

JCCR MEETING

At its February 23 meeting, the Joint Committee on Capital Review (JCCR) considered the following issues:

State Parks Lake Improvement Grants – The Committee favorably reviewed 11 State Lake Improvement Fund (SLIF) grants and projects totaling \$2,581,500. The favorable review included the provision that the department submit additional information regarding the appropriate level of administration expenses paid with SLIF monies, the proposed use of the \$150,000 state parks project money, and the use of pricing guidelines to ensure that local governments receive comparable grants for comparable equipment.

Monies are available to state agencies, counties, and local governments for capital improvement projects and acquisitions of real property on waters where boats are permitted.

School Facilities Board Building Renewal Allocation – The Committee favorably reviewed the proposed distribution of the \$70 million FY 2006 Building Renewal Allocation. A.R.S. § 15-2031 provides a formula to determine the amount of building renewal monies to be distributed to each school building.

State Fair Building Renewal Allocation – The Committee favorably reviewed the 4 projects in the Arizona Exposition and State Fair (AESF) FY 2006 Building Renewal Plan totaling \$859,000. The plan includes a new evaporative cooling system for the Exhibit Building, replacement evaporative coolers for the Agriculture Building, a replacement cooling tower for the administrative offices, and a master plan study for the Avenue of Flags.

ADOT De-Icer Buildings – The Committee favorably reviewed the de-icer project with the provision that the department report back to JLBC Staff the cost estimate after the contract is awarded. The project is scheduled to go to bid on February 23. The de-icer project has an appropriated budget of \$1,089,000 to build 4 new buildings to house de-icer chemicals, bulk sand, and cinders.

Game and Fish Department Headquarters Relocation – The Committee heard information regarding the relocation of agency headquarters. The current headquarters, located at 2221 Greenway Road, consists of approximately 71,000 square feet of office space and 17,000 square feet of storage space. The new headquarters, which will be located near I-17 and

the Carefree Highway (the Ben Avery Shooting Range), will consist of 80,000 square feet of office space and 24,000 square feet of storage space. The building is estimated to cost between \$15-\$16.5 million. The project would be financed through a Privatized Lease-to-Own agreement, and annual payments of \$1.5 million would equate to \$37.5 million over the 25-year repayment period. The Committee requested the department submit the scope, purpose and estimated cost of the project prior to the department executing a financing agreement.

FY 2007 Capital Outlay Budget – The Committee adopted a \$337.6 million Capital Outlay Budget for FY 2007. This amount consists of \$44.1 million from the General Fund (GF), \$261.4 million from the State Highway Fund, and \$32.1 million from Other Funds (OF). The adoption provides 100% funding of the building renewal formula for the Department of Transportation (FY 2006 formula), the Exposition and State Fair Board, the Game and Fish Department, and the Lottery Commission. The adoption also provides 29% funding of the building renewal formula for the Department of Administration and the University Building Systems.

Major components of the capital budget as adopted include:

- \$20 million GF for university building renewal
- \$3.8 million GF and \$3.4 million OF for ADOA building renewal
- \$15 million GF for State Archives and History Building (already enacted)
- \$5.2 million GF to replace cell locks and cell doors at state prisons
- \$2.2 million OF to upgrade a water treatment plant at the Arizona State Prison complex in Yuma
- \$1.1 million OF for 11 Game and Fish projects
- \$252 million OF for highway construction (unadjusted for changes in DPS and ADOT operating budgets)
- \$5.8 million OF for 3 ADOT facilities projects
- \$200,000 OF for civil air patrol infrastructure improvements at the Glendale Airport
- Require building renewal appropriation revert after 18 months, instead of 27 months
- Require building renewal expenditure plans to JCCR identify energy efficient project components
- Revised FY 2006 session law to allow the Department of Economic Security to convey, instead of exchange, property with the City of Prescott, and to retain any proceeds from the conveyance for moving costs and for costs to acquire office space.