

JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, December 14, 2023

2:15 p.m. or Upon Adjournment of the JLBC Meeting

Senate Hearing Room 1



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

JOINT COMMITTEE ON CAPITAL REVIEW
Thursday, December 14, 2023
2:15 P.M. or Upon Adjournment of the JLBC Meeting
Senate Hearing Room 1

MEETING NOTICE

- Call to Order
- [Approval of Minutes of October 10, 2023.](#)
- 1. [DEPARTMENT OF PUBLIC SAFETY](#)
 - [*A. Review of Flagstaff Aviation Hangar Fuel Improvements.](#)
 - [*B. Review of Remote Housing Replacement.](#)
- 2. [*ARIZONA STATE UNIVERSITY - Review of Polytechnic Campus Utilities Expansion.](#)
- 3. [*ARIZONA STATE PARKS BOARD - Review of Verde River State Park.](#)
- * Consent Agenda - These items will be considered in one motion and no testimony will be taken.

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

12/07/2023

JB

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



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

October 10, 2023

The Chairman called the meeting to order at 1:12 p.m. Tuesday, October 10, 2023 in Senate Hearing Room 1. The following were present:

Members:	Senator Kavanagh, Chairman Senator Borrelli	Representative Livingston, Vice-Chairman Representative Austin Representative Biasiucci Representative Contreras Representative Gress Representative Salman
Absent:	Senator Alston Senator Bennett Senator Diaz Senator Epstein Senator Hoffman	Representative Chaplik

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of June 13, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of Capital Projects.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects. AGFD requested Committee review of \$2,713,100 for 5 capital projects. These projects would be funded entirely by state and federal grants. The JLBC Staff provided options.

(Continued)

2. ARIZONA PIONEERS' HOME - Review of Replacement Emergency Generator.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for building renewal and capital projects and for any capital project with an estimated cost of more than \$250,000. The FY 2024 Capital Outlay Bill appropriated \$468,700 from the Pioneers' Home Miners' Hospital Fund for capital improvements. The Arizona Pioneers' Home requested review of \$310,000 of the appropriated amount to be used for a replacement emergency generator. The JLBC Staff provided options.

3. ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of Capital Projects.

A.R.S. § 41-1252 requires Committee review of capital projects with estimated costs exceeding \$250,000. The AESF requested Committee review of \$3,412,000 of its \$3,802,100 FY 2024 Capital Outlay appropriation. The JLBC Staff provided options.

4. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Property and Evidence Storage Lot Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of \$1,016,400 appropriated from the General Fund in the FY 2023 Capital Outlay Bill for the purchase and construction of a new evidentiary vehicle storage lot. The JLBC Staff provided options.

5. NORTHERN ARIZONA UNIVERSITY (NAU) - Review of Bury Hall Renovation Project.

A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). NAU requested review of \$7,000,000 for a capital renovation project of Bury Hall. Of this amount, \$4,942,500 will be funded with CIF cash and \$2,057,500 will be funded from Technology and Research Initiative Fund (TRIF) monies. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

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

6. ARIZONA STATE UNIVERSITY (ASU) - Review of Tempe District Utility Plant Project.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. ASU requested review of \$52,165,000 in system revenue bond issuances to construct a Tempe District Utility Plant. ASU will fund debt service payments with tuition. The JLBC Staff provided options and potential provisions:

Standard University Financing Provisions

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

7. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of FY 2024 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies prior to expenditure. ADOT requested review of its \$22,420,200 FY 2024 Building Renewal Allocation. The JLBC Staff provided options.

8. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of Transportation Project Transfer.

Laws 2022, Chapter 309 authorizes ADOT to transfer monies between a number of appropriated transportation projects upon review by the Committee. ADOT requested transferring \$1,650,000 in FY 2024 from statewide pavement rehabilitation to 2 other existing projects. ADOT requested to transfer \$1,100,000 to repave State Route 95 in Mohave County and \$550,000 to repair State Route 186 and State Business Route 10 in Willcox. The JLBC Staff provided options.

Representative Livingston moved that the Committee give a favorable review of the agency requests in consent agenda items 1 through 8 with the JLBC Staff provisions. The motion carried.

REGULAR AGENDA

9. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2024 Building Renewal and Fire and Life Safety Projects.

Geoffrey Paulsen, JLBC Staff, stated that A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADC requested review of its allocation plan for \$33,664,600. The expenditure plan includes a total of 73 projects across all state prisons.

A.R.S. § 14-1252 also requires Committee review of capital projects with estimated costs exceeding \$250,000. ADC requested review of its expenditure plan for door, lock and fire system replacements. The FY 2024 Capital Outlay Bill appropriated a total of \$48,650,600 to ADC for this purpose. The JLBC Staff provided options.

Ryan Thornell, Director, Department of Corrections, responded to member questions.

Fred Moreno, Assistant Director, Department of Corrections, responded to member questions.

(Continued)

Representative Livingston moved that the Committee give a favorable review of the building renewal expenditure plan and the expenditure plan for the door, lock, and fire system replacements totaling \$82,315,200. The motion carried.

10. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) and ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Electric Vehicle Charging Stations.

Ethan Scheider, JLBC Staff, stated that A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. The Arizona Department of Transportation (ADOT) and the Arizona Department of Administration (ADOA) were appropriated \$7,500,000 and \$5,000,000, respectively, in FY 2024 for the installation of Electric Vehicle (EV) charging stations. ADOT and ADOA requested the Committee review the following:

- 1) \$560,000 to conduct a planning study for public use EV charging stations at ADOT and ADOA facilities statewide;
- 2) \$280,000 to plan for EV charging station at the central motor pool and other ADOT facilities;
- 3) \$449,300 to purchase and install 6 EV chargers at the main State Motor Pool facility.

The JLBC Staff provided options and a potential provision:

- A. *Upon public release of a Request for Quote (RFQ) for consultant services to conduct an EV charging station planning study, ADOT shall provide a copy of the RFQ to the JLBC Staff.*

Anthony Casselman, Chief Legislative Liaison, Arizona Department of Transportation, responded to member questions.

Representative Livingston moved that the Committee give a favorable review of the expenditure plan totaling \$1,289,300 with the JLBC Staff provision. The motion carried.

Without objection, the meeting adjourned at 1:56 p.m.

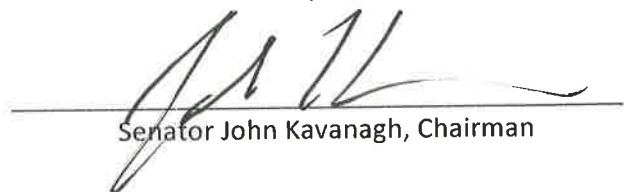
Respectfully submitted:



Jennifer Burns, Secretary

Rebecca Perrera

Rebecca Perrera, Assistant Director



Senator John Kavanagh, Chairman



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

DATE: December 7, 2023

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Senior Fiscal Analyst

SUBJECT: Department of Public Safety - Review of Flagstaff Aviation Hangar Fuel Improvements

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Department of Public Safety (DPS) requests review of its plan to spend \$320,000 from the General Fund appropriated in the FY 2024 Capital Outlay Bill for the renovation of the Flagstaff aviation hangar.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) DPS provides air rescue response to emergency situations throughout the state of Arizona.
- 2) As a part of the FY 2023 budget, DPS acquired a new Bell 429 helicopter which is stationed at the Flagstaff hangar.
- 3) The FY 2024 budget included \$320,000 to fund the Executive budget request for both a new hangar door as well as a new fuel tank in Flagstaff, but DPS has already installed the new door.
- 4) The hangar's fuel tank is too small to adequately refuel the helicopter.
- 5) DPS proposes spending \$525,600 to purchase and install a 10,000 gallon fuel tank as well as remove of the current 1,000 gallon fuel tank.
- 6) The project will be funded via a \$320,000 General Fund appropriation and a \$205,600 grant from the Border Security Fund.

(Continued)

Analysis

Background

DPS Aviation Unit provides air rescue response and transport services throughout the state of Arizona. In most instances, the services provided by DPS aviation respond to critical life occurrences and emergency situations. The Aviation Unit consists of 5 rotary-wing helicopters and 2 fixed-wing aircraft. The helicopters operate at 4 regionally based locations in the following cities: Phoenix, Tucson, Kingman, and Flagstaff. These helicopter crews primarily conduct search and rescue missions in response to incidents when medical evacuations are conducted as a part of mass casualty scenes or in situations where traditional services are unavailable.

As a part of the FY 2023 budget, the department recently acquired a new Bell 429 helicopter which is stationed at the Northern Air Rescue (NAR) in Flagstaff. The FY 2024 budget included \$320,000 to fund an Executive budget request for both a new hangar door as well as a new fuel tank in Flagstaff, but the department already ordered a new door prior to receiving this funding.

DPS stated that the new helicopter was unable to be stored inside the hangar because the door wasn't large enough to accommodate the taller vehicle. The department proceeded to expend \$380,700 from their operating budget to purchase and install a new hangar door to accommodate the Bell 429 helicopter.

DPS has further expressed that the Flagstaff hangar is not properly equipped to refuel the new helicopter. The tank at NAR has a capacity limit of 1,000 gallons and the tank's hose reel is located externally and exposed to the elements. Currently, the department is transporting fuel from Kingman to Flagstaff to address the fuel issue.

Current Request

The department is proposing to expend \$525,600 to purchase a 10,000 gallon fuel tank, install the new fuel tank, and remove the current 1,000 gallon fuel tank. DPS would expend the \$320,000 General Fund appropriation on this project with the remaining \$205,600 funded from a Border Security Fund grant provided by the Department of Emergency and Military Affairs (DEMA). DPS states these improvements will not only eliminate fuel trips between Kingman and Flagstaff, but it will also enhance safety features for the rescue crew via an overfill monitoring system, an enclosed heater hose reel, and Jet A fuel rating.

Table 1 below lists the proposed expenditures on the purchase and installation of the 10,000 gallon fuel tank as well as the removal of the current 1,000 gallon fuel tank. DPS has coordinated with the Arizona Department of Administration (ADOA) to obtain a contract with a fuel tank vendor who provided the estimates below. The department anticipates the project will be completed no later than May 2024.

Table 1	
Flagstaff Aviation Hangar Expenditure Plan	
<u>Item</u>	<u>Cost Estimate</u>
Purchase and install 10,000 gallon fuel tank	\$ 578,000
Remove current 1,000 gallon fuel tank	47,600
Total Cost	\$525,600

JJ:jbu



ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

"Courteous Vigilance"

KATIE HOBBS Governor JEFFREY GLOVER Director

November 20, 2023

Senator John Kavanagh, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007



Dear Chairman Kavanagh:

Laws 2023, Chapter 135 (Senate Bill 1722) appropriates \$320,000 from the General Fund to the Department of Public Safety (DPS) to renovate the aviation hangar in Flagstaff.

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

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

Sincerely,

Jeffrey Glover, Colonel
Director

cc: Representative David Livingston, Vice-Chairman
Sarah Brown, OSPB
Richard Stavneak, JLBC

Attachment

Arizona Department of Public Safety (DPS)
Aviation Hangar
Laws 2023, Chapter 135 (Senate Bill 1722)
\$320,000

Summary

Laws 2023, Chapter 135 (SB1722) appropriated \$320,000 from the General Fund to the Arizona Department of Public Safety (DPS) to renovate the aviation hangar in Flagstaff. Prior to the expenditure of the funds, A.R.S. § 41-1252 requires DPS to present the scope, purpose, and estimated cost to the Joint Committee on Capital Review (JCCR) for review.

Purpose

The DPS Aviation Unit provides statewide air rescue response capability and air transport services that greatly benefit the public, the department, and other public safety agencies. The services provided by aviation prove especially valuable during critical occurrences and emergency situations throughout the state. To accomplish its mission, Aviation operates and maintains a fleet of five rotary-wing helicopters and two fixed-wing aircraft. The air rescue helicopters and their crews operate from four regionally-based locations and also conduct search and rescue operations and provide helicopter technical rescue services to include short-haul, aerial rappel, tow-in/one-skid landings, and confined area operations. Medical evacuations are conducted as part of mass casualty scenes or in situations where traditional services are unavailable.

DPS recently accepted delivery of a new Bell 429 helicopter, which is stationed at Northern Air Rescue (NAR) in Flagstaff. One of the new demands of operating a larger, faster, and more capable helicopter is the need for additional refueling. Currently, to save money, DPS aviation staff at the NAR transport fuel from Kingman to Flagstaff utilizing a truck and trailer because non-bulk jet fuel is substantially cheaper in Kingman than Flagstaff. The current tank at NAR has a limited capacity of 1,000 gallons and would require more frequent refilling due to the new helicopter's greater fuel consumption rate. With the fuel tank being located outside, an additional concern is that the tank's hose reel is located externally to the tank and is exposed to elements. DPS plans to purchase a larger and safer 10,000-gallon fuel tank. Since bulk jet fuel in Flagstaff costs about the same as in Kingman, the new tank will not only eliminate the fuel trips between Kingman and Flagstaff, but its enhanced safety features would also be of great significance. These features include an overfill monitoring system, an enclosed heater hose reel, and Jet A fuel rating. The approximate cost for the new fuel tank, installation, and removal of the current fuel tank is \$525,000.

Procurement Method Pricing and Cost Breakdown

DPS and the Arizona Department of Administration worked diligently over the last few years to obtain a contract with a fuel tank vendor. Below is the estimated cost breakdown for the new fuel tank, installation, and removal of the current fuel tank:

Arizona Department of Public Safety (DPS)
Aviation Hangar
Laws 2023, Chapter 135 (Senate Bill 1722)
\$320,000

Purchase and installation of 10,000-gallon fuel tank	\$478,056
Removal of current fuel tank	\$47,569
TOTAL	\$525,625

NOTE: The balance of the project will be funded from a grant provided by the Department of Emergency and Military Affairs

Timeline/Conclusion

The timeline to complete the project is dependent on the weather conditions in Flagstaff but is expected to be completed no later than May 2024.

1B



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlbc.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

DATE: December 7, 2023

TO: Members of the Joint Committee on Capital Review

FROM: Jordan Johnston, Senior Fiscal Analyst

SUBJECT: Department of Public Safety - Review of Remote Housing Replacement

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. The Department of Public Safety (DPS) requests review of its plan to spend \$2,000,000 from the General Fund appropriated in the FY 2023 Capital Outlay Bill for the purchase of 5 new housing units.

Committee Options

The Committee has at least the following 2 options:

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

Key Points

- 1) DPS currently has 60 remote housing units for highway patrol troopers.
- 2) DPS proposes spending \$2.0 million to purchase and install 5 new housing units, acquire a 20 acre property in Bowie, Arizona, and install a septic tank and utilities for the new homes.
- 3) DPS has awarded a contract to a vendor to purchase and install the remote housing units. The contractor estimates the cost to install the housing units at an average price per home of \$370,700.
- 4) Of the 5 new housing units, 4 units will be located on the new property in Bowie and 1 unit will be located on existing property in Valle.

(Continued)

Analysis

Background

DPS currently has 60 housing units in remote locations across the state to station troopers closer to their patrol areas. These troopers, along with their immediate family, live full-time in the units. The troopers are responsible for paying rent to DPS of \$50-\$100 per month depending on the age of the unit, along with paying the full cost of utilities. DPS reports that these units have a useful life of 20-25 years.

Procurement Process

DPS collaborated with the Arizona Department of Administration (ADOA) to implement a new statewide contract for modular housing units. The quotes listed in *Table 1* below were provided by the selected contractor after site visits to each of the locations.

The sizes of the homes will be 1,600 square feet with 3 bedrooms and 2 bathrooms. The department anticipates the purchase and installation of the 5 housing units will be completed by June 2025. The additional housing units will increase the overall DPS housing stock from 60 to 65 units.

Current Request

The FY 2023 budget included a \$9.8 million appropriation for DPS to purchase and install 25 remote housing units and purchase 5 existing housing units. At the September 2022 JCCR meeting, the committee gave a favorable review of the department's expenditure plan to use \$7.8 million to replace 25 remote housing units only, which excluded the \$2.0 million DPS requested to use to purchase 5 new modular units.

The department is proposing to expend \$2.0 million to purchase 5 new housing units, acquire a 20 acre property in Bowie, Arizona, and install a septic tank and utilities for the new homes. This equates to an average price per home of \$370,700. For reference, the remote housing units prior to the FY 2023 appropriation were installed at an average price per home of approximately \$300,000. DPS states that costs for installing remote housing units have increased primarily due to inflation.

Table 1 below lists the proposed expenditures on the 5 new modular units, the purchase of a new 20 acre property in Bowie, Arizona, and the installation of a septic tank and utilities. The department states that 4 of the new housing units will be placed on the new property in Bowie and 1 new housing unit will be placed on existing property in Valle.

Table 1	
Remote Housing Unit Expenditure Plan	
<u>Item</u>	<u>Cost Estimate</u>
Purchase 5 housing units (\$370,700 each)	\$ 1,853,500
Purchase property in Bowie, Arizona	50,000
Installation of septic tank and utilities	96,500
Total Cost	\$2,000,000

JJ:jbu



ARIZONA DEPARTMENT OF PUBLIC SAFETY

2102 WEST ENCANTO BLVD. P.O. BOX 6638 PHOENIX, ARIZONA 85005-6638 (602) 223-2000

"Courteous Vigilance"

KATIE HOBBS Governor JEFFREY GLOVER Director

November 20, 2023

Senator John Kavanagh, Chairman
Joint Committee on Capital Review
1716 West Adams
Phoenix, Arizona 85007



Dear Chairman Kavanagh:

Laws 2022, Chapter 309 (House Bill 2858) appropriates \$9,750,000 from the General Fund to the Department of Public Safety (DPS) to replace twenty-five remote housing units and to purchase five new housing units. JCCR approved the Department's plan for the replacement of twenty-five housing units. The scope of this review is the plan for five new housing units to be purchased and placed with the remaining \$2,000,000. Based on cost estimates, our intent is to purchase 20.04 acres of land in Bowie, Arizona, and to purchase and place four housing units on the property. Additionally, the Department has property in Valle, Arizona, and plans to purchase and place one additional housing unit on this property.

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

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

Sincerely,

Jeffrey Glover, Colonel
Director

cc: Representative David Livingston, Vice-Chairman
Sarah Brown, OSPB
Richard Stavneak, JLBC

Attachment

Arizona Department of Public Safety (DPS)

Remote Housing Replacement
Laws 2022, Chapter 309 (House Bill 2858)
\$9,750,000

Summary

Laws 2022, Chapter 309 (HB2858) allocated \$9,750,000 to the Arizona Department of Public Safety (DPS) for remote housing needs. A.R.S. § 41-1252 requires DPS to present the scope, purpose, and estimated costs to the Joint Committee on Capital Review (JCCR) for review. JCCR previously approved the Department's plan for the replacement of twenty housing units. The scope of this review is for the addition of five new housing units.

Purpose

To support Arizona's vast highway system while improving highway safety and providing emergency response, state troopers are stationed at reasonable travel intervals throughout the State. With great distances between Arizona's centers of population, remote housing compounds are necessary. The most cost-effective solution at these remote locations is modular housing. DPS owns property in Valle, Arizona, and plans to purchase and place one additional housing unit on this property. DPS has identified property in Bowie, Arizona available for purchase and suitable for placement of four housing units.

Procurement Method Pricing and Cost Breakdown

DPS and the Arizona Department of Administration worked diligently over the last few years to obtain a contract with a modular housing vendor. A standard floor plan has been selected to minimize costs and the amount of site work required for installation. The standard housing unit is a 1,600-square-foot, three-bedroom, two-bath unit to include a covered patio in both the front and back of the unit. Below is the estimated cost breakdown for five new housing unit funds:

Purchase of five housing units (\$370,700 each)	\$1,853,500
Purchase of property in Bowie, Arizona	\$50,000
Installation of septic tank and utilities	\$96,500
TOTAL	\$2,000,000

Note: Of the \$9,750,000 appropriation, \$7,750,000 was intended for replacement homes, and \$2,000,000 was intended for new homes.

Timeline/Conclusion

The timeline to complete the land purchase, site work, and installation of the five new homes will be within the three-year timeline of June 30, 2025, as prescribed by Laws 2022, Chapter 309. The project is contingent on a favorable review from the JCCR.



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjlb.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

DATE: December 7, 2023

TO: Members of the Joint Committee on Capital Review

FROM: Cameron Mortensen, Fiscal Analyst

SUBJECT: Arizona State University - Review of Polytechnic Campus Utilities Expansion

Request

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requests committee review of \$17,300,000 in system revenue bond issuances to construct a modular chiller plant on its Polytechnic (East) campus. ASU will fund debt service payments with tuition revenues.

Committee Options

The Committee has at least the following 2 options:

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

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

Standard University Financing Provisions

- A. A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete.
- B. ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.

(Continued)

- C. On or before October 15 of each year until completion of the project, ASU shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Key Points

- 1) ASU plans to construct a \$17.3 million modular chiller plant to expand chilled water capacity on its Polytechnic campus.
- 2) ASU will finance the project with system revenue bonds.
- 3) Annual debt service payments of \$1.1 million will be funded by tuition revenues.

Analysis

ASU intends to construct a new 3,000 square foot modular chiller plant on its Polytechnic campus. The chiller plant will provide additional capacity to the pre-existing chilled water loop. The project will provide independent backup, allowing the chilled water loop system to remain operational if one of the existing chillers experiences failure or is under maintenance. The plant will be located west of the existing central plant on the north side of East Unity Avenue.

The new plant will support existing campus facilities, including research labs, food services, the student fitness center, and academic buildings, as well as a planned 180,000 square foot interdisciplinary science and technology building. The project is estimated to cost a total of \$17.3 million.

Financing

ASU intends to issue \$17.3 million of system revenue bonds in April 2025 with an anticipated rating of Aa2 (Moody's)/AA (S&P) and estimated interest rate of 4.64% over a 30-year term. In addition to project costs, issuance costs are projected to be \$140,000. ASU will begin construction prior to bond issuance and will use their operating balances to cover costs until the bond proceeds are received.

The annual debt service will be approximately \$1.1 million, funded by tuition revenues. *(See Table 2 for a summary of the bond financing terms.)*

The debt service on these projects will increase ASU's current debt ratio by 0.03%, from 4.52% to 4.55%.

Construction Costs

Of the total \$17.3 million project cost for construction of the chiller plant, \$13.8 million are direct construction costs. Total project costs per square foot are \$5,767, while direct construction costs per square foot are \$4,600 *(see Table 1)*.

To provide a comparison to other recently reviewed ASU utility projects, the Committee reviewed a planned 20,000 square foot Tempe District Utility Plant at a cost of \$52.2 million, or \$2,608 per square foot in October 2023. The Tempe District Utility Plant will provide additional electrical, chiller, and heated water capacity to Tempe campus facilities.

The university reports that the chiller plant will be completed through the Design-Build (DB) delivery method. Construction is estimated to begin in February 2024 and is scheduled for completion in October 2024.

Operations and Maintenance Costs

ASU expects annual operation and maintenance costs to increase by approximately \$118,600, which will be funded by tuition revenues.

(Continued)

Table 1

ASU Polytechnic Campus Chiller Plant Construction Costs

Total Square Footage	3,000	
<u>Building Construction Costs</u>		
Direct Construction Costs	\$13,800,000	(\$4,600 per sq. ft.)
Other Costs ^{1/}	<u>3,500,000</u>	<u>(\$1,167 per sq. ft.)</u>
Total	\$17,300,000	(\$5,767 per sq. ft.)
Operations & Maintenance	\$118,600	

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

Table 2

ASU Polytechnic Campus Chiller Plant Financing Terms

Construction Timeframe	February 2024 – October 2024
Issuance Amount	\$17.3 million
Issuance Date	April 2025
Issuance Transaction Fees	\$140,000
Rating	Aa2 (Moody's)/AA (S&P)
Interest Rate	4.64%
Term	30 years
Total Debt Costs	\$32.8 million
Debt Service Payments	\$1.1 million
Payment Source	Tuition
Debt Ratio Increase	0.03%

CM:jbu



December 1, 2023

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

Dear Senator Kavanagh:

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

- Polytechnic Utilities Expansion

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

Sincerely,

A handwritten signature in black ink, appearing to read "Morgan R. Olsen".

Morgan R. Olsen
Executive Vice President, Treasurer and CFO

Enclosures

- c: Richard Stavneak, Director, JLBC
John Arnold, Executive Director, Arizona Board of Regents, ABOR
Bradley Kendrex, Vice President, Finance and Administration, ABOR
Adam C. Deguire, Vice President, Government and Community Engagement, ASU
Kendra Burton, Executive Director, State Relations, ASU
Matt Simon, Associate Vice President, State & Federal Relations, ASU
Alex Kohnen, Vice President, Facilities Development and Management, ASU
Cameron Mortensen, Fiscal Analyst, JLBC

Polytechnic Utilities Expansion

Project Description

This project constructs a new 3,000 gross-square-foot modular chiller plant to provide additional capacity to the existing chilled water loop, which will supply existing and future buildings across the growing Polytechnic campus. This includes core facilities already connected to the chilled water loop, such as research labs, food services, the Sun Devil Fitness Center, and academic buildings, as well as planned facilities including the multi-level Interdisciplinary Science and Technologies Building 12 housing new manufacturing engineering programs. The plant will be located west of the existing Central Plant on the north side of East Unity.

Using an N+1 approach, this project will provide independent backup, allowing the chilled water loop system to operate as intended if one of the existing chillers fails or is under maintenance.

This project will enhance the quality of the Polytechnic campus infrastructure and systems and support increased enrollment and program offerings within the Ira A. Fulton Schools of Engineering, which is one of the largest and most comprehensive engineering education programs in the United States.

The project will be constructed through the Design Build (DB) delivery method. This approach was selected to streamline project delivery and to alleviate potentially adversarial project environments. ASU has selected Chasse Building Team as the contractor and Spectrum Engineers as the engineer of record for this project. The selection process included six responses and three teams were interviewed.

The project is scheduled to begin construction in February 2024 and is scheduled for completion in October 2024.

The budget for this approximately 3,000 gross-square-foot project is \$17.3 million, representing an estimated construction cost of approximately \$4,600 per gross square foot. The estimated total project cost is \$5,767 per gross square foot.

This \$17.3 million project will be debt-financed with system revenue bonds and amortized over an approximate thirty-year term. The annual debt service will be funded by tuition and is included in current budget planning. The projected incremental debt ratio impact for this project is 0.03 percent.

Operations and maintenance costs are estimated at \$118,642 annually and will be funded by tuition.

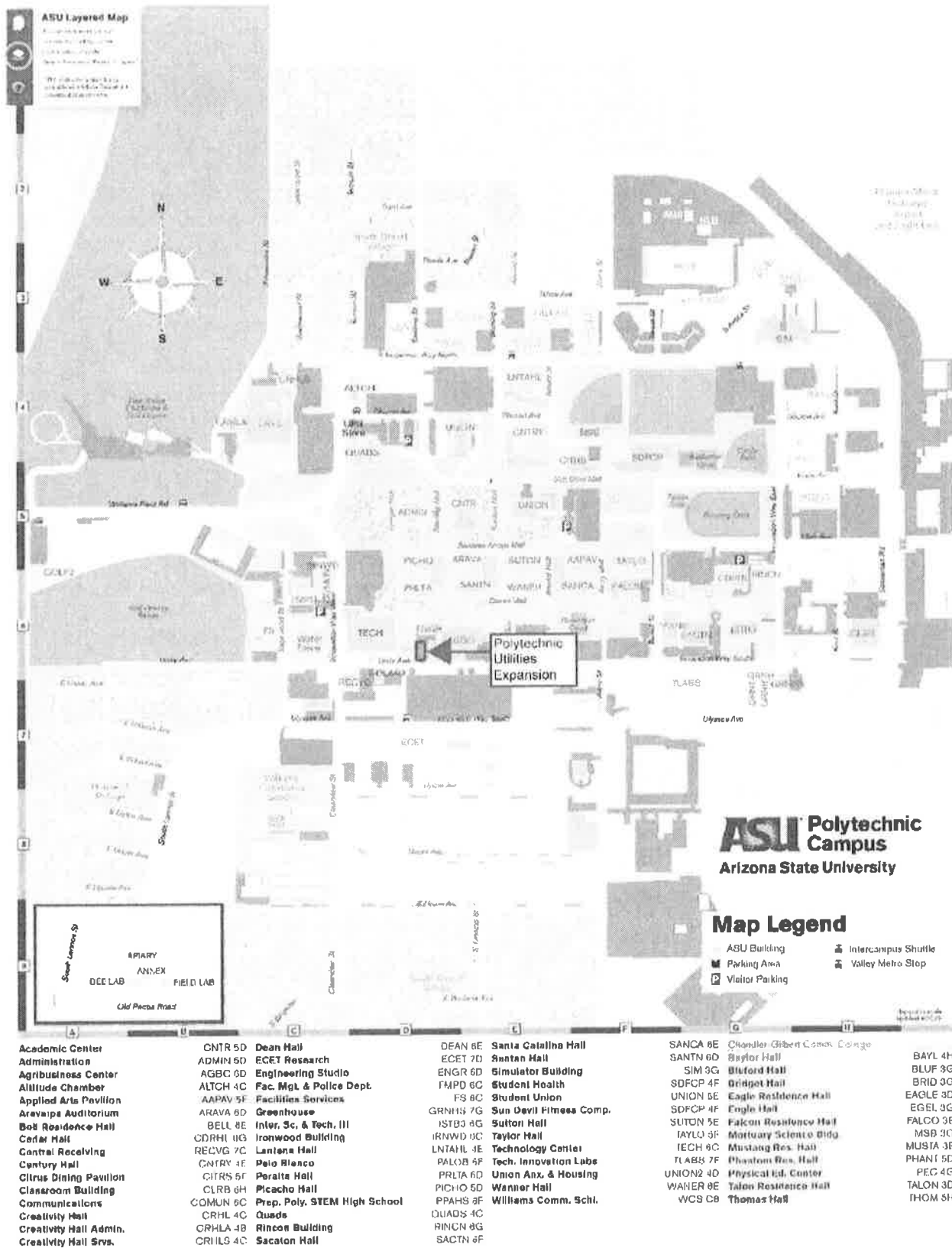
An Arizona Board of Regents (ABOR) executive summary for this project is attached, which outlines the project description and other relevant information. Arizona Board of Regents



approved the individual project and financing for the Polytechnic Utilities Expansion at the November 16, 2023 meeting.

Project Budget:

Total Project Cost	\$	17,300,000
Total Project Construction Cost	\$	13,800,000
Total Project Cost per GSF	\$	5,767
Construction Cost per GSF	\$	4,600



Project Summary – Revenue Bonds

<u>Projects:</u>	<u>Funding Sources:</u>	<u>Amount:</u>
Polytechnic Utility Expansion	Tuition	\$17,300,000

Financing Information

System Revenue Bonds:

Project Costs	\$17,300,000
Estimated Costs of Issuance	\$140,000
Anticipated Bond Rating	Aa2 (Moody's) and AA (S&P)
Assumed Interest Rate	4.64%
Term	30 years

Estimated Debt Service Information:

FY 2026 to FY 2055	\$1,091,671
Total Estimated Debt Service	\$32,750,132

Debt Ratio

Debt Ratio on Existing Debt	4.52%
Incremental Debt Ratio	.03%
Project Debt Ratio	4.55%



Arizona State University
Polytechnic Utility Plant Expansion
System Revenue Bonds

Fiscal Year	Estimated Issuance April 2025		
	Principal	Interest	Total
2026	\$102,000	\$995,279	\$1,097,279
2027	305,000	791,854	1,096,854
2028	310,000	778,057	1,088,057
2029	331,000	764,043	1,095,043
2030	346,000	749,101	1,095,101
2031	361,000	733,445	1,094,445
2032	371,000	717,074	1,088,074
2033	392,000	700,274	1,092,274
2034	407,000	682,544	1,089,544
2035	427,000	664,102	1,091,102
2036	443,000	644,729	1,087,729
2037	463,000	624,642	1,087,642
2038	488,000	603,626	1,091,626
2039	509,000	581,397	1,090,397
2040	534,000	558,239	1,092,239
2041	560,000	533,937	1,093,937
2042	580,000	508,423	1,088,423
2043	611,000	481,978	1,092,978
2044	636,000	454,105	1,090,105
2045	666,000	425,089	1,091,089
2046	697,000	394,645	1,091,645
2047	728,000	362,771	1,090,771
2048	763,000	329,470	1,092,470
2049	799,000	294,525	1,093,525
2050	834,000	257,939	1,091,939
2051	870,000	219,639	1,089,639
2052	916,000	179,696	1,095,696
2053	951,000	137,612	1,088,612
2054	997,000	93,884	1,090,884
2055	1,043,000	48,013	1,091,013
Total	\$17,440,000	\$15,310,132	\$32,750,132

EXECUTIVE SUMMARY

Item Name: Review of Individual Project and Financing for Polytechnic Utilities Expansion (ASU)

☒ Action Item

Requested Action: Arizona State University (ASU) asks the committee to review and recommend forwarding to the full board for individual project and financing approval of its Polytechnic Utilities Expansion, as described in this executive summary. The 3,000 square-foot, \$17.3 million major capital project will be debt-financed with system revenue bonds. The annual debt service will be paid over an approximate thirty-year term and funded by tuition.

Background/History of Previous Board Action

- FY 2023–2025 Capital Improvement Plan October 2021
- Annual Capital Plans September 2022 and 2023

Project Justification/Description/Scope

- This project constructs a new 3,000 gross-square-foot modular chiller plant to provide additional capacity to the existing chilled water loop, which will supply existing and future buildings across the growing Polytechnic campus. This includes core facilities already connected to the chilled water loop, such as research labs, food services, the Sun Devil Fitness Center, and academic buildings, as well as planned facilities including the multi-level Interdisciplinary Science and Technologies Building 12 housing new manufacturing engineering programs. The plant will be located west of the existing Central Plant on the north side of East Unity, as depicted on the attached map as Exhibit A.
- Using an N+1 approach, this project will provide independent backup, allowing the chilled water loop system to operate as intended if one of the existing chillers fails or is under maintenance.
- This project will enhance the quality of the Polytechnic campus infrastructure and systems and support increased enrollment and program offerings within the Ira A. Fulton Schools of Engineering, which is one of the largest and most comprehensive engineering education programs in the United States.

Contact Information:
Morgan R. Olsen, ASU

Morgan.R.Olsen@asu.edu

480-727-9920

EXECUTIVE SUMMARY

Project Delivery Method and Process

- The project will be constructed through the Design Build (DB) delivery method. This approach was selected to streamline project delivery and to alleviate potentially adversarial project environments.
- ASU has selected Chasse Building Team as the contractor and Spectrum Engineers as the engineer of record for this project. The selection process included six responses and three teams were interviewed.

Project Status and Schedule

- The project is scheduled to begin construction in February 2024 and is scheduled for completion in October 2024.

Project Cost

- The budget for this approximately 3,000 gross-square-foot project is \$17.3 million, representing an estimated construction cost of approximately \$4,600 per gross square foot. The estimated total project cost is \$5,767 per gross square foot.
- By comparison, the existing Central Chiller Plant on Tempe Campus was upgraded in 2016 to replace obsolete mechanical equipment and upgrade the control system at a cost of \$10,319,120. Unlike this renovation and upgrade, this utilities expansion project will be a completely new design build project.

- **Comparable Projects:**

Project	Description	Location	Project Size GSF	Total Project Cost/GSF	Year Completed
NCP Satellite Central Plant	New facility with 5,000 tons of chiller capability	Tempe	4,500	\$1,644	2016
Infrastructure Phase VI	Renovations to existing Arizona Health Sciences Center Central Heating and Refrigeration Plant, including two 5,000-ton chillers and three 30,000 LB/HR broilers	Tucson	36,221	\$511	2006
Average Comparable Total Project Cost				\$1,078	

EXECUTIVE SUMMARY

Fiscal Impact and Financing Plan

- This \$17.3 million project will be debt-financed with system revenue bonds and amortized over an approximately thirty-year term. The annual debt service will be funded by tuition and is included in current budget planning.
- ASU will:
 - (a) issue one or more series of system revenue bonds to finance the project, costs of issuance of the bonds and payments to a bond insurer or other credit enhancer, provided such payments result in a benefit that exceeds the amount of such payments;
 - (b) issue bonds at a price at, above or below par, on a tax-exempt or taxable basis, in one or more series, at a fixed or variable rate of interest;
 - (c) enter into necessary agreements, including those related to bond insurance or other credit enhancement agreements, if any; and
 - (d) utilize a financial advisor, bond counsel, and bond trustee for the financing. The system revenue bonds will be marketed and sold on a negotiated basis, either to one or more investment banking firms currently in a pool of bond underwriters procured by the three state universities or by the State of Arizona or by a direct sale to a bank or banks or other financial institutions.
- **Debt Ratio Impact:** The projected incremental debt ratio impact for this project is 0.03 percent.
- Operations and maintenance costs are estimated at \$118,642 annually and will be funded by tuition.

Occupancy Plan

- This project will not affect occupancy but will provide increased infrastructure to support continued Poly campus physical expansion and new programs that support the advancement of the university's academic and research initiatives.

Statutory/Policy Requirements

- Pursuant to ABOR Policy 7-102.A, all Major Capital Projects require committee review and board approval.

EXECUTIVE SUMMARY

- Pursuant to ABOR Policy 7-102.B.4, Major Capital Projects that are included in an approved ACP must be submitted for individual project and financing review by the Finance, Capital and Resources Committee and approval by the board, based upon the budget, schedule, scope, and other considerations as warranted.
- Pursuant to ABOR Policy 7-102.B.4.a.1, individual project and financing approval authorizes a university to proceed with financing and execution of construction contracts for an approved project.

EXECUTIVE SUMMARY

Capital Project Information Summary

University: Arizona State University **Project Name:** Polytechnic Utilities Expansion

Project Description and Location: This project constructs a new 3,000 gross-square-foot modular chiller plant to provide additional capacity to the existing chilled water loop, which will supply existing and future buildings across the growing Polytechnic campus. This includes core facilities already connected to the chilled water loop, such as research facilities, food services, the Sun Devil Fitness Center, and academic buildings, as well as planned facilities including the multi-level Interdisciplinary Science and Technologies Building 12 housing new manufacturing engineering programs. The plant will be located west of the existing Central Plant on the north side of East Unity Avenue, as depicted on the attached map as Exhibit A.

Project Schedule:

Planning	June	2019
Design Start	October	2023
Construction Start	February	2024
Construction Completion	October	2024

Project Budget:

Total Project Cost	\$ 17,300,000
Total Project Construction Cost	\$ 13,800,000
Total Project Cost per GSF	\$ 5,767
Construction Cost per GSF	\$ 4,600

Estimated Annual O&M Cost:

Utilities	\$ 8,928
Personnel	99,807
All Other Operations	9,907
Subtotal	\$ 118,642

Funding Sources:

A. System Revenue Bonds	\$ 17,300,000
Debt Service Funding Source:	Tuition
Operation/Maintenance	\$ 118,642
Funding Source:	Tuition

EXECUTIVE SUMMARY

Capital Project Budget Summary

University: Arizona State University
Project: Polytechnic Utilities Expansion

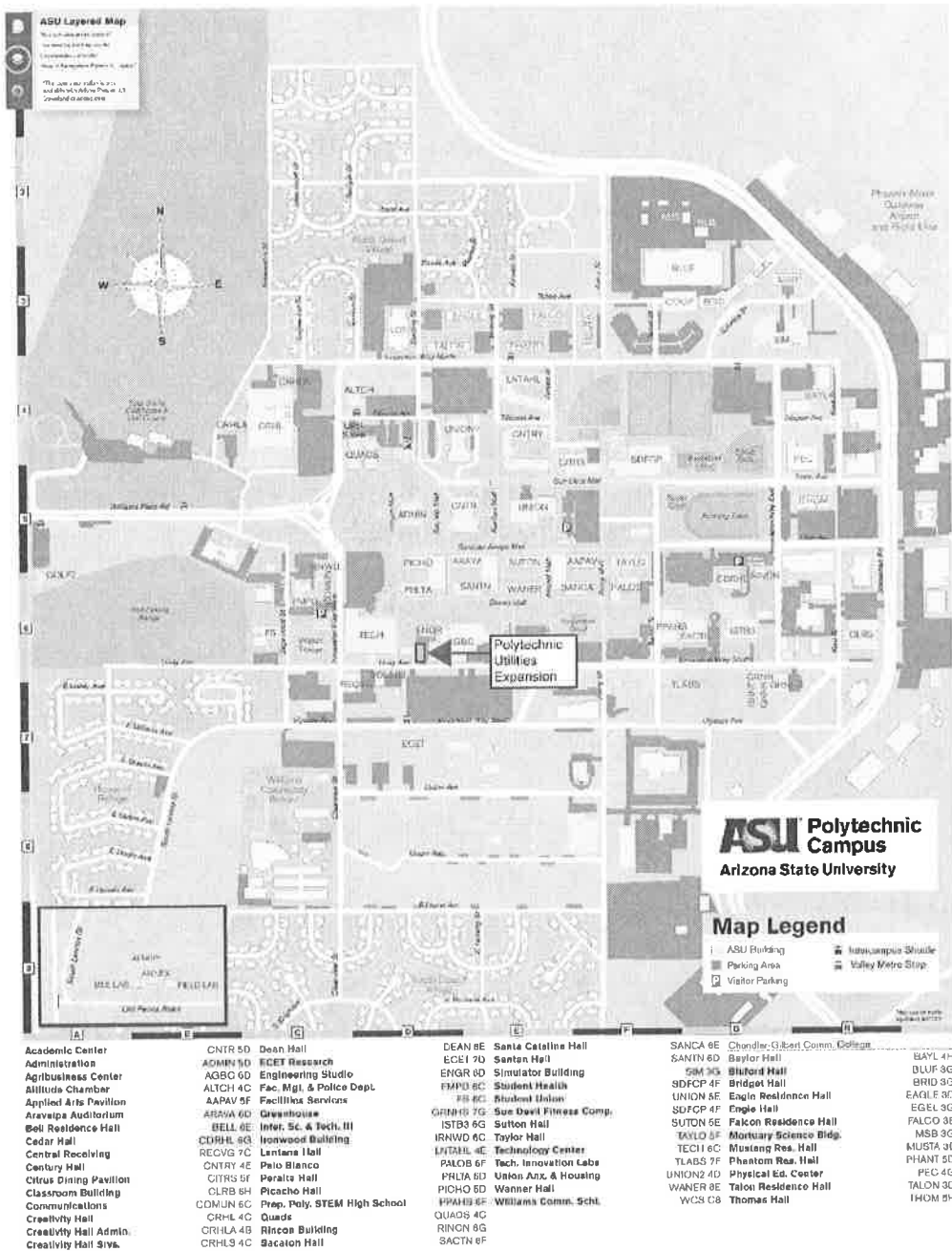
	Annual Capital Plan	Individual Project Approval
Capital Costs		
1. Land Acquisition		
2. Construction Cost		
A. New Construction	\$ 11,100,000	\$ 11,100,000
B. Tenant Improvement		
C. Special Fixed Equipment	-	-
D. Site Development (excl. 2.E.)	-	-
E. Parking and Landscaping	350,000	350,000
F. Utilities Extensions	2,300,000	2,300,000
G. Other* (Demolition/abatement)	50,000	50,000
Subtotal Construction Cost	<u>\$ 13,800,000</u>	<u>\$ 13,800,000</u>
3. Fees		
A. CMAR Pre-Construction	\$ 100,000	\$ 100,000
B. Architect/Engineer	1,100,000	1,100,000
C. Other		
Subtotal Consultant Fees	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
4. FF&E Movable	\$ -	\$ -
5. Contingency, Design Phase	150,000	150,000
6. Contingency, Constr. Phase	1,326,000	1,326,000
7. Parking Reserve	-	-
8. Telecommunications Equipment	20,000	20,000
Subtotal Items 4-8	<u>\$ 1,496,000</u>	<u>\$ 1,496,000</u>
9. Additional University Costs		
A. Surveys, Tests, Haz. Mat. Abatement	\$ 236,000	\$ 236,000
B. Move-in Costs		
C. Printing Advertisement		
D. Keying, signage, facilities support	35,000	35,000
E. Project Management Cost	490,000	490,000
F. State Risk Mgt. Ins. (.0034 **)	43,000	43,000
Subtotal Addl. Univ. Costs	<u>\$ 804,000</u>	<u>\$ 804,000</u>
Total Capital Cost	<u><u>\$ 17,300,000</u></u>	<u><u>\$ 17,300,000</u></u>

* Universities shall identify items included in this category.

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

EXECUTIVE SUMMARY

Exhibit A
Polytechnic Utilities Expansion
Site Location Map





STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

JOHN KAVANAGH
CHAIRMAN
LELA ALSTON
KEN BENNETT
SONNY BORRELLI
EVA DIAZ
DENISE "MITZI" EPSTEIN
JAKE HOFFMAN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491

azjbc.gov

HOUSE OF
REPRESENTATIVES

DAVID LIVINGSTON
VICE-CHAIRMAN
LORENA AUSTIN
LEO BIASIUCCI
JOSEPH CHAPLIK
LUPE CONTRERAS
MATT GRESS
ATHENA SALMAN

DATE: December 7, 2023

TO: Members of the Joint Committee on Capital Review

FROM: Nate Belcher, Fiscal Analyst

SUBJECT: Arizona State Parks Board - Review of Verde River State Park

Request

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for land acquisition, capital projects and building renewal. The Arizona State Parks Board (ASPB) requests Committee review of \$7,000,000 of FY 2024 funding from the General Fund for the establishment of a new state park at the Verde River headwaters near Chino Valley.

Committee Options

The Committee has at least the following 2 options:

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

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

- A. Any contractual agreement with the Trust for Public Land shall require the transfer of the land parcel to state ownership upon completion of the purchase process.
- B. Within 90 days after acquiring land for a Verde River Headwaters state park, the Arizona State Parks Board shall submit a report to the JLBC Staff detailing the total cost of land acquisition, including matching funds. The report shall also include an expenditure plan for the \$1,000,000 in development costs and the anticipated total development costs of the park.

(Continued)

Key Points

- 1) The Arizona State Parks Board (ASPB) is seeking review of \$7.0 million from the General Fund in FY 2024 to establish a new state park at the headwaters of the Verde River near Chino Valley.
- 2) ASPB will use \$6.0 million for land acquisition and \$1.0 million to begin park development.
- 3) The total land cost is expected to be \$10 million.
- 4) A private entity, The Trust for Public Land, will contribute \$4 million for the purchase.
- 5) ASPB will send the \$6.0 million to the Trust and that entity would purchase the land.
- 6) The Trust would then convey the land title to the state.
- 7) We do not have an estimate of the overall cost to develop the new state park.

Analysis

ASPB was appropriated \$7.0 million in FY 2024 to establish a new state park at the Verde River headwaters near Chino Valley. Of this amount, \$6.0 million would be used to acquire land for the park and \$1.0 million would go toward the development of the park's facilities for public use.

The proposed park would be located on a land parcel currently known as the Del Rio Springs Ranch, which is approximately 5 miles north of Chino Valley. The park would be located adjacent to the Upper Verde River Wildlife Area and Prescott National Forest, allowing for recreational access to the Verde River.

ASPB reports that the total cost for land acquisition is \$10.0 million. A private entity, Trust for Public Land, has secured an option agreement from the owners of the Del Rio Springs Ranch parcel to purchase the parcel at the \$10 million amount. ASPB would contribute \$6.0 million to the purchase from the FY 2024 appropriation, with the remaining funds being secured by the Trust for Public Land from federal and local sources. ASPB will send the \$6.0 million to the Trust, who would acquire the land. ASPB would enter into a contract with the Trust to transfer the parcel to state ownership upon completion of the purchase process. The Committee may consider a provision requiring the transaction to result in state ownership of the land as described above.

The remaining \$1.0 million from the FY 2024 appropriation would be used for development and would only cover construction of some of the anticipated facilities. ASPB anticipates requiring future appropriations to complete development of the park for public use.

The Committee may consider a provision that within 90 days of acquiring land for a state park at the Verde River headwaters, the Arizona State Parks Board shall submit a report to the JLBC Staff detailing the total cost of land acquisition, including matching funds, and the anticipated costs associated with developing the park for public use.

NB:jb



Katie Hobbs
Governor

ARIZONA STATE PARKS & TRAILS

Bob Broscheid
Executive Director



June 5, 2023

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



RE: Arizona State Parks Board FY24 Capital Projects for the Joint Committee on Capital Review

Dear Senator Kavanagh:

The Arizona State Parks Board (Arizona State Parks & Trails - ASPT) respectfully requests to be placed on the agenda of the next Joint Committee on Capital Review (JCCR) meeting being held June 2023 for review of funding to complete the projects outlined in the tables on the following pages.

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

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

Sincerely,

Sarah Rose Webber
Deputy Director
Arizona State Parks Board

cc: The Honorable Representative David Livingston, Chairman, JLBC
Sarah Brown, Director, Office of Strategic Planning and Budgeting
Richard Stavneak, JLBC Director
Nate Belcher, JLBC Analyst
Zachary Harris, OSPB Budget Manager
Mark Weise, Assistant Director Operations & Development
Kevin Brock, Assistant Director Chief Financial Officer



Katie Hobbs
Governor

ARIZONA STATE PARKS & TRAILS

Bob Broscheid
Executive Director



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

CIP Project	FY24
New Park at headwater of Verde River	\$7,000,000
Capital Improvements - Major Maintenance	\$3,034,000

New Park at Headwater of Verde River

Laws 2023, First Regular Session, Chapter 135 (SB 1722) appropriated \$7,000,000 in FY 2024 for the Arizona State Parks Board to establish a state park at the headwaters of the Verde River. ASPT's understanding is that \$6M is for acquisition and \$1M is for development of the park.

Capital Improvements- Major Maintenance

CATAGORY CODES	
Fire & Life Safety	\$ 100,000
Shell: Superstructure; Exterior Walls & Roofing	\$ 500,000
Major Building Services	\$ 450,000
Interiors: Interior Construction Stairs; Finishes	\$ 450,000
Special Construction & controls; Hazardous Abatement	\$ 250,000
ADA accessibility	\$ 400,000
Infrastructure & Building Sitework	\$ 500,000
Preventative maintenance	\$ 242,752
Other Projects	\$ 141,648
Total	\$ 3,034,400

Fire and Life Safety Projects

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