



STATE OF ARIZONA

Joint Committee on Capital Review

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

May 6, 2026

The Chairman called the meeting to order at 11:01 a.m., Wednesday, May 6, 2026 in Senate Hearing Room 109. The following were present:

Members: Senator Farnsworth, Vice-Chairman Representative Livingston, Chairman
 Senator Alston Representative Carbone
 Senator Finchem Representative De Los Santos
 Senator Kavanagh Representative Stahl Hamilton
 Senator Kuby Representative Travers
 Senator Werner

Excused: Senator Sundareshan

Absent: Representative Gress
 Representative Way

APPROVAL OF MINUTES

Senator Farnsworth moved that the Committee approve the minutes of January 29, 2026. The motion carried by voice vote.

CONSENT AGENDA

The following items were considered without further discussion:

1. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2026 Building Renewal and Yuma Fire Alarm Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. Arizona Department of Corrections (ADC) requested review of \$4,639,300 of the department's \$5,864,300 building renewal expenditure plan and \$8,500,000 to upgrade the fire system at the Yuma prison. The \$4,639,300 consists of \$2,650,000 for

plumbing and water projects, \$985,000 for facility improvements, \$940,000 for building system upgrades, and \$64,300 for contingency costs. The committee previously reviewed and approved the remaining \$1,225,000 of the department's building renewal plan at its November 2025 meeting. The JLBC Staff provided options.

2. ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2026 Capital Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. The Arizona Game and Fish Department requested Committee review of \$2,630,000 for 3 capital projects at the Ben Avery Shooting Facility, Cunningham Tracts Wildlife Area, and Cluff Ranch Wildlife Area that are funded by federal grants, matching monies, Game and Fish fund monies, and legal settlements. The JLBC Staff provided options.

3. ARIZONA STATE LOTTERY COMMISSION - Review of FY 2026 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. The Arizona State Lottery Commission requested the Committee review its FY 2026 Building Renewal Allocation Plan. The FY 2026 Capital Outlay Bill appropriated \$218,200 from the Lottery Fund to the Commission to fund 100% of the building renewal formula in FY 2026 for capital improvement projects to the main Phoenix facility. This includes \$67,300 to replace the motor control cabinet, \$10,900 to remove an old cooler damper, \$122,300 to replace 11 heat pumps, and \$17,700 to replace an automatic sliding door in the building. The JLBC Staff provided options.

4. ARIZONA STATE PARKS BOARD (ASPB) - Review of FY 2026 Verde River State Park and Capital Improvement Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for all monies appropriated for capital projects. The Arizona State Parks Board requested Committee review to spend \$3,633,300 from the State Parks Revenue Fund on various capital and maintenance projects and \$500,000 from the General Fund to begin construction efforts at the future Verde River State Park. The JLBC Staff provided options.

5. ARIZONA PIONEERS' HOME - Review of Window and Door Replacement Project.

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 2026 Capital Outlay Bill appropriated \$1,515,000 from the Pioneers' Home Miners' Hospital Fund for window and door replacements at the Arizona Pioneers' Home. The Home requested review of \$463,600 of the appropriated amount to begin the final phase of the window and door replacement project. The JLBC Staff provided options.

6. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of FY 2026 Area Office Replacements.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for capital projects. The Department of Public Safety (DPS) requested Committee review of their \$2,000,000 General Fund appropriation from the FY 2026 Capital Outlay Bill to replace area offices in Sanders and Payson. The \$2,000,000 includes \$1,800,000 for the purchase and installation of area offices, \$100,000 for data lines and utilities, and \$100,000 for demolition and abatement. The JLBC Staff provided options.

7. ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of ADOT Capital Projects.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for capital projects. ADOT requested Committee review of 2 capital projects totaling \$13,812,000 from the State Highway Fund, which were funded in the FY 2026 Capital Outlay Bill:

- \$6,951,000 for a new vehicle repair shop in Avondale, and
- \$6,861,000 for new maintenance facilities in Little Antelope and Gray Mountain.

The JLBC Staff provided options.

8A. ARIZONA STATE UNIVERSITY (ASU) - Review of MacroTechnology Works and Bateman Physical Sciences Center H Wing Building Renovations.

A.R.S. § 15-1683 requires Committee review of any university project financed with system revenue bonds. Arizona State University (ASU) requested Committee review of \$40,000,000 in system revenue bonds issuances to renovate the MacroTechnology Works (MTW) building at the ASU Research Park and \$115,000,000 in system revenue bond issuances to renovate the Bateman Physical Sciences Center H Wing at the Tempe Campus. ASU will fund debt service with tuition revenues. The JLBC Staff provided options and potential 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 operations and maintenance costs when the project is complete.*
- ASU shall provide the final debt service schedule and interest rate for the project as soon as they are available.*
- 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.*

8B. ARIZONA STATE UNIVERSITY (ASU) - Review of Building and Infrastructure Enhancement Modifications Increase.

A.R.S. § 15-1683 requires Committee review of any university project financed with system revenue bonds. A.R.S. § 15-1671 requires Committee review of cash projects funded by the Capital Infrastructure Fund (CIF). ASU requested Committee review \$30,000,000 in system revenue bond issuances and \$20,000,000 in CIF cash for building and infrastructure enhancement modifications. ASU will fund debt service with tuition revenues.

This project was previously reviewed at the Committee's December 2024 meeting at a cost of \$45,000,000 in system revenue bonds. ASU requested an increase of \$50,000,000 for a total of \$95,000,000 to fund new deferred maintenance priorities. The JLBC Staff provided options and potential 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 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 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.

9A. UNIVERSITY OF ARIZONA (UA) - Approval of Deferred Maintenance Projects.

A.R.S. § 15-1671 requires Committee approval of any debt financed university capital projects paid for with funds from the university's Capital Infrastructure Fund (CIF). These monies are from the \$1 billion capital investment program enacted in 2017. The University of Arizona (UA) requested Committee approval of \$75,000,000 in bond issuances for deferred maintenance projects and renovations across multiple campuses. 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 any operations and maintenance costs when the project is complete.
- B. UA shall provide the final debt service schedule and interest rate for the projects as soon as they are available.
- C. On or before October 15 of each year until completion of the project, UA shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date by type of building system, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

9B. UNIVERSITY OF ARIZONA (UA) - Review of Third-Party Financed Housing and Dining Facility.

A.R.S. § 15-1682.02 requires Committee review of any university project using indirect debt financing (also known as third-party financing). The University of Arizona (UA) requested Committee review of \$250,000,000 in third-party financing to construct a new student residence hall and related amenities near the UA Health Sciences Campus in Tucson. The third-party will finance and construct the facility in exchange for a 50-year ground lease of the 2.99 acres of land for the residence hall. 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 operations and maintenance costs when the project is complete.
- B. UA shall provide the final debt service schedule and interest rate for the projects as soon as they are available.
- C. On or before October 15 of each year until completion of the project, UA shall report to the JLBC Staff on the status and expenditures of the project. The report shall include the project expenditures to date by type of building system, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the project.

Senator Farnsworth moved that the Committee give a favorable review of the agency requests in consent agenda items 1, 2, 3, 4, 5, 6, 7 and 8A, 8B, 9B with the applicable JLBC Staff provisions; and approval of item 9A with the applicable JLBC Staff provisions. The motion carried by a voice vote.

REGULAR AGENDA

10. ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of State Fair Capital Projects – Arizona Exposition and State Fair Fund.

A.R.S. § 41-1252 requires the Joint Committee on Capital Review to review expenditure plans for monies appropriated for building renewal and capital projects. The Arizona Exposition and State Fair Board requested Committee review to spend \$800,000 from the Arizona Exposition and State Fair Fund to supplement funding for projects to replace the Exhibit Building restrooms (\$400,000) and replace risers in the Coliseum (\$400,000). The JLBC Staff provided options.

The Committee previously gave a favorable review of \$500,000 to replace the coliseum risers and \$450,000 for the Exhibit Building restrooms at its December 2024 meeting. The total proposed amount is now \$900,000 to replace the coliseum risers and \$850,000 to install new Exhibit Building restrooms.

Mr. Dale Adams, Executive Director, AESF, responded to member questions.

Senator Farnsworth moved that the Committee give a favorable review of AESF's capital projects totaling \$800,000. The motion carried by a voice vote.

Without objection, the meeting adjourned at 11:10 a.m.

Respectfully submitted:

Jennifer Burns

Jennifer Burns, Secretary

Richard Stavneak

Richard Stavneak, Director

David Livingston

Representative David Livingston, Chairman