

JCCR MEETING

At its April 18, 2006 meeting, the Joint Committee on Capital Review (JCCR) considered the following issues:

Game and Fish Department Headquarters Relocation – The Committee favorably reviewed the department's plans to relocate its headquarters from the Deer Valley property to the Ben Avery property. The Committee also requested the department submit information regarding the future use of the Deer Valley property when plans are finalized. As requested during the February 23 meeting, the department submitted additional information regarding the scope, purpose, and estimated cost of the project.

The estimated cost for the project is \$16.5 million. The department plans to use a 25-year Privatized-Lease-To-Own (PLTO) agreement to purchase the new facility. Building construction should be completed by June 2007. Over the life of the lease, annual payments will increase from \$1.5 to \$1.9 million, for a total estimated cost of \$42.5 million. The department determined that the non-appropriated Wildlife Conservation Fund is its most appropriate fund source to pay for the lease. Monies in this fund are generated from tribal gaming. The lease cost of \$1.5 million represents 27% of the fund's projected FY 2006 revenue.

In addition to providing increased office and storage space, the facility will include a vehicle maintenance and fueling facility, which will be operated jointly with the Arizona Department of Transportation.

Yuma-La Paz Community College Bond Issuance – The Committee favorably reviewed the issuance of \$53.9 million in bonds for campus building projects. This issuance is the second part of a \$73.9 million voter-approved bond election. Previously, the Committee had favorably reviewed a bond issuance of \$20 million. With the addition of this \$53.9 million to other outstanding debt, the Community College's annual debt service requirements will be \$5.8 million through FY 2009, and \$5.3 million through FY 2031. The additional debt service will be financed through increased property tax revenue generated from an increased tax rate and new construction. The projects that are expected to be constructed from these bond issuances will complete the facilities plan through year 2010.

State Parks Lake Improvement Grants – The Committee recommended that the State Parks Board limit State Lake Improvement Fund (SLIF) monies used for administrative expenses to \$3.8 million in FY 2006. The Committee also recommended that

SLIF grants be used for major lakes and rivers that allow gas powered boats.

As requested during the February 23 meeting, the State Parks Board provided additional information regarding the appropriate level of administration expenses paid with SLIF monies. The \$3.8 million for administrative expenses would fully fund the anticipated level of expenditures.