



STATE OF ARIZONA

# Joint Committee on Capital Review

STATE  
SENATE

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CHAIRMAN 2013  
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LEAH LANDRUM TAYLOR  
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HOUSE OF  
REPRESENTATIVES

JOHN KAVANAGH  
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CHAD CAMPBELL  
TOM FORESE  
DAVID GOWAN, SR.  
RICK GRAY  
ANDREW C. SHERWOOD

## MINUTES OF THE MEETING

### JOINT COMMITTEE ON CAPITAL REVIEW

April 2, 2013

The Chairman called the meeting to order at 8:07 a.m., Tuesday, April 2, 2013 in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Chairman	Representative Kavanagh, Vice-Chairman
	Senator Griffin	Representative Alston
	Senator Landrum Taylor	Representative Campbell
	Senator McComish	Representative Forese
	Senator Melvin	Representative Gowan
	Senator Pancrazi	Representative Gray
	Senator Tovar	Representative Sherwood

#### APPROVAL OF MINUTES

*Representative Kavanagh moved that the Committee adopt the minutes from December 18, 2012. The motion carried.*

#### ADOPTION OF COMMITTEE RULES AND REGULATIONS

Mr. Richard Stavneak, JLBC Staff, stated that the Committee Rules and Regulations remain the same as last session.

*Representative Kavanagh moved that the Committee adopt the JCCR Committee Rules and Regulations. The motion carried.*

#### STATE DEPARTMENT OF CORRECTIONS - Review of Revised FY 2013 Building Renewal Allocation Plan - Revision.

Ms. Krista MacGahan, JLBC Staff, stated that this item is a review of the revised Arizona State Department of Corrections (ADC) Building Renewal allocation plan project.

The JLBC Staff presented options to the Committee.

Mr. Charles Ryan, Director of the State Department of Corrections, responded to member questions.

(Continued)

*Representative Kavanagh moved that the Committee give a favorable review to the request for the Arizona State Department of Corrections FY 2013 Building Renewal allocation plan. The favorable review includes the provision that ADC report any change in the revised building renewal spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADC, ADC is to request Committee review of the reallocation. The motion carried*

**STATE DEPARTMENT OF CORRECTIONS - Review of Purchase of Marana Private Prison.**

Mr. Stefan Shepherd, JLBC Staff, stated that this item is a review of ADC's proposed plan to purchase Arizona State Prison (ASP)-Marana from its current operator in October 2013.

The JLBC Staff presented options to the Committee.

Mr. Charles Ryan, Director of the State Department of Corrections, addressed the members.

*Representative Kavanagh moved that the Committee give a favorable review for ADC's request for the purchase of ASP-Marana from its current operator with the following provisions:*

1. *ADC will submit a Request for Proposals (RFP) to operate ASP-Marana for review by the Joint Legislative Budget Committee (JLBC) pursuant to A.R.S. § 41-1609.01A.*
2. *The RFP is to require the vendor to maintain ASP-Marana at its current condition.*
3. *Prior to notifying other private vendors of a notice to purchase, ADC is to seek Committee review.*

The motion carried.

**YAVAPAI COMMUNITY COLLEGE DISTRICT - Review of Revenue Bond Project.**

Mr. Tom Ritland, JLBC Staff, presented the Yavapai Community College District's request of a \$5.5 million bond project to fund the renovation of 2 residence halls with a \$5.0 million revenue bond issuance and \$550,000 in district cash reserve funds.

The JLBC Staff presented options to the Committee.

Mr. Clint Ewell, Vice President of Finance and Administrative Services for the Yavapai Community College District, addressed the members.

*Representative Kavanagh moved that the Committee give a favorable review for Yavapai Community College District's request for their \$5.5 million bond project to fund the renovation of 2 residence halls with a \$5 million bond issuance and \$550,000 in district cash reserves. The motion carried.*

**NORTHERN ARIZONA UNIVERSITY AND UNIVERSITY OF ARIZONA - Review of Phoenix Biomedical Campus Health Sciences Education Building Shell Space Projects.**

Mr. Art Smith, JLBC Staff, stated that this item is a review of the \$17.9 million bond issuances to fund build out of the Phoenix Biomedical Campus Health Sciences Education Building (HSEB). This amount includes a \$14.3 million University Lottery revenue bond and a \$3.6 million system revenue bond.

The JLBC Staff presented options to the Committee.

*Representative Kavanagh moved that the Committee give a favorable review of the \$17.9 million bond issuances with the following standard university financing provisions:*

(Continued)

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.*
- *NAU and UA shall provide the final debt service schedules for the projects as soon as they are available.*

The motion carried.

**NORTHERN ARIZONA UNIVERSITY - Review of Science and Health Building Bond Project.**

Mr. Art Smith, JLBC Staff, stated that this item is a review of a \$72.6 million bond issuance to fund construction of a Science and Health Building that would house classrooms, lecture halls and teaching and research laboratories on the Flagstaff campus.

The JLBC Staff presented options to the Committee.

Mr. Jennus Burton, Vice President for Finance and Administration for Northern Arizona University, responded to member questions.

*Representative Kavanagh moved that the Committee give a favorable review of the \$72.6 million bond issuance to fund construction of a science and health building that would house classrooms, lecture halls and teaching and research laboratories on the Flagstaff campus with the following 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.*
- *NAU shall provide the final debt service schedules for the projects as soon as they are available.*

The motion carried.

Without objection, the meeting adjourned at 8:27 a.m.

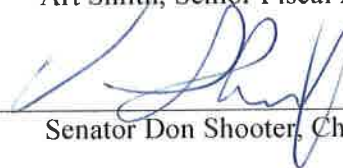
Respectfully submitted:



Tera Scherer, Secretary



Art Smith, Senior Fiscal Analyst



Senator Don Shooter, Chairman