergency power capabilities, increase safety risks to staff and visitors, and result in more costly emergency repairs in the future.

Project: Region 1 - Sipe Wildlife Area - Residence Electrical Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The electrical system in the wildlife area manager's residence is outdated and no longer meets current electrical code standards. Much of the existing wiring dates back to the 1970s and has begun causing recurring electrical issues throughout the residence. The aging system creates reliability concerns and presents potential safety hazards, including the risk of electrical shorts and fire.

Solution: AZGFD will hire a qualified licensed electrician to update and repair the electrical system throughout the residence, bringing the building into compliance with current electrical code requirements and improving overall safety and reliability.

Cost Estimate: $5,000

Impact of Not Approving this Request: AZGFD is committed to maintaining a safe and functional work environment for its employees and visitors, in support of its mission to conserve and protect Arizona's wildlife. If this project is not approved, the residence will continue to operate with outdated electrical infrastructure that poses ongoing fire and safety risks to occupants. Continued deterioration of the electrical system could lead to additional failures, increased maintenance costs, and potential liability concerns associated with maintaining an occupied residence that does not meet current safety standards.

Project: Region 1 - Pinetop Regional Office - Front Fence Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Sitework

Need: The existing front fence at the Pinetop Regional Office consists of a wooden two-rail post system that has significantly deteriorated over time. Most of the fence posts have rotted at ground level, causing large sections of the fence to repeatedly collapse. The fence serves as a highly visible boundary along the highway frontage of the property and contributes to the overall appearance and professionalism of the facility. Despite ongoing maintenance efforts to temporarily stabilize the fence, repairs are short-lived and no longer cost effective.

Solution: AZGFD will hire a qualified general contractor to remove and replace approximately 900 feet of deteriorated wooden fence. The upgraded fence will reduce long-term maintenance needs, improve durability, and provide a more professional and consistent appearance for the regional office.

Cost Estimate: $25,000

Impact of Not Approving this Request: AZGFD is committed to providing a quality environment for employees and visitors while actively managing habitat to conserve Arizona's wildlife. If this project is not approved, the existing fence will continue to deteriorate and collapse, creating ongoing maintenance burdens and negatively impacting the appearance of the regional office. Continued deterioration of this highly visible infrastructure may reflect poorly on the Department's stewardship of public facilities and reduce the professional image presented to constituents and visitors.

Project: Region 2 Raymond Wildlife Area - Electrical Compliance Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: Raymond Wildlife Area is 14,637 acres in northern AZ, purchased by AZGFD in 1942 for elk and pronghorn. It now also serves a vital role for bison conservation in Arizona. The headquarters area includes several operational buildings and residences, many of which are more than 50 years old and remain actively used to support wildlife management operations and public access. A recent ADOA Quadrennial Inspection identified multiple electrical deficiencies and code compliance issues within several facilities that require corrective action to address safety concerns and maintain operational functionality.

Solution: AZGFD proposes to hire a qualified general contractor to complete the electrical repairs identified during the Quadrennial Inspection at the Rock House Residence, Manager's Residence, Generator Building, Alfalfa Shed, and Shop. The project will also include replacement of four electrical poles that provide power to these facilities.

Cost Estimate: $40,000

Impact of Not Approving this Request: AZGFD is committed to maintaining a high quality work environment for its employees and supporting effective habitat management across Arizona. If this request is not approved, the identified electrical deficiencies may continue to worsen, increasing the risk of electrical fires, equipment failures, and electrical shock hazards to staff and visitors. Delaying these repairs could also result in additional infrastructure deterioration, increased future repair costs, and potential operational disruptions at one of the Department's key wildlife management areas.

Project: Region 3 - Kingman Regional Office – Parking Lot Asphalt and Drainage Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: The Kingman Regional Office, serves a critical role in supporting the AZGFD's mission of conserving and protecting Arizona's wildlife through habitat management, public engagement, and employee operations. The office parking lot and surrounding asphalt infrastructure have deteriorated significantly and currently present two major issues: inadequate drainage and deferred asphalt maintenance.

The primary concern is the existing drainage configuration around the buildings. The asphalt grading currently directs stormwater toward the maintenance bays and bunkhouse during rain events, resulting in recurring water intrusion and leaks within several bays and portions of the bunkhouse. During heavy storms, leaks can extend across large sections of the buildings, increasing the risk of water damage, mold growth, and deterioration of building materials.

In addition, the parking lot has not received major maintenance in approximately 12 years. The asphalt surface contains numerous cracks that require sealing, and the entire parking lot requires resealing and recoating to preserve the pavement structure and extend its useful life. Parking stall striping has also significantly faded and requires repainting to maintain safe and organized vehicle access.

Solution: AZGFD will hire a qualified general contractor to regrade and improve parking lot drainage around the buildings to prevent water intrusion. The project will also include crack sealing, asphalt resealing and recoating, and repainting of parking lot striping throughout the front and rear parking areas.

Cost Estimate: $250,000

Impact of Not Approving this Request: AZGFD is committed to providing safe, functional, and professional facilities that support employees, visitors, and wildlife management operations. If this project is not approved, drainage issues will continue to direct water into the maintenance bays and bunkhouse, increasing the likelihood of mold growth, structural deterioration, and interior damage to Department facilities. In addition, the continued deterioration of the asphalt surface will result in accelerated pavement failure, increased long-term repair costs, and potential safety hazards for employees and visitors.

Project: Region 4 - Quigley Achee Wildlife Area - Repairs to Residence, Garage, and Carport

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The Quigley Achee Wildlife Area facilities serve as the residence for the Region 4 Wildlife Areas Manager and provide storage and protection for wildlife area tools, vehicles, and operational equipment. A recent ADOA inspection identified multiple deficiencies within the residence, garage, and carport structures, including roof damage, exterior stucco and structural deterioration, garage ceiling damage, visible mold, flooring issues within the residence, and bathroom deficiencies requiring repair.

The buildings were constructed between 1990 and 1998. Although limited repairs and upgrades were completed in the early 2010s, the property has not undergone significant recent maintenance. Prolonged exposure to sun, weather, and normal wear has contributed to the continued deterioration of the structures.

While the residence remains occupiable, several conditions now pose safety and operational concerns. Flooring and bathroom issues create potential safety hazards, while roof and ceiling damage in the garage increase the risk of additional water intrusion, mold growth, and structural deterioration as a result of future storm events.

Solution: AZGFD will hire a qualified general contractor to complete the necessary repairs and rehabilitation work to the residence, garage, and carport structures, including roofing, exterior repairs, ceiling restoration, flooring replacement, mold remediation, and bathroom repairs.

Cost Estimate: $100,000

Impact of Not Approving this Request: AZGFD is committed to maintaining safe, functional, and reliable facilities that support employees and wildlife management operations. If this project is not approved, the condition of the structures will continue to deteriorate, increasing the risk of structural damage, water intrusion, mold growth, and occupant safety hazards. Deferred maintenance will likely result in more extensive and costly repairs in the future and may eventually compromise the usability of the residence and support facilities needed for wildlife area operations.

Project: Region 6 - Horseshoe Ranch Main Casita Broken Window Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The main casita at Horseshoe Ranch serves as lodging for overnight events hosted by AZGFD, partner agencies, and organizations that support the Department's mission related to wildlife conservation, habitat management, education, and community outreach. The approximately 40-year-old building remains in otherwise good condition; however, one of the room windows has developed a significant crack. Because the damaged pane is part of a stationary window assembly, the entire window unit must be replaced.

The damaged window compromises the integrity of the building envelope and, if left unaddressed, may continue to deteriorate due to weather exposure and temperature fluctuations.

Solution: AZGFD proposes to hire a licensed contractor to remove and replace the damaged window assembly and properly reseal the window opening to restore the building's weather protection, energy efficiency, and functionality.

Cost Estimate: $5,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe, functional work environment that supports its mission to actively manage habitat and conserve Arizona's wildlife. If this project is not approved, the damaged window will likely continue to crack and deteriorate, eventually compromising the building's ability to prevent rodents, debris, moisture, and weather intrusion. Continued deterioration may require the affected room to be removed from service, reducing available lodging capacity for AZGFD programs, partner agencies, and conservation related events.

Project: Region 6 - Robbins Butte Wildlife Area Reroute AC and Furnace Intakes

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The office attached to the metal shop building at Robbins Butte Wildlife Area currently has the air intake for the HVAC and furnace system located inside the bathroom. This configuration results in bathroom odors and airborne contaminants being circulated directly into the manager's office, creating an unsanitary and uncomfortable work environment. In addition, the existing configuration does not comply with the 2018 International Mechanical Code (IMC). The issue was identified during a recent ADOA inspection.

Solution: AZGFD proposes to hire a licensed contractor to reroute the HVAC and furnace air intake system to an appropriate location outside of the bathroom in order to meet code requirements and improve indoor air quality within the office space.

Cost Estimate: $5,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe, functional work environment that supports its mission to actively manage habitat and conserve Arizona's wildlife. If this project is not approved, the building will remain out of compliance with current mechanical code requirements and employees will continue working in an environment with poor indoor air quality and unsanitary ventilation conditions. Continued noncompliance could also result in future operational or regulatory concerns identified during inspections.

Project: Region 6 - Robbins Butte Wildlife Area Main House Roof Inspection and Repairs

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The main house roof at Robbins Butte Wildlife Area has developed multiple stress cracks along the roof sealing system as a result of normal settling and structural movement over time. These deficiencies were identified during a recent ADOA inspection. If left unaddressed, the cracks may allow water intrusion into the structure, leading to interior damage, mold growth, and deterioration of building components.

Due to the nature and extent of the cracking, a licensed structural engineer is needed to inspect and evaluate the roof system and provide recommendations for appropriate repairs and long-term stabilization.

Solution: AZGFD proposes to hire a licensed structural engineer to inspect and evaluate the roof condition and provide recommendations for corrective actions. Based on the findings, repairs will likely include resealing and restoration of affected roof areas to prevent future water intrusion.

Cost Estimate: $7,500

Impact of Not Approving this Request: AZGFD is committed to providing a safe, functional work environment that supports its mission to actively manage habitat and conserve Arizona's wildlife. If this project is not approved, the roof condition may continue to deteriorate, increasing the risk of leaks, interior water damage, mold development, and structural degradation. Delayed action could result in significantly more costly repairs and potential loss of use of the residence if major structural issues develop over time.

Project: Region 6 - Robbins Butte Wildlife Area Main House AC Vent Inspection

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: During a recent ADOA inspection, an unidentified vent was observed behind the laundry machine in the main house. Preliminary observations suggest the vent may serve as an intake for the air conditioning system. If confirmed, the vent location may restrict proper airflow and contribute to overheating or reduced performance of the HVAC system, particularly during extreme summer temperatures. Further professional evaluation is necessary to determine the vent's function and identify any corrective measures needed to maintain safe and reliable HVAC operation.

Solution: AZGFD proposes to hire a qualified contractor or HVAC professional to inspect and evaluate the vent configuration and determine whether modifications or repairs are necessary to ensure proper airflow and HVAC system performance.

Cost Estimate: $3,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe, functional work environment that supports its mission to actively manage habitat and conserve Arizona's wildlife. If this project is not approved and the vent is determined to be part of the HVAC intake system, restricted airflow may contribute to overheating, reduced system efficiency, or premature failure of the air conditioning unit during peak summer conditions. Failure of the HVAC system could impact habitability of the residence, increase repair costs, and disrupt wildlife area operations.

Project: IEED - Wildlife Center - Parking Lot Maintenance

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: The Wildlife Center parking lot requires scheduled preventative maintenance to preserve the integrity of the asphalt surface and maintain safe access for visitors, staff, and operational vehicles. Constructed in 2019 and completed in early 2020, the pavement has now reached the end of its initial five-year maintenance cycle. Preventative maintenance activities, including crack sealing, sealcoating, and restriping, are necessary to protect the asphalt from water intrusion, UV exposure, and surface deterioration.

Without timely maintenance, minor surface deficiencies may accelerate into larger structural failures that require significantly more extensive and costly repairs.

Solution: AZGFD proposes to hire a qualified contractor to perform preventative parking lot maintenance, including crack sealing, application of a protective sealcoat, and repainting of traffic and parking striping throughout the facility.

Cost Estimate: $23,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe, functional work environment that supports its mission to actively manage habitat and conserve Arizona's wildlife. If this project is not approved, the asphalt surface will continue to deteriorate, allowing water to penetrate the pavement subbase and accelerate cracking, pothole formation, and structural failure. Deferred preventative maintenance will substantially increase future repair and replacement costs. In addition, faded striping may negatively affect traffic flow, vehicle organization, and pedestrian safety within the parking area.

Project: Replace the Access Control System to Headquarters, Ben Avery and Regional Offices

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: AZGFD's current WIN-PAK access control system has reached the end of its operational lifespan and no longer adequately supports the Department's security and facility management needs. The system is more than 15 years old and has become increasingly unreliable, with frequent communication failures and access control disruptions occurring at Headquarters, BASF, and regional office locations.

These failures often require the Radio Room to manually unlock doors remotely to maintain building access for employees and authorized personnel, creating significant operational inefficiencies and increasing security vulnerabilities. In addition, the server hosting the WIN-PAK software is failing, further increasing the likelihood of system outages and loss of access control functionality.

The existing system's aging infrastructure, limited manufacturer support, and inability to integrate effectively with modern security technologies create ongoing risks to facility security, continuity of operations, and administrative oversight.

Solution: AZGFD proposes transitioning facility access management to the Verkada Access Control system. This project will leverage the AZGFD's recently upgraded security camera infrastructure by integrating video surveillance and access control into a unified, modern software platform.

The project will include replacement of outdated WIN-PAK hardware and software components, installation of updated access control equipment, and migration to a centralized cloud-based management system.

Cost Estimate: $500,000

Impact of Not Approving this Request: AZGFD is committed to maintaining safe, secure, and reliable facilities that support employees, visitors, and statewide wildlife management operations. AZGFD will continue operating an outdated and unreliable access control system that poses ongoing security and operational risks. Continued system failures may result in access disruptions, increased maintenance costs, manual staff intervention, and potential security vulnerabilities at Department facilities statewide.

Project: AZGFD Headquarters Replace Old HVAC Units - Phase 2

Funding Source: Game and Fish Fund - Building Renewal

Category: Major Building Services

Need: The current HVAC units are over 18 years old and have surpassed their expected lifespan, resulting in decreased efficiency and increased maintenance costs. Additionally, these units use R-22 refrigerant, which has been discontinued, making repairs both expensive and unsustainable.

This project represents Phase 2 of a multi-year replacement effort. In FY26, $50,000 was allocated, which allowed AZGFD to successfully replace four HVAC units at Headquarters. Despite this progress, eight units remain in service and continue to pose reliability and cost risks. To maintain proper climate control and energy efficiency, it is essential to continue replacing these outdated units with modern, energy-efficient alternatives.

Solution: AZGFD will hire a State-approved contractor to replace an additional four to five HVAC units as part of the ongoing phased replacement program. The project will install modern, energy-efficient HVAC systems designed to improve reliability, reduce energy consumption, and eliminate dependence on obsolete R-22 refrigerants. This phased approach allows the Department to systematically modernize HVAC infrastructure while managing budget constraints.

Cost Estimate: $50,000

Impact of Not Approving this Request: AZGFD is committed to providing a safe, secure work environment for its employees and visitors. If this request is not approved, the aging HVAC units will continue to deteriorate, leading to higher repair costs, increased energy expenses, and potential system failures. The reliance on discontinued R-22 refrigerant will make future repairs even more expensive and eventually impossible. Additionally, inefficient HVAC units can negatively impact indoor air quality and occupant comfort, potentially leading to operational disruptions. Delaying replacements will only escalate costs and risks in the long term.

Project: AZGFD Headquarters Roof Recoating at Warehouse and ADOT Shop

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: AZGFD Headquarters Warehouse and ADOT Shop buildings are experiencing deteriorating roof conditions, including persistent and recurring leaks in critical areas such as the laboratory, mail room, shop, equipment storage areas, and building entry points. These deficiencies present an increasing risk to essential business operations, particularly with an active monsoon season anticipated.

Despite multiple rounds of preventative maintenance in 2019, 2022, 2023, and 2024, leaks continue to occur, indicating that prior repairs have not addressed the underlying causes. While the existing roof system is estimated to have approximately two years of remaining service life, the extreme Phoenix climate characterized by prolonged high temperatures and significant thermal cycling has accelerated material degradation. Repeated expansion and contraction have led to seam separation, flashing failures, and coating deterioration, resulting in premature loss of roof integrity.

Given the risk of water intrusion affecting mission critical infrastructure, including mailroom, laboratory functions and equipment storage, timely corrective action is necessary to prevent operational disruptions and avoid more costly damage.

Solution: AZGFD will hire a State contractor to complete a full roof recoating of the Headquarters Warehouse and ADOT Shop buildings. The scope of work will include surface preparation, sealing of joints and penetrations, restoration of flashing systems, and application of a high-performance protective coating designed to meet current durability and energy efficiency standards.

Cost Estimate: $120,000

Impact of Not Approving this Request: Failure to address the roof deficiencies will likely result in continued and worsening leaks, increasing the risk of damage to facilities, equipment, and critical infrastructure. This may disrupt operations, particularly during severe weather events, and lead to higher emergency repair costs. Continued deferral will also reduce cost efficiency, as repeated temporary repairs do not resolve the root issues. Addressing this need proactively supports AZGFD's commitment to maintaining safe, functional facilities and ensuring continuity of public services and mission-critical operations.

Project: Silver Creek Hatchery - Roof Replacement for Residence 0015

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The roof on Residence 0015 has reached the end of its operational lifespan, showing severe degradation from age, wind, and storm damage. Recurring leaks persist around the swamp cooler units, and consecutive storm events routinely displace metal shingles and ridge caps, compromising structural integrity. Following the most recent inspection, the ADOA inspector mandated an immediate, full roof replacement. This facility is mission-critical; it houses on-site operational staff responsible for statewide sportfish production and stocking initiatives. Delayed action risks structural mold, property loss, and disruption to statewide conservation efforts.

Solution: AZGFD proposes to hire a State contractor to remove and replace the existing roof system, restoring the building's weather protection and structural reliability.

Cost Estimate: $85,000

Impact of Not Approving this Request: AZGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Failure to replace the roof will lead to continued and worsening leaks, resulting in water damage, mold, and rot that will further degrade the building's structure and interior. This puts staff living in the residence at risk and may eventually render the building uninhabitable, requiring more extensive and costly repairs.

Project: Silver Creek Hatchery - Roof Replacement for Residence 0020

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The roof on Residence 0020 has reached the end of its operational lifespan, showing severe degradation from age, wind, and storm damage. Recurring leaks persist around the swamp cooler units, and consecutive storm events routinely displace metal shingles and ridge caps, compromising structural integrity. Following the most recent inspection, the ADOA inspector mandated an immediate, full roof replacement. This facility is mission-critical; it houses on-site operational staff responsible for statewide sportfish production and stocking initiatives. Delayed action risks structural mold, property loss, and disruption to statewide conservation efforts.

Solution: AZGFD proposes to hire a State contractor to remove and replace the existing roof system to restore structural integrity and prevent further water intrusion.

Cost Estimate: $85,000

Impact of Not Approving this Request: AZGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Failure to replace the roof will lead to continued and worsening leaks, resulting in water damage, mold, and rot that will further degrade the building's structure and interior. This puts staff living in the residence at risk and may eventually render the building uninhabitable, requiring more extensive and costly repairs.

Project: Silver Creek Hatchery - Roof Replacement for Hatchery Mobile Office 0040

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: The roof on Hatchery Office 0040 has reached the end of its useful life and has experienced significant deterioration from age, wind, and storm exposure. Roof shingles and caps are regularly displaced during severe weather events, creating ongoing risks of leaks and water intrusion. A recent ADOA inspection determined that full roof replacement is necessary. This office is essential to hatchery administration and statewide sportfish production coordination.

Solution: AZGFD proposes to hire a State contractor to remove and replace the existing roof system to restore building protection and operational reliability.

Cost Estimate: $60,000

Impact of Not Approving this Request: AZGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. If this project is not approved, continued roof deterioration may result in worsening leaks, mold, water damage, and structural deterioration that could disrupt hatchery administration and require more costly future repairs.

Project: Page Family Property - Roof Replacement for Hatchery Manager's Residence

Funding Source: Game and Fish Fund - Building Renewal

Category: Shell: Superstructure; Exterior Walls & Roofing

Need: Page Springs Hatchery is a mission-critical facility that produces more than half of Arizona's catchable trout. The hatchery manager's residence provides essential on-site housing needed to support emergency response and continuous hatchery oversight. The existing roof is approximately 28 years old and has exceeded its expected service life. The roof exhibits widespread shingle curling, cracking, and granule loss, significantly reducing its ability to prevent water intrusion.

Solution: AZGFD proposes to hire a State-contracted roofing professional to complete a full roof replacement, including removal of the existing roofing materials, replacement of damaged decking as needed, and installation of new fascia, soffit, drip edges, and gutter systems to improve long-term durability and drainage.

Cost Estimate: $50,000

Impact of Not Approving this Request: AZGFD is committed to providing a quality work environment for its employees and visitors, and to actively managing habitat to conserve and protect Arizona's wildlife. Failure to replace the roof will lead to continued and worsening leaks, resulting in water damage, mold, and rot that will further degrade the building's structure and interior. This puts staff living in the residence at risk and may eventually render the building uninhabitable, requiring more extensive and costly repairs.

Project: Sterling Springs Hatchery - Treated Water Valve/Line Repair or Replacement

Funding Source: Game and Fish Fund - Building Renewal

Category: Infrastructure & Building Site Work

Need: Sterling Springs Hatchery supports Arizona's trout production program by supplying trout eggs to Page Springs and Bubbling Ponds hatcheries, which collectively produce more than half of the state's catchable trout. A treated water reuse system installed during the 2019 hatchery renovation is now experiencing a below-grade leak at the treated water valve and associated pipeline serving Raceway 8. The leak is causing the valve box to fill with water and may compromise the adjacent concrete raceway and reliability of the treated water system necessary for fish health and oxygen management.

Solution: AZGFD proposes to hire a contractor to excavate the affected area, repair or replace the leaking valve and associated piping, pressure test the system, and restore the concrete and surrounding infrastructure to full operational condition.

Cost Estimate: $15,000

Impact of Not Approving this Request: AZGFD is committed to maintaining reliable hatchery infrastructure that supports statewide fish production and recreational fishing opportunities. If this project is not approved, the leak may worsen and potentially damage the adjacent raceway structure, resulting in operational failures, costly infrastructure damage, and potential fish losses that could negatively impact statewide stocking programs.

Project: State Headquarters Major Maintenance Fund

Funding Source: Game and Fish Fund - Building Renewal

Need: As part of the lease purchase agreement for the AZGFD Headquarters facility, AZGFD committed to depositing a portion of its annual building renewal allocation into a sinking fund established through an indenture agreement with Wells Fargo/Computershare Corporate Trust. This fund will cover future capital expenses associated with major cyclical maintenance items.

Project Description: Scheduled major maintenance items include:

- Administration Building Roof Maintenance – Foam Roof Sealant every 7 years; new roof in year 25.
- Interior Floors, Walls – Replace carpet flooring every 7 years; paint interior walls every 5 years; replace other flooring every 10 – 15 years.
- Building Systems – Assumes ongoing upgrades to lighting, HVAC (energy management), emergency generator, telecommunication and information systems; security/access control system; parking lights, fire detection and alarm system.
- HVAC – Anticipated replacement of chiller in year 25; air handler unit replacements in years 20-25; independent heat pump systems every 12 years.
- Asphalt Maintenance – Crack seal every 3 years; seal coat parking lots every 5 years; slurry seal main entry road every 5 years; mill and overlay parking lot and main entry road in year 20.
- Lift Station – repair, maintenance or replacement of pumps, check/gate valves and remote alarm monitoring systems.

Cost Estimate: $152,230

Impact of Not Approving this Request: AZGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility up to standard.

Project: AZGFD Building Renewal Emergency Allocation

Funding Source: Game and Fish Fund - Building Renewal

Category: Emergency Allocation

Need: AZGFD maintains more than five hundred facilities within its building and infrastructure system statewide, which includes administrative offices, administrative sites, shooting ranges, actively and passively managed wildlife areas, dams, boating facilities and other recreational improvements. Facilities range in age from historic structures constructed in the 1930s to recently constructed operational and administrative facilities. Given this maintenance burden, it is difficult to anticipate the timing and nature of all building component failures. In the event of unexpected critical breakdowns or imminent failures, AZGFD requires the fiscal agility to remedy events in an expeditious manner.

Solution: AZGFD will utilize the following expenditure categories to address unplanned emergencies.

1. Emergency Maintenance and Repairs: Unscheduled and unanticipated building system or equipment repairs requiring immediate response in order to maintain functionality of essential facilities and infrastructure.
2. Corrective Maintenance: These maintenance activities are typically related to health, safety or accessibility concerns as determined by the AZGFD's Loss Prevention Coordinator or Engineering Staff and require a timely response.

The distribution of the Emergency Allocation of $120,000 shall be addressed as follows:

- AZGFD shall notify the Chairman and JLBC staff on an emergency maintenance and repair or corrective maintenance project on the respective quarterly report update. AZGFD can proceed with these emergency repairs without waiting for Committee review.

Cost Estimate: $120,000

Impact of Not Approving this Request: AZGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility up to standard.

Project: AZGFD Preventive Maintenance

Funding Source: Game and Fish Fund - Building Renewal

Need: Pursuant to A.R.S. 41-793.01, AZGFD may spend up to 8% of its total building renewal appropriation on preventive maintenance which can include preventive maintenance contracts for items such as HVAC, backup power generators, pavement maintenance (small repairs), wastewater pump stations, and septic systems.

Project Description: Implement statewide preventive maintenance work on Arizona Game and Fish Commission owned facilities.

Cost Estimate: $152,519

Impact of Not Approving this Request: AZGFD is committed to providing a productive and safe work environment for its employees and to the active conservation work and the continued management of habitat to conserve and protect Arizona's wildlife. Deferral of this work will result in increased future costs to bring the facility to standard.

Arizona Game and Fish Department Capital Project Description:

Project: Bubbling Ponds Hatchery Water Conveyance Infrastructure Improvements

Funding Source: Game and Fish Fund

Category: Infrastructure and Site Improvement

Need: The purpose of this project is to replace critical components of the water conveyance and distribution infrastructure at Bubbling Ponds Hatchery, including the main supply line from the junction box to Pond 8 Upper, associated lateral lines and tees serving seven ponds, existing Fresno valves, and deteriorated concrete headboxes.

The existing infrastructure is aging, has exceeded its intended service life, and is experiencing chronic leakage and deterioration. Continued failures within the water delivery system reduce operational efficiency, increase maintenance demands, create worker safety concerns, and threaten the hatchery's ability to reliably deliver water to production ponds. Replacing this infrastructure is necessary to maintain dependable hatchery operations and support long-term fish production goals.

Solution: AZGFD proposes to hire a contractor to remove and dispose of the existing supply line, lateral lines, Fresno valves, and deteriorated concrete headboxes. The project will also include temporary bypass pumping operations during Phase 1 construction activities to maintain water delivery while infrastructure is replaced.

Areas surrounding the existing pipeline that have become saturated due to ongoing leaks will be stabilized with new base material. New water conveyance infrastructure will then be installed, including 30-inch fused HDPE mainline pipe with associated fittings and tees, 18-inch fused HDPE lateral lines, and a 12-inch fused HDPE lateral line.

The project will also include the construction of new concrete headboxes with Fresno valves and the placement of concrete grout around pipe penetrations and existing concrete structures to improve structural integrity and system reliability. These improvements will modernize the hatchery's water distribution system, reduce water loss, improve operational reliability, and decrease future maintenance needs.

Cost Estimate: $1,000,000

Impact of Not Approving this Request: This project is necessary for the Department to meet its fish production and operational goals at Bubbling Ponds Hatchery. The existing water

conveyance and distribution infrastructure is outdated, prone to failure, and increasingly difficult to maintain.

If this request is not approved, infrastructure failures and water losses will continue to increase, resulting in reduced operational reliability, higher maintenance costs, and increased worker safety risks. Bubbling Ponds Hatchery would likely experience reduced production capacity and growing operational constraints until the infrastructure can be replaced. Continued deterioration of the system may also result in emergency repairs, unplanned outages, and disruptions to fish culture operations.

Project: Silver Creek Hatchery Electrical Upgrades

Funding Source: Game and Fish Fund and Capital Improvement Fund

Category: Infrastructure and Site Improvement

Need: The purpose of this project is to install electrical service at the upper and lower fish rearing units at Silver Creek Hatchery. These areas currently operate without permanent electrical power, limiting operational efficiency and restricting the hatchery's ability to utilize modern fish culture equipment and infrastructure.

Providing reliable electrical service will improve worker safety by eliminating the need for temporary power sources and manual workarounds while supporting the operation of essential equipment such as pumps, aeration systems, monitoring equipment, lighting, and other electrical infrastructure. Installation of permanent electrical service is also a critical prerequisite for implementing the planned Partial Recirculating Aquaculture System (PRAS) and other future hatchery modernization projects. These improvements will increase operational flexibility, improve reliability, and ensure dependable fish production for years to come.

Solution: AZGFD will hire a licensed contractor to install permanent electrical infrastructure to provide power to both the upper and lower rearing units at Silver Creek Hatchery. Work will include the installation of electrical service, transformers, underground conduit, conductors, distribution panels, disconnects, and associated electrical equipment necessary to support hatchery operations.

The project will provide reliable electrical power for existing and future hatchery infrastructure, allowing for the operation of pumps, aeration equipment, water quality monitoring systems, lighting, maintenance equipment, and future improvements.

Cost Estimate: $600,000

Impact of Not Approving this Request: Installing permanent electrical power is necessary to maintain efficient operations and support future modernization at the Silver Creek Hatchery. Without electricity, staff must continue to rely on inefficient practices that lower productivity and increase safety risks. Furthermore, a lack of power will limit infrastructure upgrades, restrict the use of modern equipment, and ultimately hinder the Department's ability to meet long-term fish production goals as the facility ages

Project: Bubbling Ponds Hatchery Pond Renovation

Funding Source: Game and Fish Fund

Category: Infrastructure and Site Improvement

Need: The purpose of this project is to renovate the existing production ponds at Bubbling Ponds Hatchery to address aging, deteriorated, and failing pond infrastructure. The ponds and associated infrastructure have reached the end of their service life and require significant rehabilitation to maintain reliable and efficient fish production operations.

The project will address deteriorated pond liners, uneven or degraded pond grades, and aging infrastructure including stairs, valves, walkways, catch kettles, and drain boxes. Continued deterioration of these components increases maintenance requirements, creates worker safety concerns, reduces operational efficiency, and can negatively affect the hatchery's ability to reliably manage fish production and pond water levels.

Renovating the ponds will restore the functionality of the production units, improve worker safety and operational efficiency, improve water management, reduce ongoing maintenance demands, and extend the useful life of the hatchery's existing infrastructure. These improvements are necessary to maintain dependable hatchery operations and support the Department's long-term fish production goals.

Solution: AZGFD will hire a licensed contractor to regrade pond bottoms and slopes as necessary to restore proper elevations and drainage; removal and replacement of deteriorated pond liners; and replacement or rehabilitation of pond infrastructure, including stairs, valves, walkways, catch kettles, and drain boxes.

The project will restore the ponds to functional operating condition while maintaining the existing pond configuration and purpose. Improvements will provide more reliable water management, improve access and working conditions for hatchery staff, reduce leakage and maintenance requirements, and extend the useful service life of the production ponds and associated infrastructure.

Cost Estimate: $1,000,000

Impact of Not Approving this Request: Bubbling Ponds Hatchery faces significant risks if these repairs are not approved. Aging infrastructure, including deteriorating liners, valves, and catch kettles is nearing critical failure. Denying this request directly threatens operational reliability and fish production.

Further maintenance deferrals will lead to unplanned service disruptions and more costly emergency repairs. Proactive renovation is essential to preserve fish production capacity and ensure the Department can meet its long-term conservation goals safely and efficiently.

Fiscal Year 2027-2028 Building Renewal and Capital Projects Expenditure Plan	
Project	**Cost Estimate**
Building Renewal Projects **Total:**	**$1,878,249.00**
Region 1 - Sipe Wildlife Area Power Pole Replacement	$ 25,000.00
Region 1 - Sipe Wildlife Area Residence Electrical Repairs	$ 5,000.00
Region 1 - Pinetop Regional Office Front Fence Replacement	$ 25,000.00
Region 2 - Raymond Wildlife Area - Electrical Compliance Repairs	$ 40,000.00
Region 3 - Kingman Regional Office - Parking Lot Asphalt and Drainage Repairs	$ 250,000.00
Region 4 - Quigley Achee Wildlife Area - Repairs to Residence, Garage, and Carport	$ 100,000.00
Region 6 - Horseshoe Ranch Main Casita Broken Window Replacement	$ 5,000.00
Region 6 - Robbins Butte Wildlife Area Reroute AC and Furnace Intakes	$ 5,000.00
Region 6 - Robbins Butte Wildlife Area Main House Roof Inspection and Repairs	$ 7,500.00
Region 6 - Robbins Butte Wildlife Area Main House AC Vent Inspection	$ 3,000.00
IEED - Wildlife Center Parking Lot Maintenance	$ 23,000.00
AZGFD - Replace the Access Control System to Headquarters, Ben Avery and Regional Offices	$ 500,000.00
AZGFD - Headquarters Replace Old HVAC Units - Phase 2	$ 50,000.00
AZGFD - Headquarters Roof Recoating at Warehouse and ADOT Shop	$ 120,000.00
WMAQ - Silver Creek Hatchery - Roof Replacement for Residence 0015	$ 85,000.00
WMAQ - Silver Creek Hatchery - Roof Replacement for Residence 0020	$ 85,000.00
WMAQ - Silver Creek Hatchery - Roof Replacement for Hatchery Mobile Office 0040	$ 60,000.00
WMAQ - Page Family Property - Roof Replacement for Hatchery Manager's Residence	$ 50,000.00
WMAQ - Sterling Springs Hatchery - Treated Water Valve/Line Repair or Replacement	$ 15,000.00
AZGFD - State Headquarters – Major Maintenance Fund	$ 152,230.00
AZGFD Building Renewal Emergency Allocation	$ 120,000.00
AZGFD Preventive Maintenance	$ 152,519.00

Fiscal Year 2027-2028 Capital Projects Expenditure Plan			
Capital Project Title	**Project Category**	**Funding Source**	**Cost Estimate**
Bubbling Ponds Hatchery Water Conveyance Infrastructure Improvements	Infrastructure and Site Improvement	Game and Fish	$1,000,000.00
Silver Creek Hatchery Electrical Upgrades	Infrastructure and Site Improvement	Game and Fish Fund / Capital Improvement Fund	$600,000.00
Bubbling Ponds Hatchery Pond Renovation	Infrastructure and Site Improvement	Game and Fish Fund / Capital Improvement Fund	$1,000,000.00
		Total Projects Cost	**$2,600,000.00**

Funding note: The Wildlife and Sportfish Restoration (WSFR) Program provides funds to state fish and wildlife agencies derived from excise taxes on sporting equipment in accordance with the Pittman-Robertson and Dingell-Johnson acts. Grant funds are available for projects outlined in those respective acts including the restoration, conservation, management, and enhancement of wildlife and their habitats as well as projects to promote outdoor recreation.

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Senior Fiscal Analyst

SUBJECT: Arizona State Parks Board - Review of $3,552,200 for FY 2027 Capital Improvements and $200,000 for Tonto Bridge Land Shift Monitoring

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 its 1) $3,552,200 FY 2027 appropriation for capital improvements and 2) $200,000 FY 2027 appropriation for Tonto Bridge Land Shift Monitoring.

ASPB submitted a separate request for Committee approval of its Picket Post property near the Boyce Thompson Arboretum. That request is not on the Committee's agenda. Please see *Attachment A* for more information.

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 $200,000 for a project to design and install markers to monitor shifting in the rocks above public walkways at Tonto Natural Bridge State Park.
2) In addition, ASPB would allocate its $3.6 million FY 2027 capital improvements appropriation to 8 different categories, including $1.0 million for building shell work, $900,000 for infrastructure projects, and $590,000 for major building services.

Analysis

Tonto Natural Bridge Land Shift Monitoring

The FY 2027 Capital Outlay Bill includes $200,000 from SPRF for efforts to develop and install monitoring markers in a potential rockslide area located above Tonto Natural Bridge State Park's observation deck, which sits on the floor of a small canyon. ASPB has also identified land movement near an upper viewpoint at the park and plans to monitor conditions there as well. The data collected from the land shift markers will allow ASPB to determine whether further action should be taken to mitigate a potential rockfall.

FY 2027 Capital Improvement Projects

The FY 2027 budget includes $3.6 million from the State Parks Revenue Fund for ASPB capital improvements, which funds 100% of the Board's agency-specific building renewal formula. ASPB may use the funding for major maintenance and building renewal, including projects for water/wastewater facilities, septic tanks, roofing repairs, and structural stabilization.

As outlined in *Table 1* on the next page, ASPB requests that the Committee review its allocations across the following 8 project categories. In the online version of this analysis, the agency request letter also includes a chart with more details on the allocations within the 8 categories.

1. *Building Shell*
   $1,010,000 will be allocated to statewide building shell projects. These projects include roof replacements at Yuma Territorial Prison, Lost Dutchman, and Slide Rock; adobe repairs at Fort Verde; roof repairs at Red Rock; and exterior work to ASPB buildings at Jerome State Park.

2. *Major Building Services*
   $590,000 will go towards statewide major building service projects with a focus on HVAC, electrical, and plumbing components. These projects include HVAC unit replacements at River Island, Kartchner Caverns, Tonto Natural Bridge, and Roper Lake, repair of electrical systems at 2 state parks, starting replacement of boat-in bathrooms at Cattail Cove, and finishing the replacement of new water heaters in the showers at Picacho Peak.

3. *Building Interiors*
   $275,000 will fund the replacement of worn interior flooring in the restrooms at Lake Havasu, replacement of flooring at the Alamo Lake visitors' center, and the replacement of 1 of 5 showers at Fool Hollow Lake.

4. *Infrastructure*
   $900,000 will fund the following infrastructure improvements: a 2,000-gallon septic tank at Picacho Peak to replace the current tank (estimated to hold about 400 gallons), replacements of lift stations at Cattail Cove and Fool Hollow, and repairs to boat ramps at Cattail Cove and Alamo Lake.

ASPB did not list specific projects for the following 4 project categories. They will report these expenditures in the quarterly reports on the status of capital improvement projects:

5. *Americans with Disabilities Act (ADA) Compliance*
   $150,000 will be allocated to install ramps, sidewalks, and other facilities to bring ASPB's public facilities into compliance with the ADA. ASPB did not specify any projects within this category.

6. *Preventative Maintenance*
   $284,200 will go toward preventative maintenance projects for a wide range of equipment, including but not limited to HVAC, electrical, wastewater, and pest control systems. ASPB allocates 8% of the capital improvements appropriation for this purpose.

7. *Other Projects*
   $93,000 will be used to advance the scoping and design efforts of potential and emergency projects.

8. *Emergency Repairs*
   $250,000 to replace any critical equipment that may fail over the course of the year.

Table 1

ASPB FY 2027 Capital Improvement Projects

Project Type	
Building Shell	$ 1,010,000
Major Building Services	590,000
Building Interiors	275,000
ADA Compliance	150,000
Infrastructure	900,000
Preventative Maintenance	284,200
Other Projects	93,000
Emergency Repairs	250,000
Total Request	**$3,552,200**

NB:jbu

Attachment A – Picket Post Property Sale

In addition to the two requests above totaling $3,752,200, ASPB requested Committee approval of its plan to sell the Picket Post property, located near Superior in Pinal County, to Boyce Thompson Arboretum (BTA) pursuant to A.R.S. § 41-511.05(4). ASPB proposes selling the property to Boyce Thompson Arboretum for at least $690,000, which represents the lower of two recent appraisals of the site. This item is not included on the agenda for the November 17th meeting.

The Picket Post property was the home of the Arboretum's founder, William Boyce Thompson. The property was donated to the Arboretum and then passed into private ownership in the 1940s. In July 2008, ASPB purchased the 32.1-acre property from a private owner for $2.9 million using Heritage Fund monies.

Since acquiring the property, the site has not been used for an extended period. ASPB states that maintaining ownership and restoring the site for public use would require substantial financial commitment. The non-profit Boyce Thompson Arboretum would like to reunify the property and restore the Picket Post House.

ASPB proposes to sell the property to BTA without going to bid. ASPB has received two independent appraisals of the site, one valuing it at $968,000 and the other appraising it at $690,000. ASPB is proposing that the $690,000 figure act as a floor for the sale price. ASPB is working with the Attorney General's Office to ensure compliance with state regulations on the sale of agency-owned properties.

The State Parks Revenue Fund is the recipient of the sale of park assets.

Katie Hobbs
Governor

ARIZONA
STATE PARKS & TRAILS

Bob Broscheid
Executive Director

July 9, 2026

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

RE: Arizona State Parks Board FY27 Capital Projects for the Joint Committee on Capital Review

Dear Representative Livingston:

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 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 Senator David Farnsworth, Chairman, JLBC
Ben Henderson, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, JLBC Director
Nate Belcher, JLBC Analyst
Steven Heinsma, OSPB Budget Analyst
Mark Weise, Assistant Director Operations & Development
Kevin Brock, Assistant Director Chief Financial Officer

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

CIP Project	FY27
Tonto Bridge SP Land shift and monitoring plan	$200,000
Capital Improvements - Major Maintenance	$3,552,200

Tonto Bridge SP Land shift and monitoring plan

ASPT received a FY27 appropriation of $200,000 for the Tonto Bridge SP Land shift and monitoring plan.

These funds will be used to develop a monitoring plan and install monitoring markers at Tonto Natural Bridge State Park. A potential rock slide area above the park's observation deck has experienced recent land shifts. There also has been movement near the upper Viewpoint 4 and falling rock surrounding the fissure. Natural climate conditions such as rain, wind, ice, vibration, heat, etc. further destabilize the rockface, increasing the risk of collapse. This poses a danger to visitors and staff and threatens the recently rebuilt observation platform.

The project establishes a monitoring plan and installs monitoring markers to assess any movement of the rocks for further mitigation efforts.

Capital Improvements- Major Maintenance

CATEGORY CODES	
Fire & Life Safety	$ 0
Shell: Superstructure; Exterior Walls & Roofing	$ 1,010,000
Major Building Services	$ 590,000
Interiors: Interior Construction Stairs; Finishes	$ 275,000
Special Construction & controls; Hazardous Abatement	$ 0
ADA accessibility	$ 150,000
Infrastructure & Building Sitework	$ 900,000
Preventative maintenance	$ 284,176
Other Projects - Building Renewal Scoping	$ 93,024
Emergency Repairs	$ 250,000
Total	$ 3,552,200

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.

See table Deferred maintenance tasks (currently none)

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.

See table Deferred maintenance tasks

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.

See table Deferred maintenance tasks

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.
See table Deferred maintenance tasks

Infrastructure

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.
See table Deferred maintenance tasks

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.
See table Deferred maintenance tasks (currently none).

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. ASPT will determine projects per the ASPT

ADA Transition Plan and as ADA requests/complaints arise. ASPT will report these expenditures on the CIP quarterly report per A.R.S. 41-794.

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. ASPT will determine projects as routine preventative maintenance needs arise. ASPT will report these expenditures on the CIP quarterly report per A.R.S. 41-794.

Other Projects - Building Renewal Scoping

This is for scoping and design services for potential 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 requests. ASPT will determine projects as needed to provide for scoping, permitting, or estimates for current or future tasks request needs. ASPT will report these expenditures on the CIP quarterly report per A.R.S. 41-794.

Emergency Repairs

Allocated for statewide emergency repairs for system or equipment that has failed and is critical to Park operations. ASPT will determine projects as emergency repairs are needed. ASPT will report these expenditures on the CIP quarterly report per A.R.S. 41-794.

6/16/2026

[Parks Board] Fiscal Year [FY27] Major Maintenance

Deferred Maintenance Category	Park	Deferred Maintenance Task Description	Fund Source	Program Name	Current Allocation	DM Allocation
Fire & Life Safety			*State Park Revenue Fund (SPRF)*	*FY27MM01 (MJPRG)*	*$0*	*$0*
Fire & Life Safety			*State Park Revenue Fund (SPRF)*			
Building Shell (Asset Preservation)			*State Park Revenue Fund (SPRF)*	*FY27MM02 (MJPRG)*	*$1,010,000*	*$1,010,000*
Building Shell (Asset Preservation)	*Yuma Territorial Prison State*	*The Museum and Guard Tower have a roofing deterioration problem in common. The improperly installed cedar shingle roofing is rapidly*	*State Park Revenue Fund (SPRF)*			*$400,000*
Building Shell (Asset Preservation)	*Fort Verde State Park*	*The exterior of the admin building (visitor center) is falling apart and the adobe foundation is crumbling under the plaster, and the walls are*	*State Park Revenue Fund (SPRF)*			*$275,000*
Building Shell (Asset Preservation)	*Red Rock State Park*	*Repar the scuppers and adjust the roof pitch to resolve water pooling. The height of the scuppers and pooling behind the edge of the scuppers*	*State Park Revenue Fund (SPRF)*			*$85,000*
Building Shell (Asset Preservation)	*Jerome State Park*	*This project will repaint the exterior of historic buildings at Jerome State Historic Park to protect and preserve these irreplaceable structures.*	*State Park Revenue Fund (SPRF)*			*$75,000*
Building Shell (Asset Preservation)	*Slide Rock State Park*	*This project would include the full replacement of the roof of the Pendley House, which is part of the original Pendley family homestead. The*	*State Park Revenue Fund (SPRF)*			*$90,000*
Building Shell (Asset Preservation)	*Lost Dutchman State Park*	*Replacement of the original roof on the 4-bedroom double-wide mobile home. The current roof is the original roof and the house was*				*$85,000*
Major Building Services			*State Park Revenue Fund (SPRF)*	*FY27MM03 (MJPRG)*	*$590,000*	*$590,000*
Major Building Services	Cattail Cove State Park	*Replacement of 2 of 19 boat-in restrooms. The only access to these restrooms is from boat on the lake. This also present the difficulty of*	*State Park Revenue Fund (SPRF)*			*$165,000*
Major Building Services	*River Island State Park*	*Electric, HVAC and Ventilation for wastewater chlorination storage and treatment.*	*State Park Revenue Fund (SPRF)*			*$75,000*
Major Building Services	*Kartchner Caverns State Parks*	*3 HVAC System Replacements. Replace the existing HVAC system at the Assistant Manager Residence and Managers Residence currently 14*	*State Park Revenue Fund (SPRF)*			*$75,000*
Major Building Services	*Tonto Natural Bridge State*	*The five A/C units are over 10 years old and are past their expected useful life and should be replaced. The electrical flexible conduit is also*	*State Park Revenue Fund (SPRF)*			*$100,000*
Major Building Services	*Tonto Natural Bridge State*	*The mule barn has a breaker panel that is rated as an indoor Type 1 enclosure. The proper panel for this building is an outdoor Type III. The*	*State Park Revenue Fund (SPRF)*			*$35,000*
Major Building Services	*Roper Lake State Park*	*4 HVAC System Replacements. Replace the existing HVAC system for the Conference Room/VC Bathrooms(these buildings/HVAC are*	*State Park Revenue Fund (SPRF)*			*$90,000*
Major Building Services	*Picacho Peak State Park*	*Replacement of 3 water heaters at the campgroud shower house.. There are 4 total and 1 was replaced in 2022. The other 3 are up for*	*State Park Revenue Fund (SPRF)*			*$50,000*
Building Interior			*State Park Revenue Fund (SPRF)*	*FY27MM04 (MJPRG)*	*$275,000*	*$275,000*
Building Interior	*Lake Havasu State Park*	*Repair interior paint, flooring, and fixtures to 6 restrooms in the park*	*State Park Revenue Fund (SPRF)*			*$135,000*
Building Interior	*Alamo Lake State Park*	*Install new commercial flooring for visitor center / store . The park store has had many upgrades over the past year. The flooring is an*	*State Park Revenue Fund (SPRF)*			*$90,000*
Building Interior	*Fool Hollow Lake State Park*	*Replace 1 of 5 showers in the park. 1 of 5 the 5 showers in the park have been suffering water damage behind the tiles over the past few*	*State Park Revenue Fund (SPRF)*			*$50,000*
Special Const. & Controls; Haza. Abatement			*State Park Revenue Fund (SPRF)*	*FY27MM05 (MJPRG)*	*$0*	*$0*
Special Const. & Controls; Haza. Abatement			*State Park Revenue Fund (SPRF)*			
ADA Compliance			*State Park Revenue Fund (SPRF)*	*FY27MM06 (MJPRG)*	*$150,000*	*$150,000*
ADA Compliance	*Statewide*	*Per ASPT Transition Plan & request/complaints*	*State Park Revenue Fund (SPRF)*			*$150,000*
Infrastructure			*State Park Revenue Fund (SPRF)*	*FY27MM08 (MJPRG)*	*$900,000*	*$900,000*
Infrastructure	*Cattail Cove State Park*	*Repair lower launch boat ramp jetty. Flood damage at the Cattail Cove launch ramp. Flood waters from the 2022 monsoon season*	*State Park Revenue Fund (SPRF)*			*$400,000*
Infrastructure	*Cattail Cove State Park*	*Replace aging lift station located in the lower facility. Rehabilitating or entirely replacing the tank and pump and connecting the lower lift*	*State Park Revenue Fund (SPRF)*			*$100,000*
Infrastructure	*Alamo Lake State Park*	*Replace a section of the medium water level boat ramp. A section of the medium boat ramp is settling and heaving making trailer access*	*State Park Revenue Fund (SPRF)*			*$200,000*
Infrastructure	*Fool Hollow Lake State Park*	*Replace aging lift station Rehabilitating or entirely replacing the tank and pump and connecting the lower lift station to backup automated*	*State Park Revenue Fund (SPRF)*			*$100,000*
Infrastructure	*Picacho Peak State Park*	*The Septic Tank and the leach field located in our Shop Loop is currently undersized and merely functioning as a holding tank. It is estimated*	*State Park Revenue Fund (SPRF)*			*$100,000*
Preventative Maintenance			*State Park Revenue Fund (SPRF)*	*FY27MM11 (MJPRG)*	*$284,176*	*$284,176*
Preventative Maintenance	*Statewide*	*Routine preventative maintenance 8% of total MM*	*State Park Revenue Fund (SPRF)*			*$284,176*
Other Projects				*FY27MM12 (MJPRG)*	*$93,024*	*$93,024*
Other Projects	*Statewide*	*Consultant scoping & design fees,*	*State Park Revenue Fund (SPRF)*			*$93,024*
Emergency Repairs				*FY27MM13 (MJPRG)*	*$250,000*	*$250,000*
Emergency Repairs	*Statewide*	*Emergency repairs (failed critical equipment)*	*State Park Revenue Fund (SPRF)*			*$250,000*

Total allocation	**$3,552,200**	**$3,552,200**
Appropriated budget	*$3,552,200*	
	$0	

July 16, 2026

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

RE: Arizona State Parks Board Disposition of the Picket Post House for the Joint Committee on Capital Review

Dear Representative Livingston:

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) hearing in regard to the Picket Post House. The Picket Post House is a 6,400 sq ft historic home located on 32.1 acres of land adjacent to the Boyce Thompson Arboretum (BTA) near Superior, Arizona. Constructed in the early 1920s, the Picket Post House served as the winter residence of William Boyce Thompson, founder of the Arboretum. Situated on a hillside overlooking Queen Creek Canyon and Picket Post Mountain, the property is a prominent and recognizable feature associated with the Arboretum. The Arboretum is pursuing acquisition of the property to preserve and restore this critical piece of history.

The State of Arizona, through Arizona State Parks and Trails, acquired the Picket Post House in 2008 using Heritage Fund resources, as documented in an Arizona Auditor General performance audit. The Picket Post House has not been utilized for an extended period, and there is no current or anticipated operational need. Maintaining ownership would require substantial financial commitment to maintain or restore operational readiness. As a result, Arizona State Parks and Trails is pursuing disposition of the property through direct sale to the nonprofit Boyce Thompson Arboretum.

A proposed "Direct Sale" to BTA would give possession of the property to an organization whose mission closely matches its historic purpose, while allowing Arizona State Parks and Trails to focus resources on active park system priorities. Arizona State Parks and Trails is authorized to dispose of the property in accordance with A.R.S. § 41-511.05(4). The Arizona Attorney General's Office is providing guidance throughout the proposed disposition process to ensure statutory compliance.

Two independent appraisals have been completed, placing the property's value at $968,000 and $690,000, respectively. The Arizona State Parks and Trails Board of Directors has approved the sale at an amount no less than $690,000, and the Board of Directors for Boyce Thompson Arboretum has authorized purchase of the property.

Arizona State Parks and Trails is seeking favorable review from the Joint Committee on Capital Review for the proposed disposal.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact Kevin Brock, Assistant Director/Chief Financial Officer, at 602-542-2138.

Sincerely,

Robert Broscheid
Executive Director
Arizona State Parks Board

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

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Ethan Scheider, Fiscal Analyst

SUBJECT: Pinal County Community College District – Review of Revenue Bond Projects

Request

A.R.S. § 15-1483 requires Committee review of any community college projects financed with revenue bonds that do not require voter approval. Pinal County Community College District (PCCCD) requests Committee review of their bond projects totaling $13.5 million. The monies would partially finance the construction of a new Performing Arts Center at the Signal Peak campus of Central Arizona College and other capital improvement 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.

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

A. PCCCD shall provide the final debt service schedule and interest rate for the projects as soon as they are available.

B. On or before July 31 of each year until completion of the projects financed from the bond issuance, PCCCD shall report to the JLBC Staff on the status and expenditures of each project. The report shall include the project expenditures to date, the expected completion date, and any change in project scope.

Key Points

1) Pinal County Community College District is seeking review of $13.0 million in bond projects. Under statute, non-voter approved community college bonds require JCCR review.
2) The $22.6 million total debt service will be paid with system revenues including tuition and fees.
3) PCCCD will allocate $13.0 million to the following projects at Central Arizona College:
   a. $10.4 million to a new Performing Arts Center at the Signal Peak campus. PCCCD will also contribute $98.6 million in reserves for a total construction cost of $109.0 million.
   b. $1.8 million for the demolition of student housing at the Signal Peak campus.
   c. $800,000 for a water reclamation project at the Superstition Mountain Campus.

Analysis

Project Overview

A.R.S. § 15-1484 allows for the issuance of bonds for construction projects. Prior to issuance, the JCCR is to review the planned projects to be funded with bond proceeds. The board authorized the proposed bond issuance at the board's January meeting.

The proposed bond issuance of $13.5 million includes $10.4 million for the Signal Peak Campus Performing Arts Center, $1.8 million for Student housing demolition, and $800,000 for a water retention project at the Superstition Mountain campus. The remaining funds are for issuance costs.

Signal Peak Campus Performing Arts Center

Pinal County Community College District (PCCCD) plans to utilize $10.4 million of bond issuance to partially fund the construction of a new $109.0 million Performing Arts Center (PAC) at the Signal Peak Campus. Of the $109.0 million total cost, $98.6 million will be funded from PCCCD reserves. This new facility will replace the prior venue, which is now inoperable due to a roof collapse in October 2023.

The new PAC will include a 1,000-seat theater, classroom and laboratory spaces, a specialized teaching kitchen and a banquet hall. Construction of the new facility began in March 2026. The planned PAC will be 91,000 square feet. At a total cost of $109.0 million, the total project cost per square foot for the project is $1,198.

Other Capital Improvement Projects

PCCCD plans to utilize the remaining $2.6 million of bond revenues from the issuance to complete a demolition of student housing at the Signal Peak campus ($1.8 million) and a water retention project at the Superstition Mountain campus ($800,000) in conjunction with local and tribal funds. PCCCD is planning to use $800,000 of bond issuance to demolish the "C" student housing building at the Signal Peak campus due to the increased deferred maintenance costs of the 57 year-old building and to have space to build new student housing. The City of Apache Junction is overseeing the construction of a 12-acre stormwater detention basin along Palm Wash at 805 S. Idaho Road (CAC's Superstition Mountain campus) to reduce flooding in the area, and the $1.8 million of bond issuance is to reimburse the city for project costs.

Financing

PCCCD plans to issue $13.5 million in revenue bonds with an estimated interest rate of 5.27% over a 20-year term. Estimated issuance costs are roughly $400,000.

The average annual debt service payments would be approximately $1.1 million. However, PCCCD's debt service schedule shows variation in the annual payment over the 20-year term, from as low as $968,200

up to $1.35 million. Over the term of the bond, the total debt service is approximately $22.9 million. Of the total debt service cost, $9.3 million is interest. The debt service will be primarily funded from tuition and fees along with other miscellaneous operating revenues. (*See Table 1 for a summary of the bond financing terms).*

A.R.S. § 15-1484 allows each community college district to incur a projected annual debt service of up to 8% of each institution's total projected annual expenditures less than any expenditures for voter approved general obligations bonds. PCCCD reports that the debt service ratio would increase from the current FY 2027 debt ratio of 2.56% to 3.28% upon the issuance of the new bonds, and would increase to 4.10% in the year with the highest debt service payments.

The Arizona Constitution generally limits community college spending to the 1980 level plus adjustments for changes in student population and inflation. The spending limit excludes payments for debt service and proceeds from bonds and would be unaffected by the PCCCD bond proposal.

Table 1

PCCCD Bond Financing Terms

Issuance Amount	$13.5 million
Issuance Date	December 2026/January 2027
Issuance Transaction Fees	$400,000
Interest Rate	5.27%
Term	20.5 years
Total Debt Service Costs	$22.9 million
Debt Service Payments	1.1 million (average)
Payment Source	Tuition, fees, and other operating revenues

ES:jbu

Central Arizona College

Office of the Vice President of Finance & Operations
8470 N Overfield Rd
Coolidge, AZ 85128
Phone (520) 494-5283

www.centralaz.edu



August 17, 2026

Representative David Livingston, JCCR Chair
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007
Phone: (602) 926-5491

RE: Request for Placement on the Agenda for Joint Legislative Budget Committee Meeting

Dear Chairman:

Pursuant to A.RS. § 41-1252, Community College Districts are required to submit information to the Joint Committee on Capital Review on the scope, purpose, and expenditures for capital projects funded by appropriations. We are pleased to provide this letter as a request from Pinal County Community College District DBA Central Arizona College (PCCCD) to be placed on the agenda for the Joint Legislative Budget Committee on Capital Review for consideration.

PCCCD serves as the primary local source of higher education in Pinal County, serving students across our five primary campuses. As of Fall 2026, we offer more than 100 degree and certificate programs, including a Bachelor of Science in Elementary Education, and we are currently finalizing the curriculum for a Bachelor of Science in Nursing.

In October 2023, the Pence Center closed due to a roof collapse. The loss of our primary auditorium has severely hindered our performing arts programming. To reinvigorate these programs and align our capital expenditures with our Facilities Master Plan, PCCCD has initiated construction on a new Performing Arts Center.

On behalf of PCCD, thank you for your time, consideration, and continued support of our institution and students. Please do not hesitate to contact my office if you have any questions or need additional information.

Respectfully submitted,

Terrance Quest

Terrance Quest
Vice President of Finance & Operations
Terrance.Quest@centralaz.edu
(520) 494-5283

Joint Legislative Budget Committee Review
Pinal County Community College District
August 2026

Pinal County Community College District – Facilities Master Plan

Pinal County Community College District (PCCCD) serves over 9,000 students across 5,374 square miles; additionally, PCCCD is committed to providing a world-class learning experience to all the students it serves. To sustain this mission, PCCCD has implemented a strategic planning framework that aligns academic and operational objectives through specialized departmental master plans.

In the spring of 2026, following a comprehensive Facilities Condition Assessment, PCCCD management established a 20-year Facilities Master Plan (FMP). The FMP outlines a long-term reinvestment strategy across all campus locations, directly aligning physical infrastructure with evolving academic curricula and workforce requirements. Each capital project is classified based on immediate, short-term, mid-term, and long-term priority. By utilizing this framework, PCCCD ensures data-driven capital spending, maximizing the impact and efficient stewardship of all tax revenues received by PCCCD. As part of this FMP, PCCCD identified several projects that need to be funded through the issuance of revenue bonds, which are supported and repaid by local tuition and fee revenues.

PCCCD projects to be supported by the 2026 Revenue Bonds:

Performing Arts Center – Signal Peak Campus

The planned 91,000 SF, multilevel Performing Arts Center (PAC) is designed to replace the Signal Peak campus' primary performance venue, which has been inoperable following the roof collapse in October of 2023. Due to the structural damage and advanced age of the building, it was deemed that full replacement of the building is required to restore operations and fulfill the PCCCD and community needs.

The new PAC features a 1,000-seat theater equipped with a 26-foot-tall proscenium, a 95-foot fly tower, dedicated green rooms, box office, concessions bar, and a large scene shop for stage set construction. Beyond fine arts, the multi-use facility integrates classroom and laboratory spaces ceramics, welding, hospitality, and culinary; including a specialized teaching kitchen, and banquet hall that will offer a premier site for local community events, meetings, and regional conferences.

The new State-of-the-Art PAC is estimated to cost $110 million, with over 90% of these funds coming from PCCCD's reserves. The remaining $10.4 million is proposed to be funded by the issuance of the Series 2026 Revenue Bonds, which will cover approximately $115 per SF.

Other Capital Improvements

Through the FMP framework, PCCCD has identified other critical infrastructural modernizations scheduled for execution over the next 18 months. These projects include the demolition of aged student housing at the Signal Peak Campus ($1.8 Million), roadway and sidewalk enhancements at the Maricopa Campus ($1.4 Million), and a water retention project at the Superstition Mountain Campus ($800,000). Notably, the initiatives at the Maricopa and Superstition Mountain campuses represent cost-sharing partnerships with the local municipalities and tribal entities, maximizing regional impact.

Refinancing & New Money Revenue Bonds

The District's total proposed revenue bond issuance of $30 million is comprised of both a refinancing of existing revenue bonds sold in 2017 as well as the new money bonds that are planned to fund additional projects. The refinancing of $17 million in existing PCCCD debt that can be refinanced as a result of favorable market conditions to generate an estimated $1 million in net present value savings based on current market projections; these savings will be realized by PCCCD and used to help cover a portion of for new debt service for the new projects. The remaining $13 million is proposed to cover the new PAC and Other Capital Improvements described above.

BOND DEBT SERVICE

Pinal County CCD of Pinal County, AZ
Revenue Bonds, Series 2026
NR/A+/NR; with BAM Insurance
Preliminary as of 10/28/26

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2027			55,416.98	55,416.98	
07/01/2027	220,000	5.270%	356,252.00	576,252.00	631,668.98
01/01/2028			350,455.00	350,455.00	
07/01/2028	275,000	5.270%	350,455.00	625,455.00	975,910.00
01/01/2029			343,208.75	343,208.75	
07/01/2029	285,000	5.270%	343,208.75	628,208.75	971,417.50
01/01/2030			335,699.00	335,699.00	
07/01/2030	300,000	5.270%	335,699.00	635,699.00	971,398.00
01/01/2031			327,794.00	327,794.00	
07/01/2031	315,000	5.270%	327,794.00	642,794.00	970,588.00
01/01/2032			319,493.75	319,493.75	
07/01/2032	330,000	5.270%	319,493.75	649,493.75	968,987.50
01/01/2033			310,798.25	310,798.25	
07/01/2033	350,000	5.270%	310,798.25	660,798.25	971,596.50
01/01/2034			301,575.75	301,575.75	
07/01/2034	365,000	5.270%	301,575.75	666,575.75	968,151.50
01/01/2035			291,958.00	291,958.00	
07/01/2035	385,000	5.270%	291,958.00	676,958.00	968,916.00
01/01/2036			281,813.25	281,813.25	
07/01/2036	405,000	5.270%	281,813.25	686,813.25	968,626.50
01/01/2037			271,141.50	271,141.50	
07/01/2037	810,000	5.270%	271,141.50	1,081,141.50	1,352,283.00
01/01/2038			249,798.00	249,798.00	
07/01/2038	850,000	5.270%	249,798.00	1,099,798.00	1,349,596.00
01/01/2039			227,400.50	227,400.50	
07/01/2039	895,000	5.270%	227,400.50	1,122,400.50	1,349,801.00
01/01/2040			203,817.25	203,817.25	
07/01/2040	945,000	5.270%	203,817.25	1,148,817.25	1,352,634.50
01/01/2041			178,916.50	178,916.50	
07/01/2041	990,000	5.270%	178,916.50	1,168,916.50	1,347,833.00
01/01/2042			152,830.00	152,830.00	
07/01/2042	1,045,000	5.270%	152,830.00	1,197,830.00	1,350,660.00
01/01/2043			125,294.25	125,294.25	
07/01/2043	1,100,000	5.270%	125,294.25	1,225,294.25	1,350,588.50
01/01/2044			96,309.25	96,309.25	
07/01/2044	1,155,000	5.270%	96,309.25	1,251,309.25	1,347,618.50
01/01/2045			65,875.00	65,875.00	
07/01/2045	1,220,000	5.270%	65,875.00	1,285,875.00	1,351,750.00
01/01/2046			33,728.00	33,728.00	
07/01/2046	1,280,000	5.270%	33,728.00	1,313,728.00	1,347,456.00
	13,520,000		9,347,480.98	22,867,480.98	22,867,480.98

STATE OF ARIZONA

Joint Committee on Capital Review

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MICHAEL WAY

DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Trevor Malzewski, Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2027 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 $24,574,100 FY 2027 Building Renewal Allocation Plan.

ADOT has allocated $24,158,500 from the State Highway Fund among 187 projects, leaving a contingency balance of $1,201,200, $600,000 for statewide building inventory, and $40,000 for project management support. ADOT has also allocated $415,600 from the State Aviation Fund for 16 projects, with no contingency funding.

The department also submitted a $5,038,000 request to construct additional space for the Kingman Materials Laboratory. The Committee agenda does not include this request. Please see *Attachment A* for more information.

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) The FY 2027 Capital Outlay Bill appropriated $24.6 million for ADOT Building Renewal. Statute requires Committee review of the expenditure plan.
2) ADOT's largest proposed expenditures include: $9.3 million for infrastructure (sewers, wells, parking lots), $3.7 million for remodeling, and $3.4 million for building systems (HVAC, electrical, plumbing).
3) ADOT's proposal consists of 187 separate projects from the State Highway Fund and 16 separate projects from the State Aviation Fund.

Analysis

The FY 2027 Capital Outlay Bill appropriated a total of $24.6 million for ADOT building renewal in FY 2027, including $24.2 million from the State Highway Fund and $415,600 from the State Aviation Fund. The FY 2027 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 2027. 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 187 projects:

Table 1

State Highway Fund Building Renewal Project Categories

Category	Projects	State Highway Fund	% of Total
Fire/Life/Safety	9	$365,000	2%
Roof Repairs/Replacement	25	2,655,000	11%
Exterior Preservation (Doors, Windows, Siding)	44	2,295,000	9%
Building Systems (HVAC, Electrical, Plumbing)	45	3,405,000	14%
Interior Finishes (Paint, Carpet, Tile)	11	537,500	2%
Remodels and Reconfigurations	10	3,724,800	15%
Americans with Disabilities Act	1	25,000	1%
Infrastructure (Sewers, Wells, Parking Lots)	42	9,310,000	38%
Project Management Support	N/A	40,000	1%
Statewide Building Inventory	N/A	600,000	2%
Contingency	N/A	1,201,200	5%
Total	**187**	**$24,158,500**	**100%**

Of the 187 State Highway Fund projects, the 33 building projects shown in *Table 2* have a cost of $250,000 or more.

Table 2

Major State Highway Fund Building Renewal Projects Above $250,000

Project	Allocation
Roof Repairs/Replacement	
Yuma MVD Building 2026 – Replace roof/HVAC	420,000
Show Low Yard Building 3270 – Repair/replace roof	450,000
Exterior Preservation (Doors, Windows, Siding)	
Facilities Warehouse Building 1003 – Repair siding, paint exterior/doors	400,000
Springerville Maintenance Yard Building 3849 – Renovate containment area	295,000
Administration Building 1005A – Replace siding on utility gallery	300,000
Building Systems (HVAC, Electrical, Plumbing)	
Engineering Building 1004 – Renovate chiller tower	500,000
Phoenix Equipment Services Building 1755 – Replace plumbing	300,000
Statewide – Repair HVAC systems in Project Delivery and Operations buildings	275,000
Statewide – Repair plumbing systems	275,000
Remodeling and Reconfigurations	
Phoenix District Headquarters Building 1701 – Renovate Concrete Testing room	375,000
Ehrenberg Rest Area Building 2003 – Connect to sanitary sewer system	325,000
Ehrenberg Rest Area Building 2004 – Renovate caretaker residence	325,000
Seligman Yard Building 3054 – Renovate storage building	400,000
Cordes Junction Maintenance Yard Building 3094 – Renovate pump house	500,000
East Flagstaff Yard Building 3173 – Renovate restrooms and break area	500,000
Holbrook Yard Building 3419 – Replace asphalt tank and equipment	375,000
Statewide – Perform general repairs	754,800
Infrastructure (Sewers, Wells, Parking Lots)	
Agua Fria Highway - Upgrade service entrance section	575,000
Goodyear MVD - Repair/replace pavement and walkways	400,000
Bouse Wash Rest Area - Replace electrical service entrance section	350,000
Burnt Well Rest Area - Replace electrical service entrance section	275,000
Bouse Wash Rest Area - Replace reverse osmosis system/chlorinator (Phase 2)	375,000
East Flagstaff Yard - Replace electrical service entrance section	275,000
Globe Operations Yard - Repair/repave asphalt	500,000
Texas Canyon Rest Area - Replace electrical service entrance section	375,000
Ehrenberg Rest Area - Replace electrical service entrance section	275,000
Tucson Construction Complex - Replace east section of pavement	690,000
San Simon Rest Area - Replace electrical service entrance section	275,000
East Flagstaff Yard - Replace service entrance section	500,000
Prescott Valley Yard - Repair/repave asphalt	500,000
Kingman Complex B - Repair/repave asphalt	600,000
Statewide – Repair site wells, gas, water and wastewater systems	575,000
Statewide – Repair parking lot pavements/curbing/striping	350,000
Total	**$13,659,800**

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

Category	Projects	State Aviation Fund	% of Total
Fire/Life/Safety	2	$20,000	5%
Roof/Repairs Replacement	1	10,000	2%
Exterior Preservation (Doors, Windows, Siding)	2	40,000	10%
Building Systems (HVAC, Electrical, Plumbing)	4	85,600	21%
Interior Finishes (Paint, Carpet, Tile)	2	20,000	5%
Reconfigure or Remodel	1	65,000	15%
Americans with Disabilities Act	1	10,000	2%
Infrastructure	3	165,000	40%
Total	**16**	**$415,600**	**100%**

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

TM: jbu

Attachment A – Kingman Materials Laboratory

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. In addition to the $24,574,100 building renewal request, ADOT requested $5,038,000 to construct additional space for the Kingman Materials Laboratory. The FY 2027 budget included a $5,038,000 appropriation for this project. This item is not included on the agenda for the November 17th meeting.

The new 3,100 square-foot facility would be constructed adjacent to the existing Kingman Materials Laboratory. The current lab lacks adequate space and environmental controls, resulting in inefficient energy usage for cooling. The proposed facility includes a modernized laboratory space, offices, meeting and training rooms, restrooms, break rooms, upgraded plumbing and electrical systems, and environmental controls. This project was previously appropriated $2,250,000 in FY 2019 and design was completed, but the project was deferred due to the COVID-19 pandemic.

Table 1 displays the allocations for the project by expenditure category.

Table 1

Kingman Materials Laboratory Expenses

Project Category	Allocation
Construction	$3,934,000
Design and Construction Administration	115,000
Furniture, Fixtures & Equipment	279,000
Contingency	710,000
Total	**$5,038,000**

ARIZONA DEPARTMENT OF TRANSPORTATION

206 S. 17th Ave
Phoenix, AZ 85007

KATIE HOBBS
GOVERNOR

JENNIFER TOTH
DIRECTOR

October 28, 2026



The Honorable David Livingston
Chairman, Joint Committee on Capital Review
1716 West Adams Street
Phoenix, AZ 85007

Dear Representative Livingston:

Pursuant to Laws 2026, Chapter 128 (HB 4156), Section 11, the Arizona Department of Transportation (ADOT) received an FY 2027 Building Renewal appropriation of $24,158,500 from the State Highway Fund and $415,600 from the State Aviation Fund. A.R.S. § 41-1252 requires the Joint Committee on Capital Review (JCCR) to review expenditure plans for building renewal monies prior to expenditure. ADOT respectfully requests placement on the next meeting agenda of the JCCR for review of ADOT's FY 2027 Building Renewal appropriation allocation plan.

The following summary outlines ADOT's FY 2027 Building Renewal by major category:

Category	State Highway Fund	State Aviation Fund
CATEGORY 1 - FIRE & LIFE SAFETY	$365,000	$20,000
CATEGORY 2 - ROOFS	$2,655,000	$10,000
CATEGORY 3 - BUILDING SHELL -PRESERVATION OF ASSET	$2,295,000	$40,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	$3,405,000	$85,600
CATEGORY 5 - BUILDING INTERIOR	$537,500	$20,000
CATEGORY 6 - BUILDING RECONFIGURE OR REMODEL	$3,724,764	$65,000
CATEGORY 7 - ADA COMPLIANCE	$25,000	$10,000
CATEGORY 8 - INFRASTRUCTURE	$9,310,000	$165,000
CONDUCT BUILDING ASSET INVENTORY	$600,000	$0
PROJECT MANAGEMENT SUPPORT	$40,000	$0
CONTINGENCY	$1,201,236	$0
Total FY 2027 Building Renewal	**$24,158,500**	**$415,600**

Attached is a list of FY 2027 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 DeeAnn Brewer, ADOT Budget Manager, at (602) 712-8304.

Sincerely,



Jennifer Toth
Director

Enclosure

cc: The Honorable David Farnsworth, Vice-Chairman, JCCR
Ben Henderson, Director, Office of Strategic Planning and Budgeting (OSPB)
Richard Stavneak, Director, Joint Legislative Budget Committee (JLBC)
Jordan Johnston, Principal Fiscal Analyst, JLBC
Trevor Malzewski, Fiscal Analyst, JLBC
Cameron Dodd, Budget Manager, OSPB
Grady Campbell, Fiscal Analyst, OSPB
Wayde Webb, Deputy Director, Chief Operating Officer, ADOT
Nola Barnes, Director, Administrative Services, ADOT
John Hetzel, Facilities Administrator, ADOT
jlbcwebmaster@azleg.gov

ARIZONA DEPARTMENT OF TRANSPORTATION

206 S. 17th Ave
Phoenix, AZ 85007

KATIE HOBBS
GOVERNOR

JENNIFER TOTH
DIRECTOR

October 28, 2026

The Honorable David Livingston
Chairman, Joint Committee on Capital Review
1716 West Adams Street
Phoenix, AZ 85007

Dear Representative Livingston:

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

Kingman Materials Lab	Amount
Construction	$3,934,000
Design and Construction Administration	$115,000
Furniture, Fixtures & Equipment	$279,000
Contingency	$710,000
FY 2027 Appropriation Total	**$5,038,000**

Kingman Materials Lab

In FY 2027, ADOT was appropriated $5,038,000 to construct a new Kingman Materials Laboratory. This project was originally appropriated $2,250,000 pursuant to Laws 2018, Chapter 277 (SB 1522), Section 19, and received a favorable review from JCCR in December 2019. The design was completed, but construction was deferred due to the COVID-19 pandemic. The appropriation lapsed on June 30, 2021.

The existing Kingman Materials Laboratory no longer adequately supports ADOT's materials testing operations. The facility lacks the space, layout, environmental controls, and safety features necessary to efficiently perform testing in accordance with current accreditation requirements and statewide laboratory standards.

The project will construct a new materials laboratory adjacent to the existing building. The new facility will include modern laboratory space, offices, meeting and training rooms, restrooms, break areas, upgraded plumbing and electrical systems, and environmental controls designed to support laboratory testing while improving employee safety and operational efficiency.

Completion of the project will provide a modern laboratory capable of producing accurate and timely test results while supporting current accreditation standards, improving workflow, and providing a safe and efficient working environment. Continued deferral will require staff to operate from an undersized and outdated facility that limits testing efficiency, restricts implementation of current testing protocols, and increases operational and safety challenges.

Thank you for your consideration of this request. If you have any questions or need additional information, please contact DeeAnn Brewer, ADOT Budget Manager, at (602) 712-8304.

Sincerely,



Jennifer Toth
Director

cc: The Honorable David Farnsworth, Vice-Chairman, JCCR
Ben Henderson, Director, Office of Strategic Planning and Budgeting (OSPB)
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Jordan Johnston, Principal Fiscal Analyst, JLBC
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jlbcwebmaster@azleg.gov

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 BUILDING RENEWAL ALLOCATION PLAN
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
STATE HIGHWAY FUND (SHF)	
CATEGORY 1 - FIRE/LIFE/SAFETY	
INTELLIGENT TRANSPORTATION SYSTEMS, Bldg. 1141 OFFICE-Replace Fire Panel	$45,000.00
E.S. PREP & AUCTION, Bldg. 1762 FUEL & SCALES / OFFICE MODULAR (B)-Replace Fire Panel	$45,000.00
E.S. PREP & AUCTION, Bldg. 1772 FLEET MANAGEMENT OFFICE/ MODULAR A-Replace Fire Panel	$45,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3180 EQUIPMENT SHOP-Replace Fire Alarm System	$50,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3749 DOCK-Install Fall protection, Repave and install lighting on Loading Dock	$45,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair fire alarm & suppression systems	$40,000.00
STATEWIDE, Bldg. -ADOT statewide - Asbestos abatement & repair	$50,000.00
STATEWIDE, Bldg. -ADOT statewide - Lead paint abatement & repair	$30,000.00
STATEWIDE, Bldg. -ADOT statewide - Mold abatement & repair	$15,000.00
TOTAL CATEGORY 1 - FIRE/LIFE/SAFETY	**$365,000.00**
CATEGORY 2 - ROOFS	
Capital Mall Shop, Bldg. 1032 Office/Equipment Services-Replace Roof	$100,000.00
FAST, Bldg. 1111 Office/Warehouse-Repair Roof	$100,000.00
INTELLIGENT TRANSPORTATION SYSTEMS, Bldg. 1141 OFFICE-Replace Roof	$100,000.00
MESA MAINT.YARD, Bldg. 1364 STORAGE-Repair Roof	$20,000.00
AGUA FRIA HWY MAINT, Bldg. 1615 OFFICE/MODULAR/ LANDSCAPE-Repair/Replace Roof	$20,000.00
YUMA B, Bldg. 2015 PORT OF ENTRY-Repair/replace aging roof	$70,000.00
YUMA MVD , Bldg. 2026 MVD OFFICE-Replace roof - in conjunction with HVAC RTU replacement	$420,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2031 STORAGE / EQUIPMENT-Repair/Replace Roof	$100,000.00
GLOBE OPERATIONS YARD, Bldg. 2080 OFFICE / SHOP (FACILITIES)-Repair/Replace Roof	$50,000.00
SIERRA VISTA MVD, Bldg. 2114 OFFICE / MVD-Repair/replace aging roof	$100,000.00
SAFFORD DIST OFFICE COMPLEX, Bldg. 2134 OFFICE/DISTRICT-Repair/replace aging roof	$80,000.00
SAFFORD DIST OFFICE COMPLEX, Bldg. 2135 PERMITS-Repair Roof	$40,000.00
SAFFORD ANNEX COMPLEX, Bldg. 2137 OFFICE / EQUIPMENT STORAGE (S & S)-Repair Roof	$40,000.00
PRESCOTT PIONEER PARK, Bldg. 3063 OFFICE / DISTRICT-Replace Roof	$50,000.00
PRESCOTT PIONEER PARK, Bldg. 3064 LABORATORY-Replace Roof	$100,000.00
PRESCOTT PIONEER PARK, Bldg. 3065 OFFICE / SHOP-Replace Roof	$75,000.00
PRESCOTT PIONEER PARK, Bldg. 3066 OFFICE / MVD-Replace Roof	$150,000.00
PAYSON YARD, Bldg. 3165 OFFICE / CONSTRUCTION / MODULAR -Replace Roof	$75,000.00
PAYSON YARD, Bldg. 3168 STORAGE / SIGN-Replace Roof	$45,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3180 EQUIPMENT SHOP-Repair Roof	$125,000.00
HOLBROOK YARD, Bldg. 3260 OFFICE / CONSTRUCTION / MODULAR -Replace Roof	$75,000.00
SHOWLOW YARD, Bldg. 3270 EQUIPMENT SHOP-Repair / Replace Roof	$450,000.00
SPRINGERVILLE MAINT.YARD, Bldg. 3320 STORAGE/SIGN -Repair / Replace Roof	$60,000.00
PRESCOTT PIONEER PARK, Bldg. 3614 INSPECTION BAY-Replace Roof	$75,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair roofs	$135,000.00
TOTAL CATEGORY 2 - ROOFS	**$2,655,000.00**
CATEGORY 3 - PRESERVATION OF ASSET	
FACILITIES MGT WAREHOUSE, Bldg. 1003 OFFICE/SHOP-Repair siding, paint exterior and doors	$400,000.00
Capital Mall Shop, Bldg. 1033 Fuel Station-Repaint the Canopy	$15,000.00
INTELLIGENT TRANSPORTATION SYSTEMS, Bldg. 1141 OFFICE-Repair/Paint Exterior	$4,000.00
N.W. PHOENIX REGIONAL MVD, Bldg. 1431 OFFICE/MVD-Repair/Paint Exterior	$25,000.00
AGUA FRIA HWY MAINT, Bldg. 1611 OFFICE-Repair/Paint Fascia	$12,000.00
AGUA FRIA HWY MAINT, Bldg. 1616 FUEL STATION-Repair/Paint Exterior	$10,000.00
AGUA FRIA HWY MAINT, Bldg. 1617 CANOPY-Repair/Paint Exterior	$8,000.00
AGUA FRIA HWY MAINT, Bldg. 1618 CANOPY-Repair/Paint Exterior	$10,000.00
GOODYEAR MVD, Bldg. 1621 OFFICE-Repair/Paint Exterior	$30,000.00
GOODYEAR MVD, Bldg. 1622 CANOPY-Repair/Paint Exterior	$15,000.00
GOODYEAR MVD, Bldg. 1623 CANOPY-Repair/Paint Exterior	$15,000.00

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 BUILDING RENEWAL ALLOCATION PLAN
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
CATEGORY 3 - PRESERVATION OF ASSET (cont.)	
WICKENBURG MAINT.YARD, Bldg. 1659 TRUCK WASH-Repair & Paint Truck Wash	$15,000.00
WICKENBURG MAINT.YARD, Bldg. 1669 STORAGE/SPREADER-Repair & paint steel frame	$30,000.00
PHOENIX DISTRICT HDQ., Bldg. 1701 OFFICE LAB-Repair/Paint Exterior	$12,000.00
PHX EQUIPMENT SERVICES, Bldg. 1756 OFFICE/EQUIPMENT SERVICES-Replace east exit door and concrete landing	$10,000.00
PHX EQUIPMENT SERVICES, Bldg. 1763 OFFICE/GATE HOUSE-Upgrade Windows	$10,000.00
PHOENIX DISTRICT HDQ., Bldg. 1801 OFFICE/MODULAR/ PERMITS-Repair & Paint Exterior	$12,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2027 OFFICE / DISTRICT-Replace Windows	$45,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2028 LABORATORY-Replace Windows	$45,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2030 FUEL STATION-Repair/Paint Exterior	$15,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2031 STORAGE / EQUIPMENT-Repair/Replace Exterior and Wall Insulation	$125,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2031 STORAGE/EQUIPMENT-Repair & Paint Exterior	$25,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2033 OFFICE / CONSTRUCTION / MODULAR-Relpace Windows	$15,000.00
CASA GRANDE CONSTR YARD, Bldg. 2064 OFFICE / S & S-Repair/replace exterior doors, windows, siding and trim as needed	$50,000.00
GLOBE OPERATIONS YARD, Bldg. 2080 OFFICE / SHOP (FACILITIES)-Repair/Paint Exterior, Doors, & Windows	$45,000.00
TUCSON OPERATIONS YARD, Bldg. 2186 EQUIPMENT SHOP-Repair/replace Overhead Doors	$160,000.00
GREY PEAK MAINT CAMP, Bldg. 2202 WATER TOWER-Replace Wood Underlayment	$15,000.00
THREEWAY (CLIFTON) MAINT / MVD COMPLEX, Bldg. 2501 WATER TOWER-Replace Wood Underlayment and Paint Structure	$25,000.00
PAYSON YARD, Bldg. 3165 OFFICE / CONSTRUCTION / MODULAR -Repair/Paint Exterior	$35,000.00
PAYSON YARD, Bldg. 3166 LABORATORY / MODULAR -Repair/Paint Exterior	$15,000.00
PAYSON YARD, Bldg. 3168 STORAGE / SIGN-Repair/Paint Exterior and replace Doors & Windows	$12,000.00
PAYSON YARD, Bldg. 3169 OFFICE / EQUIPMENT STORAGE-Repair/Paint Exterior	$65,000.00
PAYSON YARD, Bldg. 3172 STORAGE / DEICER-Paint Roll-up door	$10,000.00
FREDONIA MAINT. YARD, Bldg. 3219 OFFICE / EQUIPMENT STORAGE-Install new personnel door on north side of building	$35,000.00
HOLBROOK YARD, Bldg. 3246 OFFICE / DISTRICT-Repair & Paint Exterior and Doors	$50,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3436 STORAGE/DEICER-Engineer a Liquid Removal System and Repair of Containment Wall	$20,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3747 STORAGE/DEICER-Engineer a Liquid Removal System and Repair of Containment Wall	$20,000.00
PAYSON YARD, Bldg. 3780 WASH RACK-Repair/Paint Exterior	$10,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3837 STORAGE/DEICER-Repair and Paint Structural Metal Frame	$30,000.00
SPRINGERVILLE MAINT.YARD, Bldg. 3849 STORAGE/TANK/DEICER-Renovate Concrete Containment Area	$295,000.00
ADMIN BLDG, Bldg. 1005A OFFICE-Repaint the Exterior	$60,000.00
ADMIN BLDG, Bldg. 1005A OFFICE-Replace Siding on Utility Gallery	$300,000.00
STATEWIDE, Bldg. -ADOT statewide - Repaint/repair exterior surfaces	$40,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair doors, windows & other exterior features and surfaces	$100,000.00
TOTAL CATEGORY CATEGORY 3 - PRESERVATION OF ASSET	**$2,295,000.00**
CATEGORY 4 - MAJOR BUILDING SYSTEMS	
ENGINEERING BLDG, Bldg. 1004 OFFICE-Renovate Chiller Tower	$500,000.00
ENGINEERING BLDG, Bldg. 1004 OFFICE-Repair HVAC Controls	$75,000.00
1801 BLDG, Bldg. 1006 Office/MVD-Repair HVAC Controls	$15,000.00
MVD MOTORCYCLE TESTING / ENFORCEMENT, Bldg. 1021 OFFICE/MODULAR-Replace Seven HVAC Units	$140,000.00
CENTRAL (MATERIALS) LAB, Bldg. 1121 LABORATORY-Repair HVAC Controls	$55,000.00
CENTRAL (MATERIALS) LAB, Bldg. 1121 LABORATORY-Relocate Transformer	$125,000.00
HUMAN RESOURCES DEV. CENTER, Bldg. 1161 OFFICE/TRAINING-Replace Drinking Fountain	$13,000.00
GLENDALE MVD, Bldg. 1421 OFFICE/MVD-Repair HVAC Controls	$10,000.00
N.W. PHOENIX REGIO L MVD, Bldg. 1431 Office/MVD-Repair HVAC Controls	$10,000.00
48TH ST. OFFICES, Bldg. 1502 OFFICE/MAINTENANCE/ MODULAR-Replace Interior Lighting to LED	$7,000.00
AVONDALE MVD, Bldg. 1602 OFFICE-Repair HVAC Controls	$10,000.00
AVONDALE MVD, Bldg. 1602 OFFICE-Install blow down units at lobby doors	$22,000.00
GOODYEAR MVD, Bldg. 1621 OFFICE-Repair Cooling in Data Equipment Room	$25,000.00
GOODYEAR MVD, Bldg. 1623 CANOPY-Replace Lighting with LED	$5,000.00
WEST PHOENIX MVD, Bldg. 1651 OFFICE-Repair HVAC Controls	$10,000.00
WICKENBURG MAINT.YARD, Bldg. 1659 TRUCK WASH-Replace Lighting with LED	$3,000.00

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 BUILDING RENEWAL ALLOCATION PLAN
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
CATEGORY 4 - MAJOR BUILDING SYSTEMS (cont.)	
PHOENIX DISTRICT HDQ., Bldg. 1701 OFFICE LAB-Repair Exterior Lighting	$5,000.00
PHX EQUIPMENT SERVICES, Bldg. 1752 OFFICE/ANNEX-Replace Lighting with LED	$5,000.00
PHX EQUIPMENT SERVICES, Bldg. 1754 EQUIPMENT SHOP/ LIGHT DUTY-Repair HVAC Controls	$30,000.00
PHX EQUIPMENT SERVICES, Bldg. 1754 EQUIPMENT SHOP/ LIGHT DUTY-Replace Lighting with LED	$25,000.00
PHX EQUIPMENT SERVICES, Bldg. 1755 EQUIPMENT SHOP/ HEAVY DUTY-Replace Cast Iron Drain Plumbing	$300,000.00
PHX EQUIPMENT SERVICES, Bldg. 1756 OFFICE/EQUIPMENT SERVICES-Repair HVAC Controls	$30,000.00
PHX EQUIPMENT SERVICES, Bldg. 1756 OFFICE/EQUIPMENT SERVICES-Replace Lighting with LED	$15,000.00
PHX EQUIPMENT SERVICES, Bldg. 1759 CANOPY/WASH RACK-Replace Lighting with LED	$5,000.00
PHX EQUIPMENT SERVICES, Bldg. 1763 OFFICE/GATE HOUSE-Replace Lighting with LED	$5,000.00
SOUTH MOUNTAIN MVD, Bldg. 1901 OFFICE/MVD-Repair HVAC Controls	$85,000.00
SAN SIMON REST AREA, Bldg. 2210 WATER SYSTEM/PUMP HOUSE-Install Nitrate Filtration System	$220,000.00
THREEWAY (CLIFTON) MAINT / MVD , Bldg. 2501 WATER TOWER-Assess water storage tank; determine need, and follow up as needed	$35,000.00
PARKER MVD, Bldg. 2614 MVD OFFICE-Replace aging Bard HVAC units (circa 2005 R-22 units)	$80,000.00
EHRENBERG PORT OF ENTRY, Bldg. 2688 OFFICE/POE/ INSPECTION-Repair / Replace Heat Pump for Data Room	$20,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3837 STORAGE/DEICER-Replace Exhaust Fans	$20,000.00
OLD M V D, Bldg. 1001D Office/Modular-Replace 7 Heat Pumps	$140,000.00
STATEWIDE, Bldg. -ADOT statewide - HVAC control systems	$75,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems	$75,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems in ASD buildings	$40,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems in ECD buildings	$75,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems in EQS buildings	$100,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems in MVD buildings	$100,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair HVAC systems in PDO buildings	$275,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair electrical systems	$60,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair elevator systems	$30,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair plumbing systems	$275,000.00
STATEWIDE, Bldg. -ADOT statewide - Retrofit unserviceable light fixtures	$30,000.00
STATEWIDE, Bldg. -ADOT statewide - Service building electrical systems	$150,000.00
GOODYEAR MVD, Bldg. -Replace Site Lighting with LED	$75,000.00
TOTAL CATEGORY 4 - MAJOR BUILDING SYSTEMS	**$3,405,000.00**
CATEGORY 5 - INTERIOR BUILDING FINISHES	
HUMAN RESOURCES DEV. CENTER, Bldg. 1161 OFFICE/TRAINING-Replace Conference Room Carpet	$100,000.00
GLENDALE MVD, Bldg. 1421 OFFICE/MVD-Replace Carpet	$40,000.00
PHX EQUIPMENT SERVICES, Bldg. 1754 EQUIPMENT SHOP/ LIGHT DUTY-Install New Doorways in Training Room	$7,500.00
TUCSON OPERATIONS YARD, Bldg. 2186 EQUIPMENT SHOP-Replace 2nd Floor Flooring	$20,000.00
MCGUIREVILLE REST AREA, Bldg. 3119 RESTROOMS (N/B)-Renovate Restrooms	$75,000.00
MCGUIREVILLE REST AREA, Bldg. 3120 RESTROOMS (S/B)-Renovate Restrooms	$75,000.00
INDIAN PINE MAINT.YARD, Bldg. 3305 OFFICE / EQUIPMENT STORAGE-Replace Flooring	$20,000.00
LITTLEFIELD MVD, Bldg. 3707 OFFICE / MVD / MODULAR-Relevel and Repair Interior	$100,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair interior surfaces	$20,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair/replace casework	$20,000.00
STATEWIDE, Bldg. -ADOT statewide - Repair/replace flooring	$60,000.00
TOTAL CATEGORY 5 - INTERIOR BUILDING FINISHES	**$537,500.00**
CATEGORY 6 - RECONFIGURE OR REMODEL	
PHOENIX DISTRICT HDQ., Bldg. 1701 OFFICE LAB-Renovate Fog Room	$375,000.00
EHRENBERG REST AREA, Bldg. 2003 Residence (W/B) -Connect to Sanitary Sewer System	$325,000.00
EHRENBERG REST AREA, Bldg. 2004 Residence (W/B) -Renovate Caretaker Residence	$325,000.00
YUMA MAINT & ADMIN COMPLEX, Bldg. 2034 EQUIPMENT SERVICES SHOP-Renovate Restrooms	$120,000.00
SELIGMAN YARD, Bldg. 3054 STORAGE/DEICER-Renovate Building	$400,000.00
CORDES JCT. MAINT.YARD, Bldg. 3094 WATER SYSTEM / PUMP HOUSE-Renovate Building	$500,000.00

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 BUILDING RENEWAL ALLOCATION PLAN
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
CATEGORY 6 - RECONFIGURE OR REMODEL (cont.)	
EAST FLAGSTAFF MAINT. YARD, Bldg. 3173 OFFICE / EQUIPMENT STORAGE-Renovate restrooms and break area	$500,000.00
HOLBROOK YARD, Bldg. 3419 STORAGE/TANK/ASPHALT-Replace Asphalt Tank and Equipment with Kayenta's Existing Asphalt Tank and Equipment	$375,000.00
ADMIN BLDG, Bldg. 1005A OFFICE- Lighting retrofit, storefront doors, flooring, ceiling grid	$50,000.00
STATEWIDE, Bldg. -ADOT statewide - Perform general repairs	$754,764.00
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	**$3,724,764.00**
CATEGORY 7 - ADA COMPLIANCE	
STATEWIDE, -ADOT statewide - ADA compliance repairs/renovations	$25,000.00
TOTAL CATEGORY 7 - ADA COMPLIANCE	**$25,000.00**
CATEGORY 8 - INFRASTRUCTURE	
FACILITIES MGT & ENGR CONTRACTS ADMIN, -Repair and Reseal Asphalt Parking Lot	$125,000.00
PEERLESS BLDG, 1171 OFFICE-Install pigeon netting	$30,000.00
GLENDALE MVD, -Repair Exterior Lights, Parking Lot	$10,000.00
N.W. PHOENIX REGIONAL MVD, -Replace Exterior and Site Lighting to LED	$25,000.00
AGUA FRIA HWY MAINT, -Upgrade Service Entrance Section (SES)	$575,000.00
GOODYEAR MVD, -Repair Water Retention Basin Slopes, repair Fencing	$100,000.00
GOODYEAR MVD, -Repair/Replace Pavement and Walkways	$400,000.00
SURPRISE MVD, -Repave Asphalt	$200,000.00
EQUIPMENT SERVICES PREP & AUCTION, Bldg. -Repair, crack fill, seal & stripe asphalt parking lot	$200,000.00
SOUTH MOUNTAIN MVD , -Repair, crack fill, seal & stripe asphalt parking lot	$150,000.00
BOUSE WASH REST AREA, -Replace Electrical Service Entrance Section (SES)	$350,000.00
EHRENBERG REST AREA, -Install SCADA System	$80,000.00
BURNT WELL REST AREA, -Replace Electrical Service Entrance Section (SES)	$275,000.00
BOUSE WASH REST AREA, -Replace reverse osmosis system and chlorinator Phase 2	$375,000.00
YUMA MAINT & ADMIN COMPLEX, -Install Septic Cleanout	$50,000.00
EAST FLAGSTAFF MAINT. YARD, 3173 OFFICE / EQUIPMENT STORAGE-Replace Electrical Service Entrance Section (SES)	$275,000.00
CASA GRANDE MAINT YARD, -Repair/Replace Main Water Line and Backflow Preventer	$100,000.00
CASA GRANDE MVD, -Repair/Replace Lift Station Pump	$25,000.00
COOLIDGE MAINT MVD COMPLEX, -Replace aging water service line for both MVD and Maintenance	$40,000.00
CLAYPOOL MVD, 2076 OFFICE / MVD-Connect to Sanitary Sewer System	$60,000.00
GLOBE OPERATIONS YARD, Bldg. -Repair & Repave Asphalt	$500,000.00
TEXAS CANYON REST AREA, -Replace Electrical Service Entrance Section (SES)	$375,000.00
EHRENBERG REST AREA, -Replace Electrical Service Entrance Section (SES)	$275,000.00
TUCSON CONST COMPLEX, -Replace east section of pavement	$690,000.00
THREE POINTS MAINT YARD, -Install Septic Cleanout	$75,000.00
TUCSON OPERATIONS YARD, -Repair/Replace 2" PVC Waterline	$200,000.00
GRAY MTN. MAINT.YARD, -Install SCADA System	$80,000.00
COTTONWOOD MVD, -Renovate Motorcycle Test Track	$40,000.00
SAN SIMON REST AREA, -Replace Electrical Service Entrance Section (SES)	$275,000.00
EAST FLAGSTAFF MAINT. YARD, Bldg. 3180 EQUIPMENT SHOP-Replace Service Entrance Section (SES)	$500,000.00
MCGUIREVILLE REST AREA, -Repair the Pond Liner	$150,000.00
NEEDLE MTN. MAINT.YARD, -Install SCADA System	$80,000.00
PRESCOTT VALLEY YARD, Bldg. -Repair & Repave Asphalt	$500,000.00
OAK CREEK RIM MAINT.YARD, -Install SCADA System	$80,000.00
SUNSET POINT REST AREA, -Install arsenic filtration system	$140,000.00
PAGE YARD, -Install SCADA System	$80,000.00
NEEDLE MTN. MAINT.YARD, -Upgrade Water Power Controls	$220,000.00
KINGMAN COMPLEX B, 3809 OFFICE / MVD / MODULAR-Replace roof	$20,000.00
KINGMAN COMPLEX B, Bldg. -Repair & Repave Asphalt	$600,000.00
STATEWIDE, -ADOT statewide - Repair site wells, gas, water and wastewater system deficiencies	$575,000.00
STATEWIDE, -ADOT statewide - Repair fencing, gates & barrier walls	$60,000.00

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 BUILDING RENEWAL ALLOCATION PLAN
BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
CATEGORY 8 - INFRASTRUCTURE (cont.)	
STATEWIDE, -ADOT statewide - Repair parking lot pavements/curbing/striping	$350,000.00
TOTAL CATEGORY 8 - INFRASTRUCTURE	**$9,310,000.00**
TOTAL OF ALL SHF PROJECTS REQUESTED	$22,317,264.00
Statewide - ADOT Statewide - Conduct building asset inventory	$600,000.00
Statewide - Project management support	$40,000.00
Statewide - Contingency	$1,201,236.00
TOTAL AUTHORIZED SHF FUNDS	**$24,158,500.00**

SUMMARY BY CATEGORY	
CATEGORY 1 - FIRE/LIFE/SAFETY	$365,000.00
CATEGORY 2 - ROOFS	$2,655,000.00
CATEGORY 3 - PRESERVATION OF ASSET	$2,295,000.00
CATEGORY 4 - MAJOR BUILDING SYSTEMS	$3,405,000.00
CATEGORY 5 - INTERIOR BUILDING FINISHES	$537,500.00
CATEGORY 6 - RECONFIGURE OR REMODEL	$3,724,764.00
CATEGORY 7 - ADA COMPLIANCE	$25,000.00
CATEGORY 8 - INFRASTRUCTURE	$9,310,000.00
STATEWIDE BUILDING INVENTORY	$600,000.00
PROJECT MANAGEMENT SUPPORT	$40,000.00
CONTINGENCY	$1,201,236.00
TOTAL AUTHORIZED SHF FUNDS	**$24,158,500.00**

ARIZONA DEPARTMENT OF TRANSPORTATION
FY 2027 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	$64,600
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	**$85,600**
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	$65,000
TOTAL CATEGORY 6 - RECONFIGURE OR REMODEL	**$65,000**
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	$55,000
GRAND CANYON AIRPORT - Repair water & waste water systems	$75,000
TOTAL CATEGORY 8 - INFRASTRUCTURE	**$165,000**
TOTAL OF ALL STATE AVIATION FUND PROJECTS REQUESTED	$415,600
PROJECT MANAGEMENT SUPPORT	0
CONTINGENCY	0
TOTAL AUTHORIZED STATE AVIATION FUNDS	**$415,600**

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	$85,600
CATEGORY 5 - INTERIOR BUILDING FINISHES	$20,000
CATEGORY 6 - RECONFIGURE OR REMODEL	$65,000
CATEGORY 7 - ADA COMPLIANCE	$10,000
CATEGORY 8 - INFRASTRUCTURE	$165,000
PROJECT MANAGEMENT SUPPORT	$0
CONTINGENCY	$0
TOTAL AUTHORIZED STATE AVIATION FUNDS	**$415,600**

STATE OF ARIZONA

Joint Committee on Capital Review

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MICHAEL WAY

DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Rowdy Roberson, Economist

SUBJECT: Rio Nuevo District - Presentation of Projects

Request

A.R.S. § 48-4203E requires the Rio Nuevo Multipurpose Facilities District (District) to present to the Committee any construction project (or other improvement to real property) with a cost of more than $500,000. Under this statutory requirement, the District reports once annually to the Committee on qualifying projects. For FY 2026, the District has allocated funds to 4 projects above this $500,000 threshold and has agreed to spend a combined $10,000,000 on these projects.

Statute does not require the Committee to review the District's report, but the Committee may choose to do so.

Committee Options

The Committee has at least the following 3 options:

1. A favorable review of the presentation.
2. An unfavorable review of the presentation.
3. Accept the report without comment.

Key Points

1) The Rio Nuevo District receives a diversion of sales tax revenue within a specific area of Tucson to finance development projects.
2) The District is required to report annually to the Committee on projects with a cost above $500,000. A Committee review of the report is optional.
3) The district has funded 4 major projects during FY 2026 with a combined district contribution of $10.0 million:
   a. $800,000 of the $3.3 million cost for a renovated restaurant and sports bar.
   b. $2.0 million of the $7.1 million cost for a renovated retail appliance showroom.
   c. $1.2 million of the $118.2 million cost to renovate a vacant hotel next to the Tucson Convention Center.
   d. $6.0 million of the $58.0 million to construct a new 170 bed hotel at 75 East Broadway.

Analysis

During FY 2026, the District has allocated funding for 4 projects exceeding $500,000:

1. Block A Restaurant
   The new owner plans to improve a vacant property in the former Hi-Fi space at the Congress Street entrance to downtown Tucson. The District provided 24% of the funds ($800,000) for the $3.3 million improvement construction costs. The District estimates the video venue and sports bar have generated $5.0 million of incremental revenue.

2. Benjamin Supply Kitchen Retail
   The new owners of a 28,000 square foot (SF) industrial warehouse plan to convert it into a retail appliance showroom with an additional 7,000 SF space. The District will provide 28% of the funds ($2.0 million) for the $7.1 million improvement construction cost. The District estimates the combined spaces will generate $26.0 million of new sales tax annually of which 50% would be retained by the District.

3. Hyatt Hotel at the Convention Center
   Hyatt plans to renovate a 291-room vacant hotel next to the Convention Center in downtown Tucson. The District will provide 1% of the funds ($1.2 million) for the $118.2 million in tenant improvements for the hotel construction. The District did not provide an estimate for the new sales tax revenues generated as a result of this project.

4. Tucson Inn and Marketplace
   The District has agreed to rent a currently vacant property from Pima County for $200,000 per year, and is partnering with Obie Properties of Eugene, Oregon to build a 170-bed hotel surrounded by 16 new retail stores. The District will provide 10% of the funds ($6.0 million) for the $58.0 million in development costs. The District estimates the annual sales of the mixed-use development will be over $20.0 million.

Background

Tucson voters approved Proposition 400 in November 1999, establishing the Rio Nuevo Multipurpose Facilities District. The District receives a diversion of sales tax revenue to finance the development of a multipurpose facility and other projects. The diversion is equal to 50% of all sales tax generated within the geographic boundaries of the District. The District has distributed funds to renovate the Tucson

Convention Center, along with allocating monies to other development projects. The District stretches east from Downtown Tucson along the retail-intensive Broadway Corridor.

The District was originally authorized by state statute in 1999. Most recently, Laws 2018, Chapter 138 extended the District to July 1, 2035, or upon the completion of authorized debt service payments, whichever occurs later.

RR:jbu

RIO NUEVO

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



October 23, 2026

Re: Rio Nuevo District Annual Report

Dear Representative Livingston:

A.R.S. §48-4203(E)(4) requires the Rio Nuevo District (District) to present annually to the Joint Legislative Committee on Capital Review (JCCR) any contract, executed construction project, or other improvement to real property with an expense of more than $500,000. Such presentation is for review and oversight, not project approval.

In accordance with the statute, the JCCR can take any of three options:

1. A favorable review of the information presented;

2. An unfavorable review of the information presented; or

3. Take no action since there is no statutory approval requirement.

For the period July 1, 2025 – June 30, 2026, the District invested in the attached projects that would require notice to the JCCR. Last year, our report was accepted without appearing before the committee. However, we are happy to appear before your committee to discuss the attached update if requested.

We have also shown all FY26 projects under $500,000 so the committee can see the extent of our small business growth, an integral and indispensable part of the District's value and commitment to the local economy.

Respectfully submitted,

Fletcher J. McCusker
Chairman, Rio Nuevo District Board

www.RioNuevo.org
1703 E. Broadway Blvd., Tucson, AZ 85719
Ph: (520) 623-7336 • Fax: (520) 882-3699

2026

Annual Report

For the Joint Legislative Committee on Capital Review

RIO NUEVO

www.RioNuevo.org



Overview:

2026

FY2026 was a very productive year for Rio Nuevo despite a drop in sales tax revenue and a last-minute repeal attempt by the majority party as part of the 2027 state budget.

Since the state seized Rio Nuevo from the City of Tucson, the Board has invested $206.5M of state dollars and attracted $923.5M of private investment. Annual TPT revenue has gone from $9M in 2014 to $19.2M in 2025. Over that period state revenue has increased by $100M, and from this year to the 2035 sunset Rio Nuevo will add an additional $99M of sales tax revenue.

Rio Nuevo Economics

2026

RN District Total Investment
2011-2026

Type of Project	RN Investment	Project Investment
Public/Private Developments	116,950,192.74	833,962,900.07
Rio Nuevo Projects	89,574,539	89,574,539
Total Investment	206,524,731.74	923,537,439.07

Investment Type	Count	RN Investment	Project Investment
Restaurant – Retail	66 Businesses	47,829,610.74	110,283,667
Hotel	8 Hotels	31,443,333	236,939,334
Mixed-Use	13 Projects	26,825,000	355,768,859
Other	34 Projects	24,226,788	144,345,579
TCC	2 Projects	76,200,000	76,200,000
Total Investment		**206,524,731.74**	**923,537,439.07**

Rio Nuevo Rankings

2026

Tucson Success

7th Ranked Music City (Miami, NYC, Chicago, Memphis, Nashville, Austin)

#2 Food City TandL Magazine Nov 2024

First UNESCO City of Gastronomy

7th Ranked Bar in the US May 2026- Owl's Club

Congress Street-Top Five Streets in America (Lincoln Ave-Chicago, Grand Blvd-St. Louis, Main St- Waterloo NY, Park Lane Kirkland WA)

Barrio Viejo Top Place to Visit in the US- Conde Nest Jan 2024

Ranked in top 10 commercial real estate markets for

#2 Best Small City (under 1M)

Ranked in top 10 U.S. cities for corporate site selectors, post COVID

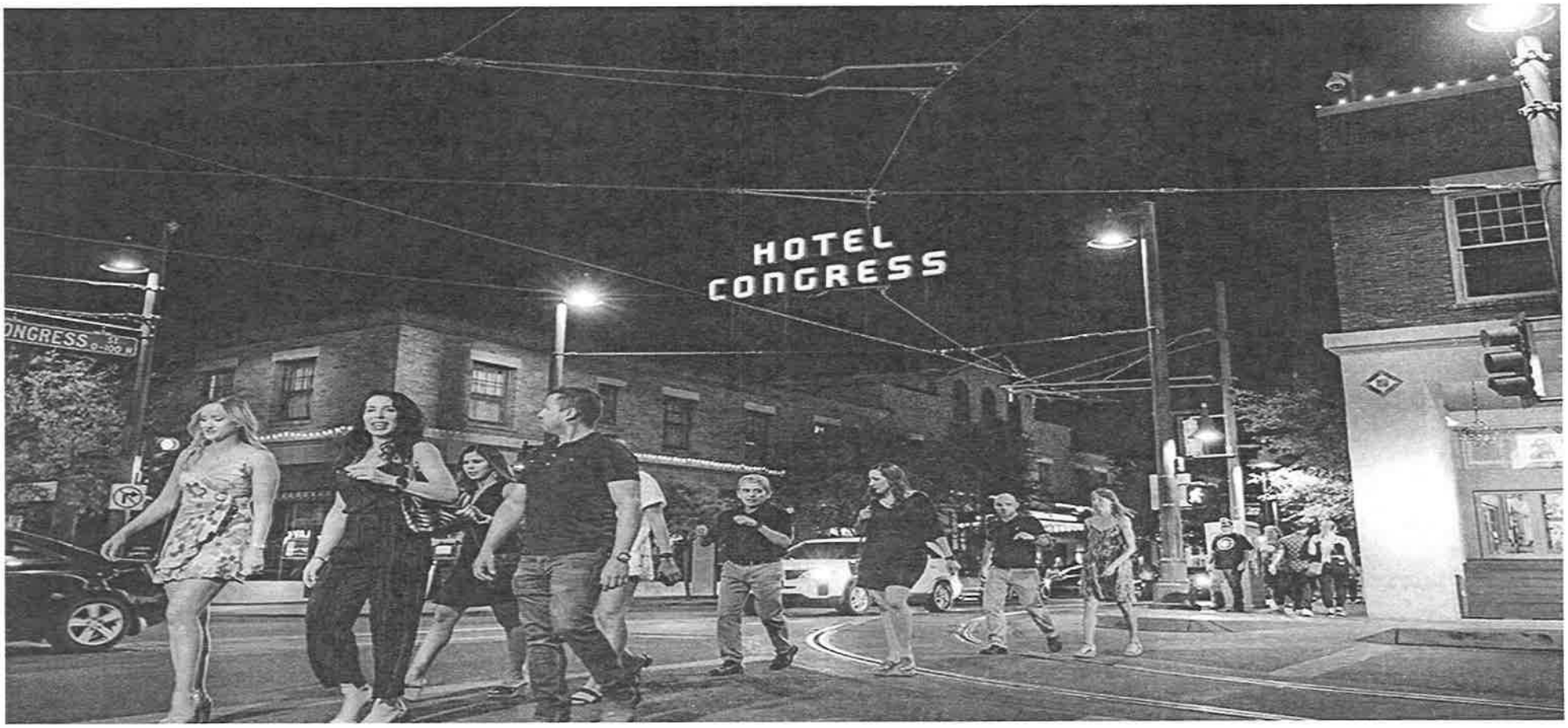
Ranked in top 7 cities for remote workers – Forbes

New York Times highlights Tucson's fast track to COVID recovery

Ranked in top 10 U.S. cities best-positioned to thrive post pandemic

Ranked #5 of top 10 U.S. cities for conferences

FY 2026 Projects over $500,000



Block A Restaurant

2026

A new sports bar and restaurant took over the former Hi-Fi space at the Congress Street entrance to downtown. The new owner, Grant Krueger, gutted the vacant property and opened a state-of-the-art video venue and restaurant that generates $5,000,000 of revenue a year, all incremental.

$800,000

Rio Nuevo District investment

$2,498,000

Developer investment



Benjamin Supply Kitchen Retail

2026

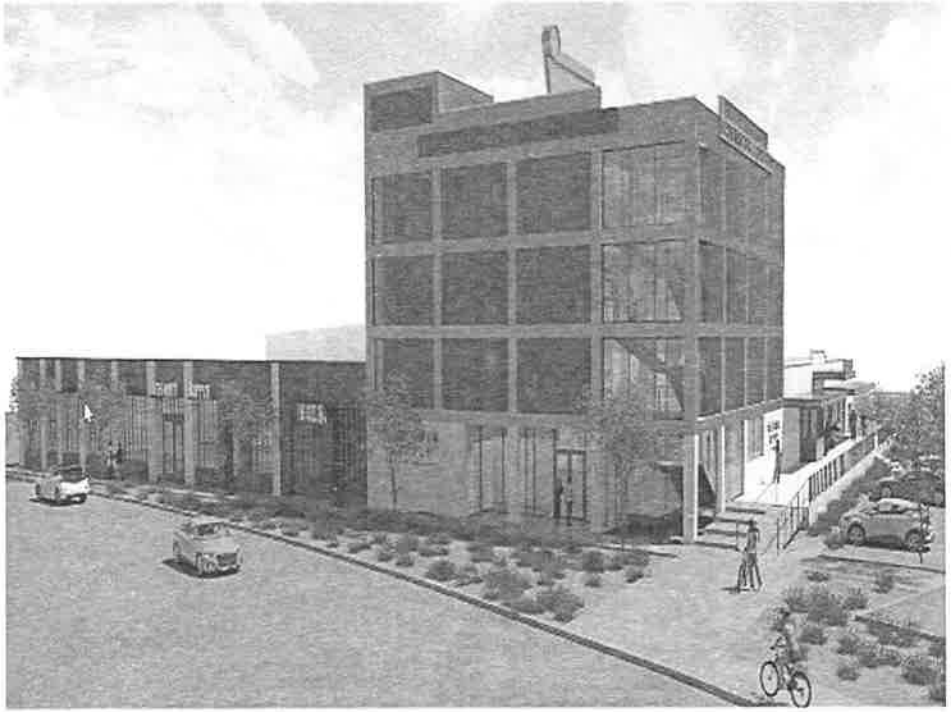
The new owners have gutted a 28,000 SF industrial warehouse and are opening a high-end retail appliance showroom, featuring products by Viking, Thor, Wolf and Sub-Zero that will generate $22,000,000 annually in new sales, all incremental. An adjacent 7,000 SF space will add another $4,000,000 when it opens. This is a much-needed retail boost for downtown.

$2,000,000

Rio Nuevo District investment

$5,100,000

Developer investment



Hotel Arizona

2026

Rio Nuevo is helping to revitalize this 1970s property that has been vacant for 14 years and will soon be downtown Tucson's newest Hyatt, a 291-room hotel next to the $100,000,000 Rio Nuevo remodel of the Tucson Convention Center, demonstrating the magnetic effect of urban revitalization. But for the work Rio Nuevo did on the TCC this would remain vacant.

$1,200,000

Rio Nuevo District investment

$117,000,000

Developer investment



Tucson Inn and Marketplace

2026

Rio Nuevo is acquiring a vacant parcel from Pima County and is partnering with Obie Properties of Eugene, Oregon to build a 170-bed hotel surrounded by 16 new retail stores, the first of its kind in Tucson. Sales are estimated to be over $20,000,000 annually

$6,000,000

Rio Nuevo District investment

$52,000,000

Developer investment



FY 2026 Projects Under $500,000

Rio Nuevo committed to nine additional projects that are under the JCCR reporting requirement of $500,000. They are presented here for context, four new restaurants, three retail stores, a parking lot and a beauty salon.

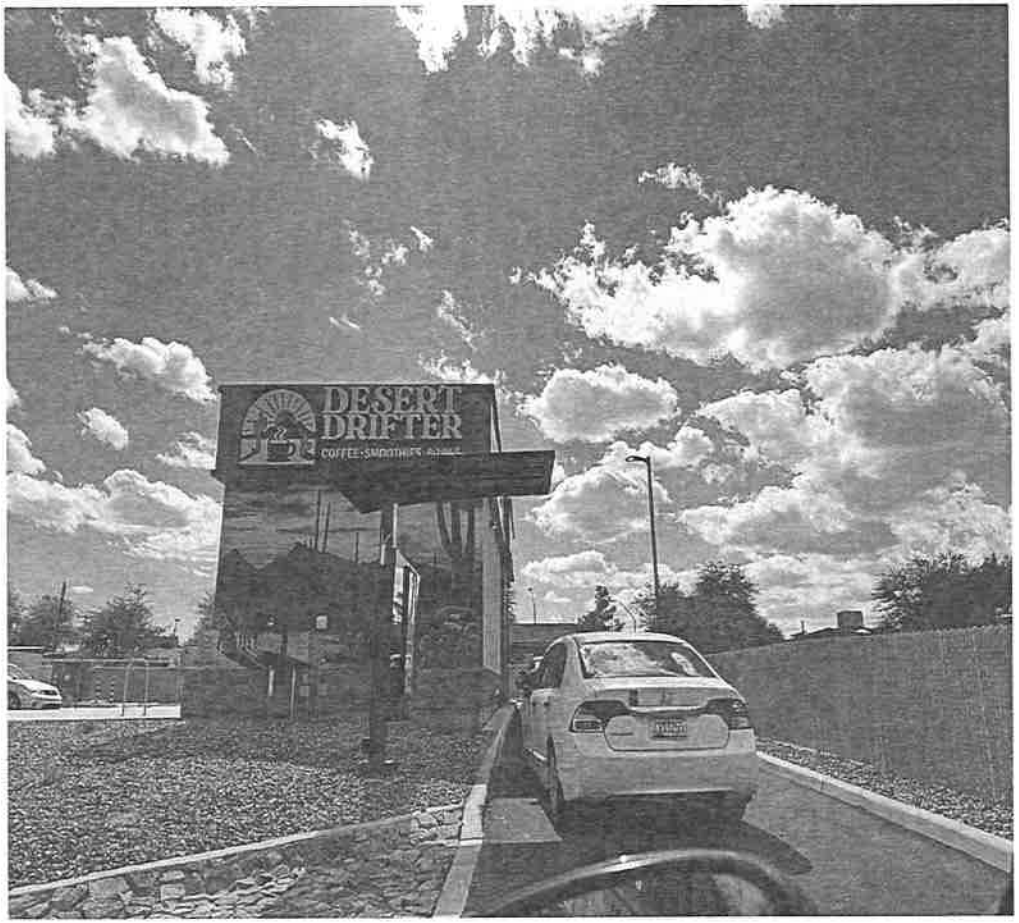
$1,448,180

Rio Nuevo District investment

$3, 177,457

Developer investment

Stacks Book Club, Hirsch's Shoes, Bubbe's Bagels, Desert Drifter Coffee, Fairway Cigars, Lucky Penny BBQ, Brandilion, El Ritual Day Spa and adjacent parking at 2358 East Broadway. These small operators are part of the fabric of downtown Tucson, all locally owned and all new revenue. Without Rio Nuevo help none would have opened!



FY2027

More large and small projects on the horizon

- A vacant Macy's
- Two new hotel properties
- Winco Grocery
- Six new restaurants
- A possible namng rights agreement for The Tucson Convention Center

RIO NUEVO

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8

STATE OF ARIZONA

Joint Committee on Capital Review

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MICHAEL WAY

DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Grace Timpany, Senior Fiscal Analyst

SUBJECT: Arizona State University – Review of Polytechnic Student Union Renovation and Expansion

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requests Committee review of $66,000,000 in system revenue bond issuances to renovate and expand the Student Union on the Polytechnic Campus. ASU will fund debt service with tuition, student fee and auxiliary revenues.

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.

Under any 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 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.

Key Points

1) ASU intends to issue $66.0 million in system revenue bonds to renovate and expand the Polytechnic Campus Student Union, which requires JCCR review.
2) ASU will renovate the existing 32,649 square foot student union and expand the building by another 68,800 square feet.
3) The expansion will include additional food and dining facilities, office and classroom space, lounge, meeting and storage space for student activities, updates to the campus store, and exterior event and seating space.
4) ASU plans to issue bonds in April 2027. The total annual debt service of $4.6 million will be funded using tuition, student fee, and auxiliary revenues.
5) Construction started in May 2026 and is expected to be completed by August 2027.

Analysis

ASU intends to renovate and expand the Student Union on its Polytechnic Campus, located at 5999 S. Backus Mall in Mesa. Renovation of the existing 32,649 square foot Student Union will include demolition of interior spaces, replacement of mechanical, electrical and plumbing systems, exterior improvements, and accessibility and life safety system improvements.

The 68,000 square foot expansion will be constructed to the east of the existing Student Union. Expansion includes design and construction of new building systems, as well as connecting existing utility and water systems to the new area. At its April 2025 JCCR meeting, the Committee favorably reviewed expansion of a Chilled Water Plant, which ASU completed to accommodate the Student Union expansion. ASU states that the renovation and expansion will include additional food and dining facilities, office and classroom space, lounge, meeting and storage space for student activities, updates to the campus store, and exterior event and seating space.

Financing

ASU plans to issue $66.0 million in system revenue bonds with an anticipated rating of Aa2 (Moody's)/ AA (S&P). Under federal law, private use of tax-exempt bonds is limited to 10% of the total proceeds. ASU intends to issue both tax-exempt and taxable bonds as the expanded Student Union will include retail space for food service and a campus store, which is expected to exceed the 10% limit. The estimated interest rate is 4.98% on the tax-exempt portion and 6.37% on the taxable portion of bond issuances over 30-year terms.

Estimated issuance costs are $396,000 which will be funded using student fee, tuition, and auxiliary revenues. Auxiliary revenue consists of sales revenue received from non-academic university services including housing, dining, parking, and intercollegiate athletics. ASU began construction prior to bond issuance and is using their operating balances to cover costs until the bond proceeds are reviewed.

The annual debt service will be approximately $4.6 million from FY 2027 to FY 2057. ASU will fund the debt service with student fee, tuition, and auxiliary revenues. The debt service on this project will increase ASU's current debt ratio by 0.10% from 4.50% to 4.60%. *(See Table 1 for a summary of the bond financing terms.)*

Construction Costs

Of the $66.0 million project cost, direct construction costs are $46.9 million *(see Table 2)*. The total project cost per square foot is $656, while direct construction costs per square foot are $466. ASU did not provide any projects for comparison, stating that the project is unique in scope due to the combination of large-scale renovations of an existing building and construction of a new building for the expansion.

ASU reports that the project is being delivered through the Construction Manager at Risk (CMAR) method. Construction began in May 2026 and is expected to be completed in August 2027.

Operations and Maintenance Costs

ASU expects Operations and Maintenance costs for this project to be approximately $990,691, which will be funded with student fee, tuition, and auxiliary revenue.

Table 1

ASU Student Union Renovation and Expansion Financing Terms

Construction Timeframe	May 2026 – August 2027
Issuance Amount	$66.0 million
Issuance Date	April 2027
Issuance Transaction Fees	$396,000
Rating	Aa2 (Moody's)/AA (S&P)
Interest Rate	4.98% (Tax-Exempt)/ 6.37% (Taxable)
Term	30 years
Total Debt Service Costs	$140.0 million
Debt Service Payments	$4.6 million
Payment Source	Student Fee, Tuition, and Auxiliary Revenues
Debt Ratio Increase	0.10%

Table 2

Student Union Renovation and Expansion Construction Cost

Total Square Footage	100,649
Funding	
System Revenue Bonds	$66,000,000
Construction Costs	
Direct Construction Costs	$46,900,000
Other Costs[1/]	$19,100,000
Total	**$66,000,000**
Cost Per Square Foot	
Direct Construction Costs	466
Other Costs[1/]	190
Total	**656**
Operations & Maintenance	$990,691

1/ Includes equipment, project design and management fees and other costs.

GT:jbu

Arizona State University



October 21, 2026

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

Dear Chairman Livingston:

In accordance with ARS section 15-1683, the Arizona Board of Regents requests that the following Arizona State University bond-financed project be placed on the next Joint Committee on Capital Review agenda:

- Polytechnic Student Union Expansion

Enclosed is pertinent information relating to this item. If you have any questions or desire any clarification on the enclosed material, please contact me at (480) 727-9920.

Sincerely,

Morgan Olsen (Oct 21, 2026 08:33:20 HST)

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Attachment: ABOR Project Approval Executive Summary (February 19-20, 2026)

c: Richard Stavneak, Director, JLBC
Grace Timpany, Fiscal Analyst, JLBC
Chad Sampson, Executive Director, ABOR
Bradley Kendrex, Vice President, Finance and Administration, ABOR
Adam Deguire, Vice President, Government and Community Engagement, ASU
Matthew Simon, Associate Vice President, Federal & State Relations, ASU
Anjali Halabe, Vice President for Finance & Deputy Treasurer, ASU
Tim Smith, Vice President, Facilities Development and Management, ASU

OFFICE OF THE EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
BUSINESS AND FINANCE
PO BOX 877505, TEMPE, AZ 85287-7505
(480) 727-9920 FAX: (480) 727-9922

ASU Arizona State University

Polytechnic Student Union Expansion

The project will include a renovation of the existing 32,649 gross square feet (GSF) Student Union and an approximately 68,000 GSF expansion on Lot 10 to the east of the existing building on the Polytechnic campus, located at 5999 S. Backus Mall.

The renovation and expansion of the Student Union will include demolition and improvement of interior spaces in the existing Student Union, updates and/or total replacement of existing mechanical, electrical and plumbing systems, exterior envelope improvements, accessibility enhancements and life safety system improvements.

The new expansion building will include the design and construction of all building systems that coordinate with the existing Student Union as well as existing campus site infrastructure and utilities including the existing chilled and heated water system.

This renovation and expansion will improve student community and interaction on campus by enhancing a popular gathering place on campus for studying, dining, entertainment, leisure and meetings. It will expand food service and dining facilities, provide additional office, lounge, meeting and storage spaces for student organizations and clubs, update the campus store, provide exterior event and seating space as well as add classrooms and office space for departments that provide student support and programs at the Polytechnic campus.

This project will renovate the ground floor of the existing building to accommodate the demand for more student services and additional common areas. It will include lounges, meeting spaces, event space, dining options and open seating as well as spaces for student services and outdoor amenity spaces, which will be expanded to enhance student experience.

This project will be delivered through the Construction Manager at Risk (CMAR) delivery method.

ASU has selected Kitchell Contractors as the CMAR and Weddle Gilmore Architects as the Design Professional for this project. The CMAR selection process included 10 submissions and four teams were interviewed. The design professional (DP) selection process included 20 submissions and three teams were interviewed.

Construction on the project was scheduled to begin in May 2026. The project is scheduled for completion in August 2027.

The budget for this approximately 100,649 GSF project is $66 million. The budget represents an estimated construction cost of $46.9 million, which is approximately $457 per GSF. The estimated total project cost is $656 per GSF.

The $66 million project will be debt-financed with system revenue bonds and amortized over approximately a thirty-year term. Funding for annual debt service is estimated at $4.6 million from tuition revenue, student fee revenue, and auxiliary revenue is included in current budget planning.

Debt Ratio Impact: The projected incremental debt ratio impact for this project is 0.10 percent.

The estimated operations and maintenance cost for this project is approximately $990,691.

Project Costs:

Total Project Cost	$ 66,000,000
Total Project Construction Cost	$ 46,900,000
Total Project Cost per GSF	$ 656
Construction Cost per GSF	$ 457

An Arizona Board of Regents (ABOR) executive summary for this project is attached, which outlines the project description and other relevant information. The Annual Capital Plan for this project received ABOR approval on September 25, 2025, and the Individual Project and Financing Approval was approved at the ABOR meetings on February 20, 2026.

Arizona State University

Project Financing Summary

Project: Polytechnic Student Union Expansion

Project Cost	$66,000,000

Project Financing

System Revenue Bonds	$66,000,000
Estimated Costs of Issuance	$396,000
Anticipated Rating	Aa2 (Moody's) and AA (S&P)
Term	30 years
Assumed Interest Rate (tax-exempt)	4.98%
Assumed Interest Rate (taxable)	6.37%

Estimated Debt Service

Annual Debt Service	$4,635,000
Total Debt Service	$139,973,000
Funding Sources:	
Student Fee Revenue, Tuition, Auxiliary Revenue	

Debt Ratio

Debt Ratio on Existing Debt	4.50%
Incremental Debt Ratio	0.10%
Debt Ratio with Project	4.60%
Statutory Debt Limit (ARS section 15-1683)	8.00%

Arizona State University

Arizona State University
Polytechnic Student Union Expansion
System Revenue Bonds

Fiscal Year	Estimated Issuance April 2027		
	Principal	Interest	Total
2027	-	937,000	937,000
2028	890,000	3,746,000	4,636,000
2029	940,000	3,696,000	4,636,000
2030	990,000	3,643,000	4,633,000
2031	1,050,000	3,588,000	4,638,000
2032	1,110,000	3,529,000	4,639,000
2033	1,170,000	3,467,000	4,637,000
2034	1,240,000	3,401,000	4,641,000
2035	1,300,000	3,331,000	4,631,000
2036	1,380,000	3,258,000	4,638,000
2037	1,450,000	3,181,000	4,631,000
2038	1,530,000	3,099,000	4,629,000
2039	1,620,000	3,013,000	4,633,000
2040	1,710,000	2,921,000	4,631,000
2041	1,810,000	2,825,000	4,635,000
2042	1,910,000	2,723,000	4,633,000
2043	2,020,000	2,615,000	4,635,000
2044	2,140,000	2,500,000	4,640,000
2045	2,260,000	2,379,000	4,639,000
2046	2,390,000	2,251,000	4,641,000
2047	2,520,000	2,115,000	4,635,000
2048	2,660,000	1,972,000	4,632,000
2049	2,810,000	1,821,000	4,631,000
2050	2,970,000	1,661,000	4,631,000
2051	3,140,000	1,492,000	4,632,000
2052	3,320,000	1,313,000	4,633,000
2053	3,510,000	1,124,000	4,634,000
2054	3,710,000	924,000	4,634,000
2055	3,920,000	711,000	4,631,000
2056	4,150,000	487,000	4,637,000
2057	4,380,000	250,000	4,630,000
Total	**66,000,000**	**73,973,000**	**139,973,000**

ITEM 11.4: Arizona State University Requests Approval of an Individual Project and Financing for Polytechnic Student Union Expansion

Requested Action: Arizona State University (ASU) asks the board to approve individual project and financing of its Polytechnic Student Union Expansion as described in this executive summary. This approximately 100,649 square foot, $66 million major capital project will be debt-financed with system revenue bonds. The debt service will be paid over an approximate thirty-year term and funded by tuition revenue, student fee revenue and auxiliary revenue.

Committee Review and Recommendation

The University Governance and Operations committee reviewed this item at its February 5, 2026, meeting and recommended forwarding the item to the board for approval with no changes.

Background

- Capital Improvement Plan FY 2026–2029 — September 2024
- Annual Capital Plan — September 2025

Project Justification/Description/Scope

- The project will include renovation of the existing 32,649 gross-square-foot (GSF) Student Union and an approximately 68,000 GSF expansion on Lot 10 to the east of the existing building on the Polytechnic campus, located at 5999 S. Backus Mall, Mesa, Arizona, as depicted on the attached map as Exhibit A.

- The renovation and expansion of the Student Union will include demolition and improvement of interior spaces in the existing Student Union; updates and/or total replacement of existing mechanical, electrical and plumbing systems; exterior envelope improvements; accessibility enhancements and life safety system improvements.

- The expansion will include the design and construction of all building systems that coordinate with the existing Student Union as well as existing campus site infrastructure and utilities, including the existing chilled and hot water system.

- This renovation and expansion will improve student community and interaction on campus by enhancing a popular gathering place for studying, dining, entertainment, leisure and meetings. It will expand food service and dining facilities; provide additional office, lounge, meeting and storage spaces for student organizations and clubs; update the campus store; and add exterior event and seating space, as well as classrooms and office space for departments that provide student support and new programs at the Polytechnic campus.

Contact Information:
Morgan R. Olsen, ASU Morgan.R.Olsen@asu.edu 480-727-9920

- This project will renovate the ground floor of the existing building to accommodate the demand for more student services and additional common areas. It will include lounges, meeting spaces, event space, dining options and open seating as well as spaces for student services and outdoor amenity spaces, which will be expanded to enhance the student experience.

Project Delivery Method and Process

- This project will be delivered through the Construction Manager at Risk (CMAR) delivery method. This approach was selected to facilitate a coordinated design with constant contractor input and guidance throughout the project development and costing phases.

- The project delivery work plan maximizes value through creating efficiencies in both the design phase and construction phase as a team, while ensuring complete alignment with ASU standards.

- ASU has selected Kitchell Contractors as the CMAR and Weddle Gilmore Architects as the Design Professional for this project. The CMAR selection process included 10 submissions and four teams were interviewed. The DP selection process included 20 submissions and three teams were interviewed.

Project Status and Schedule

- The project is scheduled to begin construction in May 2026. The project is scheduled for completion in August 2027.

Project Cost

- The budget for this approximately 100,649 GSF project is $66 million. The budget represents an estimated construction cost of $46.9 million, which is approximately $466 per GSF. The estimated total project cost is $656 per GSF.

- This project does not have any applicable comparable projects due to the unique scope. This effort combines both a large-scale renovation of an existing building and construction of a new building.

Fiscal Impact and Financing Plan

- The $66 million project will be debt-financed with system revenue bonds and amortized over approximately a thirty-year term. Funding for annual debt service is estimated at $5.0 million from tuition revenue, student fee revenue, and auxiliary revenue is included in current budget planning.

- ASU will:
  (a) sell one or more series, at one or more times, of system revenue bonds to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments.

(b) sell bonds at a price at, above, or below par, on a tax-exempt or taxable basis, in one or more series, at one or more times, at a fixed or variable rate of interest.
(c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements, if any; and
(d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and sold either on a competitive or negotiated basis, in the open market, or to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities, or by the State of Arizona, or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The projected incremental debt ratio impact for this project is 0.10 percent.

- The estimated operations and maintenance cost for this project is approximately $990,691.

Occupancy Plan

- This project will reconfigure and renew spaces to improve student community and interaction, food service, dining and other programs. The renovation of the existing building will be completed during the summer months and in coordination with the occupants to avoid impact on regular operations during the fall and spring semesters. Construction of the new building on Lot 10 will impact existing parking, which will be relocated in coordination with Parking and Transit Services.

Statutory/Policy Requirements

Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.

Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.

Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.

Capital Project Information Summary

University: Arizona State University **Project Name:** Polytechnic Student Union Expansion

Project Description and Location: The project will include a renovation of the existing 32,649 GSF Student Union and an approximately 68,000 GSF expansion on Lot 10 to the east of the existing building on the Polytechnic campus, located at 5999 S. Backus Mall, as depicted on the attached map as Exhibit A. The renovation and expansion will include the demolition and improvement of interior spaces in the existing Student Union; updates and/or total replacement of existing mechanical, electrical and plumbing systems; exterior envelope improvements, accessibility enhancements and life safety system improvements. This renovation and expansion will improve student community and interaction on campus by enhancing a popular gathering place for studying, dining, entertainment, leisure and meetings.

Project Schedule:

Planning	August 2023
Design Start	March 2025
Construction Start	May 2026
Construction Completion	August 2027

Project Budget:

Total Project Cost	$ 66,000,000
Total Project Construction Cost	$ 46,900,000
Total Project Cost per GSF	$ 656
Construction Cost per GSF	$ 466

Estimated Annual O&M Cost:

Utilities	$ 317,867
Personnel	$ 299,734
All Other Operations	$ 373,090
Subtotal	$ 990,691

Funding Sources:

A. System Revenue Bonds	$ 66,000,000
Funding Sources:	Student fee revenue, Tuition, Auxiliary revenue
B. Operation/Maintenance	$ 990,691
Funding Sources:	Student fee revenue, Tuition, Auxiliary revenue

Capital Project Budget Summary

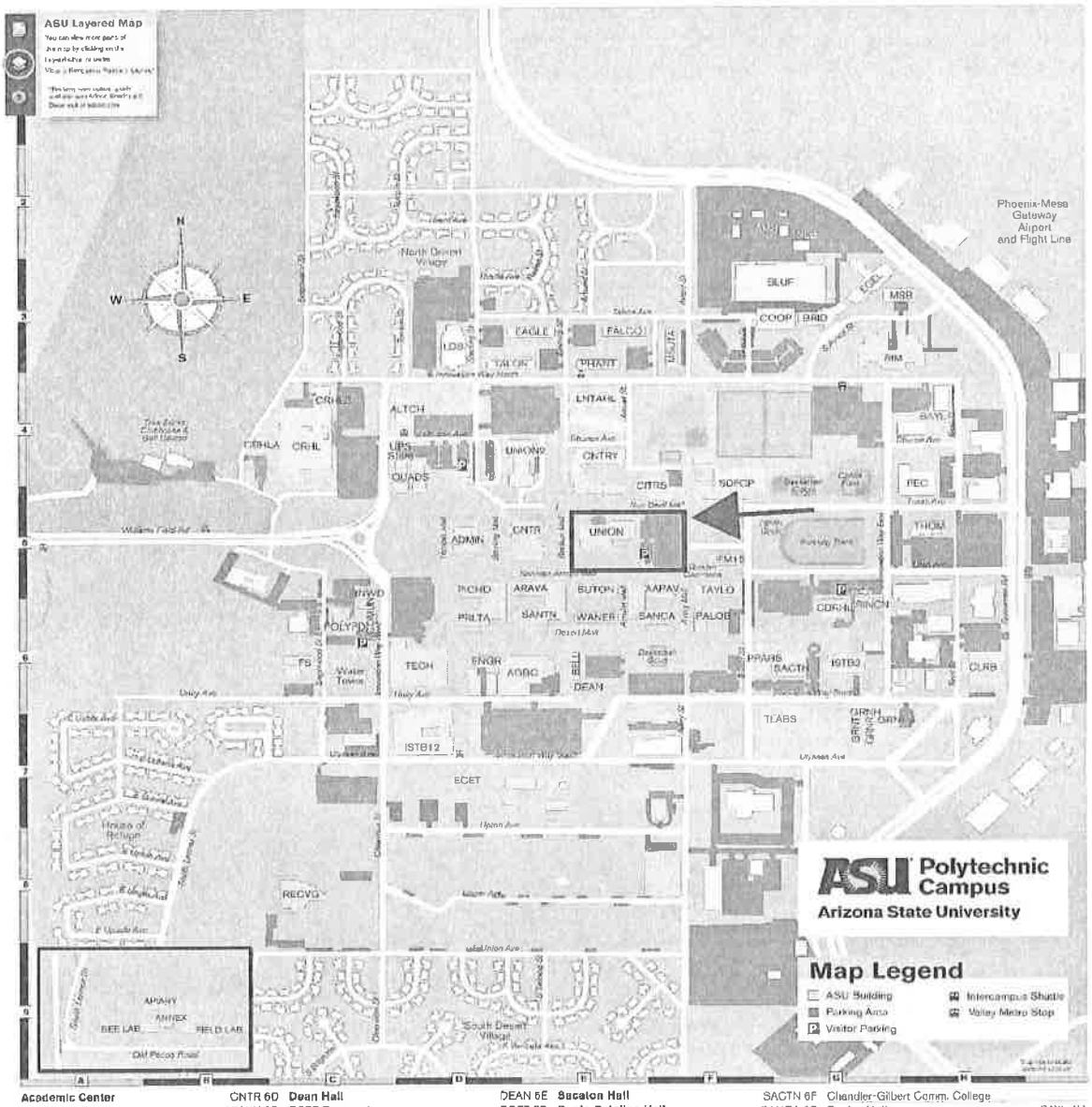
University: Arizona State University
Project: Polytechnic Student Union Expansion

	Annual Capital Plan
Capital Costs	
1. Land Acquisition	$0
2. Construction Cost	
A. New Construction	$46,000,000
B. Tenant Improvement	0
C. Special Fixed Equipment	600,000
D. Site Development (excl. 2.E.)	0
E. Parking and Landscaping	300,000
F. Utilities Extensions	0
G. Other* (Demolition/abatement)	0
Subtotal Construction Cost	$46,900,000
3. Fees	
A. CMAR Pre-Construction	$494,891
B. Architect/Engineer	4,344,789
C. Other	200,000
Subtotal Consultant Fees	$5,039,680
4. FF&E Movable	$2,000,000
5. Contingency, Design Phase	483,968
6. Contingency, Constr. Phase	5,844,486
7. Parking Reserve	0
8. Telecommunications Equipment	2,718,000
Subtotal Items 4-8	$11,046,454
9. Additional University Costs	
A. Surveys, Tests, Haz. Mat. Abatement	$140,286
B. Move-in Costs	150,000
C. Printing Advertisement	25,000
D. Keying, signage, facilities support	152,500
E. Project Management Cost	2,330,311
F. State Risk Mgt. Ins. (.0034 **)	215,769
Subtotal Addl. Univ. Costs	$3,013,866
Total Capital Cost	$66,000,000

* Universities shall identify items included in this category.

** State Risk Management Insurance factor is calculated on construction costs and consultant fees.

Exhibit A
Polytechnic Student Union Expansion
Site Location Map



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
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DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Grace Timpany, Senior Fiscal Analyst

SUBJECT: Northern Arizona University – Review of Renovation and Deferred Maintenance Projects

Request

A.R.S. § 15-1671 requires Committee review of cash projects funded by the university's Capital Infrastructure Fund (CIF). These monies are from the $1 billion capital investment program enacted in 2017. Northern Arizona University (NAU) requests Committee review of $5,245,000 for renovation and deferred maintenance projects funded via CIF cash.

Committee Options

The Committee has at least the following 2 options:

1. A favorable review of the request.

2. An unfavorable 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. On or before October 15 of each year until completion of the project, NAU 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.

Key Points

1) NAU intends to complete renovation and deferred maintenance projects using $5.2 million from the university's FY 2027 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) Projects include:
   - $3.3 million to replace components of the HVAC system and renovate roofing, flooring and lighting in the Forestry Sciences Complex.
   - $0.5 million to convert fluorescent lighting to LED lighting in the Biological Sciences building.
   - $0.6 million to repair IT systems and other mechanical equipment at the Science Annex.
   - $0.2 million to replace the emergency generator in the Applied Research & Development (ARD) facility.
   - $0.8 million to repair the roofing at multiple STEM facilities.
4) NAU expects to complete construction on all projects between August 2027 and August 2028.

Analysis

NAU is proposing 5 capital projects totaling $5.2 million:

- $3.3 million for phase two of Forestry Sciences Complex building renovations. Phase one of the project was favorably reviewed at the November 2025 JCCR meeting at a cost of $4.8 million and included renovations to the heating and cooling systems in the complex. Phase two will complete the remaining planned building improvements including replacement of HVAC components, renovation of roofing, flooring and lighting, and painting.

- $0.5 million to complete the conversion from fluorescent lighting to LED lighting in the Biological Sciences building. The cost includes replacement of light fixtures and installation of new lighting controls.

- $0.6 million to replace and repair IT systems in the Science Annex buildings. NAU plans to replace a failed network system and complete other maintenance projects including painting and mechanical systems work.

- $0.2 million to replace the aging emergency generator at the ARD facility.

- $0.8 million to repair the roofing at multiple STEM buildings, including recoating the roof at the Engineering and Technology building and long-term repairs at other STEM facilities. NAU states that the roofing systems are actively leaking and these repairs are needed to prevent further water intrusion.

University Capital Infrastructure Funds (2017 Bonding Package)

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 2027 appropriations are allocated to each university as follows:

- ASU: $13,838,000
- NAU: $5,245,000
- UA: $12,241,900
- **Total: $31,324,900**

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.

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

NAU has previously received Committee review for 15 CIF-funded, totaling $134.1 million. Including this project, NAU will have committed 100% of its CIF appropriation to cash projects.

GT:jbu

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NAU NORTHERN ARIZONA UNIVERSITY



October 16, 2026

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

Dear Representative Livingston:

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 2027.

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 November 2025. NAU now requests favorable review to use the Fiscal Year 2027 allocation of $5.2M to fund renovations in the Forestry building as well as several deferred maintenance 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,

Bjorn Flugstad
Senior Vice President, Chief Financial Officer

Attachment
cc: Richard Stavneak, Director, JLBC
Grace Timpany, JLBC Fiscal Analyst
Grady Campbell, 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

NAU NORTHERN ARIZONA UNIVERSITY

FY27 State Capital Infrastructure Funds

Forestry Building Renovations (Phase 2)

Project Scope

Phase 2 of the Forestry Building Renovations will complete the next major stage of improvements to the Forestry Science Complex renovations previously approved under FY26 CIF funds. This second phase will replace the existing cooling fan wall, install a new cooling coil, and connect the building to the campus chilled water plant for a more energy efficient cooling system in alignment with the Climate Action Plan. Additional work includes replacement of the aged roof, new flooring in the primary corridors, painting and trim repairs in the hallways, and conversion of building lighting to energy-efficient LED fixtures.

Project Justification

The Forestry Science Complex, constructed in 1992, contains original HVAC components that are failing and have exceeded their useful life. The 2022 Facility Condition Assessment identified the major HVAC systems as due for replacement. The building is jointly occupied by NAU and the USDA Forest Service, and continued system deterioration presents operational risk to both organizations. Phase 1 addressed the highest-priority utility and heating-system needs. Phase 2 will complete the remaining planned building improvements, reduce deferred maintenance, improve energy performance, and protect the long-term use of this shared academic and research facility.

Estimated Project Cost:

Phase I: 4.8M (previously approved, FY26 CIF)
Phase II: $3.25M (this FY27 CIF request)

Basis of Cost Estimate:

Costs are based on the contractor's bid. The contractor completed Phase 1 and has provided pricing for the Phase 2 scope.

Cash vs Bonding:

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

Life of the project components:

All work will be designed to NAU Technical Standards to provide long-term maintainability, energy efficiency, and durability.

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. Renovation is a cost-effective approach to retain and improve existing campus square footage while reducing deferred maintenance and utility impacts.

Timeline

Substantial Completion is planned for Fall 2027, with Final Completion by December 2027.

STEM Lighting (Phase 1)

Project Scope

Phase 1 will complete the remaining conversion to LED lighting in the Biological Sciences Building, including replacement of existing T8 and T5 fixtures and installation of integrated lighting controls. If funding and schedule permit, the project will also initiate lighting improvements at the Science & Health Building. Future phases are anticipated to continue this work across additional STEM facilities. Final scope of future phases is yet to be finalized and will be submitted as a future request.

Project Justification

Existing fluorescent lighting systems are less energy efficient, require more frequent maintenance, and do not provide the control capabilities available with current LED technology. This project will reduce electrical demand, improve lighting quality and controllability, and lower ongoing maintenance requirements. A phased implementation allows NAU to advance high-priority improvements while establishing a repeatable approach for modernization of lighting systems across the STEM portfolio.

Estimated Project Cost:

$0.55M

Basis of Cost Estimate:

Costs are based on detailed contractor estimates.

Cash vs Bonding:

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

Life of the project components:

LED lighting and controls are expected to provide an approximately 10-year useful life with routine maintenance.

Project Delivery

This project will leverage an existing cooperative purchasing contract.

Renovation vs. new construction:

This project is a renovation of existing building lighting systems. New construction is not applicable.

Timeline

The project is planned to be substantially complete by August 2027.

STEM Buildings Maintenance (Phase 2)

Project Scope

Phase 2 will continue critical maintenance improvements at the Science Annex, including replacement of the failed passive optical network system and repair or replacement of additional equipment serving STEM facilities. The expanded scope reflects updated conditions within the building and additional equipment needs identified through project development. Additional scope includes miscellaneous needed maintenance work at other STEM buildings, including Geology Annex, Adel Mathematics, and Yuma AC building.

Project Justification

Failure of the passive optical network has affected building operations, network stability, and the reliable use of the Science Annex by faculty and students. Additional equipment deficiencies create further risk to the continued operation of STEM spaces. Completion of Phase 2 will restore system reliability, address identified equipment needs, and reduce the likelihood of continued disruption while extending the useful life of existing campus infrastructure. Further, there are always miscellaneous maintenance items arising all over campus. This funding will support miscellaneous maintenance at a couple of the STEM buildings, including paint and mechanical system work.

Estimated Project Cost:

Phase I: $0.120M
Phase II: $0.444M

Basis of Cost Estimate:

Costs are based on ITS estimates, contractor estimates, and final design costs.

Cash vs Bonding:

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

Life of the project components:

Replacement PON equipment is expected to provide reliable performance for 10 to 15 years with routine IT maintenance and upgrades. Other repaired or replaced equipment will extend the useful life of the affected systems.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project encompasses renovation and repair of existing building systems. New construction is not applicable.

Timeline

The project is planned to be complete by December 2027.

STEM Generator Repair

Project Scope

This project will evaluate and complete the repair, major service, or replacement of the aging emergency generator serving the Applied Research & Development (ARD) facility. The final scope will be established through equipment inspection and design analysis to determine the most reliable and cost-effective approach for restoring long-term standby power capability.

Project Justification

Reliable emergency power is necessary to support critical building systems and protect continuity of operations during a utility interruption. The existing ARD generator is aging and requires investment to maintain dependable performance. Timely repair or replacement will reduce the risk of equipment failure, extend or renew the service life of the system, and preserve the resilience of the facility.

Estimated Project Cost:

$0.200M

Basis of Cost Estimate:

Costs are based on in-house estimates. Final costs are dependent on the project final design.

Cash vs Bonding:

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

Life of the project components:

Repair is expected to extend generator life by approximately 10 years. If replacement is required, the expected useful life is approximately 15 years.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project is a renovation and repair of existing infrastructure. New construction is not applicable.

Timeline

The project is planned to be complete by December 2027.

STEM Roofing Repair

Project Scope

This project will address active roof failures at multiple STEM facilities. The anticipated work includes approximately $0.400M to recoat the roof at Engineering and Technology, together with long-term repairs at the Science Laboratory Facility and Wettaw. Final distribution of funding will be based on verified field conditions and the repair strategy required at each location.

Project Justification

The identified roofing systems are actively leaking and require timely intervention to prevent continued water intrusion. Delaying repairs increases the risk of damage to interior finishes, building systems, equipment, and occupied academic or research spaces, and may result in avoidable insurance losses. This project will stabilize failed roof areas, protect existing assets, reduce the potential for more extensive damage, and extend the service life of the affected roofing systems.

Estimated Project Cost:

$0.800M

Basis of Cost Estimate:

Costs are based on industry square-foot pricing for the anticipated types of roof repair.

Cash vs Bonding:

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

Life of the project components:

The work is intended to extend the useful life of all treated roof areas by a minimum of 10 years. Twenty-year warranties will be pursued where applicable.

Project Delivery

This project will utilize a job order contracting delivery method.

Renovation vs. new construction:

This project is a renovation and repair of existing roofing systems. New construction is not applicable.

Timeline

The project is planned to be fully complete by August 2028.

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 10, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Grace Timpany, Senior Fiscal Analyst

SUBJECT: University of Arizona – Review of Deferred Maintenance and Modernization Projects

Request

A.R.S. § 15-1682 requires Committee review of any university projects funded with system revenue bonds. A.R.S. § 15-1671 requires Committee review of cash projects funded by the university's Capital Infrastructure Fund (CIF). These monies are from the $1 billion capital investment program enacted in 2017.

The University of Arizona (UA) requests Committee review of $150,000,000 in bond issuances and $10,000,000 in CIF cash for deferred maintenance and modernization projects. UA will also use $950,000 in other university institutional and grant funds for a total of $160,950,000 across all projects. UA will fund bond debt service with tuition revenues.

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.

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.

Key Points

1) UA intends to complete 5 campus-wide deferred maintenance and modernization projects. Statute requires Committee review of the UA proposal.
2) The total cost of the projects will be $161.0 million of which $150.0 million will be funded with system revenue bonds, $10.0 million with Capital Infrastructure Fund (CIF) cash and $950,000 with other university funds.
3) Projects include:
   - $55.0 million for general deferred maintenance and utility infrastructure improvements.
   - $17.6 million to modernize campus-wide technology equipment and network systems.
   - $52.3 million for research facility modernization, including replacement of aging equipment and upgrades for future research.
   - $15.0 million to modernize campus safety systems and complete sustainability initiatives.
   - $21.0 million to upgrade multiple student spaces, cultural venues, and outdated classrooms.
4) UA will pay for the $11.0 million debt service using tuition revenues.
5) Construction on all projects is expected to be completed by June 2028.

Analysis

UA plans to complete 5 deferred maintenance and modernization projects totaling $161.0 million:

- $55.0 million for campus-wide deferred maintenance projects of which $45 million will be funded with system revenue bond issuances and $10.0 million with CIF cash. Of the total $55.0 million cost, $42.0 million is for general deferred maintenance including upgrades to fire alarms, roofs, plumbing and street repairs. The remaining $13.0 million is for utility infrastructure maintenance including HVAC upgrades and other mechanical, electrical, and life safety equipment. UA states upgrades are for code compliance and will allow buildings to last at least 25-30 years before needing to be replaced.

- $17.6 million for campus technology modernization. Projects include replacement of technology equipment and campus-wide network modernization. UA states replacement of aging technology will improve connectivity that supports teaching, research and university operations, and will establish a structure for future technologies.

- $52.3 million to modernize existing laboratory spaces, including replacement of outdated equipment and utility infrastructure, upgrades to laboratory finishes, workstations, life safety systems, technology and building automation systems, and reconfiguration of laboratory spaces. UA states a portion of the upgrades are for accessibility and code compliance, and modernization will support current and future academic and research needs.

- $15.0 million for campus-wide security and sustainability modernization projects. Security projects include modernization of legacy video management, security cameras, access control and alarm

systems, and updated security infrastructure. Integrated security systems are intended to improve coordinated public safety operations, safety analytics, and automation. Sustainability projects include water conservation measures and upgrades to lighting, fume hoods, HVAC and building automation systems, and other improvements to reduce utility consumption.

- $21.0 million to modernize existing student spaces, cultural venues, and classrooms. Projects include remodeling student gathering and eating spaces, upgrades to museums, galleries and other cultural facilities, and modernization of outdated classrooms.

Financing

UA intends to issue $150.0 million in system revenue bonds with an anticipated rating of Aa3 (Moody's)/ AA- (S&P) and an estimated interest rate of 5.19% over 25-year terms. Expected issuance costs are $1.2 million.

UA will pay the $11.0 million annual debt service with tuition revenue and plans to issue bonds in Spring 2027. *(See Table 1 for a summary of the bond financing terms).* The debt service on these projects will increase UA's current debt ratio by 0.31% from 3.57% to 3.88%.

Capital Infrastructure Funds (2017 Bonding Package)

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 2027 appropriations are allocated to each university as follows:

- ASU: $13,838,000
- NAU: $5,245,000
- UA: $12,241,900
- **Total: $31,324,900**

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.

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

UA has previously received Committee/ approval for 9 CIF-funded projects, totaling $42.9 million in cash expenditures and $363.7 million in bond issuances. Including this project, UA will have committed $52.9 million in total cash expenditures and approximately $12.1 million of its annual CIF appropriation in debt service.

Table 1

UA Deferred Maintenance and Modernization Project Financing Terms

Issuance Amount	$150.0 million
Issuance Date	Spring 2027
Issuance Transaction Fees	$1.2 million
Rating	Aa3 (Moody's)/AA- (S&P)
Interest Rate	5.19%
Term	25 years
Total Debt Service Costs	$272.3 million
Debt Service Payments	$11.0 million
Payment Source	Tuition Revenue
Debt Ratio Increase	0.31%

GT:jbu

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OCT 24 2026
JOINT BUDGET COMMITTEE

October 22, 2026

The Honorable David Livingston,
Joint Committee on Capital Review
House of Representatives
1700 West Washington St.
Phoenix, AZ 85007

Dear Representative Livingston,

In accordance with A.R.S. §15-1683, the Arizona Board of Regents requests that the proposed five projects: Deferred Maintenance; Campus Technology Modernization; Research Facility Modernization; Campus Safety and Sustainability; and Student Life, Culture and Experience for the University of Arizona (UofA) be placed on the next Joint Committee on Capital Review agenda for review.

The total cost for the projects is $160,950,000. Projects will be financed through $150,000,000 of System Revenue Bonds (SRBs) issued by the UofA, $10,000,000 from the Capital Infrastructure Fund (CIF), and other university funds will cover the remainder of the total cost. The UofA plans to use retained tuition funds to service the debt. The estimated annual debt service for the project is $10,981,000, increasing the UofA's annual debt service ratio by 0.31%.

Attached please find a summary of each project and the Arizona Board of Regents executive summaries prepared for their review of the projects. The projects were originally reviewed and approved by the board in October 2026.

If you have any questions, please contact me at Johnarnold@arizona.edu.

Sincerely,

John Arnold
Chief Financial Officer

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

Project Summaries

Project Costs:

Project	SRB	CIF	Other
Deferred Maintenance	$45,000,000	$10,000,000	
Campus Technology Modernization	$17,610,000		
Research Facility Modernization	$52,320,000		
Campus Safety and Sustainability	$15,000,000		
Student Life, Cultural and Learning Experience	$20,070,000		$550,000 (Institutional Funds) $400,000 (Grant Funds)

Projects:

Deferred Maintenance: $45 million

The UofA will invest $42 million for general deferred maintenance and $13 million for utility infrastructure improvements. These funds will be used on various projects such as fire alarm upgrades, elevators, electrical code compliance, leaking roofs, plumbing, street repairs, ADA compliance, generator replacements, building automation upgrades, and utility infrastructure improvements. Addressing these needs in UofA's aging building systems is a key component of the University's Capital Plan and will help maintain safe, reliable, and continuous campus operations. Projects will prioritize mechanical, electrical, plumbing, and life safety systems to address critical infrastructure needs and extend the useful life of existing facilities. These targeted renovations are expected to provide an additional 25–30 or more years of building service, extending building lifespans for decades without requiring complete building replacement.

Campus Technology Modernization: $17.6 million

The UofA will implement a technology refresh and network modernization to provide a secure, reliable, high-performance network that supports teaching, research, and university operations campus-wide. The project will address aging technology, improve connectivity and resilience, and establish a capable structure to support future growth and emerging technologies.

Research Facility Modernization: $52.3 million

The UofA will modernize aging research facilities to support current and future academic and research needs while upgrading mechanical, electrical, and plumbing infrastructure. Projects will be implemented in phases across multiple campus buildings to minimize disruptions to ongoing research activities. Renovations will include replacing outdated laboratory capital equipment and supporting utility infrastructure, modernizing laboratory interiors, finishes, casework, and workstations, and reconfiguring spaces to support flexible teaching and collaborative research. Improvements will also address life safety systems, accessibility, and code compliance to ensure safe and functional research environments. Additionally, technology and building automation systems will be enhanced to improve operational efficiency and support evolving research requirements.

Campus Safety & Sustainability Initiative: $15 million

The UofA will advance campus-wide safety and sustainability. Public safety efforts will modernize video management, security cameras, access control, and alarm systems while leveraging existing technology investments to establish a scalable, integrated security infrastructure. These improvements will enhance real-time situational awareness, coordinated operations, system interoperability, advanced analytics, and automation while providing a flexible foundation for future technology integration. Sustainability initiatives will prioritize campus master plan projects, including water conservation, lighting retrofits, fume hood modernization, HVAC and building automation upgrades, and other energy-efficiency improvements to reduce utility consumption. Conservation projects will be identified based on calculated return on investment.

Student Life, Culture, and Learning Experience: $20.1 million

The UofA will modernize and upgrade student spaces, cultural venues, and classrooms to enhance the student experience and overall quality of life on campus. Student spaces will be remodeled to provide welcoming environments for gathering, dining, physical activity, and collaboration, supporting a healthy balance between academic and social life. Cultural venues, including museums and galleries, will be upgraded to enrich educational and cultural experiences for students and the broader community. Classroom modernization will address outdated spaces and infrastructure while supporting evolving teaching and learning methods and creating environments that promote student engagement and success.

Bond and Finance Summary

Total Project Budget:	$150,000,000
Estimated System Revenue Bond Par Amount:	$151,150,000
Estimated Cost of Issuance:	$1,150,000
Estimated All-In Interest Rate:	5.19%
Payment Terms:	Approximately 25 years
Fund Source for Total Debt Payment:	Retained Tuition
Total Annual Debt Service (by fund source):	
Principal & Int. FY29-53 (Avg.) $10,891,000	Retained Tuition

Total Debt Service Through Maturity: $272,280,000

Anticipated Date of Issuance:	Late Spring 2027
Expected Bond Rating:	AA- (S &P) Aa3 (Moody's)

Debt Ratio Information:

Current Projected Highest Debt Ratio (FY29):	3.57%
Increment Debt Ratio for All Proposed Projects:	0.31%
Updated Projected Highest Debt Ratio (FY29):	3.88%

EXECUTIVE SUMMARY – ACTION ITEM

ITEM X.X: Request for Approval of Individual Project and Financing for Deferred Maintenance Project for University of Arizona, Including Waiver of ABOR Policy 7-102 Requiring Committee Review

Requested Action: University of Arizona asks the board for individual project and financing approval of its Deferred Maintenance Project, including waiver of ABOR Policy 7-102 requiring committee review, as described in this executive summary. The $55 million major capital project will be financed with system revenue bonds and capital infrastructure funds established in ARS 15-1671. The debt service will be paid over 25 years from retained tuition funds.

Committee Review and Recommendation

The University Governance and Operations Committee did not meet in September and therefore did not review this item.

Background

- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will be addressing campus-wide Deferred Maintenance (DM) needs at a total cost of $55,000,000 ($42M general deferred maintenance and, $13M utility infrastructure). These needs include fire alarm upgrades, elevator code compliance, electrical code compliance, roof replacement, plumbing upgrades, street repairs, ADA compliance, generators, building automation upgrades and utility infrastructure upgrades.

- Addressing Deferred Maintenance needs and aging building infrastructure is part of the University's Capital Plan. In addition, analyzing and addressing the Deferred Maintenance prioritized needs of all mechanical, electrical, plumbing, and life and safety items allow for the continuity of operations at U of A. The renovations will last at least 25-30 years before needing to be replaced.

- The age of replacement for HVAC upgrades, building auto systems, plumbing, elevator, and roofs ranges at least 30 years. Maintenance has been performed on all mechanical, electrical, plumbing, and life safety equipment on a daily, monthly, and annual basis. Routine repairs are completed as needed and annual preventative maintenance also takes place on all equipment. These deferred maintenance projects are addressing

mechanical/electrical/plumbing/life and safety and not addressing complete building replacement.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The construction cost for this project is $46,750,000 and the total project cost is $55,000,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	**University**	**Total Project Budget**	**Project GSF**	**Total $/GSF**	**Constr. $/GSF**
HVAC	University of Arizona	$12,778,581	1,933,039	$6.61	$5.67
Fire Safety	University of Arizona	$7.283,000	401,085	$18.16	$15.56
Building Automation	University of Arizona	$1,100,000	130,963	$8.40	$7.20
Campus Streets /Painting	University of Arizona	$2,724,341	527,708	$5.16	$4.43
Elevator	University of Arizona	$2,401,361	258,739	$9.28	$7.96
ADA & Asbestos Compliance	University of Arizona	$200,000			
Generators	University of Arizona	$3,454,400	274,596	$15.58	$10.78
Roof Repairs	University of Arizona	$500,000	24,263	$20.61	$17.66
Plumbing/Heat Exchangers	University of Arizona	$4,889,908	1,976,834	$2.47	$2.12
Electrical Code	University of Arizona	$2,666,710	126,076	$21.15	$18.13

Utility Infrastructure	University of Arizona	13,001,699	99,937	$130.10	$111.51
Outlying Properties	University of Arizona	$4,000,000	90,000	$44.44	$38.10

Fiscal Impact and Financing Plan

- U of A plans to finance $45,000,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $2,900,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.

- The remaining $10,000,000 will be paid for with state appropriations tied to the Capital Infrastructure Fund established in ARS 15-1671.

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget

- U of A will:
  (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
  (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
  (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.10 percent, excluding SPEED projects, and 0.10 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.

- Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.

- Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.

- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.

Contact Information:
Richard Cate, U of A rcate1@arizona.edu 520-621-5977

U of A
Capital Project Information Summary
FY 2027 Deferred Maintenance

Project Description / Location:
This project will address Deferred Maintenance at various locations on campus.

FY 2027 Annual Capital Plan
October 2026

Project Schedule (Beginning Month/Year):	
Planning	N/A
Design	N/A
Construction	Oct 2026
Occupancy	June 2028

Project Budget:	
Total Project Cost	$ 55,000,000
Total Project Cost per GSF	N/A
Direct Construction Cost	$46,750,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	

Funding Sources:

Capital:

- System Revenue Bonds $45,000,000
- Capital Infrastructure Fund (ARS 15-1671) $10,000,000

Operation/Maintenance: N/A

University of Arizona
Capital Project Budget Summary
FY 2027 Deferred Maintenance

Date of Budget Estimate			FY 2026 Annual Capital Plan Oct 2026
1.	Land		$
2.	Construction Cost		
	A.	New Construction	$
	B.	Renovation	$ 46,750,000
	C.	Fixed Equipment	$
	D.	Site Development (exclude 2.E.)	$
	E.	Parking & Landscaping	$
	F.	Utilities Extensions	$
	G.	Other (asbestos only)	$
	Subtotal Construction Cost		**$ 46,750,000**
3.	Consultant Fees		
	A.	Construction Manager	$ 410,000
	B.	Architect/Engineering Fees	$ 1,235,000
	C.	Other (Programming, Special Consult.)	$ 575,000
	Subtotal Consultant Fees		**$ 2,220,000**
4.	Furniture Fixtures and Equipment		$ 2,500,000
5.	Contingency, Design Phase		$ 490,000
6.	Contingency, Construction Phase		$ 2,460,000
7.	Parking Reserve		$
8.	Telecommunications Equipment		$
	Subtotal Items 4-8		**$ 5,450,000**
9.	Additional University Costs		
	A.	Surveys and Tests	$
	B.	Move-in Costs	$
	C.	Public Art	$
	D.	Printing/Advertisement	$

E.	Univ. Facilities & Project Management	$	330,000
F.	State Risk Mgt. Ins	$	250,000
Subtotal Additional University Costs		**$**	**580,000**
TOTAL CAPITAL COST		**$**	**55,000,000**

U of A
Project Site Location Map
FY 2027 Deferred Maintenance

This project will encompass various buildings campus-wide.

EXECUTIVE SUMMARY ITEM – ACTION ITEM

ITEM X.X: Request for Approval of Individual Project and Financing for Campus Technology Modernization Project for University of Arizona, Including Waiver of ABOR Policy 7-102 Requiring Committee Review

Requested Action: University of Arizona asks the board for individual project and financing approval of its Campus Technology Modernization Project, including waiver of ABOR Policy 7-102 requiring committee review, as described in this executive summary. The $17.61 million major capital project will be financed with system revenue bonds. The debt service will be paid over 25 years from retained tuition funds.

Committee Review and Recommendation

The University Governance and Operations Committee did not meet in September and therefore did not review this item.

Background

- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submitted at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring Capital Improvement Plan approval.

Project Justification/Description/Scope

- U of A will be addressing a tech refresh and network modernization to provide a secure, reliable, high-performance network that supports teaching, research, and university operations campus-wide. The project will address aging technology, improve connectivity and resilience and establish a capable structure to support future growth and emerging technologies.

Project Delivery Method and Process

- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals or other consultants will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main Tucson campus and will impact every building with the upgrades.

- The construction cost for this project is $15,000,000 and the total project cost is $17,610,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	**University**	**Total Project Budget**	**Project GSF**	**Total $/GSF**	**Constr. $/GSF**
IT Network and Classroom Tech Upgrades	University of Arizona	$6,000,00	N/A	N/A	N/A

Fiscal Impact and Financing Plan

- U of A plans to finance $17,610,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $1,100,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.

- U of A will:
  (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
  (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
  (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.04 percent, excluding SPEED projects, and 0.04 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers and there will be no network disruption.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.
- Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.
- Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.
- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.

Contact Information:

Richard Cate, U of A rcate1@arizona.edu 520-621-5977

U of A
Capital Project Information Summary
FY 2027 Campus Technology Modernization

Project Description / Location:
This project will address campus-wide technology modernization at various buildings.

FY 2027 Annual Capital Plan
October 2026

Project Schedule (Beginning Month/Year):	
Planning	N/A
Design	N/A
Construction	Oct 2026
Occupancy	June 2028

Project Budget:	
Total Project Cost	$17,610,000
Total Project Cost per GSF	N/A
Direct Construction Cost	$ 15,000,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	

Funding Sources:

Capital:	
• System Revenue Bonds	$17,610,000
• Institutional Funds	$0
Operation/Maintenance:	N/A

University of Arizona
Capital Project Budget Summary
FY 2027 Campus Technology Modernization

				FY 2026 Annual Capital Plan
Date of Budget Estimate				Oct 2026
1.	Land		$	
2.	Construction Cost			
	A.	New Construction	$	
	B.	Renovation	$	
	C.	Fixed Equipment	$	15,000,000
	D.	Site Development (exclude 2.E.)	$	
	E.	Parking & Landscaping	$	
	F.	Utilities Extensions	$	
	G.	Other (asbestos only)	$	
	Subtotal Construction Cost		**$**	**15,000,000**
3.	Consultant Fees			
	A.	Construction Manager	$	
	B.	Architect/Engineering Fees	$	
	C.	Other (Programming, Special Consult.)	$	1,000,000
	Subtotal Consultant Fees		**$**	**1,000,000**
4.	Furniture Fixtures and Equipment		$	610,000
5.	Contingency, Design Phase		$	500,000
6.	Contingency, Construction Phase		$	
7.	Parking Reserve		$	
8.	Telecommunications Equipment		$	500,000
	Subtotal Items 4-8		**$**	**1,610,000**
9.	Additional University Costs			
	A.	Surveys and Tests	$	
	B.	Move-in Costs	$	
	C.	Public Art	$	
	D.	Printing/Advertisement	$	
	E.	Univ. Facilities & Project Management	$	
	F.	State Risk Mgt. Ins	$	
	Subtotal Additional University Costs		$	
TOTAL CAPITAL COST			**$**	**17,610,000**

U of A
Project Site Location Map
FY 2027 Campus Technology Modernization

This project will encompass various buildings campus-wide.

EXECUTIVE SUMMARY ITEM – ACTION ITEM

ITEM X.X: Request for Approval of Individual Project and Financing for Research Facility Modernization Project for University of Arizona, Including Waiver of ABOR Policy 7-102 Requiring Committee Review

Requested Action: University of Arizona asks the board for individual project and financing approval of its Research Facility Modernization Project, including waiver of ABOR Policy 7-102 requiring committee review, as described in this executive summary. The $52.32 million major capital project will be financed with system revenue bonds. The debt service will be paid over 25 years from retained tuition funds.

Committee Review and Recommendation
The University Governance and Operations Committee did not meet in September and therefore did not review this item.

Background
- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope
- U of A will address aging research facilities by modernizing existing laboratory spaces to better support current and future academic and research needs, while upgrading mechanical, electrical, and plumbing infrastructure.

- The projects will be implemented in phases across multiple buildings on campus to minimize disruption to ongoing research. Key aspects of the renovations include:

    - Replacement of outdated laboratory equipment and supporting utility infrastructure to accommodate current needs and future growth.
    - Modernization of laboratory interiors, including finishes, casework, and workstations.
    - Reconfiguration of spaces to support flexible teaching methods and collaborative research.
    - Upgrades to life safety systems, accessibility, and code compliance.
    - Enhancements to technology and building automation systems.

Project Delivery Method and Process
- All projects will follow State contracts that have been competitively bid or requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main campus and will impact various building locations.

- The construction cost for this project is $44,472,000 and the total project cost is $52,320,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	**University**	**Total Project Budget**	**Project GSF**	**Total $/GSF**	**Constr. $/GSF**
Vet Sciences (Bldg 90) MEP Renovation	University of Arizona	$18,084,816	62,265	$290.44	$232.35
Chemistry Building Renovation/Expansion	University of Arizona	$70,000,000	76,000	$906	$609

Fiscal Impact and Financing Plan

- U of A plans to finance $52,320,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $3,4000,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and has existing capacity to cover this project.

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.

- U of A will:
  (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
  (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and

(d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.11 percent excluding SPEED projects, and 0.11 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruption.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.

- Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.

- Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.

- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.

Contact Information:

Richard Cate, U of A rcate1@arizona.edu 520-621-5977

U of A
Capital Project Information Summary
FY 2027 Research Facility Modernization

Project Description / Location:
This project will address campus-wide research building modernization at various locations.

FY 2027 Annual Capital Plan
September 2026

Project Schedule (Beginning Month/Year):

Planning	October 2026
Design	March 2027
Construction	October 2027
Occupancy	June 2028

Project Budget:

Total Project Cost	$ 52,320,000
Total Project Cost per GSF	N/A
Direct Construction Cost	$ 44,472,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	

Funding Sources:

Capital:	
• System Revenue Bonds	$52,320,000
• Institutional Funds	$0
Operation/Maintenance:	N/A

University of Arizona
Capital Project Budget Summary
FY 2027 Research Facility Modernization

Date of Budget Estimate			FY 2026 Annual Capital Plan Sept 2026
1.	Land		$
2.	Construction Cost		
	A.	New Construction	$
	B.	Renovation	$ 44,472,000
	C.	Fixed Equipment	$
	D.	Site Development (exclude 2.E.)	$
	E.	Parking & Landscaping	$
	F.	Utilities Extensions	$
	G.	Other (asbestos only)	$
	Subtotal Construction Cost		**$ 44,472,000**
3.	Consultant Fees		
	A.	Construction Manager	$ 390,000
	B.	Architect/Engineering Fees	$ 1,170,000
	C.	Other (Programming, Special Consult.)	$ 545,000
	Subtotal Consultant Fees		**$ 2,105,000**
4.	Furniture Fixtures and Equipment		$ 2,380,000
5.	Contingency, Design Phase		$ 470,000
6.	Contingency, Construction Phase		$ 2,343,000
7.	Parking Reserve		$
8.	Telecommunications Equipment		$
	Subtotal Items 4-8		**$ 5,193,000**
9.	Additional University Costs		
	A.	Surveys and Tests	$
	B.	Move-in Costs	$
	C.	Public Art	$
	D.	Printing/Advertisement	$
	E.	Univ. Facilities & Project Management	$ 315,000
	F.	State Risk Mgt. Ins	$ 235,000
	Subtotal Additional University Costs		**$ 550,000**
TOTAL CAPITAL COST			**$ 52,320,000**

U of A
Project Site Location Map
FY 2027 Research Facility Modernization

This project will encompass various buildings campus-wide.

EXECUTIVE SUMMARY ITEM – ACTION ITEM

ITEM X.X: Request for Approval of Individual Project and Financing for Campus Safety & Sustainability Initiative Project for University of Arizona, Including Waiver of ABOR Policy 7-102 Requiring Committee Review

Requested Action: University of Arizona asks the board for individual project and financing approval of its Campus Safety & Sustainability Initiative Project, including waiver of ABOR Policy 7-102 requiring committee review, as described in this executive summary. The $15 million major capital project will be financed with system revenue bonds. The debt service will be paid over 25 years from retained tuition funds.

Committee Review and Recommendation
The University Governance and Operations Committee did not meet in September and therefore did not review this item.

Background
- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope
- U of A will address safety and sustainability campus-wide through numerous initiatives led by the Office of Public Safety and the Office of Sustainability. The following project initiatives have been identified, but are not limited to:

  - Modernize fragmented legacy video management, security cameras, access control, and alarm systems, leveraging existing technology investments wherever possible.
  - Establish a modern, scalable, integrated security infrastructure that supports real-time situational awareness and coordinated public safety operations.
  - Improve campus safety and operational efficiency through enhanced system interoperability, advanced analytics, and automation.
  - Create a flexible foundation for future security technology by enabling efficient system integrations.
  - Prioritize sustainability projects within the campus master plan, including water conservation measures, lighting retrofits, fume hood modernization, HVAC and building automation upgrades, and other energy-efficiency improvements that reduce utility consumption.

Project Delivery Method and Process
- All projects will follow State contracts that have been competitively bid including requests for proposals, as appropriate, with cost being one of the evaluation

components. In-house personnel will oversee all projects. Outside design professionals will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main campus and will impact various building locations.

- The construction cost for this project is $12,750,000 and the total project cost is $15,000,000.
-
- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	**University**	**Total Project Budget**	**Project GSF**	**Total $/GSF**	**Constr. $/GSF**
N/A	University of Arizona	N/A	N/A	N/A	N/A

Fiscal Impact and Financing Plan

- U of A plans to finance $15,000,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $1,000,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and has existing capacity to cover this project.

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.

- U of A will:
  (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
  (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
  (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters

procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.03 percent, excluding SPEED projects, and 0.03 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruption.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.
- Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.
- Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.
- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.

Contact Information:

Richard Cate, U of A rcate1@arizona.edu 520-621-5977

U of A
Capital Project Information Summary
FY 2027 Campus Safety and Sustainability Initiative

Project Description / Location:
This project will address the entire campus through enhanced public safety and sustainability initiatives.

	FY 2027 Annual Capital Plan October 2026
Project Schedule (Beginning Month/Year):	
Planning	October 2026
Design	March 2027
Construction	September 2027
Occupancy	June 2028
Project Budget:	
Total Project Cost	$ 15,000,000
Total Project Cost per GSF	N/A
Direct Construction Cost	$12,750,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	
Funding Sources:	
Capital:	
• System Revenue Bonds	$15,000,000
• Institutional Funds	$0
Operation/Maintenance:	N/A

University of Arizona
Capital Project Budget Summary
FY 2027 Campus Safety and Sustainability Initiative

Date of Budget Estimate				FY 2026 Annual Capital Plan Sept 2026
1.	Land		$	
2.	Construction Cost			
	A.	New Construction	$	
	B.	Renovation	$	12,750,000
	C.	Fixed Equipment	$	
	D.	Site Development (exclude 2.E.)	$	
	E.	Parking & Landscaping	$	
	F.	Utilities Extensions	$	
	G.	Other (asbestos only)	$	
	Subtotal Construction Cost		**$**	**12,750,000**
3.	Consultant Fees			
	A.	Construction Manager	$	110,000
	B.	Architect/Engineering Fees	$	335,000
	C.	Other (Programming, Special Consult.)	$	155,000
	Subtotal Consultant Fees		**$**	**600,000**
4.	Furniture Fixtures and Equipment		$	685,000
5.	Contingency, Design Phase		$	135,000
6.	Contingency, Construction Phase		$	670,000
7.	Parking Reserve		$	
8.	Telecommunications Equipment		$	
	Subtotal Items 4-8		**$**	**1,490,000**
9.	Additional University Costs			
	A.	Surveys and Tests	$	
	B.	Move-in Costs	$	
	C.	Public Art	$	
	D.	Printing/Advertisement	$	
	E.	Univ. Facilities & Project Management	$	90,000
	F.	State Risk Mgt. Ins	$	70,000
	Subtotal Additional University Costs		$	**160,000**
TOTAL CAPITAL COST			**$**	**15,000,000**

U of A
Project Site Location Map
FY 2027 Campus Safety & Sustainability Initiative

This project will encompass various buildings campus-wide.

EXECUTIVE SUMMARY ITEM – ACTION ITEM

ITEM X.X: Request for Approval of Individual Project and Financing for Student Life, Culture, and Learning Experience Project for University of Arizona, Including Waiver of ABOR Policy 7-102 Requiring Committee Review

Requested Action: University of Arizona asks the board for individual project and financing approval of its Student Life, Culture, and Learning Experience Project, including waiver of ABOR Policy 7-102 requiring committee review, as described in this executive summary. The $21.02 million major capital project will be financed with system revenue bonds, grant funds and institutional funds. The debt service will be paid over 25 years from retained tuition funds.

Committee Review and Recommendation
The University Governance and Operations Committee did not meet in September and therefore did not review this item.

Background
- No previous board action has been taken. This project has been included in the Annual Capital Plan (ACP) submittal at this meeting. As part of the ACP submittal, the University of Arizona (U of A) is requesting a waiver of ABOR Policy 7-102.B.2.a.(ii) requiring prior Capital Improvement Plan approval.

Project Justification/Description/Scope
- U of A will address facilities and modernize student spaces, cultural venues, and classrooms to enhance the student experience and quality of life on campus. By investing in three different types of spaces, U of A will modernize existing facilities and create opportunities for a more well-rounded and enhanced experience throughout students' time at the university.

    - **Student Spaces:** Remodel student gathering spaces where students can gather, eat, stay active, and collaborate with their peers, promoting a healthy balance between academic and social life.
    - **Cultural Venues:** Upgrade museums, galleries, and other cultural facilities to enhance the experience for both students and the broader community.
    - **Classroom Modernization:** Upgrade and modernize outdated classrooms and infrastructure to align with evolving teaching and learning styles, creating an environment conducive to student success.

Project Delivery Method and Process
- All projects will follow State contracts that have been competitively bid, including requests for proposals, as appropriate, with cost being one of the evaluation components. In-house personnel will oversee all projects. Outside design professionals

will be used, as needed.

Project Status and Schedule

- Project construction is scheduled to commence during October 2026 and will be completed during June 2028.

Project Cost

- The project encompasses the entire main (Tucson) campus and Phoenix Bioscience Core Campus, and will impact various building locations.

- The construction cost for this project is $17,867,000 and the total project cost is $21,020,000.

- Comparable similar previously approved projects:

Comparable Similar Previously Approved Projects					
Project	**University**	**Total Project Budget**	**Project GSF**	**Total $/GSF**	**Constr. $/GSF**
Modern Languages Classroom	University of Arizona	$3,600,000	4,754	$757.26	$643.69
Bolo Cafe, HSIB	University of Arizona	$5,810,346	3,705	$1,568.24	$1,348.37

Fiscal Impact and Financing Plan

- U of A plans to finance $20,070,000 for the project using System Revenue Bonds (SRBs). The annual debt service on the SRBs is estimated to be $1,300,000 based on a conservative budget of 5 percent interest rate for a 25-year maturity. The University plans to use retained tuition to pay the debt service. This source funds debt service on other capital projects and have existing capacity to cover this project.

- The remaining $950,000 will be paid for with $550,000 in institutional sources and $400,000 in grant funds.

- The Operations and Maintenance (O&M) cost for the project is already included in the University's current budget.

- U of A will:
  (a) issue one or more series of SRBs to finance the project, costs of issuance and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
  (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;

(c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements; and
(d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and issued on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.

- **Debt Ratio Impact:** The debt service associated with this project will increase the debt ratio by 0.04 percent, excluding SPEED projects, and 0.04 percent including SPEED projects. The current debt ratio prior to this project is 3.18 percent.

Occupancy Plan

- Work will be coordinated with building managers to minimize occupancy disruptions.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.B.4, each university shall submit an individual project and financing plan.

- Individual project and financing plans are reviewed by the University Governance and Operations Committee and approved by the board.

- Approval of the individual project and financing plan authorizes the university to proceed with financing and execution of construction contracts for the project.

- Pursuant to ABOR Policy 7-102.D, a university may request a waiver of ABOR Policy 7-102 as long as it is in the best interest of the university and it complies with applicable state laws.

Contact Information:

Richard Cate, U of A rcate1@arizona.edu 520-621-5977

U of A
Capital Project Information Summary
FY 2027 Student Life, Culture, and Learning Experience

Project Description / Location:
This project will modernize buildings campus-wide, focusing on student experience.

	FY 2027 Annual Capital Plan October 2026
Project Schedule (Beginning Month/Year):	
Planning	October 2026
Design	March 2027
Construction	October 2027
Occupancy	June 2028
Project Budget:	
Total Project Cost	$ 21,020,000
Total Project Cost per GSF	N/A
Direct Construction Cost	$ 17,867,000
Construction Cost per GSF	N/A
Change in Annual Oper./Maint. Cost	N/A
Utilities	
Personnel	
Other	
Funding Sources:	
Capital:	
• System Revenue Bonds	$20,070,000
• Institutional Funds	$550,000
• Grant Funds	$400,000
	N/A
Operation/Maintenance:	

University of Arizona
Capital Project Budget Summary
FY 2027 Student Life, Culture, and Learning Experience

Date of Budget Estimate				FY 2026 Annual Capital Plan Sept 2026
1.	Land		$	
2.	Construction Cost			
	A.	New Construction	$	
	B.	Renovation	$	17,867,000
	C.	Fixed Equipment	$	
	D.	Site Development (exclude 2.E.)	$	
	E.	Parking & Landscaping	$	
	F.	Utilities Extensions	$	
	G.	Other (asbestos only)	$	
	Subtotal Construction Cost		**$**	**17,867,000**
3.	Consultant Fees			
	A.	Construction Manager	$	163,000
	B.	Architect/Engineering Fees	$	470,000
	C.	Other (Programming, Special Consult.)	$	220,000
	Subtotal Consultant Fees		**$**	**853,000**
4.	Furniture Fixtures and Equipment		$	955,000
5.	Contingency, Design Phase		$	185,000
6.	Contingency, Construction Phase		$	940,000
7.	Parking Reserve		$	
8.	Telecommunications Equipment		$	
	Subtotal Items 4-8		**$**	**2,080,000**
9.	Additional University Costs			
	A.	Surveys and Tests	$	
	B.	Move-in Costs	$	
	C.	Public Art	$	
	D.	Printing/Advertisement	$	
	E.	Univ. Facilities & Project Management	$	125,000
	F.	State Risk Mgt. Ins	$	95,000
	Subtotal Additional University Costs		$	**220,000**
TOTAL CAPITAL COST			**$**	**21,020,000**

U of A
Project Site Location Map
FY 2027 Student Life, Culture, and Learning Experience

This project will encompass various buildings campus-wide.

11

STATE OF ARIZONA

Joint Committee on Capital Review

STATE SENATE

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DATE: November 13, 2026

TO: Members of the Joint Committee on Capital Review

FROM: Rowdy Roberson, Economist

SUBJECT: Arizona State Lottery Commission - Review of FY 2027 Building Renewal Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona State Lottery Commission requests the Committee review its FY 2027 Building Renewal Allocation Plan. The FY 2027 Capital Outlay Bill appropriated $100,000 from the Lottery Fund to the Commission in FY 2027 for capital improvement 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 Arizona State Lottery Commission is requesting a review of its $100,000 FY 2027 Building Renewal appropriation expenditure plan.
2) The Commission will use the funds to replace 8 heat pumps in its primary operational facility, located in Phoenix.

Analysis

The Commission primarily operates out of a 38,500 square foot state-owned building in Phoenix. The Commission plans to spend $100,000 from the State Lottery Fund to replace 8 heat pumps at the end of their operational life in the main Phoenix facility.

The Phoenix building has a total of 42 heat pumps that help provide air conditioning to the building. The Commission reports that pumps typically need to be replaced every 15 years. There are 11 pumps between 13 and 16 years old that the Commission reports are malfunctioning and need to be replaced.

The Commission proposes replacing 8 of them with energy-efficient units that will require less frequent repairs, thus reducing maintenance costs in the future.

RR:jbu

Katie Hobbs
Governor

Alec Esteban Thomson
Executive Director

November 9, 2026



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

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

Subject: JCCR Agenda Request

Dear Representative Livingston and Senator Farnsworth:

The Arizona Lottery respectfully requests placement on the next JCCR meeting agenda to review the Lottery's FY27 Building Renewal Allocation Plan.

A.R.S. 41-1252 requires Committee review of the expenditure plans for building renewal monies.

Information for this item is attached.

Sincerely,

Alec Thomson
Alec Thomson (Nov 9, 2026 20:55:36 MST)

Alec E. Thomson
Executive Director

Attachment

cc: Richard Stavneak, Director, JLBC jlbcwebmaster@azleg.gov
Ben Henderson, Director, OSPB bhenderson@az.gov
Ben Newcomb, JLBC bnewcomb@azleg.gov
Zach Hughes, OSPB zhughes@az.gov

Arizona Lottery – Building Renewal Funds
FY27 Allocation Plan

Background

The Arizona Lottery currently operates out of three facilities – a 38,500 sq. ft. building in Phoenix owned by the State of Arizona, a 3,398 sq. ft. building leased in Tucson, and a 906 sq. ft. leased Kingman location housed within a local Walmart. The Phoenix facility includes administrative offices as well as a ticket sales and redemption area. The Tucson and Kingman offices provide ticket sales and redemption services. This plan provides information on proposed maintenance expenses for the Phoenix facility.

Allocation

As part of the FY27 approved budget, the Lottery received a capital outlay appropriation of $100,000 from the Lottery Fund for building renewal purposes.

FY27 Capital Outlay/Building Renewal Allocation:	$100,000
Proposed FY27 Expenditure	
Replace HVAC Units (8)	$100,000

Cost estimates were either supplied by state-contracted vendors or provided by ADOA. All projects are funded from the Lottery Fund - no General Funds monies will be expended.

1. Replace Eight Heat Pumps - $100,000

The Lottery Phoenix office building has a total of 42 heat pump units that condition the air in individual zones throughout the building, which are nearing the end of their operational lifespan. Thirty-one of the units were last replaced in 2013; the remaining units were replaced several years earlier (approximately 2010), exceeding their 15-year lifespan.

The Lottery planned to replace four units in the FY25 allocation plan, but was only able to replace two due to cost increases between timing of the original quotes and allocation plan approval. The remaining two units still require replacement along with an additional nine units. All eleven units range from 13 to 16 years old and continue to have leaks and/or faulty TXV/metering devices. The units are installed in a T-grid ceiling, making diagnosis and repair costs prohibitive. These heat pumps are at the end of their useful life and should be replaced.

Proposed Solution

Replace eight of the eleven existing building heat pumps with more energy-efficient units that will require less frequent repairs.

Principal Benefits

The principal benefits include more reliable equipment and reduced operational impact caused by system failures. Furthermore, maintenance costs will be reduced due to more energy-efficient units and fewer repairs.