

STATE OF ARIZONA

Joint Committee on Capital Review

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JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, November 20, 2007

1:30 p.m.

Senate Appropriations Room 109

MEETING NOTICE

- Call to Order
- [Approval of Minutes of October 18, 2007.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. UNIVERSITY OF ARIZONA
 - A. [Review of West Stadium Renovations for the Laboratory of Tree-Ring Research Bond Project.](#)
 - B. [Review of Hazardous Waste Facility Enclosure Bond Project.](#)
 - C. [Review of Student Recreation Center Expansion Bond Project.](#)
- 2. [ARIZONA STATE LOTTERY COMMISSION - Review of FY 2008 Building Renewal Allocation Plan.](#)
- 3. ARIZONA DEPARTMENT OF ADMINISTRATION
 - A. [Review of the Department of Juvenile Corrections HVAC and Electrical Upgrades.](#)
 - B. [Consider Recommending Rent Deferment for the Naturopathic Physicians Board of Medical Examiners.](#)
- 4. [ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2008 Building Renewal Allocation Plan.](#)
- 5. [ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of Coliseum Roof Repair Expenditure Plan.](#)

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

11/13/07

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

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

Thursday, October 18, 2007

The Chairman called the meeting to order at 1:45 p.m., Thursday, October 18, 2007 in Senate Appropriations Room 109. The following were present:

Members:	Senator Burns, Chairman Senator Aboud Senator Johnson Senator Verschoor Senator Waring	Representative Pearce, Vice-Chairman Representative Groe Representative Kavanagh Representative Lujan
Absent:	Senator Aguirre Senator Arzberger	Representative Boone Representative Lopes Representative Schapira

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman Robert Burns stated the minutes of August 16, 2007 would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION - Review of the Arizona Department of Corrections Door and Lock Replacement Plan.

Mr. Martin Lorenzo, JLBC Staff, presented the review of the Arizona Department of Administration's (ADOA) door and lock replacement plan for the Arizona Department of Corrections (ADC). Beginning in FY 2002, \$1 million was appropriated to conduct an assessment of the door and lock replacement needs through the prison system. At that time, the estimated total cost was approximately \$38 million. The assessment included replacement of doors, locks and monitoring panels throughout the prison system, and address issues such as equipment that exceeded its useful life or pose significant security risks.

To begin the replacement process, ADOA was appropriated \$5.2 million in FY 2007. Since the appropriation, ADOA has updated a portion of the assessment and issued a solicitation, of which 5 bidders responded and the lowest bidder was selected. The JLBC Staff recommends a favorable review for the use of \$5.2 million over the next 14 months to replace 408 doors and locks, as well as a control panel at the Arizona State Prison Complex Tucson Rincon Unit. ADOA was appropriated \$5.2 million in FY 2008; Committee review of these monies will be done at a later date.

Discussion ensued on this item.

Representative Pearce moved that the Committee give a favorable review as recommended by JLBC Staff to the Arizona Department of Administration Door and Lock Replacement Plan at the Arizona State Prison Complex Tucson, Rincon Unit. The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION –

A. Review of FY 2008 Building Renewal Allocation Plan.

Mr. Bob Hull, JLBC Staff, presented the review of the Arizona Department of Transportation (ADOT) FY 2008 Building Renewal allocation plan. The plan totals \$3.9 million, including \$3.8 million from the State Highway Fund and the remainder from the State Aviation Fund. A table on page 2 of the JLBC memo lists the major categories for 215 projects. The second table on the page shows 13 State Highway Fund projects costing \$50,000 or more. The JLBC Staff recommends that the Committee give a favorable review of the plan with the standard provisions as listed on page 1.

There was no discussion on this item.

Representative Pearce moved that the Committee give a favorable review to the ADOT FY 2008 Building Renewal allocation plan with the following provisions:

- *ADOT report to JLBC Staff any allocations for FY 2008 projects from the \$141,100 contingency amount. JLBC Staff will report to the Committee on significant allocations, typically those above \$50,000.*
- *ADOT submit any new projects for Committee review prior to implementing.*
- *ADOT submit any project reallocations above \$100,000 for Committee review.*

The motion carried.

B. Report on 5-Year Transportation Program.

Mr. Bob Hull, JLBC Staff, provided a handout (*Attachment A*) outlining the presentation of ADOT's 5-Year Transportation Program. Since the full Legislature neither appropriates the entire funding for the 5-year program nor approves the individual projects, the Committee has traditionally requested information on the program to ensure some legislative oversight. Over the years, the Committee has requested that ADOT include an Executive Summary of the program, a progress report on congestion performance measures and maps of congested highway segments. JLBC recommendations to further legislative oversight of the 5-year program are listed on page 2 of the memo.

Discussion ensued on this item.

Ms. Melissa Wynn, Budget Director, ADOT, responded to member questions.

Representative Pearce moved that the Committee adopt the highway congestion performance measures for FY 2008 and request that:

1. *ADOT provide an Executive Summary of its 5-Year Transportation Facilities Construction Program for FY 2009-FY 2013, due by July 31, 2008. The Executive Summary should include all the information and tables submitted this year, plus a narrative description of how much of the estimated \$500 million of additional bonding capacity from 30 year highway bonds is included in the FY 2009-FY 2013 highway program.*
2. *ADOT report to the Committee on spending plans for the \$62 million appropriated to the Statewide Transportation Acceleration Needs (STAN) Account of the State Highway Fund in FY 2008 by December 15, 2007.*

The motion carried.

The Committee also asked that ADOT provide additional information for the following items:

3. What is the dollar amount and current status of the projects funded from the \$307 million deposit to the STAN Account in FY 2007?
4. What is the current status, estimated completion date, and total cost and funding sources for the Kingman US 93 – Hoover Dam Bypass project?
5. How much of the Highway 5-year program and Aviation 5-year program revenues are from Maricopa County? How much of the Highway 5-year program and Aviation 5-year program expenditures are for projects in Maricopa County?

SCHOOL FACILITIES BOARD - Review of FY 2008 Building Renewal Distributions.

Ms. Leatta McLaughlin, JLBC Staff, presented the School Facilities Board (SFB) FY 2008 Building Renewal allocation plan. By statute, the Committee must review the allocation plan prior to the distribution of monies to the school districts. SFB, by statute, is to distribute the monies in 2 equal installments in November 2007 and May 2008. In FY 2008, SFB was appropriated \$86.3 million in Building Renewal money. Each district submits to SFB their 3-year Building Renewal plan before they can receive Building Renewal monies. To date, SFB has received 101 district plans.

A bill was passed in the past session which stated that a district must first spend Building Renewal monies on primary projects, then secondary projects. Primary projects are associated with instructional space and that fall below the minimum adequacy guidelines. Secondary project are all other projects.

Discussion ensued on this item.

Mr. John Arnold, Executive Director, School Facilities Board, responded to member questions.

Representative Kavanagh moved that the Committee give a favorable review to the proposed distribution of FY 2008 Building Renewal Fund monies in 2 equal installments of \$43.1 million in November 2007 and May 2008.
The motion carried.

Without objection, the meeting adjourned at 2:30 p.m.

Respectfully submitted:

Yvette Medina, Secretary

Leatta McLaughlin, Fiscal Analyst

Senator Robert Burns, Chairman

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

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DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Leah Ruggieri, Fiscal Analyst

SUBJECT: University of Arizona – Review of West Stadium Renovations for the Laboratory of Tree-Ring Research Bond Project

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA), on behalf of the Arizona Board of Regents (ABOR), requests Committee review of the \$3.2 million West Stadium Renovations for the Laboratory of Tree-Ring Research (LTRR) project. UA would finance this project with a total new revenue bond issuance of \$2.4 million and \$800,000 from Federal grants.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request with the following standard university financing provisions:

- UA shall report to the Committee before expenditure of any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that do not expand the scope of the project. UA shall also report to the Committee before any reallocation exceeding \$500,000 among the individual planned renovations, renewals, or extensions.
- UA shall submit for Committee review any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that expand the scope of the project. In case of an emergency, UA may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. JLBC Staff will inform the university if they do not concur with the emergency nature of the change in scope.
- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.

(Continued)

Analysis

The West Stadium renovations for the LTRR project will accommodate the growing size of the faculty and staff and the increasing sophistication of tree-ring science. The West Stadium building, located next to the UA Stadium, currently houses the LTRR project and the Athletics Department. The science of Dendrochronology (tree-ring) dating was invented at the UA to provide a method for dating Native American ruins and objects and has been used recently to track historical patterns in global climate change. The LTRR first located to the West Stadium 70 years ago and only minor improvements to the facilities have been made since that time.

The renovation project will occur in 2 phases and encompass 16,300 square-feet. In the first phase, 12,000 square-feet of space previously occupied by the University's Printing and Graphic Services Department will be renovated to include new lab space as well as office and administrative space. The second phase will renovate 4,300 square-feet of space currently occupied by the LTRR to include an additional lab and office space. Construction of phase 2 will begin after occupants move to the completed phase 1 space. Completion of the project will allow the LTRR to vacate the Mathematics East Building, allowing the freed up space to be used for the long-standing space needs of the Department of Mathematics. Construction will begin in May 2008 and conclude in September 2009.

UA anticipates that the project will have a direct construction cost of \$2.2 million. This includes \$1.9 million for the renovations and \$0.3 million for equipment and other costs. The total project cost also includes a \$312,000 contingency. *Table 1* below displays the construction and project costs associated with the West Stadium renovations alongside previous projects favorably reviewed by the JCCR in the past year, all of which also included the renovation of office and lab space. The total cost per-square-foot for the West Stadium renovation is \$196 and the direct construction cost per-square-foot is \$136, both of which fall within the range of per-square-foot costs for comparable projects.

Table 1			
University Renovation Projects			
Estimated per Square-Foot Costs			
Project	<u>Total Project Cost</u>	<u>Total Cost Per Square Foot</u>	<u>Direct Construction Cost Per Square Foot</u>
Academic Renovations & Deferred Maintenance Phase IIA	\$9,955,000	\$154/sf	\$120/sf
Nursing Backfill Renovation Project	\$8,000,000	\$164/sf	\$115/sf
West Stadium Renovations	\$3,200,000	\$196/sf	\$136/sf
Instructional/Research Laboratory Renovations	\$20,000,000	\$269/sf	\$202/sf

UA would contract this bond project using Construction Manager at Risk (CMAR). In CMAR, the university competitively selects a general contractor according to quality and experience. The general contractor manages a construction project, including the associated architect and other subcontractors, from design to completion. The general contractor chooses a qualified subcontractor for each trade based on price competition, selecting the lowest bid. Additionally, CMAR defines a guaranteed maximum price, after which the general contractor must absorb almost all cost increases except those caused by scope changes or unknown site conditions. Occasionally, in the case of substantial materials price inflation, a university will partially cover higher costs to maintain good contractor relations.

Financing

Total project cost for the LTRR renovation is \$3.2 million, of which \$800,000 will be funded by federal grants and \$2.4 million will be funded by system revenue bonds to be repaid with tuition collections. UA

(Continued)

anticipates issuing AAA rated system revenue bonds in the fall of 2007 with a 6% annual interest rate and a term of 25 years.

The university estimates an annual debt service of \$188,000, with a 25-year total of \$4.7 million. UA anticipates operating and maintenance costs of \$128,500 when the project is completed, and will cover these expenses from the university's Indirect Cost Recovery Fund.

A.R.S. § 15-1683 allows each state university to incur a projected annual debt service for bonds and certificates of participation of up to 8.0% of each institution's total projected annual expenditures. This calculation is known as the debt ratio. The \$2.4 million system revenue bond issuance would increase the UA debt ratio by 0.01% from 4.50% to 4.51%.

RS/LR:ym

Senior Vice President
for Business Affairs



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(520) 621-5977
FAX: (520) 621-7714

October 3, 2007

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
1716 W. Adams
Phoenix, AZ 85007

Dear Chairman Burns:

Subject: University of Arizona, West Stadium Renovations for the Laboratory of Tree-Ring Research (LTRR) Project

On behalf of the Arizona Board of Regents (ABOR), I respectfully request that the West Stadium Renovations for the Laboratory of Tree-Ring Research project for the University of Arizona be placed on the next available agenda for the Joint Committee on Capital Review.

The Arizona Board of Regents approved this project in the Capital Development Plan in June 2007. ABOR granted Project Implementation Approval and Project Approval at its September 2007 meeting. The Project Implementation Approval and Project Approval submittal are attached.

The West Stadium Renovations for the Laboratory of Tree-Ring Research project budget is \$3.2 million, which will be funded by \$800,000 in Federal grants and \$2.4 million in System Revenue Bonds to be supported by tuition.

The West Stadium Renovations for the Laboratory of Tree-Ring Research project are required due to the growing size of the faculty and staff and the sophistication of the science, which has placed extreme pressure on the existing LTRR facilities. This is a two-phase project to renovate approximately 16,300 gross square feet (gsf) of space.

The direct project construction cost per square foot of \$135.83 is well within the range of costs experienced on projects of similar nature when adjusted for inflation and scope. See below:

Cost Comparison of Other Buildings

Architecture Building Renovation	16,960 gsf	\$158
Old Main Renovations	15,882 gsf	\$240
Park Student Union Renovations & Expansion	50,814 gsf	\$158



Page 2

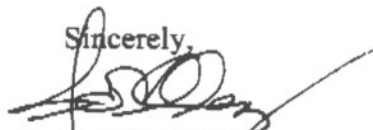
October 2, 2007

UA Laboratory of Tree-Ring Research Project

In light of significant and continuing construction cost escalations, the University has aggressively sought cost reductions through value engineering and careful scope analysis, and is endeavoring to award the construction contract as soon as possible. Following review by the JCCR, the design will be completed, and a Guaranteed Maximum Price (GMP) established, for an anticipated construction start in May 2008.

If you require additional information, please don't hesitate to call me at (520) 621-5977. Thank you for your assistance.

Sincerely,



Joel D. Valdez

Senior Vice President for Business Affairs

jc

Attachment

cc: President Robert Shelton
Joel Sideman
Greg Fahey
Lorenzo Martinez
Charles Ingram
Bob Smith

Board of Regents Meeting
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EXECUTIVE SUMMARY

ACTION ITEM: **West Stadium Renovations for the Laboratory of Tree-Ring Research: Combined Project Implementation Approval and Project Approval**

ISSUE: The University of Arizona requests combined Project Implementation Approval and Project Approval to renovate the West Stadium for the Laboratory of Tree-Ring Research, located at the northwest corner of Sixth Street and Cherry Avenue, in Tucson, Arizona.

PREVIOUS BOARD ACTIONS: Capital Development Plan (CDP): June 2007

PROJECT STATUS:

- The Laboratory of Tree-Ring Research (LTRR) moved into their "temporary quarters" in the West Stadium (Building No. 58) approximately 70 years ago. Since that time, only a very few minor room-by-room improvements have been made. The growing size of the faculty and staff, and the sophistication of the science, has combined to place extreme pressure on the LTRR existing facilities. The faculty has increased from seven to eleven full-time members in the past seven years. Two additional faculty joined the LTRR since January 2007; one is a joint professor with Geography, and the other is a federal scientist who is also an adjunct professor with LTRR. Both are now waiting for lab space in the proposed renovated part of the West Stadium.
- This is a two-phase project to renovate approximately 16,300 gross square feet (gsf) of space while the unit remains in operation.
- Phase 1 includes renovation of approximately 12,000 gsf of space already vacated by the University's Printing and Graphic Services Department. This space will provide the following: four new general-use shared laboratories and two new specialized laboratories; upgrade an existing shared wet laboratory; relocate the wood specimen processing shop from the Mathematics East Building into the LTRR main facility; provide offices for five principal investigators, six post-doctoral candidates, and ten graduate students; and relocate the department's main administrative office from the Phase 2 area to more adequate facilities in the Phase 1 renovation.

Contact: Joel D. Valdez (520) 621-5977
 Sr. Vice President for Business Affairs
 jdvaldez@u.arizona.edu

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EXECUTIVE SUMMARY

- Phase 2 includes renovation of approximately 4,300 gsf of space currently occupied by the LTRR. This space will provide the following: one additional specialized laboratory and office space for use by the co-located federal scientist; provide office space for two additional post-doctoral candidates; and relocate the department's multi-purpose meeting room from the Mathematics East Building into the LTRR main facility.
- These two phases comprise one single project. Construction of Phase 2 will begin immediately after the existing LTRR space is vacated, and after those occupants move into the completed Phase 1 space.
- The University intends to minimize the effect of escalating construction costs by beginning construction as soon as possible in spring of 2008. The project will be submitted for review by the Joint Committee on Capital Review (JCCR) in time for a fall 2007 bond sale.
- The approved total project budget is \$3.2 million. The project will be funded by \$800 thousand in federal grants, and \$2.4 million in System Revenue Bonds to be supported by tuition.
- The incremental debt ratio from annual debt service for this project is .01% State (ARS) and .01% ABOR. The projected highest debt ratio, including this project, is 5.3% State (ARS) and 7.89% ABOR.

PROJECT JUSTIFICATION:

- The Laboratory of Tree-Ring Research is one of the University's premier endeavors. The science of Dendrochronology (tree-ring dating) was invented here to provide a method for dating Native American ruins and objects. Its recent applications are now fundamental to the growing science of global climate change, providing an ability to accurately record past episodes and trends of warming and cooling and of wet and dry periods, as well as historical patterns in wildfires. The science of Carbon-14 dating was originally tested by comparison with the LTRR tree-ring record, and this record is now used to calibrate Carbon-14 dates for improved accuracy.
- The LTRR also retains a collection of more than two million physical tree-ring samples, ranging in size from cores the dimension of a pencil to sections of the oldest Giant Sequoias measuring 10 feet in diameter, and spanning a period of 3,200 years. There is no equal to this collection anywhere in the world.

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EXECUTIVE SUMMARY

- Dozens of scientists have and continue to perform ground-breaking research at the LTRR. Hundreds of visiting scholars have come to present and participate in colloquia, and to examine the tree-ring record available here. Untold numbers of scientists have used samples and data from the collections. The future value of this archive of world history may be even greater than it has already proven to be.
- The project conforms to ABOR space guidelines and complies with University missions and strategic plans.

ADDITIONAL CONSIDERATIONS:

- The project will be delivered utilizing the Construction Manager at Risk method. The Design Architect and Construction Manager at Risk selection processes are currently in progress.
- Completion of this project will allow the LTRR to release a portion of the space it occupies in the basement of the Mathematics East Building (No. 45). This space will be reassigned to the Department of Mathematics to address its long-standing space needs.

RECOMMENDATION/CONCLUSION:

RESOLVED: That the Board grants Project Implementation Approval and Project Approval to The University of Arizona for the West Stadium Renovations for the Laboratory of Tree-Ring Research.

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EXECUTIVE SUMMARY

Capital Project Information Summary

University: The University of Arizona

Project Name: Laboratory of Tree-Ring Research

Project Description/Location: Renovation of a portion of the West Stadium for use by the Laboratory of Tree-Ring Research, to consolidate laboratory, faculty offices, samples preparation, and administrative functions. The West Stadium is located at the northwest corner of Sixth Street and Cherry Avenue, Tucson, Arizona.

Project
 Implementation
 and Project
 Approval
Estimate
 September
 2007

Date of Board Action:

Project Scope:

Gross Square Feet (GSF)	16,300
Net Assignable Square Feet (NASF)	10,600
Efficiency Ratio [NASF/GSF]	65%
NASF by Space Type	
Laboratory	3,800
Faculty and Administrative Offices	4,500
Sample Preparation and Archives	600
Meeting Space	1,700

Project Schedule (Beginning Month/Year):

Planning	March 2006
Design	September 2007
Construction (Phase 1)	May 2008
Occupancy (Phase 2)	September 2009

Project Budget:

Total Project Cost	\$3,200,000
Direct Construction Cost	\$2,214,000
Total Project Cost per GSF	\$196.32
Construction Cost per GSF	\$135.83
Change in Annual Operation/Maintenance Cost	\$128,485

Funding Sources:

Capital:	
Federal Grant	\$ 800,000
System Revenue Bonds	\$2,400,000
TOTAL	\$3,200,000

Operation/Maintenance:

Indirect Cost Recovery	\$128,485
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EXECUTIVE SUMMARY

Capital Project Budget Summary

University: The University of Arizona

Project Name: Laboratory of Tree-Ring Research

Date of Budget Estimate	Project Implementation and Project Approval Estimate June 2007	
1. Land Acquisition	\$	0
2. Construction Cost		
A. New Construction		0
B. Renovation		1,895,000
C. Fixed Equipment		53,000
D. Site Development (exclude 2E)		0
E. Parking & Landscaping		0
F. Utilities Extensions		0
G. Other		67,000
H. Inflation Adjustment		199,000
Subtotal Construction Cost	\$	2,214,000
3. Consultant Fees		
A. Construction Manager		50,000
B. Architect/Engineering Fees		340,000
C. Other (Independent Cost Estimator, Programming)		20,000
Subtotal Consultant Fees	\$	410,000
4. Furniture, Fixtures & Equipment- Movable		0
5. Contingency, Design Phase		156,000
6. Contingency, Construction Phase		156,000
7. Parking Reserve		0
8. Telecommunications Equipment		54,000
Subtotal Items 4-8	\$	366,000
9. Additional University Costs		
A. Surveys and Tests		13,000
B. Move-in Costs		0
C. Public Art		0
D. Printing/Advertisement		13,000
E. Other (1)		167,000
F. State Risk Management Insurance		17,000
Subtotal Additional University Costs	\$	210,000
TOTAL CAPITAL COST	\$	3,200,000

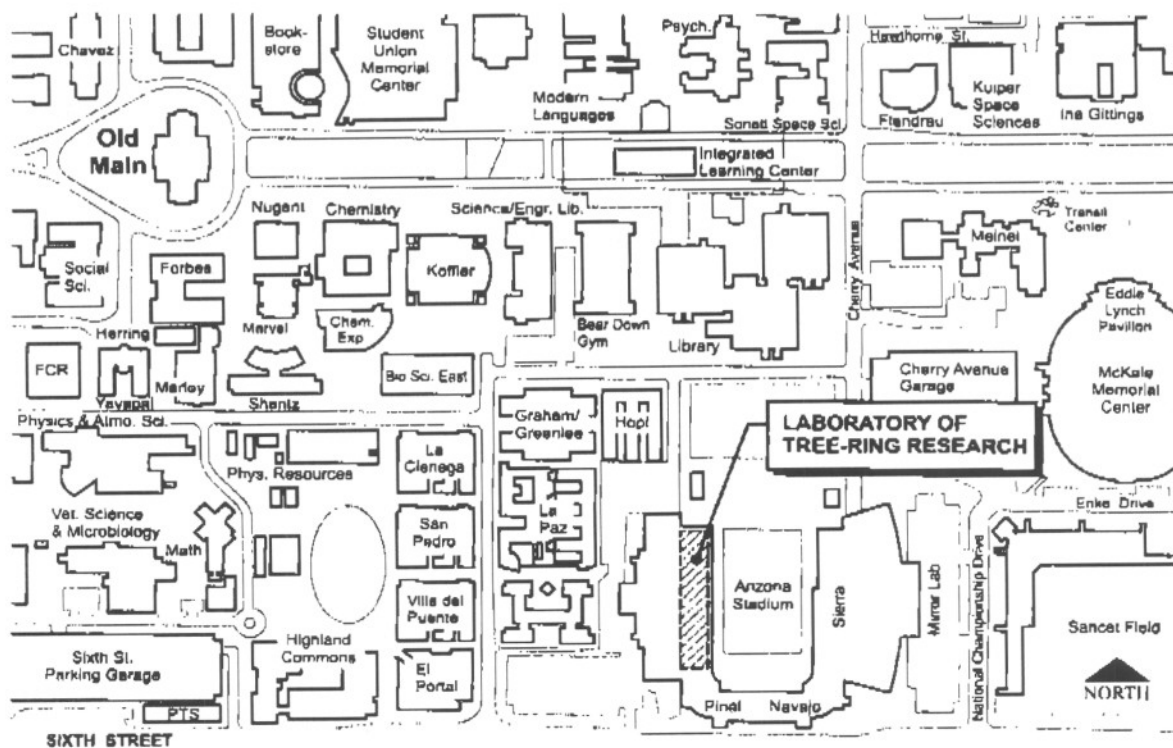
(1) Line 9E includes Project Management and Facilities Management costs

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EXECUTIVE SUMMARY

The Laboratory of Tree-Ring Research

Project Location Map



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DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Leah Ruggieri, Fiscal Analyst

SUBJECT: University of Arizona – Review of Hazardous Waste Facility Enclosure Bond Project

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA), on behalf of the Arizona Board of Regents (ABOR), requests Committee review of the \$2.8 million Hazardous Waste Facility Enclosure bond project.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request with the following standard university financing provisions:

- UA shall report to the Committee before expenditure of any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that do not expand the scope of the project. UA shall also report to the Committee before any reallocation exceeding \$500,000 among the individual planned renovations, renewals, or extensions.
- UA shall submit for Committee review any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that expand the scope of the project. In case of an emergency, UA may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. JLBC Staff will inform the university if they do not concur with the emergency nature of the change in scope.
- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.

(Continued)

Analysis

The UA's existing Hazardous Waste Facility was constructed in 1985 and is not designed to handle the quantity of hazardous waste currently generated by the university each year. Audits by the Environmental Protection Agency (EPA), Department of Public Safety (DPS), and ABOR have identified security concerns with the existing facility and what they consider to be inadequate climate and environmental controls for worker comfort and respiratory protection. To address these concerns, the UA proposes to build an enclosed 6,556 square-foot facility that is protected from the elements and provides environmental control and respiratory protection for workers. The facility will provide additional space for waste processing, segregated waste storage, analytical testing, supply storage, office support, and expansion space for future hazardous waste output. Construction of the facility will begin in March 2008 and conclude in January 2009.

UA anticipates the project will have a direct construction cost of \$1.8 million and a \$270,000 contingency. The total project cost per-square-foot is \$420, and the direct construction cost per-square-foot is \$269. These per-square-foot costs are not comparable to other university capital projects previously reviewed by the Committee, all of which primarily entail the construction and renovation of academic and research space. The UA notes that the direct construction cost per-square-foot is below that of somewhat comparable construction projects previously initiated at the campus, including the Strategic Alternative Learning Techniques (S.A.L.T.) Center, the Learning Services Building, and the McKale Athletic Performance Center and Heritage Hall.

UA would contract this bond project using Construction Manager at Risk (CMAR). In CMAR, the university competitively selects a general contractor according to quality and experience. The general contractor manages a construction project, including the associated architect and other subcontractors, from design to completion. The general contractor chooses a qualified subcontractor for each trade based on price competition, selecting the lowest bid. Additionally, CMAR defines a guaranteed maximum price, after which the general contractor must absorb almost all cost increases except those caused by scope changes or unknown site conditions. Occasionally, in the case of substantial materials price inflation, a university will partially cover higher costs to maintain good contractor relations.

Financing

Total project cost for the Hazardous Waste Facility Enclosure Bond Project is \$2.8 million and will be repaid with tuition collections. UA anticipates issuing AAA rated system revenue bonds in the fall of 2007 with a 6% annual interest rate and a term of 25 years.

The university estimates an annual debt service of \$215,000, with a 25-year total of \$5.4 million. UA anticipates an additional annual operating and maintenance cost of \$67,400 when the project is completed, and will request a General Fund appropriation to cover this additional cost.

A.R.S. § 15-1683 allows each state university to incur a projected annual debt service for bonds and certificates of participation of up to 8.0% of each institution's total projected annual expenditures. This calculation is known as the debt ratio. The \$2.8 million system revenue bond issuance would increase the UA debt ratio by 0.01% from 4.50% to 4.51%.

RS/LR:ym

Senior Vice President
for Business Affairs

THE UNIVERSITY OF
ARIZONA
TUCSON ARIZONA

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Tucson, Arizona 85721
(520) 621-5977
FAX: (520) 621-7714

October 3, 2007

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
1716 W. Adams
Phoenix, AZ 85007

Dear Chairman Burns:

Subject: University of Arizona, Hazardous Waste Facility Enclosure Project

On behalf of the Arizona Board of Regents (ABOR), I respectfully request that the Hazardous Waste Facility Enclosure Project for the University of Arizona be placed on the next available agenda for the Joint Committee on Capital Review.

The Arizona Board of Regents approved this project in the Capital Development Plan in June 2007. ABOR granted combined Project Implementation Approval and Project Approval in September 2007. The Project Implementation Approval and Project Approval submittal is attached.

The Hazardous Waste Facility Enclosure Project budget is \$2.754 million which will be funded by System Revenue Bonds to be supported by tuition. This facility will provide space for waste processing, segregated waste storage, analytical testing, supply storage, and office support; and requires specialized independent, third party testing and certification consultants to assist with state and federal permitting requirements. The direct project construction cost per square foot of \$269 is well within the range of costs experienced on projects of similar nature when adjusted for inflation and scope. See below:

Cost Comparison of Other Buildings

S.A.L.T. Center	16,100 gsf	\$281
Learning Services Building	25,750 gsf	\$300
McKale Athletic Performance Center and Heritage Hall	52,910 gsf	\$341*

** Includes a 10% adjustment for scope complexity*



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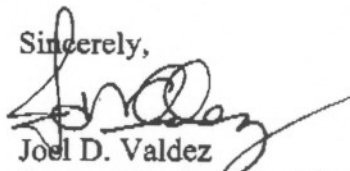
October 2, 2007

UA Hazardous Waste Facility Enclosure Project

In light of significant and continuing construction cost escalations, the University has aggressively sought cost reductions through value engineering and careful scope analysis, and is endeavoring to award the construction contract as soon as possible. Following review by the JCCR the design will be completed, and a Guaranteed Maximum Price (GMP) established, for an anticipated construction start in March 2008.

If you require additional information, please don't hesitate to call me at (520) 621-5977.
Thank you for your assistance.

Sincerely,



Joel D. Valdez

Senior Vice President for Business Affairs

jc

Attachment

cc: President Robert Shelton
Joel Sideman
Greg Fahey
Lorenzo Martinez
Charles Ingram
Bob Smith

Capital Committee Meeting
September 5, 2007
Agenda Item #
The University of Arizona
Page 1 of 5

EXECUTIVE SUMMARY

ACTION ITEM: **Hazardous Waste Facility Enclosure: Combined Project Implementation Approval and Project Approval**

ISSUE: The University of Arizona requests combined Project Implementation Approval and Project Approval for the Hazardous Waste Facility Enclosure.

PREVIOUS BOARD ACTIONS: Capital Development Plan (CDP): June 2007

PROJECT STATUS:

- The University of Arizona generates approximately 100 tons of regulated hazardous waste annually from teaching and research laboratories, art studios, agricultural operations, and maintenance activities. As an Environmental Protection Agency (EPA) designated large quantity generator, the University manages these materials in the Hazardous Waste Facility under a Part B Storage Facility Permit.
- The existing Hazardous Waste Facility is a chain link fence enclosed concrete slab located within a brick walled compound. Constructed in 1985, it was not designed to handle the quantity of hazardous waste that is now generated each year by the University.
- This project will provide space for waste processing, segregated waste storage (for shipment), analytical testing, supply storage, and office support. The programmed space for waste processing and storage takes into consideration future increases in the University's hazardous waste output.
- The proposed facility will be 6,556 gross square feet (gsf) divided into two buildings on the site to accommodate future expansion of, and access to, surrounding facilities. These buildings will be enclosed and protected from the elements, be more secure than the existing facility, and provide environmental control and respiratory protection for workers. The project delivery method will be Construction Manager at Risk.
- The total approved budget is \$2.754 million. The project will be funded by System Revenue Bonds to be supported by tuition.
- The University intends to minimize the effect of escalating construction costs by beginning construction as soon as possible in the spring of 2008. The project will be submitted for review by the Joint Committee on Capital Review (JCCR) in time for a fall 2007 bond sale.

Contact: Joel D. Valdez (520) 621-5977
 Sr. Vice President for Business Affairs
 jvaldez@u.arizona.edu

Capital Committee Meeting
September 5, 2007
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Page 2 of 5

EXECUTIVE SUMMARY

- **Debt Ratio Impact:** The incremental debt ratio from annual debt service for this project is .01% State (A.R.S.) and .01% ABOR. The projected highest debt ratio, including this project, is 5.29% State (A.R.S.) and 7.88% ABOR.

PROJECT JUSTIFICATION:

- The added waste generated by the activities in the recently completed Medical Research, Keating, Chemistry, and Meinel buildings is already straining the facility's storage and processing capacity. Audits by several agencies (EPA, Arizona Department of Public Safety, and ABOR) have identified security concerns with the unenclosed nature of the existing facility's construction and its inadequate climate and environmental controls for worker comfort and respiratory protection. Completion of this project will provide a safe, secure facility with capacity for current and future hazardous waste processing and storage.
- The project conforms to ABOR space guidelines and complies with the University missions and strategic plans.

RECOMMENDATION/CONCLUSION:

RESOLVED: That the Board grants Project Implementation Approval and Project Approval to The University of Arizona for the Hazardous Waste Facility Enclosure.

Capital Committee Meeting
 September 5, 2007
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 The University of Arizona
 Page 3 of 5

EXECUTIVE SUMMARY

Capital Project Information Summary

University: The University of Arizona **Project Name:** Hazardous Waste Facility Enclosure

Project Description/Location: Enclose the Hazardous Waste Facility near the alignment of Lee Street and Cherry Avenue, Tucson, Arizona.

Date of Board Action: Project
 Implementation
 and Project
Approval
 September 2007

Project Scope:

Gross Square Feet (GSF)	6556
Net Assignable Square Feet (NASF)	4835
Efficiency Ratio [NASF/GSF]	73%
NASF by Space Type	
Waste Processing and Storage	3788
Office and Office Support	812
Analytical Lab	263
Other	496

Project Schedule (Beginning Month/Year):

Planning	May 2004
Design	July 2007
Construction	March 2008
Occupancy	January 2009

Project Budget:

Total Project Cost	\$2,754,000
Direct Construction Cost	\$1,764,000
Total Project Cost per GSF	\$420
Construction Cost per GSF	\$269
Change in Annual Operation/Maintenance Cost	\$67,407
Utilities	\$26,357
Personnel	\$33,131
Other	\$7,919

Funding Sources:

Capital:	
System Revenue Bonds	\$ 2,754,000
Operation/Maintenance:	
General Fund Appropriation	\$67,407

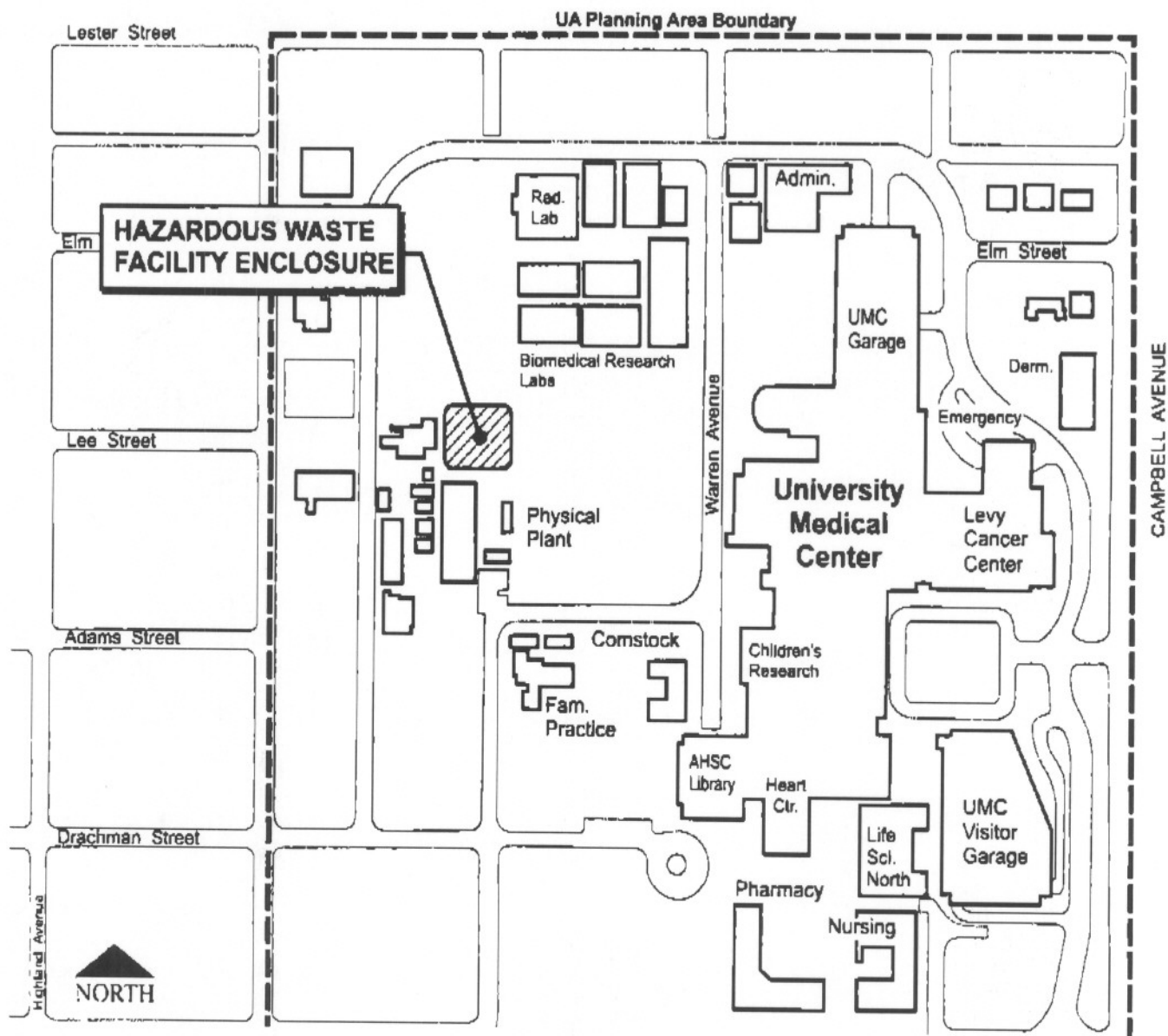
Capital Committee Meeting
 September 5, 2007
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 The University of Arizona
 Page 4 of 5

EXECUTIVE SUMMARY**Capital Project Budget Summary****University:** The University of Arizona**Project Name:** Hazardous Waste Facility
Enclosure

Date of Budget Estimate	PIA/PA Budget Estimate June 2007	Proposed Revised PIA/PA Budget Estimate Sept 2007	NOTES
1. Land Acquisition	\$	0	
2. Construction Cost			
A. New Construction	1,440,000	1,440,000	*Most recent construction estimate without escalation
B. Renovation		0	
C. Fixed Equipment	100,000	100,000	
D. Site Development (exclude 2E)		0	
E. Parking & Landscaping		0	
F. Utilities Extensions	50,000	50,000	
G. Other (asbestos)		0	
H. Inflation/ Market Adjustment (11%)	259,000	174,000	*\$85,000 escalation reduction in hope of favorable market conditions
Subtotal Construction Cost	\$ 1,849,000	1,764,000	
3. Consultant Fees			
A. Construction Manager (2%)	47,000	35,000	*\$12,000 reduction
B. Architect/Engineering Fees (12.5%)	234,000	220,000	*\$14,000 reduction on an unusual, complex project
C. Other (8%)	185,000	140,000	*\$45,000 reduction—for special independent permit, testing, certification for demo & const
Subtotal Consultant Fees	\$ 466,000	395,000	
4. Furniture Fixtures and Equipment	40,000	40,000	
5. Contingency, Design Phase (5%)	185,000	90,000	*\$100,000 reduction in design & const. contingencies in hope of minimal unknown conditions & regulatory agency changes
6. Contingency, Construction Phase (10%)	185,000	180,000	
7. Parking Reserve	57,000	57,000	
8. Telecommunications Equipment	46,000	46,000	
Subtotal Items 4-8	\$ 513,000	413,000	
9. Additional University Costs			
A. Surveys and Tests	14,000	14,000	
B. Move-in Costs	0	0	
C. Public Art	0	0	
D. Printing/Advertisement	14,000	14,000	
E. Other (1)	140,000	140,000	
F. State Risk Mgt. Ins	14,000	14,000	
Subtotal Additional University Costs	\$ 182,000	182,000	
TOTAL CAPITAL COST	\$ 3,010,000	2,754,000	*Total \$256,000 reduction

Capital Committee Meeting
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The University of Arizona
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EXECUTIVE SUMMARY



STATE OF ARIZONA

Joint Committee on Capital Review

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THAYER VERSCHOOR
JIM WARING

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REPRESENTATIVES

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CHAIRMAN 2008
TOM BOONE
TRISH L. GROE
JOHN KAVANAGH
PHIL LOPES
DAVID LUJAN
DAVID SCHAPIRA

DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Leah Ruggieri, Fiscal Analyst

SUBJECT: University of Arizona – Review of Student Recreation Center Expansion Bond Project

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. The University of Arizona (UA), on behalf of the Arizona Board of Regents (ABOR), requests Committee review of the \$27.6 million Student Recreation Center expansion project. UA would finance this project with a total new revenue bond issuance of \$26.1 million and \$1.5 million from retained fees.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request with the following standard university financing provisions:

- UA shall report to the Committee before expenditure of any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that do not expand the scope of the project. UA shall also report to the Committee before any reallocation exceeding \$500,000 among the individual planned renovations, renewals, or extensions.
- UA shall submit for Committee review any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that expand the scope of the project. In case of an emergency, UA may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. JLBC Staff will inform the university if they do not concur with the emergency nature of the change in scope.
- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.

Analysis

The UA Student Recreation Center first opened on the campus in 1990. Since 1998, student use of the facility has increased by 39%, and usage by faculty, staff, alumni, retirees, and affiliates have increased as well. To meet the current demand, the UA plans to expand the existing facilities to include additional fitness facilities, a Multipurpose Athletic Court gymnasium, landscaped outdoor space for casual recreation activities, and additional space for the Outdoor Adventures program, which organizes university recreational trips and provides rental equipment. In total, the expansion project will encompass 53,000 square-feet. Construction will begin in December 2007 and conclude in May 2009.

UA anticipates that the project will have a direct construction cost of \$19.2 million. The total project cost also includes \$2 million for Furniture, Fixtures and Equipment (FF&E) and a \$1.6 million contingency. The total cost per-square-foot is \$520, and the direct construction cost per-square-foot is \$361. The UA Intercollegiate Athletic Facilities Additions and Renovations project favorably reviewed by the Committee in 2006 was similar in scope and included similar per-square-foot costs, when accounting for inflation. The total cost per-square-foot of that project was \$476, and the direct per-square-foot cost was \$336.

UA would contract this bond project using Construction Manager at Risk (CMAR). In CMAR, the university competitively selects a general contractor according to quality and experience. The general contractor manages a construction project, including the associated architect and other subcontractors, from design to completion. The general contractor chooses a qualified subcontractor for each trade based on price competition, selecting the lowest bid. Additionally, CMAR defines a guaranteed maximum price, after which the general contractor must absorb almost all cost increases except those caused by scope changes or unknown site conditions. Occasionally, in the case of substantial materials price inflation, a university will partially cover higher costs to maintain good contractor relations.

Financing

Total project cost for the Student Recreation Center expansion project is \$27.6 million, of which \$26.1 million will be funded by system revenue bonds to be repaid with student recreation fees. In 2006, fees were raised to cover the debt service. The remaining \$1.5 million will be funded by the University's Utility Modification Fund, which receives revenue from retained student fees. UA anticipates issuing AAA rated system revenue bonds in the fall of 2007 with a 6% annual interest rate and a term of 32 years.

The university estimates an annual debt service of \$2.0 million, with a 32-year total of \$64 million. UA anticipates an additional annual operating and maintenance cost of \$535,300 when the project is completed, and will request a General Fund appropriation to cover this additional cost.

A.R.S. § 15-1683 allows each state university to incur a projected annual debt service for bonds and certificates of participation of up to 8.0% of each institution's total projected annual expenditures. This calculation is known as the debt ratio. The \$26.1 million system revenue bond issuance would increase the UA debt ratio by 0.07% from 4.50% to 4.57%.

RS/LR:ym

Senior Vice President
for Business Affairs

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October 3, 2007

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
1716 W. Adams
Phoenix, AZ 85007

Dear Chairman Burns:

Subject: University of Arizona, Student Recreation Center Expansion Project

On behalf of the Arizona Board of Regents (ABOR), I respectfully request that the Student Recreation Center Expansion Project for the University of Arizona be placed on the next available agenda for the Joint Committee on Capital Review.

The Arizona Board of Regents approved this project in the Capital Development Plan in February 2006. ABOR granted Project Implementation Approval in January 2007 and Project Approval in June 2007. The Project Approval submittal is attached.

The Student Recreation Center Expansion project budget is \$27,559,000 of which \$26,059,000 will be funded by Student Recreation Bonds and \$1,500,000 will be funded by the University's Utility Modification Funds. The bonds will be repaid from student recreation fees. University Utility Modification Funds receive revenue from retained fees.

This project will expand the Student Recreation Center to provide much needed additional fitness facilities; additional gymnasium/court facilities in the form of a Multipurpose Athletic Court (MAC); and space for Outdoor Adventures and landscaped outdoor space for casual recreation activities for the Department of Campus Recreation.

The direct project construction cost per square foot of \$361 is well within the range of costs experienced on projects of similar nature when adjusted for inflation and scope. See below:

Cost Comparison of Other Buildings

Gittings Complex Expansion	25,600 gsf	\$481
McKale Athletic Performance Center and Heritage Hall	52,910 gsf	\$341*
Integrated Learning Center	85,944 gsf	\$422

** Includes a 10% adjustment for scope complexity*



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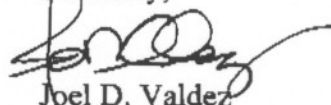
October 2, 2007

UA Student Recreation Center Expansion Project

In light of significant and continuing construction cost escalations, the University has aggressively sought cost reductions through value engineering and careful scope analysis, and is endeavoring to award the construction contract as soon as possible. Following review by the JCCR, the design will be completed, and a Guaranteed Maximum Price (GMP) established, for an anticipated construction start in December 2007.

If you require additional information, please don't hesitate to call me at (520) 621-5977. Thank you for your assistance.

Sincerely,



Joel D. Valdez

Senior Vice President for Business Affairs

jc

Attachment

cc: President Robert Shelton
Joel Sideman
Greg Fahey
Lorenzo Martinez
Charles Ingram
Bob Smith

Arizona Board of Regents
June 21, 2007
Agenda Item #16
The University of Arizona
Page 1 of 5

EXECUTIVE SUMMARY

ACTION ITEM: Student Recreation Center Expansion: Combined Project Approval and Budget Increase

ISSUE: The University of Arizona requests combined Project Approval and Budget Increase of \$5.059 million for the Student Recreation Center Expansion.

PREVIOUS BOARD ACTIONS: Project Implementation Approval: January 2007
Capital Development Plan (CDP): February 2006

PROJECT STATUS:

- This project will expand the Student Recreation Center to provide additional fitness facilities (weight training and cardio equipment); additional gymnasium/court facilities in the form of a Multipurpose Athletic Court (MAC) Gymnasium for expanded sport/recreation program offerings such as roller hockey and indoor soccer; space for Outdoor Adventures, which offers student, faculty and staff outdoor recreational trips like skiing, hiking, and scuba diving as well as rental equipment and resources for planning your own outdoor adventure; and much needed landscaped outdoor space for casual recreation activities for the Department of Campus Recreation.
- The total project budget has been increased by \$5.059 million, from \$22.5 million to \$27.559 million, to address the following: incorporation of an additional 11,000 gross square feet (gsf) for critical Campus Recreation programs (the MAC Gymnasium) along with continuing construction market adjustments; and revisions to the project utility infrastructure extensions to facilitate future growth.
- The additional 11,000 gsf increases the total project to 53,000 gsf and accounts for \$3.559 million of the total budget increase. The revised project would address the greatest deficiencies in the existing building: fitness facilities, a MAC Gymnasium, space for Outdoor Adventures, and landscaped casual recreation activity space. Cost estimates for this project have been prepared by the project Construction Manager at Risk and an independent cost estimator.
- Funding for \$3.559 million of the total budget increase is possible due to recent changes in the financial markets that have resulted in more favorable interest rates. The University has adjusted the project bond financing plan to increase the total amount of bonds that can be sold utilizing revenue available from the continuation of the Student Recreation Bond Fee, which was approved at the March 9-10, 2006, ABOR meeting.

Contact: Joel D. Valdez (520) 621-5977
Sr. Vice President for Business Affairs
jdvaldez@u.arizona.edu

Arizona Board of Regents
June 21, 2007
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The University of Arizona
Page 2 of 5

EXECUTIVE SUMMARY

- The utility extensions originally planned to exclusively serve the Student Recreation Center Expansion have been adjusted (changes to the route and increases in capacity) to allow future campus development to connect to the campus utility infrastructure. These changes to the utility extensions account for \$1.5 million of the total budget increase and will be funded by Retained Fees Utility Modification Funds.
- Debt Ratio Impact: The incremental debt ratio from annual debt service for this project is .07% State (A.R.S.) and .10% ABOR. The projected highest debt ratio including this project is 5.38% State (A.R.S.) and 8.02% ABOR.

PROJECT JUSTIFICATION:

- The primary mission of the Department of Campus Recreation is to provide programs, facilities and educational opportunities that seek to meet the diverse recreational, fitness and wellness needs of the students and campus community. The existing Student Recreation Center was opened in 1990, and has been extremely popular and highly utilized by students, faculty, and staff. Since 1998, the facility has seen a 39 % increase in student use, and a significant increase in usage by faculty, staff, alumni, retirees, and affiliates. Visitations average over 3,400 per day, or over 900,000 per year.

RECOMMENDATION/CONCLUSION:

RESOLVED: That the Board Grants Project Approval and Authorizes a Budget Increase of \$5.059 million to The University of Arizona for the Student Recreation Center Expansion Project.

Arizona Board of Regents
 June 21, 2007
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EXECUTIVE SUMMARY

Capital Project Information Summary

University: The University of Arizona **Project Name:** Student Recreation Expansion

Project Description/Location: Expand the Student Recreation Center

	Project Implementation <u>Approval</u> January 2007	Project <u>Approval</u> June 2007
<u>Date of Board Action:</u>		
<u>Project Scope:</u>		
Gross Square Feet (GSF)	42,000	53,000
Net Assignable Square Feet (NASF)	33,600	42,400
Efficiency Ratio [NASF/GSF]	80%	80%
NASF by Space Type		
Fitness - weight room, cardio equipment	29,330	29,330
MAC Gymnasium		8,900
Outdoor Adventures	3,000	3,000
Other	1,270	1,270

Project Schedule (Beginning Month/Year):

Planning	FY 2005	FY 2005
Design	10/06	10/06
Construction	10/07	12/07
Occupancy	3/09	5/09

Project Budget:

Total Project Cost	\$ 22,500,000	\$ 27,559,000
Direct Construction Cost	\$ 14,314,000	\$ 19,153,000
Total Project Cost per GSF	536	520
Construction Cost per GSF	341	361
Change in Annual Operations/Maintenance Cost		
Utilities	\$ 131,116	\$ 222,800
Personnel	\$ 192,704	\$ 250,600
Other	\$ 47,359	\$ 61,900

Funding Sources:

Capital:

A. Gifts

• Cash	\$ 0	\$ 0
--------	------	------

B. System Revenue Bonds

• Student Recreation Bond Fee	\$ 22,500,000	\$ 26,059,000
• Retained Fees - Utility Mod. Fund	\$ 0	\$ 1,500,000
TOTAL	\$ 22,500,000	\$ 27,559,000

Operation/Maintenance:

General Fund Appropriation	\$ 371,179	\$ 535,300
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Arizona Board of Regents
June 21, 2007
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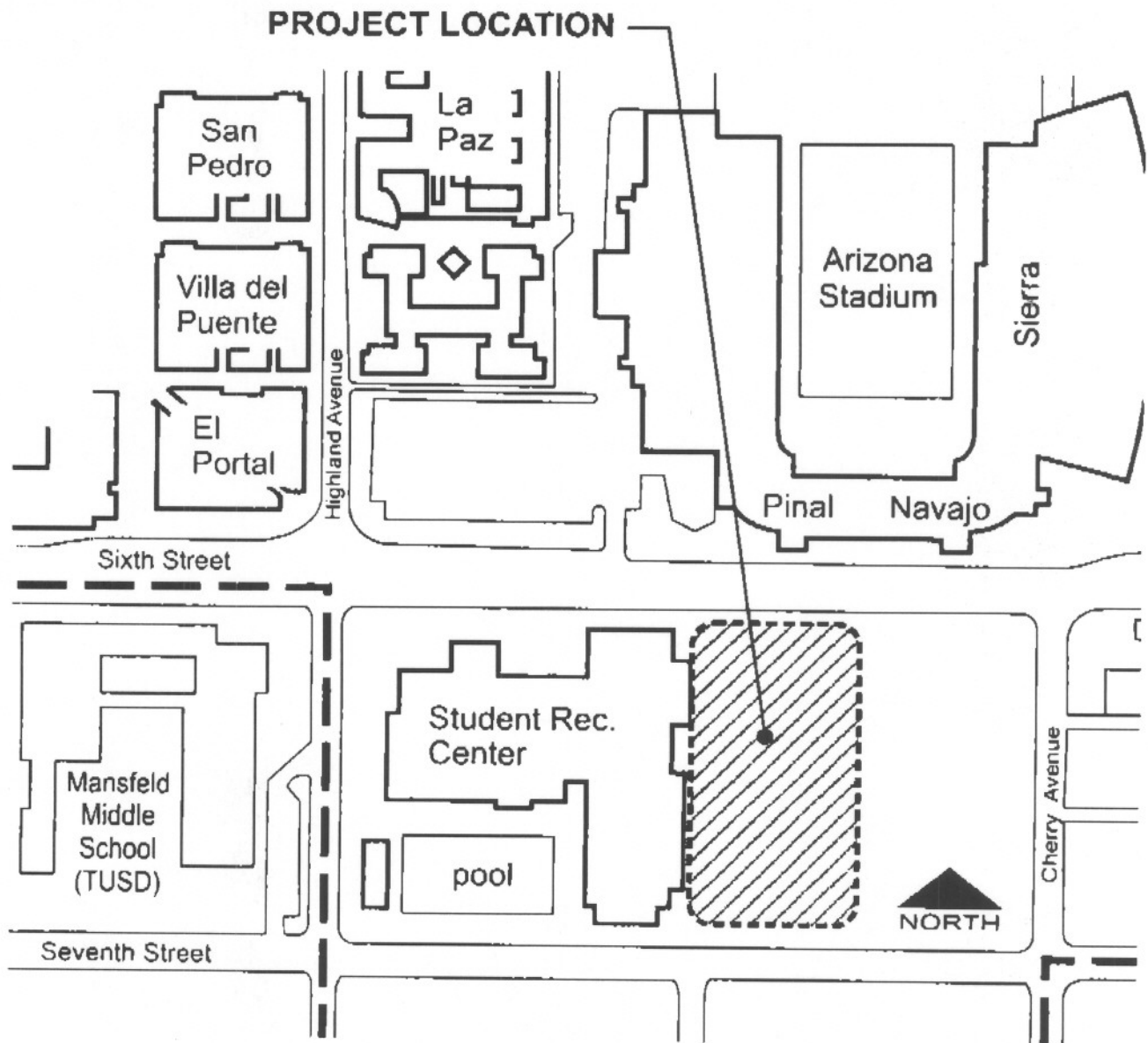
EXECUTIVE SUMMARY**Capital Project Budget Summary****University:** The University of Arizona**Project Name:** Student Recreation Center
Expansion

Date of Budget Estimate	Project Implementation Approval <u>Estimate</u> January 2007	Project Approval <u>Estimate</u> June 2007
1. Land Acquisition	\$ 0	\$ 0
2. Construction Cost		
A. New Construction	9,150,000	14,602,000
B. Renovation		
C. Fixed Equipment		
D. Site Development (exclude 2.E.)		
E. Parking & Landscaping		
F. Utilities Extensions	2,030,000	2,775,000
G. Other (asbestos)	200,000	200,000
H. Inflation and Market Adjustment	2,934,000	1,576,000
Subtotal Construction Cost	\$ 14,314,000	\$ 19,153,000 ✓
3. Consultant Fees		
A. Construction Manager	286,000	300,000
B. Architect/Engineering Fees	1,574,000	1,655,000
C. Other (Cost Est., Programming, Special Conslt.)	396,000	464,000
Subtotal Consultant Fees	\$ 2,256,000	\$ 2,419,000
4. Furniture Fixtures and Equipment	2,000,000	2,000,000
5. Contingency, Design Phase	701,000	701,000
6. Contingency, Construction Phase	882,000	882,000
7. Parking Reserve	1,479,000	1,479,000
8. Telecommunications Equipment	90,000	90,000
Subtotal Items 4-8	\$ 5,152,000	\$ 5,152,000
9. Additional University Costs		
A. Surveys and Tests	107,000	107,000
B. Move-in Costs	26,000	26,000
C. Public Art	72,000	96,000
D. Printing/Advertisement	29,000	29,000
E. Other (1)	425,000	425,000
F. State Risk Mgt. Ins	119,000	152,000
Subtotal Additional University Costs	\$ 778,000	\$ 835,000
TOTAL CAPITAL COST	\$ 22,500,000	\$ 27,559,000

(1) Line 9E includes Project Management and Facilities Management costs.

Arizona Board of Regents
June 21, 2007
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The University of Arizona
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EXECUTIVE SUMMARY



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
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DAVID SCHAPIRA

DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Leatta McLaughlin, Fiscal Analyst

SUBJECT: Arizona State Lottery Commission – Review of FY 2008 Building Renewal Allocation Plan

Request

The Arizona State Lottery Commission requests Committee review of its FY 2008 Building Renewal allocation plan of \$60,000 from the State Lottery Fund. The plan allocates \$25,000 for elevator replacement, \$20,000 for 4 smaller projects, and \$15,000 for unexpected contingencies.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the FY 2008 Building Renewal allocation plan with the provision that the Commission report on the use of the \$15,000 in contingencies. The proposed expenditure plan is consistent with building renewal requirements.

Analysis

Laws 1986, Chapter 85 established the Joint Committee on Capital Review (JCCR) and charged it with developing a Building Renewal formula to guide the Legislature in appropriating monies for maintenance and repair of state buildings. A.R.S. § 41-1252 requires JCCR review of the expenditure plans for Building Renewal monies. Laws 2007, Chapter 257 appropriated a total of \$60,000 in FY 2008 from the State Lottery Fund to the Lottery Commission to be used for major maintenance and repair activities in accordance with A.R.S. § 41-793. The FY 2008 plan is submitted for formal review.

The Lottery Commission operates out of 2 facilities; a 38,600 square foot state-owned building in Phoenix and a 3,080 square foot leased building in Tucson. The Phoenix facility includes administrative offices and a ticket sales and redemption area. This facility is located at 4740 East University Drive and was built in 1987. The Tucson facility has an office for the district sales manager and a ticket sales and redemption area. Maintenance of the Tucson facility is included as part of the lease agreement. This request pertains to the Building Renewal of the Phoenix facility only.

(Continued)

The Lottery Commission plans to use its \$60,000 FY 2008 allocation on the following projects:

Elevator controller replacement	\$25,000
Claims door/controller replacement	8,000
Warehouse roof repair	5,000
Floor repair	4,000
Parking lot maintenance	3,000
Contingency	<u>15,000</u>
Total	\$60,000

These cost estimates were obtained from vendor quotes solicited by the Arizona Department of Administration (ADOA) and historical data.

Elevator Controller Replacement

The elevator controller is original to the building. The controller is a device that makes the elevator system operate within certain desired limits. According to the Commission, the controller does not comply with current National Fire Protection Association safety standards.

Claims Door/Controller Replacement

The Claims Division, which is where customers can purchase and validate Lottery tickets, is a highly secured area because daily money transactions occur there. The controller is the door mechanism that allows employee access to the area through a card access reader and an electro-magnetic lock. The age of the controller's components have resulted in frequent failures to open the door.

Warehouse Roof Repair

The warehouse is connected to the facility and is about 12,000 square feet. It is mainly used for the storage of files, supplies, and promotional items and houses 3 employees in the mailroom portion of the building. The current roof is tar paper with a white roof coating, which was recoated in 1996. The roof will be repaired by recoating it with new tar and sheeting, which will help in preventing the need for roof replacement.

The Committee approved \$15,000 for this roof repair in last year's Building Renewal plan, which was based on a cost estimate done by ADOA 2 years ago. The Commission is planning on spending an additional \$5,000 on this project, which according to them, is due to inflation. The project will begin in the next several months.

Floor Repair

A total of 3,200 square feet, which is comprised of office space and lobby and reception areas, are going to be repaired. The flooring is made up of natural stone and wood and is original to the building.

Parking Lot Maintenance

Cracks in the 42,600 square foot parking lot will be sealed, a sand seal coat will be applied, and striping will be repainted to comply with ADOA standards. The parking lot was last maintained in March 2005.

RS/LMc:ym

Janet Napolitano
Governor



J. Art Macias, Jr.
Executive Director

October 23, 2007



Senator Robert Burns, Chairman, JCCR
Arizona House of Representatives
1700 West Washington St.
Phoenix, AZ 85007

**Re: Request for Placement on Joint Committee on Capital Review Agenda
November 2006**

Dear Senator Burns:

The Arizona Lottery respectfully requests placement on the November 2007 agenda of the Joint Committee on Capital Review to present the FY 2008 Building Renewal expenditure plan. A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies.

Information for this item is enclosed.

Sincerely,

J. Art Macias, Jr.
Executive Director

Attachment

Cc: Representative Tom Boone, Co-Chairman JCCR
Mr. Richard Stavneak, Director, JLBC
Ms. Leatta McLaughlin, Lottery Budget Analyst, JLBC
Mr. Matt Gottheiner, Lottery Budget Analyst, OSPB

Phoenix Office • 4740 E. University Drive • Phoenix, Arizona 85034 • (480) 921-4400 • Fax (480) 921-4488
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The Arizona Lottery Building Renewal Funds Fiscal Year 2008 Allocations Plan

Background

The Arizona Lottery operates out of two facilities. A 38,600 sq. ft. building, constructed in 1987, owned by the State of Arizona in Phoenix, and a 3080 sq. ft. leased building in Tucson. The Phoenix facility includes the administrative offices, as well as a ticket sales and redemption section. The Tucson office provides space for the district sales manager and ticket sales and redemption. Maintenance of the Tucson facility is included as part of that lease agreement. This report provides information on proposed maintenance expenses for the Phoenix facility.

As part of the FY2008 Approved Budget, the Arizona Lottery received a Capital Outlay Appropriation of \$60,000 from the State Lottery Fund to the Arizona Lottery Commission for building renewal.

Total FY2008 Capital Expenditure Budget Allocation:	\$ 60,000
Proposed FY2008 Expenditures:	<u>\$ 45,000</u>
	\$ 15,000

FY2008 Allocation Plan

The Arizona Lottery proposes the following capital expenditures in FY2008. The cost estimates were obtained from vendor quotes solicited by the ADOA construction services and historical data.

Description

• Warehouse Roof Repair Added Cost from FY07	\$ 5,000
• Elevator Controller Replacement	\$ 25,000
• Floor Repair	\$ 4,000
• Parking Lot Maintenance	\$ 3,000
• Replacement of Claims Door/Controller	\$ 8,000

STATE OF ARIZONA

Joint Committee on Capital Review

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DAVID SCHAPIRA

DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Jon McAvoy, Assistant Fiscal Analyst

SUBJECT: Arizona Department of Administration – Review of the Department of Juvenile
Corrections HVAC and Electrical Upgrades

Request

In compliance with A.R.S. § 41-1252, the Arizona Department of Administration (ADOA) requests Committee review of \$885,000 for heating, ventilation and air-conditioning (HVAC) and electrical renovations for the Department of Juvenile Corrections (DJC). The FY 2008 Capital Outlay Bill (Laws 2007, Chapter 257) appropriated a total of \$885,000 from the General Fund to ADOA for these purposes.

Recommendation

The Committee has at least the following 2 options:

- 1) A favorable review with the provision that ADOA submit a detailed breakdown of the labor, engineering, and equipment cost components of these projects.
- 2) An unfavorable review. These monies could instead be reverted to the General Fund to help reduce FY 2008 budget shortfalls.

Analysis

Air-Conditioning Chiller and Cooler Upgrades

ADOA requests a total of \$580,000 to be spent on fixing HVAC related deficiencies at Adobe Mountain School (AMS), Catalina Mountain School (CMS), and Black Canyon Mountain School (BCS).

The Adobe Mountain School projects would cost a total of \$370,000. Included in this total, ADOA is requesting \$182,000 to replace 15 year old air-conditioning units in the administrative facility, business offices, and the separation and security dispatch facility. ADOA is also requesting \$188,000 to expand the existing capacity of the emergency generator to include the addition of a chiller. This project will allow AMS to have climate controlled areas for students during power outages.

(Continued)

The Catalina Mountain School and Black Canyon School HVAC projects, at a cost of \$160,000 and \$50,000, include replacement of the existing CMS 70-ton chiller and 40 year old cooling tower, and the purchase and installation of 2 energy-efficient air-conditioning units at BCS. The existing BCS evaporative units are 5 years old and, according to the department, the units do not sufficiently cool the gym for hot weather activity.

Electrical Repairs

ADOA requests a total of \$125,000 for electrical repairs to Catalina Mountain School and Black Canyon School.

Due to current electrical capacity limitations, the department is proposing to spend \$75,000 to upgrade 30 year old electrical hardware at Black Canyon School. This project is expected to increase efficiency and will allow DJC to provide power separately to the Culinary Arts program and the laundry facilities.

DJC is also proposing to spend \$50,000 at Catalina Mountain School to repair the primary electrical system, which would prevent further power outages, equipment failures, and power surges.

Summary

In addition to the HVAC and electrical repairs, ADOA estimates that engineering costs and contingency fees will add \$180,000 to the project cost. The majority of projects will be covered by state contractors, which does not require a formal bidding process. All costs have been estimated by ADOA and DJC facility personnel. Based on the information provided by ADOA it is unclear if these costs are reasonable.

The total proposed spending is summarized in *Table 1*.

Table 1	
Department of Juvenile Corrections HVAC and Electrical Projects	
<u>HVAC repairs</u>	<u>Cost</u>
AMS emergency generator	\$188,000
AMS air conditioning units	182,000
CMS chiller and cooling tower	160,000
BCS recreation building	<u>50,000</u>
Subtotal	\$580,000
<u>Electrical repairs</u>	
BCS electrical service entrance modifications and distribution	75,000
CMS primary electrical service	<u>50,000</u>
Subtotal	\$125,000
Engineering and Contingency	<u>180,000</u>
Total	\$885,000

RS/JM:ym

JANET NAPOLITANO
Governor



WILLIAM BELL
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 North Fifteenth Avenue, Suite 401
Phoenix, Arizona 85007

(602) 542-1500

October 29, 2007

The Honorable Robert L. Burns, Chairman
The Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007



Reference: Department of Juvenile Corrections HVAC and Electrical Upgrades

Dear Senator Burns:

The Arizona Department of Administration (ADOA) requests that the Joint Committee on Capital Review (JCCR) review the scope, purpose and cost of HVAC and electrical improvements for Arizona Department of Juvenile Corrections (ADJC) facilities, as required under ARS § 41-1252.

Laws 2007, First Regular Session, Chapter 257 (HB 2783, the Capital Outlay Bill) appropriated \$885,000 from the General Fund to ADOA in FY 2008 for HVAC and electrical renovations at the Arizona Department of Juvenile Corrections (ADJC).

I look forward to your favorable review of our request. If you have any questions please contact Lynne Smith, Assistant Director, General Services Division, at (602) 542-1427.

Sincerely,

A handwritten signature in dark ink, appearing to read "William Bell".

William Bell
Director

Attachment

cc: The Honorable Russell K. Pearce, Arizona House of Representatives
Richard Stavneak, Staff Director, JLBC
Leatta McLaughlin, Fiscal Analyst, JLBC
James Apperson, Director, OSPB
Marcel Benberou, Assistant Director, OSPB
Michael Branham, Director, ADJC
Scott Smith, Deputy Director, ADOA
Paul Shannon, Assistant Director, ADOA
Alan Ecker, Legislative Liaison, ADOA
Lynne Smith, Assistant Director, ADOA

Arizona Department of Juvenile Corrections HVAC and Electrical Upgrades

Historical Background

Laws 2007, Chapter 257 (the Capital Outlay Bill) appropriated \$885,000 from the General Fund to ADOA in FY 2008 for HVAC and electrical renovations at the Arizona Department of Juvenile Corrections (ADJC).

The original capital request, which ADOA submitted in October 2006, was for \$1,200,000 in HVAC and electrical renovations at the Black Canyon School. Since that time, some of these issues were dealt with as emergencies and new issues emerged statewide. As a result, ADOA and ADJC allocated the \$885,000 appropriation according to the highest priority HVAC and electrical projects at all ADJC institutions.

Current Status

ADOA and ADJC propose that the \$885,000 be applied to the following HVAC and electrical projects:

Black Canyon School (BCS) electrical service entrance modifications and distribution – This project will modify the existing electrical bus to distribute more efficiently the power currently available to the facility. The BCS facility staff estimate the cost to complete this project is \$75,000.

BCS recreation building – Replace two inefficient and high maintenance evaporative coolers with two energy efficient and cost saving air conditioning units. The BCS facility staff estimate the cost to complete this project is \$50,000.

Adobe Mountain School (AMS) air conditioning units – Replace the existing 15 year old inefficient air conditioning units at the administrative facility, business office, separation and security dispatch facility. The AMS facility staff estimate the cost to complete this project is \$182,000.

Catalina Mountain School (CMS) chiller and cooling tower – Replace the existing 70 ton chiller and cooling tower. This chiller and cooling tower are in excess of 40 years old and are well beyond their useful lives. These units are inefficient and require extensive maintenance to keep operating. A quote from the vendor estimates the cost to complete this project is \$160,000.

AMS emergency generator – Distribute and utilize the existing excess capacity of the emergency generator to include the addition of 1 of 2 chillers and the north unit housing air conditioning. It is vital to maintain some climate controlled areas for students during power outages. The engineer estimates the cost to complete this project is \$188,000.00.

CMS primary electrical service – Identify and repair the primary electrical service power to prevent power fluctuations that are causing electrical interruptions and equipment failures. The CMS facility staff estimate the cost to complete this project is \$50,000.00.

Total HVAC and electrical projects budget – This budget includes \$132,750 to engineer the above projects and \$47,250 as contingency funding for any unforeseen circumstances.

Request

ADOA requests that the JCCR review the scope, purpose and estimated cost of these ADJC statewide HVAC and electrical improvements, as required under ARS § 41-1252, in order to proceed with construction.

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Steve Grunig, Fiscal Analyst

SUBJECT: Arizona Department of Administration – Consider Recommending Rent Deferment for the Naturopathic Physicians Board of Medical Examiners

Request

A.R.S. § 41-792.01 authorizes the Director of the Arizona Department of Administration (ADOA), on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of rental fees if the agency has vacated state-owned space. On behalf of the Naturopathic Physicians Board of Medical Examiners, ADOA requests the Committee recommend a partial rent deferral for \$3,300 in each of FY 2008 and FY 2009.

Recommendation

The JLBC Staff recommends that the Committee recommend the proposed exemption.

Analysis

The Board rents approximately 1,082 square feet of state-owned office space at 1400 West Washington, including a space allocation for the Massage Therapy Board. The FY 2008 rent is \$20,400 (including a one month pro rata for recently acquired space). The Board was appropriated \$32,700 of the required \$34,200 for State Boards Office rent charges and other increases, leaving a \$1,500 shortfall.

In addition, the Board recently acquired new space from the Board of Physical Therapy Examiners at an additional cost of \$1,800. Their total rent payment would now be \$22,200. Statute permits an agency to request an exemption from paying their full rent on state-owned space. These rent payments are deposited into the Capital Outlay Stabilization Fund, which helps defray building renewal expenses and ADOA operating costs.

The Board is seeking an exemption of \$3,300 in FY 2008 and FY 2009 to cover their shortfall and new space. The agency's total budget is \$611,300 in FY 2008.

RS/SG:ym

JANET NAPOLITANO
Governor



WILLIAM BELL
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 North Fifteenth Avenue, Suite 401
Phoenix, Arizona 85007

(602) 542-1500



October 29, 2007

The Honorable Robert L. Burns, Chairman
The Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007

Reference: Naturopathic Physicians Board of Medical Examiners Request for Rent Deferment

Dear Senator Burns:

The Arizona Department of Administration (ADOA) requests that the Joint Committee on Capital Review (JCCR) recommend a *deferral* of Cost Allocation Stabilization Fund (COSF) rent for \$3,300 in each of FY 2008 and FY 2009 for a total of \$6,600 for the Naturopathic Physicians Board of Medical Examiners.

The Naturopathic Board is responsible for COSF rents for approximately 1,082 rentable square feet of state-owned office space at 1400 West Washington, including a space allocation for the Massage Therapy Board. FY 2008 COSF rents are \$20,400 (including a one month pro rata for recently acquired space). The full annual amount is \$21,100.

ADOA conferred with the Naturopathic Board regarding its options for absorbing rents elsewhere in its budget in lieu of a proposed rent deferment. The attached letter from the Executive Director of the Naturopathic Board explains why the Board is requesting the rent deferment.

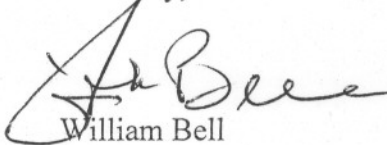
Arizona Revised Statutes §41-792.01 provides that the rental fee authorized for state agencies occupying state-owned space is the greater of the amount included in each agency's annual operating budget or the pro rata amount based on actual occupancy. If a state agency does not occupy state-owned space after the beginning of the fiscal year, the ADOA Director, on recommendation of JCCR, may authorize a whole or partial exemption from payment of the rental fee. Based on this authority, ADOA requests that JCCR recommend reducing the Naturopathic Board's FY 2008 and FY 2009 rent by \$3,300 per year.

Chairman Burns
October 29, 2007
Page 2

The Naturopathic Board has committed to coordinating with key budget staff to include the deferred rents in its FY 2010 appropriation. As a result, ADOA recommends invoicing Naturopathic Board its FY 2010 rents to include the FY 2008 and FY 2009 \$6,600 deferred rents in addition to its FY 2010 COSF rent obligation.

I look forward to your favorable review of our request. If you have any questions please contact Lynne Smith, Assistant Director, General Services Division, at (602) 542-1427.

Sincerely,

A handwritten signature in dark ink, appearing to read "W. Bell", written over a horizontal line.

William Bell
Director

Attachment

cc: The Honorable Russell K. Pearce, Arizona House of Representatives
Richard Stavneak, Staff Director, JLBC
Leatta McLaughlin, Fiscal Analyst, JLBC
James Apperson, Director, OSPB
Marcel Benberou, Assistant Director, OSPB
Scott Smith, Deputy Director, ADOA
Paul Shannon, Assistant Director, ADOA
Alan Ecker, Legislative Liaison, ADOA
Lynne Smith, Assistant Director, ADOA
Nola Barnes, General Manager, ADOA
Craig Runbeck, NMD, Executive Director, Naturopathic Physicians Board
Correspondence File



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October 2, 2007

Ms. Nola Barnes
General Manager
Building and Planning Services
100 N 15th Avenue
Ste 202
Phoenix, AZ

Re: Request for Rent Deferment for the Naturopathic Medical Board

Dear Ms. Barnes:

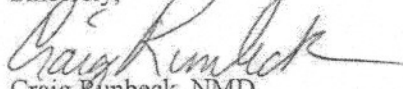
The Naturopathic Medical Board is trying to avoid a budget deficit in FY 08 and 09. Because of this, I am looking to minimize expenditures wherever possible. I am writing to request a deferment of some of our rent until FY10. This is warranted because in my budget request for FY 08 and 09, I requested \$34,200 to cover rent and State Board Office increases and received a total of \$32,700, leaving a shortfall of \$1,500. In addition, when statewide rent adjustments were allocated, the new space we acquired from the Physical Therapy Board wasn't included. This left us with another \$1,800 short fall.

Under normal circumstances I would attempt to absorb the costs elsewhere in the budget. But the agency also received \$14,200 less in personal services than it is obligated to pay and I am concerned that in an already tight budget we could have insufficient funds for our operations.

I am requesting that \$3,300 be deferred from our rent in both FY08 and FY09. This would be a total deferment of \$6,600. I will request that this amount be added to my FY10 budget for the purposes of repaying this deferment.

Thank you for your consideration in this matter.

Sincerely,


Craig Runbeck, NMD
Executive Director

STATE OF ARIZONA

Joint Committee on Capital Review

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DAVID SCHAPIRA

DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Caitlin Acker, Staff Intern

SUBJECT: Arizona Game and Fish Department – Review of FY 2008 Building Renewal Allocation Plan

Request

The Arizona Game and Fish Department (AGFD) requests Committee review of its FY 2008 Building Renewal allocation plan of \$474,200 from the Game and Fish Fund.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the department's Building Renewal allocation plan. The \$474,200 plan includes the following expenditures:

- \$101,200 for fish hatchery projects.
- \$141,000 for shooting range projects.
- \$232,000 for office projects.

Analysis

Laws 1986, Chapter 85 established the Joint Committee on Capital Review (JCCR) and charged it with developing a Building Renewal formula to guide the Legislature in appropriating monies for maintenance and repair of state buildings. A.R.S. § 41-1252 requires JCCR review of the expenditure plan for Building Renewal monies. Laws 2007, Chapter 257 appropriated a total of \$474,200 in FY 2008 from the Game and Fish Fund to the AGFD for building renewal activities.

The AGFD has more than 270 structures within its building and infrastructure system across the state totaling over 542,000 square feet. Facilities include the department headquarters in Phoenix, 6 regional offices, fish hatcheries, and multiple residences and storage buildings. The FY 2008 proposed Building Renewal expenditure plan is illustrated in the following table:

(Continued)

<u>Category</u>	<u>Building Renewal Allocation</u>	<u>Total Cost</u>
Fish Hatchery Projects		
Page Springs/Bubbling Ponds – <i>Residential Renovations</i>	\$ 15,000	\$ 15,000
Tonto Creek – <i>Residential Renovations</i>	15,000	15,000
Canyon Creek – <i>Main Office Roof Renovation</i>	50,000	50,000
Sterling Springs – <i>Residential Maintenance</i>	12,000	12,000
Contingency	9,200	
Shooting Range Projects		
Ben Avery Clay Target Center – <i>Business/Visitor Center Renovation</i>	120,000	228,500
Contingency	21,000	
Other Projects		
Flagstaff Regional Office – <i>Office Renovation</i>	125,000	1,250,000
Tucson Regional Office – <i>Flooring</i>	35,000	35,000
Headquarters – <i>Backup Generator Replacement</i>	21,000	21,000
Unanticipated modifications or repairs	<u>51,000</u>	
Total	\$474,200	\$1,626,500

The department has indicated the additional project costs will be funded from other fund sources. The submitted material provides additional detail for each project. The projects are consistent with building renewal guidelines and appropriations.

RS/CA:ym



THE STATE OF ARIZONA
GAME AND FISH DEPARTMENT

2221 WEST GREENWAY ROAD
PHOENIX, AZ 85023-4399
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JANET NAPOLITANO

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DIRECTOR

DUANE L. SHROUFE

DEPUTY DIRECTOR

STEVE K. FERRELL



October 29, 2007

Representative Robert Burns, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
Capitol Complex
1700 W. Washington
Phoenix, AZ 85007-2890



Re: Request for Placement on Joint Committee on Capital Review Agenda – November 2007

Dear Representative Burns:

The Arizona Game & Fish Department requests placement on the November 2007 agenda of the Joint Committee on Capital Review to review the following:

1. FY 2008 Building Renewal allocation and expenditure plan.

The information for this review is attached.

Sincerely,

Fred J. Bloom, P.E.
Engineering and Construction Manager

FJB:fb

cc: James Apperson, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Caitlin Acker, JLBC
Anthony Guiles, AGFD
Harry Seck, AGFD
Mark Weise, AGFD

Enc.

FY 08 AGFD APPROPRIATION		\$474,000
FISH HATCHERY PROJECTS		
<i>Page Springs/Bubbling Ponds Residential Renovations</i>		\$15,000
Painting, roofing, flooring, heat pump, interior renovations		
<i>Tonto Creek Residential Renovations</i>		\$15,000
Roofing, painting,		
<i>Canyon Creek Administrative</i>		\$50,000
Main Office/Equipment Building Metal Roofing		
<i>Sterling Springs Residence</i>		\$12,000
Roofing/Painting		
TOTAL:		\$92,000
SHOOTING RANGE PROJECTS		
<i>Ben Avery Shooting Facility - Clay Target Center</i>		\$120,000
Business/Visitor Center Remodel		
<i>Contingency (Hatchery and Shooting Range Projects)</i>		\$30,200
TOTAL:		\$150,200
OTHER PROPERTIES		
(See attached summary of Hatchery Projects)		
<i>Flagstaff Regional Office</i>		
Regional Office Renovation/Expansion		\$125,000
<i>Tucson Regional Office</i>		
New Flooring		\$35,000
<i>Headquarters Server Room/Radio Room Backup Generator Replacement</i>		\$21,000
TOTAL:		\$181,000
<i>Unanticipated Building Modifications, Repairs or Health and Life Safety Items</i>		\$50,800
TOTAL FY 2008 BUILDING RENOVATION/REPAIRS EXPENDITURE		\$474,000

AGFD FY 08 BUILDING RENEWAL PROJECT ESTIMATE SUMMARY				
PROJECT LOCATION/DESCRIPTION	Project Construction Estimate	Design/Construction Admin	FY 08 Building Renewal Portion	Supplemental Building Source
FISH HATCHERY PROJECTS	<i>(Based On Recent, Similar Work Bids)</i>			
Page Springs/Bubbling Ponds Residential Renovations	\$15,000	n/a	\$15,000	None
Tonto Creek Residential Renovations	\$15,000	n/a	\$15,000	None
Canyon Creek Administrative	\$50,000	n/a	\$50,000	None
Sterling Springs Residence	\$12,000	n/a	\$12,000	None
			\$92,000	
Contingency				
Contingency @10% of Estimated Construction Costs			\$9,200	
TOTAL:	\$92,000		\$101,200	
SHOOTING RANGE PROJECTS				
Ben Avery Shooting Facility - Clay Target Center				
Business/Visitor Center Renovation	\$210,000	\$18,500	\$120,000	FY 07 Building Renewal
Includes:	<i>(Per Recent Bid)</i>			
Remediating electrical code compliance items				
Renovation of concession/food service area				
Termite damage repairs				
Interior finishes - painting and flooring				
Wastewater system renovation				
			\$120,000	
Contingency				
Contingency @10% of Estimated Construction Costs			\$21,000	None
TOTAL:	\$210,000		\$141,000	
OTHER PROPERTIES				
Flagstaff Regional Office Renovation/Remodel	\$1,250,000	n/a	\$125,000	FY 08 COLBI
Tucson Regional Office Flooring	\$35,000	n/a	\$35,000	None
Headquarters Server Room/Radio Room Backup Generator Replacement	\$21,000	n/a	\$21,000	None
TOTAL:	\$1,306,000		\$181,000	
TOTAL PROJECT AMOUNT:	\$1,608,000		\$423,200	
BALANCE TO UNANTICIPATED ACTIVITIES:			\$50,800	
TOTAL PLANNED EXPENDITURE:			\$474,000	

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 13, 2007

TO: Senator Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Dan Hunting, Fiscal Analyst

SUBJECT: Arizona Exposition and State Fair Board – Review of Coliseum Roof Repair Expenditure Plan

Request

In compliance with A.R.S. § 41-1252, the Arizona Exposition and State Fair Board (AESF) requests Committee review of its expenditure plan to complete repairs to the roof of the Coliseum. The expenditure plan includes the use of \$3,200,500 from the Arizona Exposition and State Fair Fund to complete 3 renovations. The renovations include the repair of 2 roof cables, installation of an acoustical monitoring system, and re-roofing the Coliseum.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of AESF's roof repair plan. The plan allocates \$3,200,500 appropriated in FY 2008 from the Arizona Exposition and State Fair Fund for the 3 projects. The cost estimates were provided by ADOA construction services and a private engineering firm.

We are seeking clarification whether AESF will use its FY 2008 Building Renewal appropriation in combination with its operating budget to finance this expense.

Analysis

At its May 7, 2007 meeting, the Committee gave a favorable review to the allocation of remaining FY 2007 Building Renewal funds to begin repairs to the Coliseum roof. Cables supporting the roof had failed, making the building unsafe for use. At that time, 2 cables were known to have failed, but further examination revealed that 12 of the 72 supporting cables had lost tension. The AESF used \$1,100,000 in FY 2007 Building Renewal funds plus \$1,900,000 in operating funds to repair 10 of the most critical cables, allowing the Coliseum to reopen for the State Fair.

(Continued)

Although the building is safe as it currently stands, the engineering firm overseeing the repairs advises AESF that the structural safety of the building will be compromised unless further repairs are made. Therefore, AESF requests to spend \$3,200,500 from its FY 2008 appropriation for added repairs to the roof. We are seeking clarification as to whether AESF will use its FY 2008 Building Renewal appropriation of \$1,631,800 in combination with its \$16,359,000 operating appropriation to finance this expense. The \$3,200,500 will be allocated as follows:

- \$526,500 to repair the 2 remaining failed cables. These are short, non-load bearing cables located at the north end of the roof.
- \$2,121,400 to install a new membrane covering on the roof. Old roofing material will be stripped from the roof prior to installation of the new membrane. Removal of this excess weight will reduce stress on the supporting cable network, and the new membrane will protect against water leaks that could lead to further corrosion of the cables.
- \$226,600 to purchase and install an acoustical monitoring system to 'listen' for additional cable failures. Because the cables are surrounded by concrete, physical inspections of them are difficult and expensive. This system would install sensors that would continuously monitor the roof and sound an alert if a failure is detected. Annual monitoring costs for the system will be \$15,000.
- \$326,000 to fund a 10% construction contingency and ADOA Risk Management and other fees for all 3 projects.

In addition to the \$1,100,000 in FY 2007 Building Renewal funds and \$1,900,000 from the FY 2007 Arizona Exposition and State Fair Fund appropriation expended this summer, this new proposal would bring the total cost to repair the roof to approximately \$6,200,500.

Currently, the Arizona Exposition and State Fair Fund is reporting a balance of \$6,966,500.

RS/DH:ym



November 1, 2007



The Honorable Bob Burns
Joint Committee on Capital Review
Arizona Senate
1700 W. Washington
Phoenix, AZ 85007

Re: Request for Placement on Joint Committee on Capital Review (JCCR)
Agenda

Dear Senator Burns:

The Arizona Exposition and State Fair (AESF) respectfully requests a favorable review for the expenditure of monies to complete repairs to the Coliseum Roof.

The proposed renovations are as follows: 1) repair of two secondary roof cables; 2) acoustical monitoring system; 3) re-roofing of the Coliseum. Total cost of the repairs is estimated at \$3,200,468. See attachment 1.

Project descriptions are as follows:

- 1) In May 2007, the JCCR approved \$2.9 million to repair 2 Coliseum roof cables. Subsequent forensic investigation in the repair phase brought the number of failed cables to 12. Cable failure was due to corrosion caused by an original construction deficiency.

AESF repaired 10 of the 12 cables prior to the 2007 Arizona State Fair and now seeks additional funding to repair the remaining 2 non-load bearing cables. The estimated cost to repair these 2 cables is \$624,318. See attachment 2.

- 2) Engineers recommend an acoustical monitoring system be installed on the Coliseum roof. The monitoring system would place sensors throughout the roof which would "listen" for unusual sounds created by cable failure. The estimated cost is 247,610. See attachment 3.

- 3) While repairing Coliseum roof cables, approximately 20,000 lbs of material was removed from a 40' x 40' area. The approximate dimensions of the roof are 400' x 400'. Thus, removing old material from the entire roof and replacing it with a lighter surface will relieve excess weight. An additional benefit will be better protection against moisture infiltration. The estimated cost to re-roof the Coliseum is \$2,301,390. See attachment 4.

To protect the State's investment in repairs already completed and to maintain the structural stability and safety of the Coliseum, engineers recommend the above 3 projects begin upon the completion of the 2007 Arizona State Fair which ends November 4th.

If JCCR approves this request, AESF will fund these building renewal/capital improvement projects from its operating reserve fund. No monies are being requested from the State's General Fund.

If you have any questions or require additional information concerning the requests, please contact me at 602-257-7120.

Sincerely,

A handwritten signature in cursive script, reading "Wanell Costello".

Wanell Costello
Deputy Director

CC: The Honorable Russell K Pearce
Marcel Benberou, OSPB
Lorenzo Martinez, JLBC
Dan Hunting, JLBC