



STATE OF ARIZONA

Joint Committee on Capital Review

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

December 14, 2021

The Chairman called the meeting to order at 3:19 p.m., Tuesday, December 12, 2021 in House Hearing Room 1. The following were present:

Members:	Senator Gowan, Chairman	Representative Cobb, Vice-Chairman
	Senator Gray	Representative Bolding
	Senator Leach	Representative Kaiser (Temporary Member in place of Representative Osborne)
	Senator Rios	Representative Nguyen (Temporary Member in place of Representative Kavanagh)
		Representative Schwiebert
		Representative Sierra
		Representative Toma
Absent:	Senator Alston	Representative Kavanagh
	Senator Bowie	Representative Osborne
	Senator Kerr	

APPROVAL OF MINUTES

Representative Cobb moved that the Committee approve the minutes of October 5, 2021. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2022 Rent Exemption.

A.R.S. § 41-792.01D authorizes the Director of ADOA, on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of state-owned rental fees if an

(Continued)

agency does not occupy their space or lacks the financial resources to make a payment. ADOA requested the Committee recommend a partial rent exemption for Arizona State Parks Board (ASPB) totaling \$65,200 in FY 2022 for the relocation of its State Historic Preservation Office (SHPO). The JLBC Staff provided options.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Review of Arizona Department of Corrections Building Demolition and Arizona Department of Education (ADE) HVAC System Revisions.

A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. ADOA requested review of its plan to spend \$2,800,000 to demolish ADC's office buildings and renovate ADE's central plant (HVAC). The JLBC Staff provided options and a potential provision:

- A. Within 10 days of awarding the contract for the project, ADOA shall submit a report to the Committee indicating the finalized project scope and budget.*

ATTORNEY GENERAL (AG) - Review of Deferred Maintenance Capital Project.

A.R.S. § 41-1252 requires Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal. The AG requested review of its plan to spend \$4,000,000 on deferred maintenance at its 15 S. 15th Avenue location. The JLBC Staff provided options and a potential provision:

- A. Within 10 days of awarding the contract for the project, the AG shall submit a report to the Committee indicating the final project scope and budget.*

DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS (DEMA) - Review of Expenditures for Land Purchases.

Pursuant to A.R.S. § 41-1252, DEMA requested that the Committee review its expenditure plan of \$2,485,000 from the Camp Navajo Fund for land purchases. This amount includes \$1,975,000 for the purchase of land near the Silverbell Army National Guard Heliport and \$510,000 for the purchase of land near the Picacho Stagefield Army National Guard Heliport. The JLBC Staff provided options and a potential provision:

- A. Upon final completion of both purchases, DEMA shall notify the Committee of the sales price, terms, and conditions of both transactions.*

ARIZONA STATE LOTTERY COMMISSION - Review of FY 2022 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 Committee review its FY 2022 Building Renewal Allocation Plan totaling \$152,800 from the State Lottery Fund. The JLBC Staff provided options and a potential provision:

- A. The commission shall report any significant change in the building renewal spending plan to the Joint Committee on Capital Review Chairman and the JLBC Staff.*

NORTHERN ARIZONA UNIVERSITY (NAU) - Review of Capital Projects.

A.R.S. § 15-1671 requires Committee review of any non-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. NAU requested Committee review of its plan to pay \$4,750,600 in CIF cash for the renovations of 3 buildings. The JLBC Staff provided options and 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 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 Science Annex Renovation project. The report shall include the project expenditures to date by building, any changes to the planned construction timeline, the expected completion date, and any change to the scope of the projects.*

Representative Cobb moved that the Committee give a favorable review of the 6 consent agenda items listed above with JLBC Staff provisions and a partial FY 2022 rent exemption of \$65,200 to ASPB for the relocation of its State Historic Preservation Office. The motion carried.

REGULAR AGENDA

DEPARTMENT OF JUVENILE CORRECTIONS (DJC) - Review of Door Replacement Capital Project.

Mr. Ryan Fleischman, JLBC Staff, stated pursuant to A.R.S. § 41-1252 Committee review of the expenditure of monies appropriated for land acquisition, capital projects and building renewal is required. DJC requested review of its plan to spend \$2,500,000 to replace doors and locks in 4 units at the Adobe Mountain School facility. The JLBC Staff provided options and a potential provision:

- A. *Within 10 days of awarding the contract for the project, DJC shall submit a report to the Committee indicating the final project scope and budget.*

Ms. Kate Howard, Legislative Liaison, DJC, responded to member questions.

Representative Cobb moved that the Committee give a favorable review to DJC's plan to spend \$2,500,000 to replace doors and locks in 4 units at the Adobe Mountain Facility with the following provision.

- A. *Within 10 days of awarding the contract for the project, DJC shall submit a report to the Committee indicating the final project scope and budget.*

The motion carried.

ARIZONA STATE UNIVERSITY - Review of Mill Avenue Parking Structure Project.

The Chairman held this agenda item.

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Without objection, the meeting adjourned at 3:30 p.m.

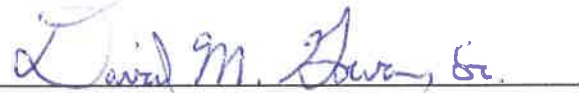
Respectfully submitted:

A handwritten signature in black ink, appearing to read "K Paddack", written over a horizontal line.

Kristy Paddack, Secretary

Rebecca Perrera

Rebecca Perrera, Assistant Director

A handwritten signature in blue ink, appearing to read "David M. Gowan, Sr.", written over a horizontal line.

Senator David Gowan, Chairman