

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPERREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

JOINT COMMITTEE ON CAPITAL REVIEW

Wednesday, December 12, 2001

8:30 a.m.

Senate Appropriations Room 109

AGENDA

- Call to Order
- [Approval of Minutes of November 29, 2001.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA STATE PARKS – Review of State Lake Improvement Fund Projects.](#)
- 2. [SCHOOL FACILITIES BOARD – Report on FY 2003 Instructions to the Treasurer.](#)
- 3. [ARIZONA DEPARTMENT OF TRANSPORTATION – Review of Scope, Purpose, and Estimated Cost of Douglas MVD Service Center.](#)
- 4. [ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY-EAST – Report on Education 2000 Lease-Purchase Projects.](#)

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

12/11/01

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) 542-5491.

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPERREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, November 29, 2001

The Chairman called the meeting to order at 9:35 a.m. Thursday, November 29, 2001 in Senate Appropriations Room 109 and attendance was noted.

Members: Senator Solomon, Chairman
Senator Brown
Senator Bennett
Senator Cirillo
Senator Hamilton
Senator Mitchell

Representative Gray
Representative Pearce
Representative Weason

Absent: Senator Guenther

Representative Knaperek, Vice-Chairman
Representative Allen
Representative Cheuvront
Representative Lopez

Staff: Lorenzo Martinez
Gina Guarascio
Chris Earnest

Adele Garcia, Secretary
Beth Kohler
Tim Sweeney

Others: Debbie Johnston, Senate
Candy Cooley, SFB
Guadalupe Valencia, Senate

John Arnold, SFB
Jay Ziemann, State Parks
Jay Reams, State Parks
Bruce Ringwald, ADOA
John Sempert, ADOA

Senator Cirillo moved the Committee approve the minutes of October 25, 2001 as presented. The motion carried.

EXECUTIVE SESSION

Senator Bennett moved that the Committee go into Executive Session. The motion carried.

At 9:50 a.m. the Joint Committee on Capital Review went into Executive Session.

(Continued)

EXECUTIVE SESSION - ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES – Review of Requests for Proposals for Forensic Hospital Renovation of the Arizona State Hospital Construction Project.

At 9:55 a.m. the Committee reconvened into open session.

Senator Bennett moved the Committee give a favorable review to the Requests for Proposals for architectural and construction services for the forensic hospital renovation component of the Arizona State Hospital construction project. The motion carried.

SCHOOL FACILITIES BOARD - Review of FY 2002 Building Renewal Allocation Plan.

Chris Earnest, JLBC Staff presented the request that the Committee review the School Facilities Board (SFB) Building Renewal Allocation Plan. The Attorney General's Office has informed the SFB that they are required to distribute the monies with or without JCCR review. Mr. Earnest stated that there is a proposal in the House budget to reduce the total proposed allocation of \$122 million by \$40 million. If the Committee were to go ahead and give a favorable review at this time, the SFB could make the full distribution in November of \$61 million. If the House proposal were to occur, the May distribution of \$61 million could still be reduced by \$40 million.

In response to Senator Cirillo, Mr. Earnest replied that the request from the SFB is for both the November and May distributions, and is the full FY 2002 authorization. The Committee could give direction to the SFB that this review only applies to the November distribution and that the SFB submit the May distribution to the Committee for its review.

Discussion occurred on the fact that some school districts do not report building renewal expenditures as required. The SFB assumes these non-reporting districts spend zero monies from the previous year allocation. This provides more formula funding than if SFB assumes the entire previous year allocation is expended. If the SFB were to assume the entire previous year allocation is expended, this could provide an incentive for districts to report actual expenditures.

Senator Bennett moved the Committee give a favorable review to the November disbursements of building renewal monies to school districts and that the School Facilities Board submit the May distributions for Committee review prior to distribution. The motion carried.

ARIZONA STATE PARKS – Consider Approval of Enhancement Fund monies for the Condemnation of Land Adjacent to Kartchner Caverns State Park.

Tim Sweeney, JLBC Staff presented the Arizona State Parks request that \$1,080,000 be released from the State Parks Enhancement Fund (SPEF) for the purchase of 160 acres of property adjacent to Kartchner Caverns State Park, through the process of condemnation. The JLBC Staff feels this is a policy decision for the Committee. Staff does believe, however, that use of SPEF monies is consistent with Park statutes provided that the land be incorporated as part of the park.

Mr. Jay Ziemann, State Parks, indicated that the Parks Board voted to condemn land adjacent to Kartchner Caverns. Parks' preference is to work out a willing sale with the landowner. If this can be done, Parks will use the Heritage Fund thereby freeing up the Enhancement Fund to help address the \$140 million in identified capital projects that the Committee asked Parks to prioritize at the last JCCR meeting. Heritage Fund monies cannot be used to acquire property through condemnation.

(Continued)

The \$1,080,000 comes from an appraisal commissioned by the Parks Department. At this point, this is the only formal appraisal that has been done and accepted by the Parks Board. The seller has indicated that he is more interested in \$1.4 million. If the developer can get an appraisal that supports \$1.4 million, then that appraisal could be submitted to the Parks Board. The Parks Board has the decision-making authority to decide whether or not that appraisal is valid. If it is, the Parks Board has the ability to negotiate something within the two appraisals.

Senator Bennett moved the Committee approve the release of \$1,080,000 from the State Parks Enhancement Fund for the purchase of 160 acres of property adjacent to Kartchner Caverns State Park though the process of condemnation provided the land is incorporated as part of Kartchner Caverns State Park. The motion carried.

Quarterly Status Report on Kartchner Caverns State Park.

Tim Sweeney, JLBC Staff stated the construction of the lower caves remain on target for the November 2003 opening. Over \$31 million has been allocated to the parks' development to-date and about \$2.7 million remains unobligated.

No Committee action was required.

DEPARTMENT OF HEALTH SERVICES – Review of FY 2002 Southern Arizona Mental Health Center (SAMHC) Building Renewal Allocation Plan.

Lorenzo Martinez, JLBC Staff presented the Department of Health Services (DHS) request to the Committee for review of the FY 2002 Southern Arizona Mental Health Center Building Renewal Allocation Plan. The plan allocates \$75,800 for termite elimination, HVAC system cleaning, 2 roof projects, and emergency contingencies. In FY 1996, the center's operations were privatized and the facilities are now leased to a private provider. Lease payments are deposited in the fund for building renewal. DHS is in the process of attempting to sell the SAMHC building located in Tucson.

Senator Bennett moved the Committee give a favorable review to the FY 2002 Southern Arizona Mental Health Center Building Renewal Allocation Plan. The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION – Consider Adoption of Additional Performance Measures for the FY 2002 Construction Budget Operating Expenditure Plan.

Bob Hull, JLBC Staff indicated that the Committee requested the Arizona Department of Transportation (ADOT) come back with some congestion-related performance measures for its highway construction program. There are 3 tables indicating the percent of the highway system over capacity and in gridlock during peak driving periods. ADOT has included the segments of the roads that are in gridlock and what its action will be in the 5-year plan to address the congestion. JLBC Staff recommends that the performance measures be adopted and ADOT report on these additional performance measures as part of next year's Committee review of ADOT's highway construction budget operating expenditure plan for FY 2003.

Senator Bennett moved the Committee adopt the additional performance measures related to congestion mitigation with the requirement that the department report on these additional performance measures as part of next year's Committee review of the highway construction budget operating expenditure plan for FY 2003. The motion carried.

(Continued)

Report on Executive Summary of Arizona 5-Year Transportation Facilities Construction Program.

Bob Hull, JLBC Staff stated that the Committee requested that Arizona Department of Transportation (ADOT) develop an executive summary that was more user-friendly. The program allocates \$4 billion over 5 years. The ADOT submission includes descriptions of the process, a summary of 10 major projects, and a breakout by county and by fiscal year of the \$4 billion. Of the major projects the biggest one is Loop 202.

This is for information only and no Committee action is required. The JLBC Staff recommends that ADOT provide an executive summary of its 5-year transportation facilities and construction program for FY 2003 through FY 2007 when the department requests Committee review of next year's FY 2003 highway construction budget operating expenditure plan.

No Committee action was required.

**ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES -
Report on the Arizona State Hospital Construction Project.**

Gina Guarascio, JLBC Staff presented the quarterly report on the Department of Health Services' Arizona State Hospital (ASH) Project. This is the 6th quarterly report on the status of this project. Over the past quarter, progress has occurred on construction of 2 new dormitories for the Sexually Violent Persons population. According to the Arizona Department of Administration (ADOA), the one dormitory will be finished this month, and the second dormitory should be finished by early next year. The Committee has also approved an expenditure plan to address infrastructure issues at ASH, including telecommunications expansion, repair of sewer lines, repairs to address water temperature control issues, and Central Plant repairs. Infrastructure rerouting is now about 75% complete. ADOA expects completion of Central Plant upgrades by January of 2002. Work is progressing on the civil facilities. The foundations and some walls are in place and completion is scheduled for the end of next year.

In response to Senator Cirillo, Ms. Guarascio stated she had no indication that the \$80 million would not be sufficient; however, there is a budget proposal to reduce the \$80 million by \$2.5 million. This reduction would eliminate funding for a 5th SVP dormitory.

No Committee action was required.

The meeting adjourned at 10:33 a.m.

Adele Garcia, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Senator Ruth Solomon, Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPERREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: December 11, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Timothy Sweeney, Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS – REVIEW OF STATE LAKE IMPROVEMENT
FUND PROJECTS

This item was originally on the agenda for the October 25th JCCR meeting, but was held due to budget reduction options involving the State Lake Improvement Fund (SLIF). The original memo and the agency request to allocate \$13.5 million for projects are both attached.

In their respective budget proposals the House and Senate have both included fund transfers from SLIF to the General Fund. The Senate included a \$1 million transfer in FY 2002, and the House included \$5 million in each of FY 2002 and FY 2003. The Governor's plan also included a transfer from SLIF of \$13 million in FY 03.

This request from the Parks Department is for the approval of grants using FY 2001 revenue. As a result, the above transfers from SLIF in FY 2002 and FY 2003 would not be affected by Committee action on the grants requested by the Parks Department. SLIF generates approximately \$11 million in annual revenues including interest earned and excluding any carry-forward balances.

RS/TS:jb
Attachments



STATE OF ARIZONA

Joint Committee on Capital Review

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

HOUSE OF
REPRESENTATIVES

LAURA KNAPERK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRONT
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: October 19, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director *RS*

FROM: Timothy Sweeney, Fiscal Analyst *TS*

SUBJECT: ARIZONA STATE PARKS - REVIEW OF STATE LAKE IMPROVEMENT
FUND PROJECTS

Request

Pursuant to A.R.S. § 5-382 the Arizona State Parks Board requests the Committee review State Lake Improvement Fund (SLIF) projects totaling \$13,455,800 for FY 2002.

Recommendation

Due to the size of the SLIF balance, the House of Representatives is considering whether to transfer \$10 million to the General Fund in FY 2002 (see Options List of October 17). As a result, the Committee has the policy decision of whether to recommend a favorable review of the request at this time. From a technical perspective, the proposed grants are consistent with SLIF statutes.

The SLIF has cash balances of \$31.1 million. Much of this, however, has been obligated to prior year grants. Before the allocation that is being requested, the SLIF unobligated balance is \$15.5 million. This balance is based on revenues that were received in FY 2001. The requested amount would reduce this unobligated balance to \$800,000.

If the committee favorable reviews the request, all but \$800,000 of the current \$15.5 million unobligated balance would become obligated. The legislature, however, could still take action to transfer FY 2002 SLIF monies to the General Fund. Through FY 2002, the SLIF will continue to generate revenues that will remain in the fund balance until grants are considered at this time next year. It is estimated that SLIF will have an unobligated balance of \$11.6 million at the close of FY 2002.

(Continued)

Analysis

A.R.S. § 5-382 requires the Arizona State Parks Board to submit all proposed capital projects funded from the SLIF to the Committee for review. SLIF revenues are derived from a portion of watercraft license fees and an allocation of gasoline tax attributable to watercraft use. Monies in the fund are available to state agencies, counties and local governments for projects on waters where boats are permitted. The use of SLIF monies is restricted to improvements and acquisitions of real and personal property as specified in statute.

The Arizona Outdoor Recreation Coordinating Commission (AORCC), established under A.R.S. § 41-511, reviews eligible projects and presents a list of recommendations to the Arizona State Parks Board. A rating criteria is used to determine which projects are recommended. The criteria evaluates each project on several factors including project design, community involvement, and conditions of current infrastructure. There is also a stipulation that no entity may receive more than 20% of the available grant resources. Using this criteria, AORCC and the Parks Board have approved 35 projects/grants for funding in FY 2002 at a total cost of \$13,455,800. These include:

- 21 grants totaling \$10,660,300 to city and county governments for purposes including lake safety enforcement equipment, marina and boat ramp development, and lake park facility improvements.
- 14 projects totaling \$2,795,500 for capital improvements at state parks. Projects include restroom facility construction and renovations, safety related equipment, and other improvements necessary to comply with the Americans with Disabilities Act (ADA) and with clean and wastewater standards.

The following lists the 3 projects with the highest grant amounts.

- Lake Havasu City - \$5,100,000 is provided to acquire 18 acres of State Trust land near the London Bridge. This property is a fully developed lakefront park, and the Land Department is currently leasing it to the city. The lease will not expire until 2014. The park has existing facilities funded through previous SLIF grants, including ramadas, restrooms, trash facilities, information kiosks, and beaches. This project will receive 38% of available monies. In the past, Parks Board policy has limited grant awards to any one entity to no more than 20% of available monies.
- City of Yuma - \$1,000,000 to enhance recreational opportunities at the Riverfront Gateway Park, located in the city's National Heritage Area. The project includes a boat dock, an ADA compliant fishing pier, a trail, ramadas, a kiosk, parking, and marking buoys.
- State Parks - \$1,000,000 for acquisition and planning of non-natural area state park lands. The focus for these funds will be on recreation, cultural, and boating state park properties and lands adjacent to existing state parks. These funds are for Lake Havasu State Park only.
- The remaining 32 grants and projects are each less than \$1,000,000.
- Attachment A lists all the projects.

These grants are made using FY 2001 SLIF revenues. The following table summarizes SLIF FY 2001 revenues and expenditures:

State Lake Improvement Fund		
Ending FY 2001 Carry Forward Balance	\$	15,519,000
Operating Budget (11.8%)		(1,246,700)
AZ State Parks Projects		(2,795,500)
Grants to Outside Entities		<u>(10,660,300)</u>
Unobligated Balance	\$	816,500

AORCC sets a standard that 11.8% of the revenue go to the administrative operating budget, while 88.2% remains available for grants and projects. Of the grants and project money, no more than 30% may go to projects at State Parks. The \$2,795,500 going to State Parks projects represents 20.8% of the total \$13,455,800 in grants and projects.

RS/TS:jb

Recipient	Project	Grant Amount
1 Lake Havasu City	London Bridge Beach Acquisition	\$5,100,000
2 City of Yuma	Gateway Park: Heritage Crossings	1,000,000
3 Maricopa County	Boating Safety Education & First Aid Station	756,760
4 Mohave County	Willow Beach Fishing Pier	693,990
5 Bullhead City	Rotary Park	647,425
6 Apache County	River Reservoir Improvement	412,810
7 Maricopa County	Boathouses at Canyon & Saguaro Lakes	309,389
8 Apache County	Tennel Reservoir Improvement	249,550
9 City of Winslow	Renovation & Expansion of McHood Park	240,280
10 Mohave County	South Telephone Cove: Phase II	148,000
11 Apache County	Bunch Reservoir Improvement	145,835
12 Mohave County	South Cove Picnic Area: Phase II	135,000
13 Town of Payson	Green Valley Lake Improvements	125,000
14 La Paz County	Bill Williams Recreational Angling Development	115,600
15 Mohave County	Princess Cove Picnic Area: Phase II	108,835
16 Lake Havasu City	Watercraft Upgrade	107,034
17 La Paz County	Boating Safety Training Center Improvement	97,600
18 Bullhead City	Multi-Purpose Watercraft	95,906
19 Bullhead City	Watercraft Safety Program	82,800
20 Mohave County	Temple Bar Picnic Shelters: Phase II	71,500
21 La Paz County	Patrol Boat Engines	17,000
Total-Outside Entities		\$10,660,314
1 Statewide	Park Land Acquisition and Planning	\$1,000,000
3 Lyman Lake	Maintenance Building/continued	300,000
4 Buckskin-River Island	Build-Out/continued	280,000
5 Patagonia Lake	Build-Out/continued	255,000
2 Statewide	Improvements	150,497
6 Roper Lake	Contact Station/continued	150,000
7 Statewide	ADEQ Compliance	150,000
8 Statewide	Boating Parks Capital Equipment	150,000
9 Alamo Lake	Site Improvements	120,000
10 Cattail Cove	Site Improvements	85,000
11 Statewide	ADA compliance	75,000
12 Statewide	Materials Fund	50,000
13 Statewide	Cultural Site Clearance	15,000
14 Statewide	Environmental Site Clearance	15,000
Total-State Parks		\$2,795,497



September 21, 2001

SEP 21 2001

Jane Dee Hull
Governor

State Parks
Board Members

Chair
er D. Armer, Jr.
Benson

Vice-Chair
Suzanne Pfister
Phoenix

eph H. Holmwood
Mesa

John U. Hays
Yarnell

beth J. Stewart
Tempe

non Roudebush
Safford

ichael E. Anable
State Land
Commissioner

neth E. Travous
cutive Director

Arizona State Parks
1700 W. Washington
Phoenix, AZ 85007

TTY: 602.542.4174
www.pr.state.az.us

800.285.3703
om (520) area code

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

Senator Ruth Solomon, Chair
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

RE: FY 2001 State Lake Improvement Fund Project List Submission

Dear Senator Solomon,

On behalf of the Arizona State Parks Board, I submit the attached list of State Lake Improvement Fund (SLIF) projects per A.R.S. §5-382 to the Joint Committee on Capital Review. The list includes project descriptions and costs for 35 SLIF projects; the total SLIF funding level is \$13,455,811.

Should you have any questions on the SLIF grants to outside entities, please call Renée Bahl, Assistant Director, at (602) 542-7825. Questions regarding the State Parks SLIF projects should be directed to Jay Ream, Assistant Director, at (602) 542-7103.

Sincerely,

for Kenneth E. Travous
Executive Director

KET/reb

Enclosures

cc: Representative Laura Knaperek
Richard Stavneak, JLBC Director
Tim Sweeney, JLBC Fiscal Analyst
Tom Betlach, OSPB Director
Marcel Benberou, OSPB

**Arizona State Parks
Grants to Outside Entities
State Lake Improvement Fund
FY 2001 Revenues**

**1. Apache County
Bunch Reservoir Improvement**

Project Cost: \$167,860
SLIF Grant: \$145,835

Project Description: This project proposes to develop and renovate facilities at Bunch Reservoir, a 64-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. The project involves improving the existing boat ramp and constructing a handicap accessible restroom and picnic areas.

**2. Apache County
River Reservoir Improvement**

Project Cost: \$470,821
SLIF Grant: \$412,810

Project Description: This project proposes to develop and renovate facilities on the north and south shores at River Reservoir, a 132-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. This project involves improving the existing parking lot and boat ramp and adding picnic facilities and a handicapped accessible restroom on the north shore of the reservoir. Improvements on the south shore include an entrance road and parking area and construction of a handicapped accessible restroom, boat ramp, and picnic facilities.

**3. Apache County
Tunnel Reservoir Improvement**

Project Cost: \$287,133
SLIF Grant: \$249,550

Project Description: This project proposes to develop and improve facilities at Tunnel Reservoir, a 38-acre reservoir, located approximately one mile north of Greer in the Apache-Sitgreaves National Forest. This project involves improving the existing parking area and boat ramp and constructing a handicapped accessible restroom and picnic areas.

**4. Bullhead City
Multi-purpose Watercraft**

Project Cost: \$105,392
SLIF Grant: \$ 95,906

Project Description: The City proposes to purchase a multi-purpose watercraft and equipment to support the Fire Department's 18-member dive and rescue team for emergency rescue and fire fighting activities. The watercraft will be outfitted with a fire pump for fires on the river and along the shorelines that are inaccessible with fire engine vehicles.

**5. Bullhead City
Rotary Park**

Project Cost: \$680,625
SLIF Grant: \$647,425

Project Description: The City proposes to construct a nonmotorized watercraft launching area, group campground, and picnic facilities in Rotary Park, a 212-acre site along the Colorado River. The City received 1999 and 2000 SLIF grants for improvements at Rotary Park including parking areas, access roads, retaining wall, and beach excavation and grading.

**6. Bullhead City
Watercraft Safety Program**

Project Cost: \$82,800
SLIF Grant: \$82,800

Project Description: The City proposes to purchase two Police jet boats, trailers, radios, and first aid equipment which will replace two existing Boston Whaler boats. Boats are used year round for patrol, law enforcement, rescue, and body/evidence recovery along the Colorado River.

**7. Lake Havasu City
London Bridge Beach Acquisition**

Project Cost: \$5,100,000
SLIF Grant: \$5,100,000

Project Description: The City proposes to acquire 18 acres of State Trust land near the London Bridge. The proposed property, currently under lease to the City, is a fully developed lakefront park. No option to renew exists in the current lease. Existing facilities, funded through previous SLIF grants, include ramadas, restrooms, beach improvements, trash facilities, and information kiosks.

**8. Lake Havasu City
Watercraft Upgrade**

Project Cost: \$107,034
SLIF Grant: \$107,034

Project Description: The City proposes to replace/upgrade two motors on law enforcement watercraft purchased through 1989 and 1993 SLIF grants. Each motor has excessive operational hours and is not cost effective to maintain. The City also proposes to purchase two additional watercraft for law enforcement activities along the Bridgewater Channel situated near the London Bridge.

**9. La Paz County
Bill Williams Recreational Angling Development**

Project Cost: \$175,000
SLIF Grant: \$115,600

Project Description: The County proposes to develop recreational opportunities at the Bill Williams River Wildlife Refuge Area including, a nature trail, excavation to construct a boat ramp and infill on the peninsula, restroom, parking, and landscaping.

**10. La Paz County
Boating Safety Training Center Improvement**

Project Cost: \$112,100
SLIF Grant: \$ 97,600

Project Description: The County proposes to improve the existing Boating Safety Training Center to enhance accessibility and accommodate increased use including launch ramp improvement, parking, and an additional dock. The facility was funded through a 1996 SLIF grant.

**11. La Paz County
Patrol Boat Engines**

Project Cost: \$19,400
SLIF Grant: \$17,000

Project Description: The County proposes to replace the two outboard engines on two law enforcement watercraft purchased with 1994 and 1997 SLIF grants. These two engines will meet California's new emissions restrictions.

**12. Maricopa County
Boathouses at Canyon & Saguaro Lakes**

Project Cost: \$335,946
SLIF Grant: \$309,389

Project Description: This project involves the construction of boathouses with slips at Canyon and Saguaro Lakes to house the patrol/rescue watercraft used by the Maricopa County Sheriff's Office. The existing boathouses were constructed prior to 1978 and exposure to changing water levels and extreme weather conditions caused the boathouses to deteriorate. Canyon Lake and Saguaro Lake are located north of Apache Junction.

**13. Maricopa County
Boating Safety Education & First Aid Station**

Project Cost: \$803,378
SLIF Grant: \$756,760

Project Description: The County proposes to construct a 3,000 square foot building at the intersection of Bush Highway and Usery Pass Road that would serve as a Boating Safety Center and First Aid Station for the Sheriff's Office. The center will serve boaters of Apache, Saguaro, and Canyon Lakes and the lower Salt River in need of medical attention and boating safety education.

**14. Mohave County
Princess Cove Picnic Area: Phase II**

Project Cost: \$119,635
SLIF Grant: \$108,835

Project Description: The County proposes to improve access to Princess Cove located at Katherine's Landing on Lake Mead National Recreation Area. The project includes improvements to the existing parking and access road in order to reduce erosion and improve ADA accessibility. The County received a SLIF grant in 1997 for facilities at this location.

**15. Mohave County
South Cove Picnic Area: Phase II**

Project Cost: \$148,500
SLIF Grant: \$135,000

Project Description: This project involves providing additional group picnic sites at the South Cove Picnic Area located at the eastern end of Lake Mead. The existing high use picnic area will be expanded by adding picnic shelters, tables, and a restroom. Previous SLIF grants funded lighting, restrooms, a courtesy dock, kiosks, and parking lots at this site.

**16. Mohave County
South Telephone Cove: Phase II**

Project Cost: \$162,800
SLIF Grant: \$148,000

Project Description: The County proposes to realign the access road to South Telephone Cove, located at the southern end of Lake Mohave near Katherine Landing. The road is the only access to South Telephone Cove and is less than three-fourths of a mile in length. The current access road is located in a wash that seasonally floods. Improving the drainage will also divert water from the existing parking lot. The picnic area with swim beach, restrooms, and parking were funded with a FY 1995 SLIF grant.

**17. Mohave County
Temple Bar Picnic Shelters: Phase II**

Project Cost: \$78,650
SLIF Grant: \$71,500

Project Description: The County proposes to further develop the facilities at Temple Bar, located at the southern end of Lake Mead. This proposal involves construction of a courtesy dock, and adding shade structures to the picnic facilities. A FY 1996 SLIF grant provided for installation of existing picnic facilities at the site.

**18. Mohave County
Willow Beach Fishing Pier**

Project Cost: \$762,990
SLIF Grant: \$693,990

Project Description: The County proposes to construct facilities at Willow Beach, located along the Colorado River, north of Lake Mohave, within the Lake Mead Recreation Area. The proposed project will provide two wheelchair accessible fishing piers, and picnic sites.

**19. Town of Payson
Green Valley Lake Improvements**

Project Cost: \$150,000
SLIF Grant: \$125,000

Project Description: The Town proposes improvements at Green Valley Lake, a 13-acre nonmotorized boating lake. This project includes a restroom, boating safety informational kiosk, and picnic areas.

**20. City of Winslow
Renovation & Expansion of McHood Park**

Project Cost: \$266,978
SLIF Grant: \$240,280

Project Description: The City proposes to renovate and expand facilities at McHood Park which contains Clear Creek Reservoir in Winslow. The existing fifteen space campground, which is over 30 years old, requires renovation including paving campground roads, landscaping, grills, additional camping spaces, and beach improvements. The City received a SLIF grant in 1998 for a contact station, ramadas, boat launch areas, water treatment facility, and restrooms in this park.

**21. City of Yuma
Gateway Park: Heritage Crossings**

Project Cost: \$1,500,000
SLIF Grant: \$1,000,000

Project Description: The City proposes to enhance recreational opportunities at the Riverfront Gateway Park, located within the City's federally designated National Heritage Area. This project includes a boat dock, ADA compliant fishing pier, trail, ramadas, kiosk, parking, and marking buoys. This project will link to the previous SLIF funded project area, West Wetlands Development, along the Colorado River

Total SLIF Grants to Outside Entities = \$10,660,314

**Arizona State Parks
Capital Improvement Plan
State Lake Improvement Fund (SLIF) FY 2001**

1. Statewide – Park Land Acquisition and Planning

Estimated Cost: \$1,000,000

Scope Items: Funds for acquisition and planning of non-natural area state park lands. The focus will be on recreation, cultural and boating state park properties, in holdings, and lands adjacent to existing state parks. This is additional funds for Lake Havasu only.

2. Statewide – Improvements

Estimated Cost: \$150,497

Scope Items: Funds for unforeseen projects, emergency repairs, and changes in design or construction projects. This may also be used for on-going maintenance (small) projects. Parks include but not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake and Roper Lake.

3. Lyman Lake – Maintenance Building/continued

Estimated Cost: \$300,000

Scope Items: The design and construction of maintenance building, utility extensions, ramadas, upgrade campsites, and various other site improvements.

4. Buckskin-River Island – Build-Out/continued

Estimated Cost: \$280,000

Scope Items: The design and construction of restroom/shower buildings, utility extensions, ramadas, upgrade campsites, and various other improvements. (additional funds)

5. Patagonia Lake– Build-Out/continued

Estimated Cost: \$255,000

Scope Items: The design and construction of utility extensions, ramadas, maintenance building, docks, fishing piers, fuel station, and various other improvements. (additional funds)

6. Roper Lake – Contact Station/continued

Estimated Cost: \$150,000

Scope Items: The design and construction of contact station, septic system, parking areas, utility extensions, ramadas, upgrade campsites, and various other site improvements. (additional funds)

7. Statewide – ADEQ Compliance

Estimated Cost: \$150,000

Scope Items: Systematically retrofit, repair, or replace the agency's water and waste water systems. This will ensure compliance with current Arizona Department of Environmental Quality (ADEQ) standards. Parks include but not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Patagonia Lake, and Roper Lake.

8. Statewide – Boating Parks Capital Equipment

Estimated Cost: \$150,000

Scope Items: Funds for the purchase of boats, buoys, boating safety and related equipment. Parks include but not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Patagonia Lake, and Roper Lake.

9. Alamo Lake – Site Improvements

Estimated Cost: \$120,000

Scope Items: The design and construction of utility extensions, ramadas, upgrade campsites, and various site other improvements.

10. Cattail Cove – Site Improvements

Estimated Cost: \$85,000

Scope Items: The design and construction of floating launch ramp, ramadas, and various other improvements.

11. Statewide – ADA Compliance

Estimated Cost: \$75,000

Scope Items: Systematically retrofit or replace the agency's existing facilities, or construct new ones to ensure compliance at our state parks with the Americans with Disability Act Accessibility Guidelines (ADAAG). Arizona State Parks considers this an annual set aside requirement. Parks include but not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Roper Lake, and Patagonia Lake.

12. Statewide – Materials Fund

Estimated Cost: \$50,000

Scope Items: Funds for the purchase of construction materials on projects of limited size and scope. Parks include but not limited to Lake Havasu, Cattail Cove, Buckskin Mountain, Patagonia Lake, and Roper Lake.

13. Statewide – Cultural Site Clearance

Estimated Cost: \$15,000

Scope Items: Funds will be utilized for investigation and mitigation purposes, for projects of limited size and scope. Arizona State Parks is statutorily required to ensure that all projects on our properties are investigated for impacts to prehistoric and historic cultural sites. Parks include but not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake, and Roper Lake.

14. Statewide – Environmental Site Clearance

Estimated Cost: \$15,000

Scope Items: Funds will be used for the investigations of the presence of hazardous materials and other constraints and/or opportunities on existing and proposed Arizona State Parks water-based properties for projects of limited size and scope. Parks include but not limited to Buckskin Mountain, Lyman Lake, River Island, Alamo Lake, and Roper Lake.

Total State Park Allocated SLIF Projects = \$2,795,497

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPERREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: December 11, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: SCHOOL FACILITIES BOARD – REPORT ON FY 2003 INSTRUCTIONS TO THE
TREASURER

Request

As required by A.R.S. § 15-2002, the School Facilities Board is updating the Committee on the estimated amounts necessary in FY 2003 for the Building Renewal Fund, New School Facilities Fund and the Deficiencies Correction Fund.

Recommendation

This item is for information only and no Committee action is required. The board will instruct the Treasurer to transfer a total of \$416.3 million in FY 2003. This amount includes:

- \$28.0 million for Deficiencies Correction Fund. This is \$16.0 million more than was originally budgeted for FY 2003. Laws 2001, Chapter 233, however, limits the FY 2003 Deficiencies Correction Fund transfer to \$12.0 million.
- \$128.3 million for Building Renewal, which is \$(9.5) million less than was originally estimated in the FY 2003 budget.
- \$260.0 million for the New School Facilities Fund, which is the same amount as originally budgeted.

Legislation in the current special session proposes to change the way monies would be deposited to the funds starting in FY 2003. The House Engrossed version of the education omnibus reconciliation bill would negate the proposed transfers by eliminating SFB's authority to instruct the Treasurer and the Treasurer's authority to transfer monies to the funds. Under the bill, monies to the fund are subject to legislative appropriation beginning in FY 2003. The Senate Engrossed version of the bill does not appropriate the funds but does require JCCR to review SFB's instruction to the Treasurer.

(Continued)

Analysis

A.R.S. § 15-2002 requires SFB to instruct the State Treasurer by January 1 of each year as to the amounts under the Transaction Privilege Tax (TPT) to be credited to the Deficiencies Correction Fund, Building Renewal Fund, and New School Facilities Fund in the following fiscal year. Prior to issuing these instructions, statute requires SFB to report these amounts to JCCR. The transfers are done without appropriation. The amounts credited to the funds are budget as General Fund expenditures because TPT revenues would otherwise be deposited into the General Fund.

The following paragraphs discuss the proposed instructions for each of the funds:

Deficiencies Correction Fund

The Deficiencies Correction Fund is established to correct existing facility and equipment deficiencies at all state public schools. All identified deficiencies are to be corrected by June 30, 2003 and are estimated to cost \$1.1 billion. The SFB will instruct the Treasurer to transfer \$28.0 million in FY 2003. This amount is \$16 million more than was originally budgeted for FY 2003 due to SFB's concern that \$16 million in Federal School Renovation Grants cannot be used for the Deficiencies Correction program. The federal monies had been included as a fund source for the \$1.1 billion total. The SFB contends, however, that in Students FIRST, the state committed to fully funding the Deficiencies Correction program and that utilizing the federal grant money would supplant state resources. Under the federal requirements, the \$16 million cannot be used to supplant state funding.

Although SFB is proposing instructions to transfer \$28.0 million, the amount the treasurer can transfer to the Deficiencies Correction fund is limited to \$12.0 million. Laws 2001, Chapter 233 instructs the Treasurer to disregard any instructions from SFB and instead transfer \$12.0 million in FY 2003. Proposed special session legislation in both the Senate and the House of Representative, however, would eliminate the FY 2003 transfer, leaving no additional funding for the program in that year. The FY 2003 appropriation is being eliminated as a means of recouping the unobligated balance in the Deficiencies Correction Fund. Prior to last week's SFB meeting, the fund had an unobligated balance of \$43 million. This amount includes \$31.0 million from prior year transfers and the \$12.0 million FY 2003 transfer. The SFB did, however, obligate an additional \$7 million at their December 6 meeting, reducing the unobligated amount to \$36 million.

Building Renewal Fund

The Building Renewal Fund's purpose is to provide funding for school districts to maintain adequacy standards of existing schools. Building renewal monies are for major renovations and repairs but are not to be used for new construction. The amount distributed to each school district is based on a statutory formula. The primary formula components are building age, prior renovations, square footage, and construction costs. Monies are distributed in equal installments in November and May of each fiscal year.

The SFB reports that it will instruct the Treasurer to transfer \$128,274,100 in FY 2003. This amount is \$(9.5) million less than the \$137.8 million that was originally estimated for the year.

The proposed instruction is based on the statutory formula and does not include any additional inflationary factors.

The proposed House of Representative budget plan reduces the FY 2003 transfer by \$(40.0) million due to the size of the building renewal balances held by all school districts. The proposed Senate budget plan does not address the building renewal transfer in FY 2003.

New School Facilities Fund

The New School Facilities Fund provides funds to school districts for new school construction. The board reports that it will instruct the Treasurer to transfer \$260.0 million in FY 2003. This amount is

(Continued)

equal to the original FY 2003 projection and represents a \$10 million increase above the FY 2002 transfer. Monies in the fund are distributed to school districts based on enrollment projections, square footage requirements, and construction costs. Monies are only distributed upon invoice of work completed. After all estimated distributions in FY 2003, SFB currently projects they will end the year with a \$34.5 million balance.

The proposed House of Representatives' budget plan includes the full \$260.0 million in FY 2003. The proposed Senate budget does not address the FY 2003 new construction allocation.

RS/CE:jb



Governor of Arizona
Jane Dee Hull

STATE OF ARIZONA
SCHOOL FACILITIES BOARD

Executive Director
Dr. Philip E. Geiger

December 11, 2001

The Honorable Ruth Solomon
Chairman
Joint Committee on Capital Review

The Honorable Laura Knaperek
Vice Chairman
Joint Committee on Capital Review



Dear Senator Solomon and Representative Knaperek:

Pursuant to A.R.S. 15-2002, the School Facilities Board is required to provide the Joint Committee on Capital Review with an update of the estimated amounts necessary to fulfill the requirements of A.R.S. 15-2021, 15-2031, and 15-2041 for the following fiscal year. In addition, no later than January 1 of each year, the School Facilities Board shall instruct the State Treasurer as to the amounts under the transaction privilege tax to be credited in equal quarterly installments for the following state fiscal year.

The School Facilities Board approved the following amounts at its December 6, 2001 Board meeting and submits this report to you in compliance with the statutes:

Regarding Deficiencies Correction Fund: The School Facilities Board hereby informs the Joint Committee on Capital Review that it intends to instruct the State Treasurer to credit from the transaction privilege tax the amount of \$28,000,000 in FY 2003 for the purpose of fulfilling the requirements of A.R.S. 15-2021.


Regarding Building Renewal Funds: The School Facilities Board hereby informs the Joint Committee on Capital Review that it intends to instruct the State Treasurer to credit from the transaction privilege tax the amount of \$128,274,062 in FY 2003 for the purpose of fulfilling the requirements of A.R.S. 15-2031.

Regarding New School Facilities Fund: The School Facilities Board hereby informs the Joint Committee on Capital Review that it intends to instruct the State Treasurer to credit from the transaction privilege tax the amount of \$260,000,000 in FY 2003 for the purpose of fulfilling the requirements of A.R.S. 15-2041.

December 11, 2001

Please feel free to contact me if you have questions or would like to discuss the report.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Geiger', with a long, sweeping horizontal stroke extending to the right.

Dr. Philip E. Geiger
Executive Director

Cc: Members of the School Facilities Board
Richard Stavneak
Tom Betlach
Christy Anderson

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPEREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: December 11, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - REVIEW OF SCOPE, PURPOSE,
AND ESTIMATED COST OF DOUGLAS MOTOR VEHICLE DIVISION SERVICE
CENTER

Request

The Arizona Department of Transportation (ADOT) requests that the Committee review the scope, purpose, and estimated cost of the Douglas Motor Vehicle Division (MVD) Service Center.

Recommendation

The JLBC Staff recommends a favorable review of the request. The project was appropriated \$1,150,000 from the State Highway Fund in FY 2001. Of the total amount, \$949,500 is for the low bid, \$56,800 is for architectural and engineering fees, \$95,600 is for furnishings and equipment, and the remaining \$48,100 is for exterior projects and contingencies.

Analysis

Pursuant to A.R.S. § 41-1252(C), the Committee shall review the scope, purpose, and estimated cost of appropriated capital projects prior to the release of monies for construction. Laws 1999, Chapter 2, 1st Special Session appropriated \$1,150,000 in FY 2001 from the State Highway Fund to ADOT, to construct and furnish a new Douglas MVD Service Center. The new service center would be built on 5 acres already owned by ADOT near the Douglas city limits, at the intersection of US 80 and SR 191. The new building would have 5 work stations and would replace a converted mobile home in Douglas.

The department reports a low base bid of \$949,500 to construct the new 4,834 square foot Douglas MVD Service Center, and projects spending the \$1,150,000 appropriation as shown in following table, for an average cost of \$238 per square foot.

For comparison, a new 14,430 square foot Scottsdale MVD Service Center was completed in August 1999 with a construction cost of \$2,160,000, for an average cost of \$150 per square foot. A new 14,430 square foot

(Continued)

Mesa MVD Service Center was completed in March 2000 with a construction cost of \$2,250,000, for an average cost of \$156 per square foot. The Committee gave a favorable review, at their June 28, 2001 meeting, to both the 14,000 square foot Glendale MVD Service Center (estimated construction cost of \$2,133,900), and the 7,000 square foot Cottonwood MVD Service Center (estimated construction cost of \$1,064,700) for an average cost of \$152 per square foot for each new facility. Construction costs tend to fluctuate depending on market conditions and geographic locations.

Estimated Expenditures	
Low Construction Base Bid	\$949,500
Architect & Engineering	56,800
Secured Parking Area	3,400
Exterior Pole Lighting	29,600
Exterior Split Face Block	4,100
Furnishings, Telecommunications, & Equipment	95,600
Contingencies	11,000
Total Expenditures	\$1,150,000

No monies have been set aside for Risk Management in these estimated expenditures. The Arizona Department of Administration (ADOA) Risk Management capital construction insurance rate had been 0.6% of total project costs for each capital project in FY 2000. Then the rate decreased to 0% in FY 2001, since the fund had sufficient monies on hand for FY 2001. At its June 22, 2000 meeting, the Committee gave a favorable review, to ADOA setting the FY 2001 Risk Management capital construction insurance rate at 0%. The Committee also requested that ADOA report back to the Committee if a change in the rate is needed for FY 2002. From informal discussions with ADOA Risk Management, we understand that the current 0% capital construction insurance rate is likely to be continued through FY 2002. If ADOA charges ADOT for capital construction insurance for all or part of FY 2002, the \$11,000 for contingencies would decrease by the amount of the Risk Management charge. For instance, if ADOT were charged 0.6% for the entire year the Risk Management charge would be \$6,800, which would leave \$4,200 for contingencies.

The request is within the scope, purpose, and monies available for this project. The JLBC Staff recommends that the Committee give a favorable review to the Douglas MVD Service Center construction project.

RS/BH:jb



Jane Dee Hull
Governor

Victor M. Mendez
Director

Arizona Department of Transportation

Office of the Director

206 South 17th Avenue Mail Drop 100A Phoenix, Arizona 85007-3213
Phone 602.712.7227 FAX 602.712.6941

John A. Bogert
Chief of Staff

December 10, 2001

Senator Ruth Solomon, Chairman
Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007



Dear Senator Solomon:

This letter and attachment revises my December 6, 2001, letter to you regarding construction of the MVD Service Center in Douglas, Arizona.

We respectfully request to be placed on the agenda for the next scheduled JCCR meeting in order that the Committee can approve the release of the \$1,150,000 appropriated for Fiscal Year 2001 for the above. This project involves building a new 4,834 square foot MVD Service Center on property presently owned near the City limits of Douglas, Arizona. We have spent or encumbered \$62,749.80 for Risk Management, Architectural/Engineering and miscellaneous fees to date. We have received bids for this project, and the lowest "base bid" is for the amount of \$949,521.00 and the end users would like three "add alternates" in the amount of \$37,134.00 plus a contingency of \$5,000 which would bring the construction related costs to \$1,054,404.80, as indicated in the attached funding recap. The remaining \$95,595.20 will provide funding for non-construction items such as furniture, telecommunications equipment, security system and miscellaneous expenses.

It is our intention to complete the project and have a functional facility near the end of this fiscal year. We respectfully request approval to proceed with the award of the construction contract. Your review and approval of this request is greatly appreciated.

Sincerely,

Victor Mendez

cc: Representative Laura Knaperek, JCCR
Bret Cloninger, OSPB
Bob Hull, JLBC
Charles D. Haverstick, ADOT

Tom Betlach, OSPB
Richard Stavneak, JLBC
David Jankofsky, ADOT

Attachment



2001 Award Recipient

DOUGLAS MVD PROJECT

Appropriation \$ 1,150,000.00

TOTAL FUNDS AVAIABLE 1,150,000.00

Construction Related Costs:

Risk Management	\$ 6,000.00
Searer & Robbins Architects	56,749.80
Base Bid for Construction	949,521.00

Alternates:

Secured Parking Area – Alt No. 2	3,407.00
Exterior Lighting – Pole Lighting – Alt. No. 3	29,645.00
Split Face Block – Alt.No. 5A	4,082.00
Contingency	5,000.00

Total Construction Costs 1,054,404.80

Non-Construction Related Costs:

Telecommunications Equipment
Security System
Furniture
Miscellaneous

Total Non-Construction Costs 95,595.20

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUTH SOLOMON
CHAIRMAN 2001
KEN BENNETT
JACK A. BROWN
EDWARD J. CIRILLO
HERB GUENTHER
DARDEN C. HAMILTON
HARRY E. MITCHELL

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

LAURA KNAPEREK
CHAIRMAN 2002
CAROLYN S. ALLEN
KEN CHEUVRON
LINDA GRAY
LINDA J. LOPEZ
RUSSELL K. PEARCE
CHRISTINE WEASON

DATE: December 11, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Jill Young, Fiscal Analyst
Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA BOARD OF REGENTS/ARIZONA STATE UNIVERSITY-EAST –
REPORT ON EDUCATION 2000 LEASE-PURCHASE PROJECTS

Request

The Arizona Board of Regents (ABOR) has submitted follow-up information on Arizona State University (ASU)-East lease-purchase capital projects being financed with Education 2000 monies.

Recommendation

This item is for information only and no Committee action is required.

The Committee gave a favorable review for the issuance of Certificates of Participation (COPs) to finance projects on the ASU-East and ASU-West campuses at its June 28, 2001 meeting. The Committee does not normally review university COP issuances; however, the legislation for “Education 2000” (Proposition 301), which authorized these issuances, required Committee review before the COPs were issued. As part of its favorable review, the Committee requested that additional information on ASU-East projects be submitted when the university completed its assessment.

A COP issuance of \$27,500,000 is planned for ASU-East, and a COP issuance of \$21,600,000 is planned for ASU-West. Repayment of the COPs will be paid from Education 2000 monies.

Analysis

The accompanying legislation (Laws 2000, Chapter 1, 5th Special Session) to “Education 2000” (Proposition 301) appropriated \$2,500,000 in FY 2002 from the Technology and Research Initiative (TRI) Fund for first year COP costs for the lease-purchase financing of buildings and associated infrastructure at the ASU-East and ASU-West campuses. Of the amount appropriated, \$1,400,000 was appropriated for ASU-East and \$1,100,000 was appropriated for ASU-West. The legislation also

(Continued)

included intent language that future monetary requirements also be appropriated from the TRI Fund. No appropriations beyond FY 2002 have been made. After allocations for debt service on state school facilities revenue bonds, the TRI Fund receives 12% of the remaining revenues from the Education 2000 enacted increase to the sales tax. This amount is estimated to be \$46,630,900 in FY 2002.

Over the next 3 years approximately 18 buildings on the ASU-East campus will be renovated to convert space from its original military configuration to academic use. A number of infrastructure improvements are required to accommodate the renovations and development of the campus. Items include roadway and parking lot improvements, campus mall and landscaping development, telecommunications infrastructure improvements, and recreational space and facilities. Additionally, the plan includes one new construction project, the Flightline Facility, which is planned to expand student capacity for existing flight training programs and hanger/storage space.

The following table summarizes the estimated costs of the ASU-East Capital projects. The additional annual operating impact of these projects is estimated to be \$1,802,400.

Summary of ASU-East Capital Projects		
	<u>Current Estimated Project Cost</u>	<u>Additional Operating Impact</u>
Building Renovation Projects	\$ 16,865,757	\$ 1,296,594
Flightline Facility	3,200,000	161,560
Campus Infrastructure Projects	<u>7,158,629</u>	<u>344,250</u>
TOTALS	\$27,224,386	\$ 1,802,404

The COP issuance for ASU-East will be \$27,500,000 and will be repaid over a 20-year period. At an assumed interest rate of 5.44%, the required annual payment will be \$2,289,700.

The attached material includes the list of projects submitted by ASU-East and an excerpt of material on the projects submitted for the review in June.

RS/LM/JY:jb



Lko

NOV 19 2001

Board Members

Kay McKay
Flagstaff
President

George H. Amos, III
Tucson

Judy Gignac
Sierra Vista

Chris Herstam
Phoenix

Jack B. Jewett
Tucson

Christina Palacios
Tucson

Gary Stuart
Phoenix

Donald J. Ulrich, Jr.
Paradise Valley

Student Regents

Myrina Robinson
Flagstaff

Matthew Meaker
Tucson

Jane Dee Hull
Governor of Arizona

Jaime A. Molera
Superintendent of
Public Instruction

Executive Director

Linda J. Blessing

November 16, 2001

Mr. Richard Stavneak, Director
State of Arizona
Joint Committee on Capital Review
1716 W. Adams
Phoenix, AZ 85007

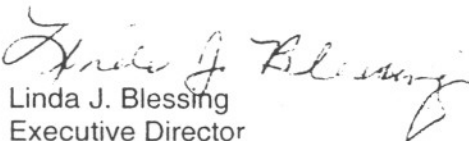
Dear Mr. Stavneak:

This letter responds to your letter dated July 2, 2001, Agenda Item 4, in which the Joint Committee on Capital Review requested information following completion of the Arizona State University East Campus Development Plan in August 2001. This plan was completed in September 2001 and presented to the ASU East provost in mid-October 2001. The campus development plan was designed to coordinate the programming, design and construction phases of the projects over the next four years.

Per your request, the current status of the ASU East capital projects, including the operating impact of each project, is included in Attachment 1. A list of specific ASU East infrastructure projects along with component cost estimates is included in Attachment 2. The Arizona Board of Regents granted conceptual approval for the building renovation and campus infrastructure projects in April 2001 and the board granted project implementation approval for the flightline facility in September 2001. ASU East projects will be presented to the Board for the appropriate approvals when project planning is completed.

Please let me know if the committee requires any additional information regarding the ASU East capital improvement projects.

Sincerely,


Linda J. Blessing
Executive Director

2020 N. Central Ave.
Suite 230
Phoenix, AZ 85004
(602) 229-2500
Fax (602) 229-2555
www.abor.asu.edu

Arizona State University

Northern Arizona University

University of Arizona

**ASU East Capital Improvement Projects
Status as of October 2001**

ATTACHMENT 1

BUILDING RENOVATION PROJECTS

<u>Project</u>	<u>Additional Square Feet</u>	<u>Estimated Project Cost</u>	<u>Scheduled Completion Date</u>	<u>Additional Operating Impact</u>
Renovation of Building 1	9,247	\$ 985,000	May 2002	\$ 46,790
Reprogram Building 4	0	\$ 450,000	May 2002	\$ 0
Renovate Building 11	3,731	\$ 100,000	August 2002	\$ 18,879
Renovate Classrooms in Building 237	0	\$ 127,000	August 2002	\$ 0
Renovate Building 239	2,231	\$ 82,000	FY 03	\$ 11,795
Renovate Building 300	30,000	\$3,015,260	FY 03	\$151,800
Renovate Building 425	14,800	\$1,300,000	August 2003	\$ 74,888
Exercise & Wellness Facility Renovations Buildings 504 and 508	15,116	\$ 977,500	August 2001	\$ 76,487
Renovate Building 505	16,800	\$1,005,292	August 2003	\$ 85,008
Renovate Buildings 632 and 640	51,154	\$2,500,000	August 2002	\$258,839
Renovate Building 664	0	\$1,041,460	FY 04	\$ 0
Renovate Building 762	2,330	\$ 64,245	July 2001	\$ 5,662
Renovate Building 785	41,000	\$3,867,000	August 2003	\$207,460
Renovate Building 795	10,676	\$ 301,000	Spring 2002	\$ 54,021
*Technology Center Improvements	20,000	\$ 450,000	Spring 2002	\$265,600
*Renovate Building 786 (Running Chef)	4,890	\$ 600,000	August 2002	\$ 24,743
*Recommended in Campus Development Plan		\$16,865,757		\$1,296,594

**ASU East Capital Improvement Projects
Status as of October 2001**

NEW CONSTRUCTION PROJECTS

<u>Project</u>	<u>Additional Square Feet</u>	<u>Estimated Project Cost</u>	<u>Scheduled Completion Date</u>	<u>Additional Operating Impact</u>
Flightline Facility	26,000	\$3,200,000	January 2003	\$131,560 (O&M)
				<u>\$ 30,000 (Lease)</u>
				\$161,560

ASU East Campus Infrastructure ProjectsATTACHMENT 2

Status as of October 2001

<u>Project</u>	<u>Estimated Project Cost</u>	<u>Scheduled Completion Date</u>	<u>Additional Operating Impact</u>
Telecommunications Improvements	\$1,075,000	June 2004	
Completion of Campus Entry and Williams Campus Loop Road	\$2,448,629	June 2002	
Improve Campus Streets, Roads and Parking Lots	\$1,265,000	FY 03	
Campus Mall and Landscape Development	\$1,950,000	FY 03	\$114,750
Recreational Fields and Facilities	<u>\$ 420,000</u>	FY 03	<u>\$229,500</u>
	\$7,158,629		\$344,250

<u>SUMMARY</u>	<u>Estimated Project Cost</u>	<u>Additional Operating Impact</u>
Building Renovation Projects	\$16,865,757	\$1,296,594
Flightline Facility	\$ 3,200,000	\$ 161,560
Campus Infrastructure Projects	<u>\$ 7,158,629</u>	<u>\$ 344,250</u>
TOTALS:	\$27,224,386	\$1,802,404

EXECUTIVE SUMMARY

Following the approval of Proposition 301, ASU East selected Deutsch and Associates to prepare a campus development plan that coordinates the programming, design and construction phases of the various CIP projects over the next 4 years. The total cost of these building renovation projects is \$16.5 million to be funded through COPS included in Proposition 301. The buildings to be renovated include, but are not limited to the following:

- Renovate Building 1: This building has been vacant since the Air Force departed in 1996. It will be renovated to be used as the ASU East Administration building and will be the location for the Office of the Provost and related units. This building contains 9,247 square feet and the estimated renovation cost is \$758,254.
- Reprogram Building 4: When the Office of the Provost and other academic departments move to new facilities, this building will be reprogrammed to accommodate expanded student services, library and related functions, computing commons, and other academic or academic support space. The reprogramming of this building will be completed by the summer of 2001. The estimated cost is \$450,000.
- Renovate Building 11: The former base library facility is located in the core area of the campus and consists of approximately 3,731 GSF of usable library space. However, the building is geographically remote from the ASU East library and is more suitable as a large lecture hall or classrooms. The estimated cost is \$95,000.
- Demolish or Renovate Building 85: This small building is located at the campus entrance and is significantly separated from the core area of the campus. Based on the results of campus development planning, the building will either be demolished or remodeled to serve as a visitor information center or other appropriate use. The estimated cost is \$15,000.
- Renovate Portion of Building 237: This building, the former base hospital, is currently occupied by the ASU East Department of Nutrition and the U.S. Department of Veterans Affairs, which has a long term lease for approximately 53% of the GSF. Approximately 9,612 GSF is currently unoccupied and suitable for renovation for new academic programs. The estimated cost for completing the space designated for Nutrition and renovating the remaining vacant space is \$384,480.
- Renovate Building 239: The small building is located adjacent to the ASU East Health Sciences Center (the former base hospital) and has been designated a laboratory/research facility for Nutrition faculty. Approximately 2,331 GSF will be renovated to create new laboratory space at an estimated cost of \$82,000.
- Reprogram/Renovate Buildings 300, 320, 321, 322 and 323: This set of buildings is grouped together in an area of the campus designated for student activities. ASU East has used Building 300, the former base officers' club, as the Williams Campus Union. While this facility has served as the primary campus union and conference facility for the past several years, this building requires major upgrades in all building systems, as well as redesign/expansion of space to accommodate larger events and student activities.

EXECUTIVE SUMMARY

The other four buildings were originally constructed as barracks in 1942 and later modified into office buildings by the Air Force. Currently vacant, this complex is strategically located near the Academic Center Building and the Williams Campus Union. The buildings will be evaluated during the campus development planning and the most appropriate use for each determined at that time.

The estimated total cost for renovating these 5 buildings is \$3,015,260.

- Renovate Building 390: This building is the former base bowling center located in a strategic area of the campus. It will be evaluated during campus development planning for potential uses ranging from classrooms or a large lecture hall to a multi-purpose facility related to recreation and/or exercise and wellness programs. The estimated cost for any of these options is \$421,720.
- Reprogram/Renovate Building 425: Additional renovations in this building are needed to create additional classrooms, provide space for flight simulators, and to provide space for offices and simulator operations support. Two academic departments occupy this facility and both require additional instructional space. The estimated cost is \$1,300,000.
- Renovate Buildings 504, 505 and 508: Since 1992, two of these facilities have been used by Project Challenge, a program for high school dropouts operated by the Arizona National Guard. Buildings 504 and 508 will be renovated to create classrooms and laboratories for the Department of Exercise and Wellness, which will be located at ASU East beginning in July 2001.

Building 505, the former non-commissioned officers' club has been vacant since 1992. It will be renovated for the Department of Exercise and Wellness faculty and administrative support staff that will be located in temporary space until the renovations are completed. The total cost for the Exercise and Wellness facility renovations is \$1,982,792.

- Renovate Buildings 632, 640 and 672: These three buildings were originally constructed as dormitories and have been used by Project Challenge since 1992. The buildings are located in the core area of the campus and represent valuable space for accommodating faculty and administrative staff offices, or additional classroom/instruction space. This cluster of buildings is a major focus for the campus development planning currently underway. The estimated cost for renovating this group of buildings is \$2,500,000.
- Renovate Building 664: Major structural and building system deficiencies must be corrected for this building to meet food service requirements in the future. The facility also needs to be updated cosmetically, and additional outdoor spaces for gathering and community building must be created. The estimated cost is \$1,041,460.

EXECUTIVE SUMMARY

- Reprogram/Renovate Building 762: This facility is currently occupied by several academic units and serves as a telecommunications facility for U.S. West. The building will be reprogrammed and renovated to accommodate additional faculty and administrative staff offices. The estimated cost is \$285,920.
- Renovate Building 785: This building was originally planned to be the home of the Agribusiness Center; however, the programming for this facility is under review. Approximately 41,000 GSF of this former base exchange facility is available to be converted to mediated classrooms, laboratories, lecture halls, and other instructional/research space. The estimated cost is \$3,867,000.
- Renovate Building 795: Located in the heart of the core area of the campus, this facility has been used as the ASU East auditorium. Formerly the base theatre, this building needs upgrade of building mechanical systems, new telecommunications/mediation capability, and some cosmetic improvements to increase its usability. The estimated cost is \$301,000.

PROJECT JUSTIFICATION:

The renovations identified in this project involve 19 buildings with approximately 208,963 GSF of new academic or academic support space coming on-line over the next 3-4 years. In addition, an additional 100,316 GSF in 6 buildings currently in use will be reprogrammed or improved to meet anticipated programmatic growth at ASU East. These renovations are needed to make maximum use of all facilities included in the conveyance of property to ASU East from the federal government. Every usable building within the campus core area will be evaluated for renovation and conversion for university programs. When this project is completed, ASU East will have taken a huge step in creating a campus that can accommodate approximately 5000 FTE or 7000 headcount students.

ADDITIONAL CONSIDERATIONS:

Many of these renovation projects involve minor renovations to small buildings that are excellent candidates for using the new construction delivery methods such as job order contracting. Larger projects, such as renovation of the base exchange into the Agribusiness Center and renovation of the campus union and related buildings, are ideal for design-build or construction manager at risk. These projects may be combined into a single construction contract depending upon the results of campus development planning.

All building renovations will address needed improvements to building systems, code compliance and energy conservation, as well as creating functional academic or academic support space. Any individual renovation project that exceeds \$1 million will be presented to the Board or Executive Director for further review and approval.