

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUSSELL K. PEARCE
CHAIRMAN 2009
PAULA ABOUD
AMANDA AGUIRRE
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HOUSE OF
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JOHN KAVANAGH
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KYRSTEN SINEMA

JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, December 14, 2010

1:00 P.M.

Senate Appropriations, Room 109

MEETING NOTICE

- Call to Order
- [Approval of Minutes of August 10, 2010.](#)
- DIRECTOR'S REPORT (if necessary).
- EXECUTIVE SESSION (A.R.S. § 38-431.03A2) - Arizona Department of Corrections - Approval of Energy Management System.
- 1. [SCHOOL FACILITIES BOARD - Review of Laveen Elementary School District Enrollment Counts.](#)
- 2. [ARIZONA STATE UNIVERSITY - Review of Student Health Services Center and Other Bond Projects.](#)
- 3. [ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2011 Building Renewal and Ben Avery Shooting Facility Project.](#)
- 4. [ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2011 Building Renewal Allocation Plan.](#)
- 5. [ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Recommending FY 2011 - FY 2013 Exemptions from Annual Rent Payments.](#)

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

12/7/10

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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**

Tuesday, August 10, 2010

The Chairman called the meeting to order at 1:35 p.m., Tuesday, August 10, 2010 in Senate Appropriations Room 109. The following were present:

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

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman John Kavanagh stated the minutes of June 16, 2010 would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION

A. Review of FY 2011 Building Renewal Allocation Plan.

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is a review of the Arizona Department of Administration's (ADOA) FY 2011 Building Renewal Allocation Plan totaling \$5.0 million. The JLBC Staff presented options to the Committee.

Mr. John Hauptman, Capital Planner, Arizona Department of Administration, responded to member questions.

Mr. Michael Branham, Director, Department of Juvenile Corrections, responded to member questions.

Senator Pearce moved that the Committee give a favorable review of ADOA's FY 2011 Building Renewal Allocation Plan with the provision that ADOA report any change in the spending plan to the JLBC Staff, including reallocations between projects and allocations from the contingency plan. The motion carried.

(Continued)

B. Review of FY 2009 Capitol Mall Fire Alarm Replacement Project.

Mr. Juan Beltran, JLBC Staff, stated that the FY 2009 Capital Outlay Bill appropriated \$491,000 from the Capital Outlay Stabilization Fund to ADOA for the replacement of fire systems in office buildings at the Capitol Mall. ADOA is requesting to expend \$491,000 to replace fire alarm systems at 1400 W. Washington and 1616 W. Adams. The JLBC Staff recommended a favorable review.

Senator Pearce moved that the Committee give a favorable review to expend \$491,000 for fire alarm systems in the 2 Capitol Mall office buildings. The motion carried.

C. Review of Lewis Prison Water Project.

Mr. Martin Lorenzo, JLBC Staff, stated that this item is a request from ADOA to expend \$2,151,000 in remaining lease-purchase proceeds for production of a new production water well at the Arizona State Prison Complex (ASPC) Lewis. The JLBC Staff recommended a favorable review.

Senator Pearce moved that the Committee give a favorable review to expend \$2,151,000 in lease-purchase proceeds to construct a new water well at the Lewis Prison. The motion carried.

D. Consider Recommending FY 2011 Quarterly Rent Payments.

Mr. Steve Grunig, JLBC Staff, stated that this item will allow 11 state agencies to facilitate cash flow by making 4 rent payments over the course of FY 2011, instead of 1 large rent payment due at the beginning of FY 2011. The JLBC Staff recommended that the Committee recommend the proposal.

Senator Pearce moved that the Committee the proposed FY 2011 quarterly payment plans for the Board of Barbers, Naturopathic Physicians Medical Board, Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers, State Board of Optometry, State Board of Psychologist Examiners, State Boards' Office, Acupuncture Board of Examiners, State Board of Dispensing Opticians, State Board of Funeral Directors and Embalmers, Board of Homeopathic and Integrated Medicine Examiners, and State Board of Podiatry Examiners. The motion carried.

ARIZONA STATE UNIVERSITY

A. Review of Building Acquisition Bond Project.

Ms. Leatta McLaughlin, JLBC Staff, stated that Arizona State University (ASU) is requesting the Committee review an \$11.5 million bond issuance in order to purchase an office building adjacent to the Tempe campus. The JLBC Staff presented options to the Committee.

Mr. Steve Miller, Deputy Vice President for Public Affairs, ASU, responded to member questions.

Mr. Steve Nielsen, Assistant Vice President, Real Estate, ASU, responded to member questions.

Mr. Kurt Freund, Managing Director, RBL Capital Markets, responded to member questions.

Senator Pearce moved that the Committee give a favorable review of ASU's request for an \$11.5 million bond issuance. The review includes 3 provisions:

1. *ASU will not issue the bond unless the appraisals are at or below the requested \$11.5 million issuance.*

Standard University Financing Provisions

2. *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.*
3. *ASU shall provide the final debt service schedule as soon as it is available.*

The motion carried.

B. Review of Building Renewal Bond Projects.

Ms. Leatta McLaughlin, JLBC Staff, stated that this item is a review of ASU's building renewal bond projects. ASU is requesting review of a \$28.2 million bond issuance for 20 building renewal projects, which includes general building renewal projects, classroom renovations, and lab and research space renovations. The JLBC Staff presented options to the Committee.

Mr. Steve Miller, Deputy Vice President for Public Affairs, ASU, responded to member questions.

Senator Pearce moved that the Committee give a favorable review of ASU's \$28.2 million bond issuance for 20 building renewal projects with the Standard University Financing Provisions shown above. The motion carried.

ARIZONA GAME AND FISH DEPARTMENT - Review of Remaining Flagstaff Area Shooting Range Project.

Ms. Leatta McLaughlin, JLBC Staff, stated that the Arizona Game and Fish Department was appropriated a total of \$1.8 million to build a shooting range in the Flagstaff area. At the March, 2010 JCCR meeting, the Committee gave a favorable review for the agency to purchase land for the shooting range at a cost of \$1.2 million. The Arizona Game and Fish Department is now requesting to expend the remaining \$607,000 to construct the shooting range which will include roadway access, parking, concrete pads, and restrooms. The JLBC Staff recommended a favorable review.

Senator Pearce moved that the Committee give a favorable review to the Arizona Game and Fish Department to expend the remaining \$607,000 to construct the shooting range. The motion carried.

Without objection, the meeting adjourned at 2:10 p.m.

Respectfully submitted:

Sandy Schumacher, Secretary

Leatta McLaughlin, Principal Fiscal Analyst

Representative John Kavanagh, Chairman

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

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DATE: December 7, 2010

TO: Representative John Kavanagh, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Jack Brown, Senior Fiscal Analyst

SUBJECT: School Facilities Board - Review of Laveen Elementary School District Enrollment Counts

Request

At its June meeting, the Committee gave a favorable review of the \$100 million lease-purchase issuance of Qualified School Construction Bonds, along with a favorable review of the 9 new construction projects to be financed with these funds. However, the Committee included the provision that the School Facilities Board (SFB) not release funds for the construction of the Laveen Elementary School District (ESD) and Liberty ESD projects until the Committee reviews the districts' enrollment counts in relation to their capacity.

After analyzing preliminary enrollment data for the 2011 school year, SFB is only requesting a review of Laveen ESD's enrollment counts. Due to a decline in enrollment, SFB will not be proceeding with the Liberty ESD project. Accordingly, SFB reduced the size of the bond issuance to \$91.3 million.

This memo is essentially unchanged from the cancelled October 6, 2010 meeting, with the exception of updated enrollment figures for Laveen ESD.

Recommendation

The Committee has at least the following 2 options for the project under review:

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

(Continued)

Analysis

Lease-Purchase Agreements

Recent budget legislation authorized SFB to enter into a maximum of \$100 million worth of lease-purchase transactions through the end of FY 2011. Pursuant to A.R.S. § 15-2004, the Committee reviewed the projects associated with this lease-purchase agreement at its June meeting.

Because Laveen ESD's enrollment declined from the prior school year, the Committee requested further review of the district's enrollment counts at a later date prior to issuance of the bonds.

Enrollment Overview

SFB enrollment projections are based on a school district's Average Daily Membership (ADM), which is the average number of students enrolled in a district over a certain number of days. This statistic is typically taken at 2 points during the school year, the 40th school day, and the 100th school day (which is usually considered the final count).

Statute requires SFB to award a new school to a district if ADM projections show the district will be over capacity within the next 2 - 3 years. While Laveen ESD is currently under capacity, SFB is seeking to begin the project under the assumption that the district will be over capacity next year.

Laveen Elementary School District

Laveen ESD is located in the southwest portion of Phoenix. The district saw substantial growth during the middle part of the past decade, but this growth slowed due to the decline in the state's housing market.

Table 1 below summarizes the historical enrollment patterns of Laveen ESD:

Table 1		
Historical Enrollment Counts for Laveen ESD		
<u>School Year</u>	<u>ADM (100th Day)</u>	<u>Growth/Decline From Prior Year</u>
2004-2005	2,089	-
2005-2006	2,693	28.9%
2006-2007	3,325	23.5%
2007-2008	4,407	32.5%
2008-2009	4,610	4.6%
2009-2010	4,550	(1.3)%
		Average = 17.6%

In order to analyze whether Laveen ESD will reach capacity in the near future, SFB has requested preliminary enrollment data from the district. This data is not the official 40th day ADM count from the Arizona Department of Education (ADE), rather it is the self-reported ADM count transmitted to SFB by Laveen Staff current as of mid-November. Along with the preliminary enrollment count, Laveen ESD staff has also estimated what they believe the district's year end 100th day ADM count will be.

Table 2 compares Laveen ESD's preliminary enrollment counts for the 2011 school year to their districtwide capacity.

(Continued)

Table 2

Current/Projected Enrollment Counts for Laveen ESD

FY 2010 Enrollment	4,550
FY 2011 Enrollment (As of 11/16/10)	4,811
FY 2011 Enrollment (Projected Final)	4,839
FY 2011 Growth Rate	6.4%
District Capacity	5,027
Growth needed in FY 2012 to Exceed Capacity	3.9%

Laveen ESD's estimates currently show ADM counts growing by 6.4% above their final FY 2010 enrollment level, compared to previously forecasted growth of 8.4% in the October memo. However, this current estimate is based on the assumption that the ADM count will continue to grow throughout the school year. Anecdotal evidence suggests that this is often the case with elementary school districts, as pupils tend to sign up as they move to the district, while this is not offset with students dropping out later in the year as is seen in districts containing high schools. Self-reported data by Laveen ESD staff shows that their current ADM count is 5.7% above FY 2010, which along with continued growth of 0.7% through the school year, leads to an 6.4% growth overall (5.7% base growth + 0.7% mid-year growth = 6.4% total growth).

Because of the nature of the data, JLBC Staff cannot be certain that the preliminary FY 2011 ADM count from the district will not be revised later, as all school district enrollment data typically goes through an ADE review process. At this time, the 40th day ADM counts for Laveen ESD have not gone through the formal ADE review process. In addition, the mid-year growth estimate of 0.7% is solely based on Laveen ESD Staff calculations. Historically, the district appears to typically grow anywhere from 0% - 4% between the 40th and 100th day ADM counts, with a 5-year average of 1.9%.

RS/JBr:sls



STATE OF ARIZONA
SCHOOL FACILITIES BOARD

Governor of Arizona
Janice K. Brewer

Executive Director
Dean T. Gray

September 20, 2010

Representative John Kavanagh
Senator Russell Pearce
Joint Committee on Capital Review
1716 W. Adams
Phoenix, AZ 85007



Dear Representative Kavanagh and Senator Pearce:

The School Facilities Board has had discussions with both Laveen Elementary and Liberty Elementary regarding their upcoming new school construction projects. Dr. Bill Johnson from Laveen Elementary attests that their enrollment has increased approximately 8% from last year, which indicates that we have a viable project and are prepared to move ahead with the authorization to start the project.

In discussions with Dr. Andy Rogers, Superintendent, and Terry White, Assistant Superintendent of Business Services, from Liberty Elementary, they have indicated that their enrollment is slightly lower than last year and has not met their forecast. The district and the SFB agree that the Liberty Elementary school is not needed in the current funding window and will not be included in the SFB bond sale.

The SFB is planning to proceed with the Laveen Elementary project, but not the Liberty Elementary project. We are planning to move ahead with the bond sale, which will now total approximately \$90 million.

Attached is correspondence between the SFB and the two districts. Additional correspondence to follow.

Sincerely,

Dean T. Gray

cc: Richard Stavneak, JLBC
John Arnold, OSPB
Jack Brown, JLBC
Dale Frost, OSPB



STATE OF ARIZONA
SCHOOL FACILITIES BOARD

Governor of Arizona
Janice K. Brewer

Executive Director
Dean T. Gray

September 10, 2010

Andy Rogers, Superintendent
Liberty Elementary School District
19871 W. Fremont
Buckeye, AZ 85326

Dear Superintendent Rogers:

In 2009, the Legislature authorized the School Facilities Board to enter into lease-to-own transactions in the amount of \$100 million for the purpose of alleviating overcrowding for districts that would exceed their student capacity by FY 2011. At the JCCR meeting in June 2010, nine projects were presented to the Committee, including Liberty Elementary's project 070425000-9999-003N. The Committee gave a favorable review to seven of those projects, and asked to see updated information for Laveen Elementary and Liberty Elementary after the start of School Year 2010-2011.

Based on the most current information we have received from your district, the district is not projected to exceed its student capacity until FY 2014. Therefore, project 003N will not be funded out of the \$100 million lease-to-own authority. The project will remain in "Approved" status for the time being, pending future spending authority from the Legislature.

Please contact me if you have any questions.

Sincerely,

Dean T. Gray

cc: Terry White
District File

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DATE: December 7, 2010

TO: Representative John Kavanagh, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Marge Zylla, Fiscal Analyst

SUBJECT: Arizona State University - Review of Student Health Services Center and Other Bond Projects

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with revenue bonds. Arizona State University (ASU) requests Committee review of a \$14.8 million bond issuance to fund new construction and building renewal projects.

This memo is unchanged from the cancelled October 6, 2010 meeting.

Recommendation

The Committee has at least the following 2 options:

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

Under either option, the JLBC Staff recommends the following standard university financing provisions:

Standard University Financing Provisions

- 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.
- ASU shall provide the final debt service schedule for the projects as soon as it is available.

(Continued)

Analysis

The \$14.8 million in projects includes new construction and renovations. Of this amount, \$10.0 million will be for the Student Health Services Center new construction and renovation at the Tempe campus, \$1.5 million is for “hardscaping” (walkway renovations and lighting improvements) at the Tempe campus, and \$3.3 million is for research and office space renovations at the Downtown campus.

Financing

The total estimated bond issuance is \$14.8 million, which does not include estimated issuance costs of \$295,000. ASU plans on issuing Aa3 (Moody’s)/AA (S&P) rated revenue bonds for the projects in the winter of 2010 or the spring of 2011 with an estimated 4.5% average annual interest rate and a term of 20 years. The university estimates annual debt service payments of \$338,900 in FY 2011 and \$1.2 million in each FY 2012 - FY 2031, with a 20-year total cost of \$23.5 million.

The hardscaping project and the research and office space project will be funded from tuition revenues. The Student Health Services Center will be funded from the current Health and Wellness Student Fee.

According to the university, any project expenditures incurred prior to the bond issuance will be funded from working capital cash balances, which will be repaid once the bond is issued. Working capital cash balances are derived from tuition, gifts, auxiliary revenues, and other local funds held temporarily with expenses occurring over several months and up to a year later. Construction for the Student Health Services Center will begin immediately after JCCR review. The hardscaping and research space projects will be scheduled based on access to the areas being renovated.

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% of each institution’s total projected annual expenditures. This calculation is known as the debt ratio. The \$14.8 million revenue bond would increase the ASU debt ratio by 0.13%, from 4.9% to 5.03%.

Construction Costs

Total project costs are estimated at \$14.8 million. The direct construction costs total \$10.5 million, which includes construction labor and material costs only. Of the remaining \$4.3 million, \$1.3 million is architect fees, \$880,000 is for contingency, and \$2.1 million is furniture and equipment, data infrastructure, and other miscellaneous costs.

The \$10.5 million in direct construction costs includes \$5.0 million in Student Health Services Center new construction, \$2.3 million in Student Health Services Center renovations, \$1.1 million in hardscaping and lighting renovations, and \$2.1 million in lab and research space renovations. *Table 1* below provides a brief description of each project along with the project’s direct construction cost, square footage, and direct construction cost per square foot.

Table 1 ASU Bond Projects			
<u>Project</u>	<u>Direct Cost</u>	<u>Sq. Ft.</u>	<u>Direct Cost/ Sq. Ft.</u>
Student Health Services Expansion and Renovation (Tempe)	\$ 7,320,600	33,800	\$217
Campus Site Improvements (Tempe)	1,100,000	609,800*	2
Research and Office Spaces (Downtown)	2,112,500	15,500	136
Total	\$10,533,100	659,100	\$355
* gross square feet			

(Continued)

Student Health Services Center Expansion and Renovation – Tempe Campus

The Student Health Services Center is currently 23,800 square feet and was last renovated in 1968. The proposed project will renovate 14,400 square feet and demolish 8,600 square feet of the existing 23,800 square foot building. The project will also add 19,400 square feet to the center, resulting in a 34,600 square foot building. The expansion and renovation will add waiting rooms, patient exam rooms, and consultation rooms, as well as offices for health programs. ASU reports that the new construction and renovations to the Student Health Services Center will increase the current 240 student visits per day by 40 to 50 students, decrease wait times, and increase patient privacy.

The most recent project comparables submitted by ASU are a 2010 construction cost bid of \$157 per square foot for the Gilbert Mercy Medical Building and a 2010 construction cost bid of \$172 per square foot for the PCH Clinic in Avondale. The Student Health Services Center bid of \$217 direct construction cost per square foot is more expensive based on these comparable projects. ASU notes that the other projects do not include demolition. ASU also submitted a comparable project with a more expensive cost of \$230 per square foot for the San Juan Regional Medical Center Oncology Building in Farmington, New Mexico. However, the purpose and location of the Oncology Building in New Mexico may not provide the most parallel cost comparison.

This project was approved by the full Arizona Board of Regents (ABOR) on September 23, 2010.

Campus Site Improvements – Tempe Campus

ASU reports that pathways on the north portion of the Tempe campus are in poor condition and lighting is inadequate in some areas. ASU estimates that \$250,000 of the total \$1.1 million in direct construction costs will be spent on improving walkways and the surrounding landscaping, \$350,000 will be spent on lighting improvements in the same areas, and \$500,000 will be used to upgrade or replace stormwater, waste collection and ground irrigation systems, alter vehicle entrance and egress points, and replace retaining walls in affected areas.

Since this project's individual cost is below \$5.0 million, ABOR review approval is not required for this project.

Research and Office Space Renovation - Downtown Campus

This project would renovate the Arizona Biomedical Collaborative Building 1 (ABC 1) to create research and office space for the Nutrition, Kinesiology, and Exercise and Wellness Programs that are currently located at the Tempe and Polytechnic campuses. ASU reports that these programs were recently integrated in to the College of Nursing, which is located at the Downtown Campus, and the renovation would geographically consolidate the programs.

In March 2010, the Committee favorably reviewed a 14,501 square foot renovation to the ABC 1 building that included wet lab space. However, this renovation did not occur, as ASU withdrew from the building partnership with the University of Arizona in April 2010. The ABC 1 building was built in 2007 and the first and second floors that ASU occupies are currently comprised of research space without wet labs. The proposed project would include minimal renovations to existing office, meeting and instructional space, as well as more extensive renovations to the research areas for wet lab space. Direct construction costs for this project total \$2.1 million, or \$136 per square foot.

Since this project's individual cost is below \$5.0 million, ABOR review approval is not required for this project.

RS/MZ:mt

ASU
ARIZONA STATE UNIVERSITY

September 15, 2010

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



Dear Representative Kavanagh:

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

- Health Services Expansion and Renovation
- Campus Site Improvements
- Downtown Campus Research and Office Spaces

Enclosed is pertinent information relating to this item.

If you have any questions or desire any clarification on the enclosed material, please contact me at (480) 727-9920.

Sincerely,

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Enclosures

- c: Richard Stavneak, Director, JCCR
Thomas Anderes, President, Arizona Board of Regents
Lorenzo Martinez, Assist. Exec. Dir. For Capital Resources, Arizona Board of Regents
Richard Stanley, Vice President and University Planner
Virgil Renzulli, Vice President for Public Affairs
Steve Miller, Deputy Vice President, Public Affairs
Lisa Frace, Associate Vice President for Budget and Planning
David Brixen, Associate Vice President, Facilities Development and Management
Joanne Wamsley, Senior Associate Vice President for Finance and Deputy Treasurer
Leatta McLaughlin, Capital Review Analyst, JCCR

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**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

JCCR Meeting Date: October 6, 2010

Background:

ASU intends to undertake three bond-financed projects in response to the critical need to renovate and expand aging and inadequate student health space, to perform campus site improvements, and expand academic and research space. The total estimated cost of the projects is \$14,750,000, and additional information regarding the projects is shown on the following pages. Please note that with the exception of operation and maintenance support for Academic space at the Downtown campus, no General Fund money will be required to construct or support these projects.

An Arizona Board of Regents executive summary is included with this request for the Health Services Expansion and Renovation Project. For the remaining two projects, Campus Site Improvements and Downtown Campus Research and Office Spaces, executive summaries are not included; according to ABOR Policy 7-102.B.1, ABOR approval is not required for these projects since the estimated cost of the individual projects is under \$5,000,000.

Project expenditures incurred prior to the issuance of bonds will be funded from the University's working capital cash balances, which will be restored upon sale of the bonds. Working capital cash balances are derived from tuition, gifts, auxiliary revenues and other local funds held temporarily, with expenses occurring over several months and up to a year later.

Construction of the Health Services Expansion and Renovation project will begin immediately after JCCR review in order to ensure project completion for the fall 2011 semester. The other two project schedules will be determined by the academic calendar and access to areas/facilities. Construction will last 12 to 24 months.

ASU requests JCCR review on these following projects as required by ABOR policy and ARS § 15-1683.

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

1. HEALTH SERVICES EXPANSION AND RENOVATION

Project Description and Justification

An Arizona Board of Regents executive summary is attached for the Health Services Expansion and Renovation project, which outlines the project description, project justification, comparable cost information, and other relevant information. Project approval was granted at the September 2, 2010, Arizona Board of Regents Capital and Project Finance committee. The full Board will review the project at its September 23-24 meeting.

Project Costs

Total estimated project cost	\$ 10,000,000
Estimated construction cost	\$ 7,320,609
Gross square feet affected by this project	33,800
Total cost per square foot	\$ 295
Construction cost per square foot	\$ 216

Project Delivery Method

This project will be delivered by Construction Manager at Risk.

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Project: Health Services Expansion and Renovation

Debt Issuance Information

Projected Project Costs	\$ 10,000,000
Projected Cost of Issuance	\$ 200,000
Assumed Interest Rate	4.5%
Payment term	20 years

Projected FY 2011 Debt Service (by fund source):	
Health and Wellness Student Fee	\$ 229,500

Projected FY 2012 to FY 2031 Annual Debt Service (by fund source):	
Health and Wellness Student Fee	\$ 784,100

Projected Total Debt Service (by fund source):	
Health and Wellness Student Fee	\$ 15,911,500

Date of Issuance	Winter 2010/Spring 2011
Anticipated Bond Rating (1)	Aa3/AA

Debt Ratio

Debt Ratio on Existing Debt	4.9%
Incremental Ratio for this Project	.1%
Total Debt Ratio	5.0%
Highest Debt Ratio (including CDP projects)	5.8%

(1) Moody's Investor Service/S&P Rating Services

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Health Services Expansion and Renovation

Debt Service Schedule

Fiscal Year	Payment	Principal	Interest	Outstanding
2011	229,500	0	229,500	10,200,000
012	784,100	325,100	459,000	9,874,900
2013	784,100	339,730	444,370	9,535,170
2014	784,100	355,017	429,083	9,180,153
2015	784,100	370,993	413,107	8,809,160
2016	784,100	387,688	396,412	8,421,472
2017	784,100	405,134	378,966	8,016,338
2018	784,100	423,365	360,735	7,592,973
2019	784,100	442,416	341,684	7,150,557
2020	784,100	462,325	321,775	6,688,232
2021	784,100	483,130	300,970	6,205,102
2022	784,100	504,870	279,230	5,700,232
2023	784,100	527,590	256,510	5,172,642
2024	784,100	551,331	232,769	4,621,311
2025	784,100	576,141	207,959	4,045,170
2026	784,100	602,067	182,033	3,443,103
2027	784,100	629,160	154,940	2,813,943
2028	784,100	657,473	126,627	2,156,470
2029	784,100	687,059	97,041	1,469,411
2030	784,100	717,976	66,124	751,435
2031	784,100	751,435	32,665	0
Total	15,911,500	10,200,000	5,711,500	

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

2. CAMPUS SITE IMPROVEMENTS

Project Description

This project will rehabilitate, renovate, and improve the safety of approximately 14 acres of pathways, open space and malls. Sites and pathways surrounding residence halls on the north portion of Tempe campus are in poor condition, creating safety hazards in some areas, exposing students to possible injury and the University to liability. Lighting, an important security feature, is also inadequate in some areas. The Site Improvements project will correct these deficiencies, and improve pedestrian circulation by providing new concrete walkways and mall areas, as well as altering service vehicle entrance and egress points at the North campus in order to provide safer accessibility and avoid pedestrian/vehicle conflicts. The project will also make improvements to hardscape areas and associated landscaping, as well as attending to previously identified lighting inadequacies.

Project Costs

Square feet affected by this project	609,840 GSF
Total estimated project cost	\$ 1,500,000
Estimated construction cost	\$ 1,100,000
Total cost per square foot	\$ 2.46/GSF
Construction cost per square foot	\$ 1.80/GSF

The Campus Site Improvement project is not expected to create an increase in annual operation and maintenance costs.

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Project: Campus Site Improvements

Debt Issuance Information

Projected Project Costs	\$ 1,500,000
Projected Cost of Issuance	\$ 30,000
Assumed Interest Rate	4.5%
Payment term	20 years

Projected FY 2011 Debt Service (by fund source):

Tuition	\$ 34,800
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Projected FY 2012 to FY 2031 Annual Debt Service (by fund source):

Tuition (approximately)	\$ 117,600
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Projected Total Debt Service (by fund source)

Tuition	\$ 2,386,800
---------	--------------

Date of Issuance

Winter 2010/Spring 2011

Anticipated Bond Rating (1)

Aa3/AA

Debt Ratio

Debt Ratio on Existing Debt	4.9%
Incremental Ratio for this Project	.01%
Total Debt Ratio	4.9%
Highest Debt Ratio (including CDP projects)	5.8%

(1) Moody's Investor Service/S&P Rating Services

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Campus Site Improvements

Debt Service Schedule

Fiscal Year	Payment	Principal	Interest	Outstanding
2011	34,800	0	34,800	1,530,000
2012	117,600	48,750	68,850	1,481,250
2013	117,600	50,944	66,656	1,430,306
2014	117,600	53,236	64,364	1,377,070
2015	117,600	55,632	61,968	1,321,438
2016	117,600	58,135	59,465	1,263,303
2017	117,600	60,751	56,849	1,202,552
2018	117,600	63,485	54,115	1,139,067
2019	117,600	66,342	51,258	1,072,725
2020	117,600	69,327	48,273	1,003,398
2021	117,600	72,447	45,153	930,951
2022	117,600	75,707	41,893	855,244
2023	117,600	79,114	38,486	776,130
2024	117,600	82,674	34,926	693,456
2025	117,600	86,395	31,205	607,061
2026	117,600	90,282	27,318	516,779
2027	117,600	94,345	23,255	422,434
2028	117,600	98,590	19,010	323,844
2029	117,600	103,027	14,573	220,817
2030	117,600	107,663	9,937	113,154
2031	117,600	113,154	4,446	0
Total	2,386,800	1,530,000	856,800	

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

3. DOWNTOWN CAMPUS RESEARCH AND OFFICE SPACES

Project Description

The Downtown Campus Research and Office Space project will provide the University needed research and instructional facilities on the downtown campus to support faculty and student research projects in the increasingly expanding College of Nursing.

The project is designed to directly benefit the academic mission of the university by providing consolidated space for the wellness academic programs that will allow for better student/faculty interaction and learning experiences. With the growth, consolidation, and relocation of several departments within this area, there is a pressing need to improve facilities to meet the demands of students and faculty and improve the academic experience of ASU students. These projects will allow ASU to meet growing enrollment and new technical requirements.

The project will build-out research space and faculty offices at the Downtown Phoenix campus to accommodate 15,500 GSF of instructional and research laboratory space for the Nutrition, Kinesiology, and Exercise and Wellness programs, currently located at the Polytechnic and Tempe campuses. Nutrition, Exercise and Wellness, and Kinesiology programs were recently integrated into the College of Nursing & Health Innovation, located at the Downtown Phoenix campus, and this project will geographically consolidate these related programs.

Renovations will provide space for the Instructional Physiological Assessment Laboratory, the Instructional Kinesiological Assessment Laboratory, the Metabolic Rate Assessment Laboratory, the Exercise Intervention Research Space, the Strength/Power/Balance Assessment Laboratory, and ancillary support facilities. The project will include demolition, construction of finished spaces (walls, ceiling, flooring, and lighting), lab specific FF&E, upgraded building systems, fume hoods, signage, and data connections. Life safety modifications will be made as necessary, to bring the space into compliance with current building and fire codes.

Project Costs

Total estimated project cost	\$	3,250,000
Estimated construction cost	\$	2,112,500
Gross square feet affected by this project		15,500
Total cost per square foot	\$	210
Construction cost per square foot	\$	136

It is anticipated that these projects will renovate existing space, and are not expected to create an increase in annual operation and maintenance costs.

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Project: Downtown Campus Research and Office Spaces

Debt Issuance Information

Projected Project Costs	\$ 3,250,000
Projected Cost of Issuance	\$ 65,000
Assumed Interest Rate	4.5%
Payment term	20 years

Projected FY 2011 Debt Service (by fund source):	
Tuition	\$ 74,600

Projected FY 2012 to FY 2031 Annual Debt Service (by fund source):	
Tuition	\$ 254,900

Projected Total Debt Service (by fund source):	
Tuition	\$ 5,172,600

Date of Issuance	Winter 2010/Spring 2011
Anticipated Bond Rating (1)	Aa3/AA

Debt Ratio

Debt Ratio on Existing Debt	4.9%
Incremental Ratio for this Project	.02%
Total Debt Ratio	4.9%
Highest Debt Ratio (including CDP projects)	5.8%

(1) Moody's Investor Service/S&P Rating Services

**JCCR Capital Review
FY 2011 Debt-Financed Projects
Arizona State University
September 2010**

Downtown Campus Research and Office Spaces

Debt Service Schedule

Fiscal Year	Payment	Principal	Interest	Outstanding
2011	74,600	0	74,600	3,315,000
2012	254,900	105,725	149,175	3,209,275
2013	254,900	110,483	144,417	3,098,792
2014	254,900	115,454	139,446	2,983,338
2015	254,900	120,650	134,250	2,862,688
2016	254,900	126,079	128,821	2,736,609
2017	254,900	131,753	123,147	2,604,856
2018	254,900	137,681	117,219	2,467,175
2019	254,900	143,877	111,023	2,323,298
2020	254,900	150,352	104,548	2,172,946
2021	254,900	157,117	97,783	2,015,829
2022	254,900	164,188	90,712	1,851,641
2023	254,900	171,576	83,324	1,680,065
2024	254,900	179,297	75,603	1,500,768
2025	254,900	187,365	67,535	1,313,403
2026	254,900	195,797	59,103	1,117,606
2027	254,900	204,608	50,292	912,998
2028	254,900	213,815	41,085	699,183
2029	254,900	223,437	31,463	475,746
2030	254,900	233,491	21,409	242,255
2031	254,900	242,255	12,645	0
Total	5,172,600	3,315,000	1,857,600	

EXECUTIVE SUMMARY

**ITEM NAME: Health Services Expansion and Renovation Project Approval
(Arizona State University)**

☒ Action Item ☐ Discussion Item ☐ Information Item

Issue: ASU requests Project Approval (PA) for the Health Services Expansion and Renovation at the Tempe campus. The project is to be financed from system revenue bonds.

Previous Board Action:

- ▶ FY 2009 Capital Development Plan June 2008
- ▶ FY 2010 Capital Development Plan June 2009
- ▶ Project Implementation Approval June 2010

Statutory/Policy Requirements:

- ▶ Board Policy 7-109 requires Capital Committee review and Board approval of projects with an estimated total project cost over \$5 million.

Project Justification/Strategic Implications/Project Compliance with Mission, Strategic Plan, Master Plan and Community Input Process

- ▶ The original 8,604 gross square foot Campus Health Services building, built in 1954, was designed to house the student infirmary and health center. A 15,200 gross square foot addition was made to the building in 1968. Since that time, the building has remained untouched with the exception of maintenance work and several minor renovation projects.
- ▶ Since 1968, the Tempe campus student population has more than doubled and student health care practices have changed. When the building was last expanded in 1968, Campus Health Services provided health care for the 23,000 students of the Tempe campus. Today, Campus Health Services at the Tempe campus serves 55,000 students, and receives over 240 student visits per day during the fall and spring semesters.
- ▶ This project is planned to provide for the health care needs of an increasing student population by renovating existing space and creating sufficient new

Contact:

Morgan R. Olsen, Executive VP, Treasurer and CFO, (480) 727-9920, Morgan.R.Olsen@asu.edu

EXECUTIVE SUMMARY

space to improve the efficiency of Campus Health Services operations. The project will enhance student services at the Tempe Campus. When this project is complete, Campus Health Services conservatively estimates that the improved facilities will:

- allow service for 45-50 more students per day
- decrease wait times, due to more efficient rooming procedures and the availability of a fast-track area
- create more privacy for students in acute care areas, billing, insurance, referrals, and appointment check-in
- allow more evening and weekend hours
- create separate areas for primary care, isolating sick students with acute care needs, and
- further develop a separate women's health area within the health center.

Project Description/Scope/Compliance with Space Standards:

- ▶ The inefficient and outdated original 1954 portion of the current facility (8,604 gross square feet) will be demolished and a 19,400 gross square foot addition will be built in its place, south of the current facility. In addition, the project will renovate approximately 14,400 gross square feet of the existing facility.
- ▶ Given the age of the facility, ASU has been working with the State Historic Preservation Office (SHPO) to address historic preservation requirements.
- ▶ The program includes additional waiting rooms, patient examination rooms, consultation rooms, and offices for Urgent Care, Primary Care, Fast Track, and Women's Health Specialty.
- ▶ Mechanical, electrical, plumbing, fire protection and communications systems in the existing building will be evaluated, where applicable, to determine connectivity to the addition. Sustainable design aspects and energy efficiency considerations will be incorporated into the renovation and expansion.
- ▶ The project is in conformance with applicable ABOR Space Guidelines.
- ▶ To maximize the long-term investment in this facility, the project will be built to last 50 to 75 years. The facility has been designed in accordance with the ASU Design Guidelines, and will be constructed of high quality, durable and maintainable materials and building systems to maximize energy efficiency and minimize operational, repair and replacement costs.

EXECUTIVE SUMMARY

Project Delivery Method and Process:

- ▶ This project is being delivered through the Construction Manager (CM) at Risk method. This approach was selected for the project because it can save time through fast-track project scheduling, provides contractor design input and coordination throughout the project, improves potentially adversarial project environments, and allows for the selection of the most qualified contractor team. With the use of two independent cost estimates at each phase, and low bid subcontractor work for the actual construction, this method also provides a high level of cost and quality control.
- ▶ The CM at Risk (CMAR) was selected through the capital project selection committee process prescribed by the ABOR Procurement Code. 19 responses to the project RFQ were received and 5 of the responding teams were short-listed to be interviewed. A licensed contractor from the community was included on the selection committee as required by Board Policy. The design team was selected through a similar ABOR process, and 4 teams were interviewed out of the 22 RFQ responses received.

Project Costs:

- ▶ The project budget is \$10,000,000. This represents a construction cost of \$216 per square foot and a total project cost of \$295 per square foot. The construction cost is based on analysis of the conceptual plan by the construction manager and has been examined as closely as possible at this stage of the design process for efficiencies.
- ▶ The following table identifies comparable projects, with construction costs per square foot escalated to June 2011 (the construction midpoint). The projects listed below were renovations and expansions of existing facilities, similar to the Health Services Expansion and Renovation project.

Comparable Project	Location	Project Size	Year Constructed	Escalated Const. Cost/SF
San Juan Regional Medical Center Oncology Building	Farmington, NM	10,979 gsf	2008	\$ 230/sf
Gilbert Mercy Medical Office Bldg	Gilbert, AZ	48,500 gsf	Bid in 2010	\$ 157/sf
PCH Clinic	Avondale, AZ	36,000 gsf	Bid in 2010	\$ 172/sf
Average Comparable Project		31,826 gsf		\$ 186/sf

EXECUTIVE SUMMARY

- ▶ Considering these relevant comparable construction costs, the Health Services Expansion and Renovation construction cost budget of \$216 was considered to be appropriate.
- ▶ For this Project Approval phase, a cost estimate was prepared by the CMAR. A second cost estimate was prepared by the Architect's estimating consultant. These estimates were reconciled to confirm accurate, competitive scope quantities and unit prices to form the Guaranteed Maximum Price (GMP) for the entire scope of work. The GMP is based upon competitive bids obtained from local subcontractors and vendors.
- ▶ Once the GMP is agreed upon, the CM is at risk to provide the completed project within that price. All subcontractor work will be awarded on the basis of the lowest responsive and responsible subcontractor bids. A minimum of three subcontractor bids are required, except for specialty items or instances where proprietary systems are required, such as for energy management systems and door locks. A final report on project control procedures such as change orders and contingency use will be provided at project completion.

Project Status and Schedule:

- ▶ The project is in the Construction Documents phase. The final GMP has been submitted by the CMAR, and is within the project budget.
- ▶ General construction is scheduled to begin in late 2010, after review by the Arizona State Legislature Joint Committee on Capital Review. Construction is scheduled to be completed in mid-2012.

Fiscal Impact and Financing Plan:

- ▶ System Revenue Bonds will be issued to finance the project. The bonds will be repaid over a twenty-year period. The annual debt service of approximately \$802,400, assuming an overall borrowing cost of approximately 5 percent, will be paid from Auxiliary Funds, generated from the Health and Wellness mandatory student fee.
- ▶ The increase to annual operations and maintenance costs for this facility will be \$71,800. The operations and maintenance funding will be from Auxiliary Funds generated by student fees.
- ▶ Debt Ratio Impact: This project was included in the debt ratio calculation in the ASU 2011 Capital Development Plan (CDP), submitted in June 2010, which showed that ASU's maximum annual debt service on all outstanding

EXECUTIVE SUMMARY

debt and CDP approved projects was 5.2 percent of the University's total projected expenditures. This ratio excludes the SPEED projects. The incremental debt ratio for this project would be .04 percent.

Recommendation:

It is recommended that the Board grant Project Approval to Arizona State University for the Health Services Expansion and Renovation project.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University

Project Name: Health Services
Expansion and Renovation
project

Project Description and Location:

This project will renovate and expand the existing Health Services Building. The project is planned to renovate approximately 14,400 gross square feet of existing space, demolish 8,604 gross square feet of space built in 1954, and expand the facility by 19,400 gross square feet. The building is located directly east of the Bateman Physical Sciences Center and south of University Drive at the Tempe campus. The building will house clinical and office spaces.

Project Schedule:

Planning	December 2008
Design	April 2010
Construction	November 2010
Occupancy	January 2012

Project Budget:

Facility Useful life	50 to 75 years
Total Project Cost	\$ 10,000,000
Total Project Construction Cost	\$ 7,320,609
Total Project Cost per GSF	\$ 295
Construction Cost per GSF	\$ 216

Change in Annual Oper. /Main. Cost:

Utilities	\$ 38,000
Personnel	-
All Other Operating	33,800
Total	\$ 71,800

Funding Sources:

- A. System Revenue Bonds: \$ 10,000,000
(Funding Source of Debt Service: Auxiliary Funds, generated from the Health and Wellness mandatory student fee)
- B. Operation/Maintenance \$ 71,800
(Funding Source: Auxiliary Generated Revenue and student fees)

EXECUTIVE SUMMARY

Capital Project Cost Estimate

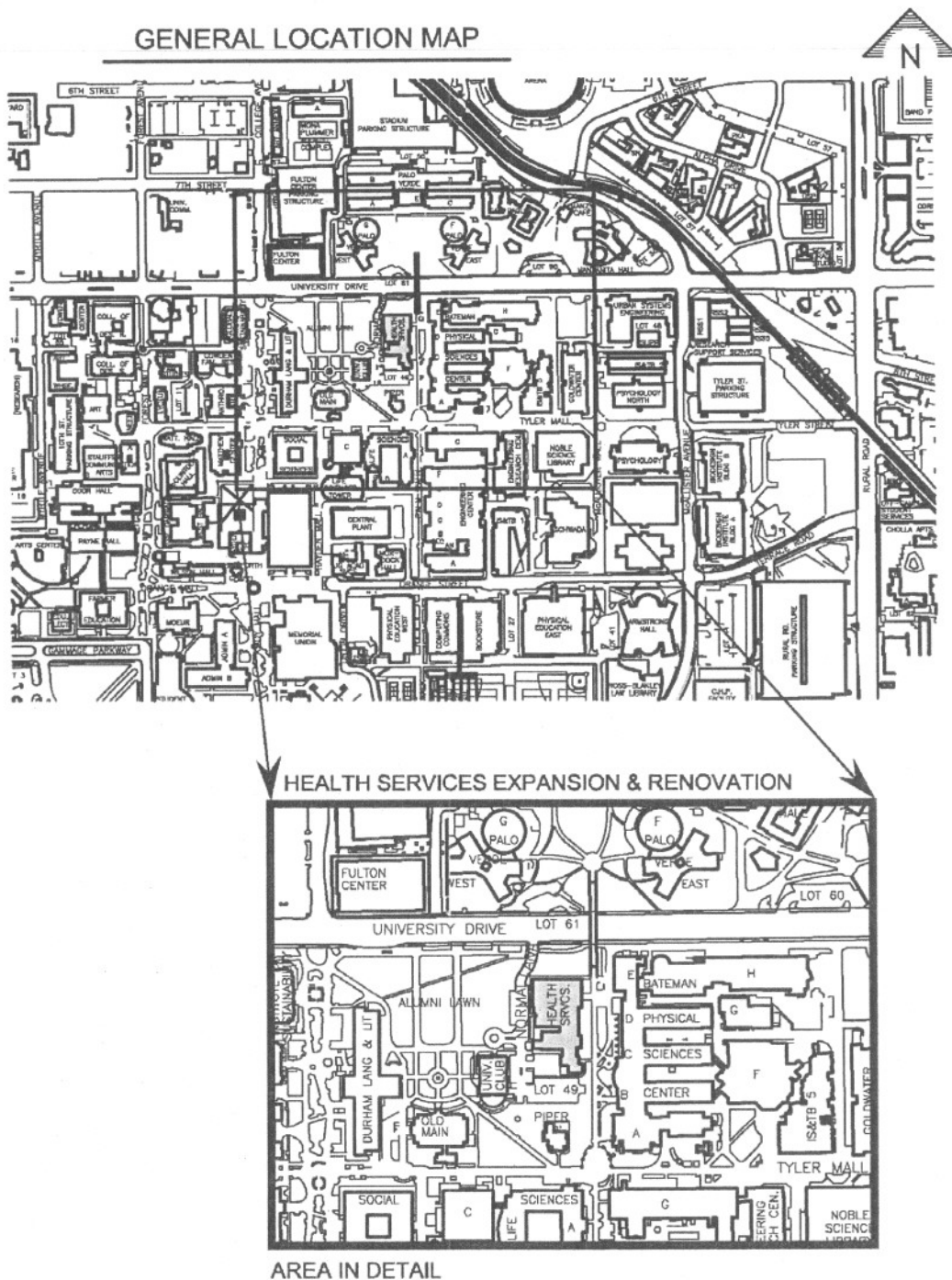
University: ASU at the Tempe campus

Project: Health Services Renovation and Expansion

	Capital Development Plan	Project Implementation Approval	Project Approval
Capital Costs			
1. Land Acquisition	\$ -	\$ -	\$ -
2. Construction Cost	-	-	-
A. New Construction	4,500,000	4,500,000	4,978,014
B. Renovation	2,078,250	2,078,250	2,342,595
C. Special Fixed Equipment	-	-	-
D. Site Development (excl. 2.E.)	-	-	-
E. Parking and Landscaping	-	-	-
F. Utilities Extensions	-	-	-
G. Other*	-	-	-
Subtotal Construction Cost	<u>\$ 6,578,250</u>	<u>\$ 6,578,250</u>	<u>\$ 7,320,609</u>
3. Fees			
A. Construction Mgr	\$ 100,000	\$ 100,000	\$ 100,000
B. Architect/Engineer	712,000	712,000	712,000
C. Other	-	-	-
Subtotal Consultant Fees	<u>\$ 812,000</u>	<u>\$ 812,000</u>	<u>\$ 812,000</u>
4. FF&E Movable	\$ 460,000	\$ 460,000	\$ 460,000
5. Contingency, Design Phase	524,500	524,500	-
6. Contingency, Constr. Phase	950,000	950,000	447,490
7. Parking Reserve	-	-	66,000
8. Telecommunications Equipment	140,000	140,000	260,000
Subtotal Items 4-8	<u>\$ 2,074,500</u>	<u>\$ 2,074,500</u>	<u>\$ 1,233,490</u>
9. Additional University Costs			
A. Surveys, Tests, Tempe Develop. Fee	\$ 40,000	\$ 40,000	\$ 15,000
B. Move-in Costs	50,000	50,000	25,000
C. Printing Advertisement	250	250	250
D. Other* (Asbestos Abatement)	175,000	175,000	175,000
E. Keying, signage, facilities support	27,000	27,000	25,000
F. Project Management Cost 3.66%)	209,000	209,000	366,000
G. State Risk Mgt. Ins. (.0034)	\$ 34,000	34,000	\$ 27,651
Subtotal Addl. Univ. Costs	<u>\$ 535,250</u>	<u>\$ 535,250</u>	<u>\$ 633,901</u>
TOTAL CAPITAL COST	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>	<u><u>\$ 10,000,000</u></u>

* Universities shall identify items included in this category

EXECUTIVE SUMMARY



STATE OF ARIZONA

Joint Committee on Capital Review

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HOUSE OF
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JOHN KAVANAGH
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DATE: December 7, 2010

TO: Representative John Kavanagh, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Ted Nelson, Fiscal Analyst

SUBJECT: Arizona Game and Fish Department – Review of FY 2011 Building Renewal and Ben Avery Shooting Facility Projects

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona Game and Fish Department (AGFD) requests Committee review of its FY 2011 Building Renewal Allocation Plan. Laws 2010, 7th Special Session, Chapter 2 appropriated \$506,800 from the Game and Fish Fund to AGFD to fund 100% of the building renewal formula in FY 2011.

A.R.S. § 41-1252 also requires Committee review of expenditure plans for capital projects costing over \$250,000. AGFD is requesting Committee review of \$800,000 for improvements to the Ben Avery Shooting Facility.

Recommendation

The Committee has at least the following 2 options:

1. A favorable review of the department's FY 2011 Building Renewal and Ben Avery Shooting Facility projects.
2. An unfavorable review of the projects.

These monies are not available to help resolve the FY 2011 budget shortfall due to federal regulations that restrict their use.

(Continued)

Analysis

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 2011 proposed Building Renewal Allocation Plan is illustrated in *Table 1*.

Table 1	
<u>Category</u>	<u>Building Renewal Allocation</u>
Fish Hatchery Projects	
Page Springs – <i>Pavement Restoration</i>	\$ 74,800
Canyon Creek – <i>Residential Roofing</i>	40,000
Shooting Range Project	
Ben Avery Shooting Facility – <i>Main Range Canopy Foam Roofing</i>	30,600
Other Projects	
Region 1 Sipe White Mountain – <i>Replace Septic System</i>	11,800
Region 1 Sipe White Mountain – <i>Re-Roof Manager's Residence</i>	7,000
Region 3 Kingman Regional Office – <i>Parking Lot Restorations</i>	118,700
Region 5 Whitewater Draw – <i>Paint Manager's Residence/Install New Door</i>	14,300
Region 6 Robbins Butte – <i>Interior/Exterior Restoration of Manager's Residence</i>	130,000
Headquarters - <i>Major Maintenance Fund</i>	52,200
Contingency	<u>27,400</u>
TOTAL	\$506,800

The JLBC Staff is continuing to discuss with the department the \$130,000 renovation of the Robbins Butte manager's residence. Robbins Butte is a 1,681 acre wildlife area located 7 miles southwest of Buckeye. An architectural condition survey report on the residence states that the structure has plumbing, mechanical and electrical, and structural problems. The report indicates that these issues can be resolved through replacement of the exterior surface, insulation, air ducts, piping, rafters, sheathing, roofing materials, and ceiling joints. Restoration of the existing facility is reported to be the most cost effective manner to renovate the facility. The JLBC Staff has requested more information on the cost of renovation versus new construction, along with other information.

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

Ben Avery Shooting Facility Improvements

The FY 2011 budget included \$800,000 from the Game and Fish Capital Improvement Fund for infrastructure improvements at the Ben Avery Shooting Facility. In FY 2010, the Committee reviewed improvements to Ben Avery's recreational vehicle facilities and water and sewer line extensions. Of the \$800,000 appropriated for FY 2011, \$326,900 would be used for roadway pavement projects for existing roads, \$128,000 would be used to perform earthwork for the construction of pads in the Mounted Shooters Facility, \$52,100 would be spent on drainage improvements on roadways within the facility, and \$293,000 would be used towards the construction of an arena cover for mounted shooter competitions. The total estimated cost for construction of an arena cover is \$480,100. The remaining construction costs for this project consists of \$187,100 from other range funding and donations.

RS:TN:sls



THE STATE OF ARIZONA
GAME AND FISH DEPARTMENT

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PHOENIX, AZ 85086-5000
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November 23, 2010

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



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

Dear Representative Kavanagh:

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

1. Approval To Expend Funds in FY 2011 Appropriation No. 03053 – Ben Avery Shooting Facility Improvements (\$800,000)
2. Approval of the Department's FY 2011 Building Renewal Expenditure Plan

The information for this review is attached.

Sincerely,

Fred J. Bloom, P.E.
Chief Engineer

FJB:fb

cc: John Arnold, Director, OSPB
Bill Greeney, OSPB
Richard Stavneak, Staff Director, JLBC
Leatta McLaughlin, JLBC
Ted Nelson, JLBC
Tony Guiles, AGFD

Enc.

**Ben Avery Shooting Facility Improvements
Capital Improvement Fund - \$800,000
Appropriation No. 03053 – Fiscal Year 2011**

Proposed Project/Expenditure Summary

Pave Archery Drive from Skeet Drive to Calle Silhouette Road (.43 miles, 26' width/2' shoulders)

Includes:

Survey/layout	LS	1	\$8,900.00	\$8,900.00
Pulverize existing ACP	SY	6420	\$1.05	\$6,741.00
Concrete water crossing(60X30)	SF	1800	\$9.75	\$17,550.00
Sub-grade prep	SY	7333	\$1.25	\$9,166.00
Place GSA	SY	6356	\$1.00	\$6,356.00
Purchase GSA	TN	2060	\$9.90	\$20,394.00
Fine grade base course	SY	6356	\$1.30	\$8,262.80
MAG C3/4 aggregate	TN	700	\$60.00	\$42,000.00
Paving crew	HR	7	\$600.00	\$4,200.00
Maricopa edge	LF	4400	\$1.00	\$4,400.00
Traffic control	LS	1	\$900.00	\$900.00
Mobilization	LS	1	\$600.00	\$600.00
				<u>\$129,470.00</u>
				<u>Tax</u> <u>\$7,764.00</u>
				\$137,234.00

Pave Calle Silhouette from Archery Drive to Long Shot Drive (.75 miles, 26' width/2' shoulders)

Includes:

Survey/layout	LS	1	\$9,500.00	\$8,900.00
Pulverize ex ACP	SY	11500	\$1.05	\$12,075.00
Concrete water crossing(60X30)	SF	1800	\$9.75	\$17,550.00
Sub-grade prep	SY	9000	\$1.25	\$11,250.00
Place GSA	SY	11500	\$1.00	\$11,500.00
Purchase GSA	TN	3000	\$9.90	\$29,700.00
Fine grade base course	SY	11500	\$1.30	\$14,950.00
MAG C3/4 aggregate	TN	1000	\$60.00	\$60,000.00
Paving crew	HR	7	\$600.00	\$4,200.00
Maricopa edge	LF	7020	\$1.00	\$7,020.00
Traffic control	LS	1	\$1785.00	\$1785.00
				<u>\$178,930.00</u>
				<u>Tax</u> <u>\$10,736.00</u>
				\$189,666.00

Mounted Shooters Facility – Earthwork to construct pads for Show Arena, Practice Arena and two Stables and grading for drainage.

Includes: 2 scrapers transporting on site materials, survey and layout, water truck, motor grader and rubber tire compactor.

13,500 tons placed and graded at 9.50/ton (includes tax) = **\$128,000**

Calle Silhouette Drainage Improvements – Installation of new culverts at four driveway crossings, installation of two drainage catch basins and drainage tile to divert water to south of Mounted Shooter's Facility.

(4) Culvert Driveway Crossings @ \$4500 ea = \$18,000

(2) Catch Basins @ \$5800 ea = \$11,600

500 l.ft 12" drain pipe – lump sum per estimate = \$22,500

Total: \$52,100

Mounted Shooters Arena Cover – Construction of a 150' X 350' Arena Cover over the Show Arena including a 90' X 150' lean-to extension for stadium seating.

Total Cost Estimate - \$480,090 (includes all steel components, design, engineering, delivery, concrete footings and erection) Funding for this project will include Capital Improvement Funds, other Range Funding and Donations.

Capital Improvement Fund Portion = \$293,000

AGFD FY 2011 BUILDING RENEWAL EXPENDITURE PLAN		
FY 10 AGFD APPROPRIATION		\$506,800
FISH HATCHERY PROJECTS		
<i>Page Springs Hatchery Pavement Restoration</i>		
Cut and replace asphalt as needed; crack seal and and complete with Type II Slurry Seal		\$74,800
<i>Canyon Creek Hatchery Residential Roofing</i>		
Strip and replace roofing on 2 staff residences (metal roofing)		\$40,000
SUBTOTAL:		\$114,800
SHOOTING RANGE PROJECTS		
<i>Ben Avery Shooting Facility - Main Range Canopy Foam Roofing</i>		
Apply Foam Roofing to the Public Main Range Firing Line Canopy		\$30,600
SUBTOTAL:		\$30,600
OTHER PROPERTIES		
<i>Region 1 - Sipe White Mountain Wildlife Area</i>		
Replace Bunkhouse Septic System		\$11,800
Re-roof Manager's residence		\$7,000
<i>Region 3 Kingman Regional Office Remodel</i>		
Regional Office Renovation/Expansion (Building Renewal Eligible Components)		\$118,650
<i>Region 5 - Whitewater Draw Wildlife Area</i>		
Prepare and paint Manager's residence		\$13,700
Install new entry door on Manager's residence		\$650
<i>Region 6 - Robbins Butte Wildlife Area Manager's Residence Renovation</i>		
Complete interior and exterior restoration of the Manager's residence		\$130,000
<i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i>		
		\$52,230
SUBTOTAL:		\$334,030
TOTAL PLANNED BUILDING RENEWAL EXPENDITURES		
		\$479,430
<i>Unanticipated Building Modifications, Repairs, Health and Life Safety Items, Contingencies</i>		
		\$27,370
TOTAL FY 2011 BUILDING RENEWAL ESTIMATED EXPENDITURE:		\$506,800

AGFD FY 11 BUILDING RENEWAL PROJECT ESTIMATE SUMMARY

PROJECT LOCATION/DESCRIPTION	Project Construction Estimate	Design/Construction Admin	FY 11 Building Renewal Portion	Supplemental Funding Sources
FISH HATCHERY PROJECTS	<i>Based on recent similar work bids by the Departments On-Call Contractor</i>			
<i>Page Spring Hatchery Pavement Restoration</i>				
Cut and Replace Repair, Crack Seal and Type II Slurry Seal 8800 sqyds @ 8.50/sqyd	\$74,800	N/A	\$74,800	None
<i>Canyon Creek Hatchery Residential Roofing</i>				
Strip and replace roofing on 2 staff residences (24 guage metal roofing per bid)	\$40,000	N/A	\$40,000	None
SUBTOTAL:	\$114,800		\$114,800	
SHOOTING RANGE PROJECTS				
<i>Ben Avery Shooting Facility - Main Range Canopy Foam Roofing</i>				
Apply Foam Roofing to the Public Main Range Firing Line Canopy per Bid	\$30,600	N/A	\$30,600	None
SUBTOTAL:	\$30,600	\$0	\$30,600	
OTHER PROPERTIES				
<i>Region 1 - Sipe White Mountain Wildlife Area</i>				
Replace Bunkhouse Septic System	\$11,800	N/A	\$11,800	Labor by AGFD personnel
Re-roof Manager's residence	\$7,000	N/A	\$7,000	Labor by AGFD personnel
<i>Region 3 Kingman Regional Office Remodel</i>				
Regional Office Renovation/Expansion (Building Renewal Eligible Components)	\$889,500	\$135,000	\$118,650	GF Capital Improvement Fund
<i>Region 5 - Whitewater Draw Wildlife Area</i>				
Prepare and paint Manager's residence	\$13,700	N/A	\$13,700	None
Install new entry door on Manager's residence	\$650	N/A	\$650	None
<i>Region 6 - Robbins Butte Wildlife Area Manager's Residence Renovation</i>				
Complete interior and exterior restoration of the Manager's residence	\$130,000	\$15,000	\$130,000	None
<i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i>	\$52,230	N/A	\$52,230	None
(Per Trustee Indenture Agreement)				
SUBTOTAL:	\$1,104,880	\$15,000	\$334,030	
TOTAL PROJECT AMOUNT:	\$1,250,280	\$150,000	\$479,430	
BALANCE TO UNANTICIPATED ACTIVITIES:			\$27,370	
TOTAL PLANNED EXPENDITURE:			\$506,800	

AGFD FY 11 BUILDING RENEWAL PROJECT JUSTIFICATION

PROJECT LOCATION	PROJECT DESCRIPTION
FISH HATCHERY PROJECTS	
<i>Page Springs Hatchery Pavement Restoration</i>	
Cut and Replace Repair, Crack Seal and Type II Slurry Seal	This project is part of the Hatchery cyclic maintenance program. Pavement is maintained at Hatchery entrance, public (Visitor Center) and staff/equipment parking lots and circulation surfaces around fish rearing area.
<i>Canyon Creek Hatchery Residential Roofing</i>	
Strip and replace roofing on 2 staff residences (metal roofing)	This project is part of the Hatchery cyclic maintenance program. Roofing has been replaced on a prioritized basis over the past 3 years at all Hatchery facilities. These roofs are shingle type and are damaged due to snow loads. Metal roofing is much more durable in this climate.
SHOOTING RANGE PROJECTS	
<i>Ben Avery Shooting Facility - Main Range Canopy Foam Roofing</i>	
Apply Foam Roofing to the Public Main Range Firing Line Canopy per Bid	The existing canopy is metal radiates extreme heat in the summer. The foam roofing will help seal the roof, insulate from the heat and baffle sound reverberation.
OTHER PROPERTIES	
<i>Region 1 - Sipe White Mountain Wildlife Area</i>	
Replace Bunkhouse Septic System	Existing septic system (over 40 years old) is failing. The Bunkhouse is consistently used by our Research Branch.
Re-roof Manager's residence	Roofing is over 10 years old and will need replaced prior to heavy winter storms.
<i>Region 3 Kingman Regional Office Remodel</i>	
Regional Office Renovation/Expansion (Building Renewal Eligible Components)	The Department continues to implement the renovation and expansion of its Regional Offices (five others have already been implemented) at Flagstaff, The Kingman Office is the final project. The Yuma project is currently under design and will be implemented this fiscal year. The Yuma project was postponed from FY 09 due to funding/cash flow issues relating to available Capital Improvement fund cash, which relies on license sales revenues. FY 10 This allocation will be applied toward building renewal eligible costs identified in the scope of work. This project is anticipated to go to bid in May 2010.
<i>Region 5 - Whitewater Draw Wildlife Area</i>	
Prepare and paint Manager's residence	This is a continuation of the Departments cyclic maintenance plan for building facilities on its actively managed Regional Wildlife Areas.
Install new entry door on Manager's residence	The residence door and jamb is deteriorated. A new door and jamb with good weather stripping will save energy and prevent insect pests.
<i>Region 6 - Robbins Butte Wildlife Area Manager's Residence Renovation</i>	
Complete interior and exterior restoration of the Manager's residence	A recent architectural condition survey report indicated the Robbins Butte Manager's residence was salvageable and it would be cost effective to renovate the structure (which is very dilapidated) vs. replacement.
<i>Headquarters Major Maintenance Fund (Held in trust by Wells Fargo)</i>	
(Per Trustee Indenture Agreement)	As part of our lease purchase agreement for its new Headquarters facility, the Department deposits a portion of its annual building renewal allocation into a trust fund for long term major maintenance items per an established schedule.

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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SYLVIA ALLEN
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HOUSE OF
REPRESENTATIVES

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KYRSTEN SINEMA

DATE: December 7, 2010

TO: Representative John Kavanagh, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Juan Beltran, Senior Fiscal Analyst

SUBJECT: Arizona Department of Transportation - Review of FY 2011 Building Renewal
Allocation Plan

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. The Arizona Department of Transportation (ADOT) requests that the Committee review its \$1,050,000 FY 2011 Building Renewal Allocation Plan, including \$1,000,000 from the State Highway Fund and \$50,000 from the State Aviation Fund.

ADOT has allocated \$1,000,000 from the State Highway Fund among 66 projects, leaving a contingency balance of \$26,300 and \$80,000 for project management support. ADOT has also allocated \$50,000 from the State Aviation Fund for 4 projects.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the FY 2011 Building Renewal Allocation Plan. The proposed expenditure plan is consistent with building renewal guidelines and appropriations. The JLBC Staff also recommends that ADOT report any project reallocations above \$100,000.

Analysis

The FY 2011 Capital Outlay Bill (Laws 2010, 7th Special Session, Chapter 2) appropriated a total of \$1,050,000 for building renewal in FY 2011, including \$1,000,000 from the State Highway Fund and \$50,000 from the State Aviation Fund. The FY 2011 Building Renewal appropriation represents 11% of the amount generated by the revised building renewal formula for the ADOT Building System and 37% for the Grand Canyon Airport for FY 2011. The formula is based on the square footage and replacement cost of existing buildings.

(Continued)

ADOT expects to allocate the Building Renewal monies from the State Highway Fund in the following categories for 66 projects:

<u>Category</u>	<u>Projects</u>	<u>State Highway Fund</u>	<u>% of Total</u>
Building Systems (HVAC, Electrical, Plumbing)	14	\$ 342,800	34.3%
Roof Repairs/Replacement	31	210,900	21.1%
Fire/Life/Safety	12	167,000	16.7%
Exterior Preservation (Doors, Windows, Siding)	4	93,000	9.3%
Project Management Support	NA	80,000	8.0%
Infrastructure (Sewers)	3	60,000	6.0%
Contingency	NA	26,300	2.6%
Americans with Disabilities Act	<u>2</u>	<u>20,000</u>	<u>2.0%</u>
Total	66	\$1,000,000	100.0%

ADOT expects to allocate the \$50,000 of Building Renewal monies from the State Aviation Fund for 4 projects at the Grand Canyon Airport including repairing exterior walls and signs, replacing failing doors throughout the terminal, repairing water systems, and repairing faulty automatic gate closures on gates to meet federal requirements.

The following 3 State Highway Fund projects require \$50,000 or more:

<u>Project</u>	<u>Allocation</u>
Building Systems (HVAC, Electrical, Plumbing)	
Replace main electrical switchgear - Engineering building	\$175,000
Exterior Preservation (Doors, Windows, Siding)	
Replace vertical building joint seals - Central materials laboratory buildings	50,000
Infrastructure (Sewers)	
Replace leaking water storage tank - Tonopah maintenance yard	<u>50,000</u>
Total	\$275,000

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

RS/JB:sls



Arizona Department of Transportation

Office of the Director

206 South Seventeenth Avenue Phoenix, Arizona 85007-3213

Janice K. Brewer
Governor

John S. Halikowski
Director

October 7, 2010

John A. Bogert
Chief of Operations

John McGee
Executive Director
for Planning & Policy

The Honorable John Kavanagh, Chairman
Joint Committee on Capital Review
1716 W. Adams Street
Phoenix, Arizona 85007



Dear Representative Kavanagh:

We respectfully request that ADOT's planned FY2011 Building Renewal projects be placed on the next JCCR meeting agenda for review and approval.

The following summary outlines the scope of work:

State Highways Fund Building Renewal Projects:

Category 1 - Fire/Live/Safety	\$ 167,044
Category 2 - Roof Repairs/Replacement	210,852
Category 3 - Preservation of Asset	93,000
Category 4 - Major Building Systems	342,794
Category 7 - ADA Compliance	20,000
Category 8 - Infrastructure	60,000
Project Management Support	80,000
Contingency	<u>26,310</u>
Sub total	\$ <u>1,000,000</u>

Aviation Fund Building Renewal Projects

Category 3 - Preservation of Asset	\$ 10,000
Category 4 - Major Building Systems	25,000
Category 8 - Infrastructure	<u>15,000</u>
Sub total	<u>50,000</u>

FY2011 Total \$ 1,050,000

Your favorable review and approval of our request is appreciated.

Sincerely,

John S. Halikowski

cc: Richard Stavneak, JLBC
Juan Beltran, JLBC
Brandon Nee, OSPB
John Hetzel, ADOT

STATE OF ARIZONA
FY 2011 CAPITAL IMPROVEMENT PLAN
DEPARTMENT OF TRANSPORTATION FY 2011 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
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STATE HIGHWAY FUND

CATEGORY 1 - FIRE/LIFE SAFETY

Statewide - Install missing mezzanine load limit signage	\$ 1,000
Tucson District Modular Office Bldgs 2180,2181 - Replace unsafe stairs	\$ 9,000
Tucson Construction Site - Install pigeon control measures	\$ 26,500
Yuma District Office Bldg 2027 - Replace failing fire alarm system panel	\$ 10,000
Tucson Equipment Services Shop Bldg 2186 - Replace first floor men's restroom floor (tripping hazard)	\$ 6,000
Durango & Salt River Maintenance Yards - Determine safe load limits for spreader racks	\$ 7,000
Black Canyon Landscape Construction Office Bldg. 1407 - Repair exit stairs	\$ 6,000
AZ Highways Magazine Bldg 1101 - Replace unserviceable fire alarm panel	\$ 19,000
ADOT Statewide - Asbestos and lead paint abatement	\$ 5,000
Facilities Management Bldg 1002 - Replace unsafe grated landing with fiberglass flat sheet non-skid	\$ 2,544
Indian Pine Equipment Storage Bldg 3305 - Repair of structural deficiencies to prevent bldg collapse	\$ 45,000
Tucson Regional MVD Bldg 2601 - Replace failing floor covering, tripping hazard	\$ 30,000
TOTAL	\$ 167,044

CATEGORY 2 - ROOFS

Flagstaff Construction Canopy - Structural upgrade of roof to prevent collapse	\$ 6,000
East Flagstaff Fuel Station Bldg 3460 - Replace failing roof	\$ 1,495
Flagstaff Dist. Storage Bldg 3156 - Repair failing roof	\$ 1,850
Cordes Junction Fuel Station Bldg 3677 - Replace failing roof	\$ 2,495
Cordes Junction Storage/Sign Bldg 3095 - Replace failing roof	\$ 10,659
Cordes Junction Storage/Equipment Bldg 3087 - Repair failing roof	\$ 12,750
Cordes Junction Storage/Equipment Bldg 3088 - Repair failing roof	\$ 1,000
Benson Construction Office Bldg 2101 - Repair failing roof	\$ 10,000
Ajo Maintenance Office Bldg 2649 - Replace failing roof	\$ 15,000
Yuma District Office Bldg 2027 - Replace failed roof	\$ 25,000
ADOT Statewide - Repair roofs	\$ 10,000
Tucson North MVD Bldg 2185 - Repair failing roof	\$ 20,000
Tucson East MVD Bldg 2151 - Assess roof for repair requirements	\$ 4,000
Tucson Regional MVD Inspection Bays Bldg 2601 - Replace/repair failed roof	\$ 5,000
Lake Havasu MVD Canopy/Inspection Bldg 3659 - Repair failing roof	\$ 950
Lake Havasu MVD Bldg 3002 - Repair failing roof	\$ 650
Bullhead City Office/MVD Bldg 3028 - Repair failing roof	\$ 650
Bullhead City Inspection Bay/MVD Bldg 3029 - Repair failing roof	\$ 650
Prescott Pioneer Park Inspection Bay Bldg. 3614 - Repair failing roof	\$ 1,195
Lake Havasu Office/Traffic Signals/Mobile Bldg 3622 - Replace failing roof	\$ 3,195
Wikieup Sign/Storage Bldg 3026 - Replace failing roof	\$ 14,200
Wikieup Office/Equipment Storage Bldg 3027 - Replace failing roof	\$ 11,388
Wikieup Storage/Spreader Bldg 3628 - Replace failing roof	\$ 6,725
Wikieup Equipment/Storage Bldg 3025 - Replace failing roof	\$ 12,900
Wikieup Storage Bldg 3485 - Replace failing roof	\$ 2,050
Wikieup Storage Bldg 3770 - Replace failing roof	\$ 1,400
Wikieup Water System Pump House Bldg 3023 - Repair failing roof	\$ 500
Wikieup Equipment/Storage Bldg 3024 - Replace failing roof	\$ 20,000
Wikieup Equipment/Storage Bldg 3022 - Repair failing roof	\$ 6,450
Wikieup Maint Office Bldg 3040 - Repair failing roof	\$ 500
Wikieup Fuel Station Bldg 3492 - Repair failing roof	\$ 2,200
TOTAL	\$ 210,852

CATEGORY 3 - PRESERVATION OF ASSET

Central Materials Lab Bldg 1021 - Replace unserviceable vertical bldg joint seals	\$ 50,000
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STATE OF ARIZONA
FY 2011 CAPITAL IMPROVEMENT PLAN
DEPARTMENT OF TRANSPORTATION FY 2011 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
East Flagstaff Storage/Deicer Bldg 3179 - Replace nonfunctional overhead doors	\$ 25,000
Phoenix Maintenance Permits Bldg 1704 - Replace deteriorated exterior siding	\$ 10,000
Casa Grande MVD Bldg 2070 - Replace 2 sets of failed entry doors	\$ 8,000
TOTAL	\$ 93,000

CATEGORY 4 - MAJOR BUILDING SYSTEMS	
Engineering Bldg 1004 - Repair cooling tower	\$ 28,794
Engineering Bldg 1004 - Repair chiller and other HVAC repairs	\$ 10,000
Engineering Bldg 1004 - Replace unserviceable main electrical switchgear	\$ 175,000
Traffic Operations Center Bldg 1721- Repair chilled water lines	\$ 30,000
Central Materials Lab Bldg 1021- Perform HVAC repairs	\$ 10,000
Phoenix Equipment Services Complex Bldg 1756 - Repair boiler system	\$ 5,000
ADOT Statewide - Repair HVAC systems	\$ 10,000
ADOT Statewide - Repair plumbing systems	\$ 5,000
ADOT Statewide - Repair electrical systems	\$ 5,000
ADOT Statewide - Retrofit unserviceable light fixtures	\$ 5,000
Administration Bldg 1005A - Design replacement for unserviceable SES and motor control panel	\$ 20,000
MVD Facilities - Repair HVAC systems	\$ 10,000
Tucson North MVD Bldg 2185 - Replace unserviceable A/C unit	\$ 20,000
Douglas POE - Replace failing HVAC unit	\$ 9,000
TOTAL	\$ 342,794

CATEGORY 7 - ADA	
ADOT Statewide - Install ADA compliant door handles	\$ 5,000
Tucson North MVD - Bring west side ramp into ADA compliance	\$ 15,000
TOTAL	\$ 20,000

CATEGORY 8 - INFRASTRUCTURE	
Casa Grande Construction Office Bldgs 2064,2066,2067 - Repair failing sewer and septic systems	\$ 5,000
Tonopah Maintenance Yard - Replace leaking water storage tank	\$ 50,000
ADOT Statewide - Repair well systems	\$ 5,000
TOTAL	\$ 60,000

TOTAL OF ALL PROJECTS REQUESTED	\$ 893,690
PROJECT MANAGEMENT SUPPORT	\$ 80,000
CONTINGENCY	\$ 26,310
TOTAL AUTHORIZED FUNDS	\$ 1,000,000

RECAP	
CATEGORY 1 - FIRE/LIFE/SAFETY	\$ 167,044
CATEGORY 2 - ROOFS	\$ 210,852
CATEGORY 3 - PRESERVATION OF ASSET	\$ 93,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$ 342,794
CATEGORY 5 - INTERIOR BUILDING FINISHES	\$ -
CATEGORY 6 - RECONFIGURE OR REMODEL	\$ -
CATEGORY 7 - ADA COMPLIANCE	\$ 20,000
CATEGORY 8 - INFRASTRUCTURE	\$ 60,000
PROJECT MANAGEMENT SUPPORT	\$ 80,000
CONTINGENCY	\$ 26,310
TOTAL	\$ 1,000,000

STATE OF ARIZONA
FY 2011 CAPITAL IMPROVEMENT PLAN
DEPARTMENT OF TRANSPORTATION FY 2011 FINAL BUILDING RENEWAL PROJECT LIST - BY CATEGORY

Project Description	Estimated Cost
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STATE AVIATION FUND

CATEGORY 3 - PRESERVATION OF ASSET	
Grand Canyon Airport - Repair deteriorated façade on exterior walls and signs throughout site	\$ 5,000
Grand Canyon Airport Bldg 3551 - Replace failing doors throughout terminal	\$ 5,000
TOTAL	\$ 10,000

CATEGORY 4 - MAJOR BUILDING SYSTEMS	
Grand Canyon Airport - Repair water system	\$ 25,000
TOTAL	\$ 25,000

CATEGORY 8 - INFRASTRUCTURE	
Grand Canyon Airport - Repair faulty automatic gate closures on gates to meet TSA requirements	\$ 15,000
TOTAL	\$ 15,000

TOTAL OF ALL PROJECTS REQUESTED	\$ 50,000
CONTINGENCY	\$ -
TOTAL AUTHORIZED FUNDS	\$ 50,000

RECAP	
CATEGORY 3 - PRESERVATION OF ASSET	\$ 10,000
CATEGORY 4 - MAJOR BUILDING SYSTEMS	\$ 25,000
CATEGORY 8 - INFRASTRUCTURE	\$ 15,000
TOTAL	\$ 50,000

STATE OF ARIZONA
FY 2011 CAPITAL IMPROVEMENT PLAN
DEPARTMENT OF TRANSPORTATION FY 2011 FINAL BUILDING RENEWAL PROJECT LIST - BY ORGANIZATION

Project Description	Project Cost	Dist/Div	Category Number *	Region
INTERMODAL TRANSPORTATION DIVISION				
Statewide - Install missing mezzanine load limit signage	\$ 1,000	ITD	1	ALL
Central Materials Lab Bldg 1021 - Replace unserviceable vertical bldg joint seals	\$ 50,000	ITD	3	C
Engineering Bldg 1004 - Repair cooling tower	\$ 28,794	ITD	4	C
Engineering Bldg 1004 - Repair chiller and other HVAC repairs	\$ 10,000	ITD	4	C
Engineering Bldg 1004 - Replace unserviceable main electrical switchgear	\$ 175,000	ITD	4	C
Traffic Operations Center Bldg 1721- Repair chilled water lines	\$ 30,000	ITD	4	C
Central Materials Lab Bldg 1021- Perform HVAC repairs	\$ 10,000	ITD	4	C
TOTAL	\$ 304,794			
FLAGSTAFF DISTRICT				
Flagstaff Construction Canopy - Structural upgrade of roof to prevent collapse	\$ 6,000	F	2	N
East Flagstaff Fuel Station Bldg 3460 - Replace failing roof	\$ 1,495	F	2	N
Flagstaff Dist. Storage Bldg 3156 - Repair failing roof	\$ 1,850	F	2	N
East Flagstaff Storage/Deicer Bldg 3179 - Replace nonfunctional overhead doors	\$ 25,000	F	3	N
TOTAL	\$ 34,345			
GLOBE DISTRICT				
Indian Pine Equipment Storage Bldg 3305 - Repair of structural deficiencies to prevent bldg collapse	\$ 45,000	G	1	N
TOTAL	\$ 45,000			
KINGMAN DISTRICT				
Wikieup Sign/Storage Bldg 3026 - Replace failing roof	\$ 14,200	K	2	N
Wikieup Office/Equipment Storage Bldg 3027 - Replace failing roof	\$ 11,388	K	2	N
Wikieup Storage/Spreader Bldg 3628 - Replace failing roof	\$ 6,725	K	2	N
Wikieup Equipment/Storage Bldg 3025 - Replace failing roof	\$ 12,900	K	2	N
Wikieup Storage Bldg 3485 - Replace failing roof	\$ 2,050	K	2	N
Wikieup Storage Bldg 3770 - Replace failing roof	\$ 1,400	K	2	N
Wikieup Water System Pump House Bldg 3023 - Repair failing roof	\$ 500	K	2	N
Wikieup Equipment/Storage Bldg 3024 - Replace failing roof	\$ 20,000	K	2	N
Wikieup Equipment/Storage Bldg 3022 - Repair failing roof	\$ 6,450	K	2	N
Wikieup Maint Office Bldg 3040 - Repair failing roof	\$ 500	K	2	N
Wikieup Fuel Station Bldg 3492 - Repair failing roof	\$ 2,200	K	2	N
Lake Havasu Office/Traffic Signals/Mobile Bldg 3622 - Replace failing roof	\$ 3,195	K	2	N
TOTAL	\$ 81,508			
PRESCOTT DISTRICT				
Cordes Junction Fuel Station Bldg 3677 - Replace failing roof	\$ 2,495	P	2	N
Cordes Junction Storage/Sign Bldg 3095 - Replace failing roof	\$ 10,659	P	2	N
Cordes Junction Storage/Equipment Bldg 3087 - Repair failing roof	\$ 12,750	P	2	N
Cordes Junction Storage/Equipment Bldg 3088 - Repair failing roof	\$ 1,000	P	2	N
TOTAL	\$ 26,904			
SAFFORD DISTRICT				
Benson Construction Office Bldg 2101 - Repair failing roof	\$ 10,000	S	2	S
TOTAL	\$ 10,000			
TUCSON DISTRICT				
Tucson District Modular Office Bldgs 2180,2181 - Replace unsafe stairs	\$ 9,000	T	1	S
Tucson Construction Site - Install pigeon control measures	\$ 26,500	T	1	S
Ajo Maintenance Office Bldg 2649 - Replace failing roof	\$ 15,000	T	2	S
Casa Grande Construction Office Bldgs 2064,2066,2067 - Repair failing sewer and septic systems	\$ 5,000	T	8	S
TOTAL	\$ 55,500			
YUMA DISTRICT				
Yuma District Office Bldg 2027 - Replace failing fire alarm system panel	\$ 10,000	Y	1	S
Yuma District Office Bldg 2027 - Replace failed roof	\$ 25,000	Y	2	S
Tonopah Maintenance Yard - Replace leaking water storage tank	\$ 50,000	Y	8	S
TOTAL	\$ 85,000			
EQUIPMENT SERVICES				
Tucson Equipment Services Shop Bldg 2186 - Replace first floor men's restroom floor (tripping hazard)	\$ 6,000	EQS	1	S
Phoenix Equipment Services Complex Bldg 1756 - Repair boiler system	\$ 5,000	EQS	4	C
TOTAL	\$ 11,000			
PHOENIX MAINTENANCE DISTRICT				
Durango & Salt River Maintenance Yards - Determine safe load limits for spreader racks	\$ 7,000	PMD	1	C
Phoenix Maintenance Permits Bldg 1704 - Replace deteriorated exterior siding	\$ 10,000	PMD	3	C

	TOTAL	\$ 17,000			
PHOENIX CONSTRUCTION DISTRICT					
Black Canyon Landscape Construction Office Bldg 1407 - Repair exit stairs		\$ 6,000	PCD	1	C
	TOTAL	\$ 6,000			
ARIZONA HIGHWAYS MAGAZINE					
AZ Highways Magazine Bldg 1101 - Replace unserviceable fire alarm panel		\$ 19,000	AZHWYS	1	C
	TOTAL	\$ 19,000			
ADOT STATEWIDE PROJECTS					
ADOT Statewide - Asbestos and lead paint abatement		\$ 5,000	ADOT	1	ALL
ADOT Statewide - Repair roofs		\$ 10,000	ADOT	2	ALL
ADOT Statewide - Repair HVAC systems		\$ 10,000	ADOT	4	ALL
ADOT Statewide - Repair plumbing systems		\$ 5,000	ADOT	4	ALL
ADOT Statewide - Repair electrical systems		\$ 5,000	ADOT	4	ALL
ADOT Statewide - Retrofit unserviceable light fixtures		\$ 5,000	ADOT	4	ALL
ADOT Statewide - Install ADA compliant door handles		\$ 5,000	ADOT	7	ALL
ADOT Statewide - Repair well systems		\$ 5,000	ADOT	8	ALL
ADOT Statewide - Project Management Support		\$ 80,000	ADOT	NA	ALL
	TOTAL	\$ 130,000			
ADMINISTRATIVE SERVICES DIVISION					
Facilities Management Bldg 1002 - Replace unsafe grated landing with fiberglass flat sheet non-skid		\$ 2,544	ASD	1	C
Administration Bldg 1005A - Design replacement for unserviceable SES and motor control panel		\$ 20,000	ASD	4	C
	TOTAL	\$ 22,544			
MOTOR VEHICLE DIVISION					
Tucson Regional MVD Bldg 2601 - Replace failing floor covering		\$ 30,000	MVD	1	S
Tucson North MVD Bldg 2185 - Repair failing roof		\$ 20,000	MVD	2	S
Tucson East MVD Bldg 2151 - Assess roof for repair requirements		\$ 4,000	MVD	2	S
Tucson Regional MVD Inspection Bays Bldg 2601 - Replace/repair failed roof		\$ 5,000	MVD	2	S
Lake Havasu MVD Canopy/Inspection Bldg 3659 - Repair failing roof		\$ 950	MVD	2	N
Lake Havasu MVD Bldg 3002 - Repair failing roof		\$ 650	MVD	2	N
Bullhead City Office/MVD Bldg 3028 - Repair failing roof		\$ 650	MVD	2	N
Bullhead City Inspection Bay/MVD Bldg 3029 - Repair failing roof		\$ 650	MVD	2	N
Prescott Pioneer Park Inspection Bay Bldg. 3614 - Repair failing roof		\$ 1,195	MVD	2	N
Casa Grande MVD Bldg 2070 - Replace 2 sets of failed entry doors		\$ 8,000	MVD	3	S
Tucson North MVD Bldg 2185 - Replace unserviceable A/C unit		\$ 20,000	MVD	4	S
MVD Facilities - Repair HVAC systems		\$ 10,000	MVD	4	ALL
Tucson North MVD - Bring west side ramp into ADA compliance		\$ 15,000	MVD	7	S
	TOTAL	\$ 116,095			
ENFORCEMENT AND COMPLIANCE DIVISION					
Douglas POE - Replace failing HVAC unit		\$ 9,000	ECD	4	S
	TOTAL	\$ 9,000			
Total Building Renewal Projects		\$ 973,690			
Contingency Amount		\$ 26,310			
Total Building Renewal Plan Amount		\$ 1,000,000			
Appropriated State Highway Fund Amount FY 2011		\$ 1,000,000			

AERONAUTICS PROGRAM					
Grand Canyon Airport - Repair deteriorated façade on exterior walls and signs throughout site		\$ 5,000	AERO	3	N
Grand Canyon Airport Bldg 3551 - Replace failing doors throughout terminal		\$ 5,000	AERO	3	N
Grand Canyon Airport - Repair water system		\$ 25,000	AERO	4	N
Grand Canyon Airport - Repair faulty automatic gate closures on gates to meet TSA requirements		\$ 15,000	AERO	8	N
	TOTAL	\$ 50,000			
Appropriated State Aviation Fund Amount FY 2011		\$ 50,000			

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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PAULA ABOUD
AMANDA AGUIRRE
SYLVIA ALLEN
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1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

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<http://www.azleg.gov/jlbc.htm>

HOUSE OF
REPRESENTATIVES

JOHN KAVANAGH
CHAIRMAN 2010
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DAVID LUJAN
JOHN MCCOMISH
NANCY MCLAIN
DAVID SCHAPIRA
KYRSTEN SINEMA

DATE: December 7, 2010

TO: Representative John Kavanagh, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Steve Grunig, Senior Fiscal Analyst

SUBJECT: Arizona Department of Administration - Consider Recommending FY 2011 - FY 2013
Exemptions from Annual Rent Payments

Request

A.R.S. § 41-792.01 authorizes the Arizona Department of Administration (ADOA), on recommendation from the Joint Committee on Capital Review, to authorize agencies to make their state space rent payments throughout the year rather than at 1 time to facilitate cash flow. On behalf of 2 state agencies, ADOA requests the Committee recommend allowing the Office of Pest Management to make semi-annual payments and the Board of Respiratory Care Examiners to make quarterly payments in FY 2011, FY 2012, and FY 2013 instead of 1 annual payment due at the beginning of each fiscal year.

Recommendation

The JLBC Staff recommends that the Committee recommend the proposed FY 2011, FY 2012, and FY 2013 semi-annual payment plan for the Office of Pest Management and the quarterly payment plan for the Board of Respiratory Care Examiners.

Analysis

The requests on behalf of the 2 agencies would not reduce revenues to the Capital Outlay Stabilization Fund (COSF) since the full rent payments would be paid by the end of each fiscal year. COSF collects monies from rents and tenant improvement charges to agencies occupying ADOA owned buildings. Monies are used to pay maintenance, utilities, construction, and administrative costs for state-owned buildings.

RS/SG:sls

JANICE K. BREWER
Governor



DAVID RABER
Interim Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

100 N 15TH AVE, SUITE 401
PHOENIX, ARIZONA 85007
(602) 542-1500

November 22, 2010

The Honorable John Kavanagh, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007



Dear Representative Kavanagh:

The Arizona Department of Administration (ADOA) requests that the Joint Committee on Capital Review (JCCR) recommend bi-annual Capital Outlay Stabilization Fund (COSF) rent payments for the Office of Pest Management (OPM) and quarterly rent payments for the State Board of Respiratory Care Examiners (RCE) for FY 2011, FY 2012, and FY 2013.

Arizona Revised Statutes § 41-792.01.D. provides that the ADOA Director, on recommendation of JCCR, may authorize an exemption from annual full payment rent transfer requirements for periods of one-year or more at a time if the requestor agency can demonstrate a practice of making full payment of rent on a different basis necessitated by its cash flow.

OPM and RCE each made formal requests to ADOA to adjust their rent payment schedules citing current cash flows that do not support an annual full payment transfer at the beginning of the fiscal year (see attached). The agency state-owned addresses and rents are:

Agency	Address	COSF Rent
Pest Management	9535 East Doubletree Ranch Road, Scottsdale	\$185,600
Respiratory Care Examiners	1400 West Washington, Phoenix	\$23,600

John Kavanagh
November 22, 2010
Page 2

ADOA will return OPM and RCE to annual rent payment schedules beginning FY 2014 if an evaluation of each agency's cash flow supports a status change. If the agencies respective cash flows do not support a return to the usual annual full payments, ADOA will request review of future years change in rents payments frequency.

If you have any questions please contact William Hernandez, Assistant Director, General Services Division, at (602) 364-2872.

Sincerely,



David Raber
Interim Director



Attachment

- c: The Honorable Russell Pearce, Vice-Chair, JCCR
Richard Stavneak, Director, JLBC
Leatta McLaughlin, Principal Fiscal Analyst, JLBC
John Arnold, Director, OSPB
Jennifer Uharriet, Budget Analyst, OSPB
Paul Shannon, Assistant Director, ADOA
William Hernandez, Assistant Director, ADOA
Ellis Jones, Acting Director, OPM
Mary Hauf Martin, Executive Director, RCE
Nola Barnes, General Manager, ADOA
Barbara Pipkin, General Manager, ADOA

JANICE K. BREWER
Governor



WILLIAM BELL
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES DIVISION

100 N 15TH AVE, SUITE 202
PHOENIX, ARIZONA 85007

(602) 542-1427

July 17, 2009

The Honorable Russell Pearce, Chairman
Joint Committee on Capital Review
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

Dear Senator Pearce:

The Arizona Department of Administration (ADOA) requests that the Joint Committee on Capital Review (JCCR) recommend quarterly rent payments for the Office of Pest Management (OPM). OPM occupies office space in the state-owned building at 9535 E. Doubletree Ranch Road in Scottsdale. OPM has made this request for quarterly payments because of issues with cash flow.

Arizona Revised Statutes §41-792.01.D provides that the ADOA Director, on recommendation of JCCR, may authorize an exemption for periods of one year or more at a time for a state agency from the full payment account transfer requirements if the agency can demonstrate a practice of making full payment of rent on a different basis necessitated by its cash flow.

If you have any questions please contact Lynne Smith, Assistant Director, General Services Division, at (602) 542-1427.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Bell".

William Bell
Director

- c: Honorable John Kavanagh, Vice-Chair, JCCR
Tom Manos, Deputy Chief of Staff for Finance
Richard Stavneak, Director, JLBC Staff
Leatta McLaughlin, Senior Fiscal Analyst, JLBC Staff
Eileen Klein, Director, OSPB
Ellis Jones, Director, Office of Pest Management
Paul Shannon, Assistant Director, ADOA
Lynne Smith, Assistant Director, ADOA
Barbara Pipkin, General Manager, ADOA

From: Mary Hauf Martin
Sent: Wednesday, October 27, 2010 02:06 PM
To: David Raber
Cc: Michelle Brooks
Subject: request regarding rental fee

David Raber
Interim Director
Arizona Department of Administration
100 North 15th Avenue
Phoenix, AZ 85007

Dear Director Raber,

The purpose of this email is to request approval for the Arizona State Board of Respiratory Care Examiners to pay its annual rent in four, quarterly payments. The agency is located in the State building located at 1400 West Washington Street. As I am sure you know, in the first quarter of this fiscal year, due to the "sweep" of funds to cover furlough days, the agency exceeded its allocated quarterly disbursement. This resulted in payroll being "on Error." This Agency has experienced cash flow challenges in prior years, when paying an entire year's rent at once. If the agency could pay the rent quarterly, it would be very helpful. Thank you for your consideration of this request.

Mary Hauf Martin
Executive Director
Arizona State Board of Respiratory Care Examiners

cc: Michelle Brooks
CSB Manager
Department of Administration
General Services Division

From: Charmayne Skow [mailto:cskow@sb.state.az.us]
Sent: Thursday, October 28, 2010 2:05 PM
To: Nola Barnes
Cc: Joe Whitmer; Ellis M.. Jones
Subject: Alternate Rent Payment Schedule

Nola,

Joe Whitmer asked me to send you an email. The OPM requested an alternate rent payment plan for FY10 that was approved by JCCR. I spoke to Barabara Pipkin on July 1, 2010 and August 10, 2010 to request a similar arrangement for FY11. I had informed Barabara that due to cash flow issues that the OPM would like to pay the rent in two installments in November 2010 and May 2011 during our license renewal cycles when we have increased revenue.

Unfortunately it appears that our request has not been processed. After speaking with Ellis Jones and Joe Whitmer, I was asked to put this request in writing to you in order for this request to be formally processed and sent to the ADOA Director and then on to JCCR. It was also discussed that this should be requested to be on an on-going basis for the OPM and not for just FY11.

If you have any questions, please contact me.

Thank you,

Charmayne Skow

Assistant Director of Administration & Finance

Office of Pest Management

9535 E. Doubletree Ranch Road

Scottsdale, AZ 85258

(480) 614-9730 Direct Line

(602) 255-3664 General Line

(480) 314-0504 Fax

www.sb.state.az.us