



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

December 14, 2023

The Chairman called the meeting to order at 3:22 p.m. Thursday, December 14, 2023 in Senate Hearing Room 1. The following were present:

Members:	Senator Kavanagh, Chairman Senator Alston Senator Bennett	Representative Livingston, Vice-Chairman Representative Chaplik Representative Contreras Representative Gress Representative Salman Representative Stahl-Hamilton (Temporary member in place of Representative Austin)
Absent:	Senator Borrelli Senator Diaz Senator Epstein Senator Hoffman	Representative Austin Representative Biasiucci

APPROVAL OF MINUTES

Representative Livingston moved that the Committee approve the minutes of October 10, 2023. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion:

(Continued)

1A. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Flagstaff Aviation Hangar Fuel Improvements.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of its plan to spend \$320,000 from the General Fund as appropriated in the FY 2024 Capital Outlay Bill for the renovation of the Flagstaff aviation hangar. In addition, DPS plans to expend \$205,600 from the Border Security Fund to improve the fuel facilities at the Flagstaff aviation hangar. The JLBC Staff provided options.

1B. DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Remote Housing Replacement.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated to capital projects. DPS requested review of its plan to spend \$2,000,000 from the General Fund as appropriated in the FY 2023 Capital Outlay Bill for the purchase of 5 new housing units. The JLBC Staff provided options.

2. ARIZONA STATE UNIVERSTIY (ASU) - Review of Polytechnic Campus Utilities Expansion.

A.R.S. § 15-1683 requires Committee review of any university projects financed with system revenue bonds. Arizona State University (ASU) requested 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. 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 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.*

3. ARIZONA STATE PARKS BOARD (ASPB) - Review of Verde River State Park.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for land acquisition, capital projects and building renewal. The ASPB requested 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. The JLBC Staff provided options and potential provisions:

- 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)

Representative Livingston moved that the Committee give a favorable review of the agency requests in consent agenda items 1 through 3 with the JLBC Staff provisions. The motion carried.

Without objection, the meeting adjourned at 3:23 p.m.

Respectfully submitted:



Jennifer Burns, Secretary

Rebecca Perrera

Rebecca Perrera, Assistant Director



Senator John Kavanagh, Chairman