



STATE OF ARIZONA

# Joint Committee on Capital Review

STATE  
SENATE

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

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

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## MINUTES OF THE MEETING

### JOINT COMMITTEE ON CAPITAL REVIEW

September 30, 2014

The Chairman called the meeting to order at 4:03 p.m., Tuesday, September 30, 2014 in Senate Appropriations Room 109. The following were present:

Members:	Senator Shooter, Vice-Chairman	Representative Kavanagh, Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Griffin	Representative Gowan
	Senator McComish	Representative Gray
	Senator Melvin	Representative Sherwood
	Senator Pancrazi	
	Senator Tovar	

Absent:	Representative Campbell
	Representative Forese

### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of June 19, 2014, Chairman John Kavanagh stated that the minutes would stand approved.

### UNIVERSITY OF ARIZONA (UA) - Review of Bioscience Partnership Building (Phoenix).

Ms. Micaela Larkin, JLBC Staff, stated UA is requesting review of \$136.1 million in University Lottery revenue bond issuances to fund construction of a Bioscience Partnership Building located in Phoenix. The JLBC Staff presented options to the Committee.

*Senator Shooter moved that the Committee give a favorable review to UA's \$136,100,000 in University Lottery revenue bond issuances to fund construction of a Bioscience Partnership Building located in Phoenix with 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.*

(Continued)

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

The motion carried.

**UNIVERSITY OF ARIZONA - Review of Bioscience Research Laboratories Building Project (Tucson).**

Ms. Micaela Larkin, JLBC Staff, stated UA is requesting review of \$99.5 million in bond issuances to fund construction of a Bioscience Research Laboratories Building project in Tucson. The JLBC Staff presented options to the Committee.

Duc Ma, Assistant Vice President, Financial Services, FSO-Administration, UA, responded to member questions.

*Senator Shooter moved that the Committee give a favorable review to the UA's total of \$99,500,000 in bond issuances to fund construction of a Bioscience Research Laboratories Building project in Tucson with 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. UA shall provide the final debt service schedules for the projects as soon as they are available.*

The motion carried.

**ARIZONA BOARD OF REGENTS (ABOR) - Review of FY 2015 Building Renewal Allocation Plan.**

Mr. Art Smith, JLBC Staff, stated that ABOR is requesting Committee review of its FY 2015 Building Renewal allocation plan. The FY 2015 Capital Outlay Bill appropriated \$3 million from the General Fund for Building Renewal within the ABOR building system, with ABOR responsible for allocating these monies to the 3 state universities. Arizona State University (ASU) was allocated \$1.1 million, Northern Arizona University was allocated \$336,000 and the University of Arizona (UA) was allocated \$1.6 million. The JLBC Staff presented options to the Committee.

*Senator Shooter moved that the Committee give a favorable review to ABOR's FY 2015 \$3,000,000 building renewal allocation plan.* The motion carried.

**ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2014 Building Renewal Allocation Plan.**

The Chairman noted that Arizona Game and Fish Department requested to be removed from the agenda.

**ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of FY 2015 Building Renewal Allocation Plan.**

Mr. Ben Beutler, JLBC Staff, stated that ADOT requests that the Committee review its \$3.4 million FY 2015 Building Renewal Allocation Plan. The plan calls for \$3.2 million for 133 projects and \$204,900 for 25 projects. The JLBC Staff presented options to the Committee.

(Continued)

*Senator Shooter moved that the Committee give a favorable review to ADOT's \$3,396,800 FY 2015 Building Renewal Allocation Plan, of which \$3,191,900 is from the State Highway Fund and \$204,900 is from the State Aviation Fund, along with the provision that ADOT shall report any project reallocations above \$100,000 to the JLBC Staff. The motion carried.*

**COCONINO ASSOCIATION FOR VOCATIONS, INDUSTRY AND TECHNOLOGY (CAVIAT) - Consider Approval of Proposed Joint Technical Education District (JTED) Lease.**

Mr. Steve Schimpp, JLBC Staff, stated that CAVIAT is requesting approval by the Committee of its plan to lease a 680 square foot classroom from the Flagstaff Unified School District (FUSD) in order to establish a "leased centralized campus" in a vacant wing of FUSD's Sinagua Middle School for the current school year. The one classroom would be used to offer a new program called Fashion Design and Merchandising where students from multiple high schools could attend. The JLBC Staff presented options to the Committee.

*Senator Shooter moved that the Committee approve CAVIAT's plan to lease a 680 square foot classroom from FUSD in order to establish a "leased centralized campus" in a vacant wing of FUSD's Sinagua Middle School. The motion carried.*

**ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2015 Full Rent Exemption.**

Ms. Krista MacGahan, JLBC Staff, stated that ADOA requests the Committee recommend a full rent exemption totaling \$48,100 in FY 2015 for the Arizona Geological Survey. The JLBC Staff recommends that the Committee recommend a full rent exemption.

*Senator Shooter moved that the Committee recommend a full rent exemption of \$48,100 in FY 2015 for the Arizona Geological Survey. The motion carried.*

**ARIZONA STATE PARKS BOARD (SPB) - Review of FY 2015 State Parks Revenue Fund and State Lake Improvement Fund Capital Expenditures.**

Mr. Art Smith, JLBC Staff, stated that the SPB requests Committee review of its FY 2015 capital projects totaling \$1.9 million from SLIF and the State Parks Revenue Fund (SPRF). Of that amount, \$1.5 million would be for new construction (which includes \$575,000 from SPRF and \$930,000 from SLIF) and \$350,000 would be used for building renewal (which includes \$225,000 from SPRF and \$125,000 from SLIF). The JLBC Staff presented options to the Committee.

Bryan Martyn, Executive Director, SPB, responded to member questions.

*Senator Shooter moved that the Committee give a favorable review to the Arizona State Parks Board's \$1,855,000 expenditure plan for FY 2015 capital improvements. Of that amount, \$1,505,000 would be used for new construction and \$350,000 would be used for building renewal. The favorable review included the following provisions:*

- A. *The Parks Board shall report on their final operating plans for the Tonto Natural Bridge Lodge prior to public opening, including the price schedule, their projected revenue, and the use of concessionaire or internal staff.*
- B. *The Parks Board is to report the progress on implementing all projects to JCCR by February 27, 2015 and June 30, 2015.*

The motion carried.

Without objection, the meeting adjourned at 4:25 p.m.

Respectfully submitted:

  
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Kristy Paddack, Secretary

  
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Jack Brown, Principal Fiscal Analyst

  
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Representative John Kavanagh, Chairman