

JCCR MEETING

At its September 1 meeting, the Joint Committee on Capital Review considered the following issues:

ADOA Building Renewal Allocation Plan – The Committee gave a favorable review to \$2,189,000 of the department's FY 2006 Building Renewal Allocation Plan. The review included 10 projects, an emergency contingency, and project management. Including this and prior recommendations, \$3,164,000 of the appropriated \$3,400,000 has been reviewed, leaving \$236,000 from the Capital Outlay Stabilization Fund to be reviewed. The review included provisions related to reporting of transfers between projects, and allocations from the emergency contingency.

ADOA PLTO I Refinancing and Renegotiation – The Committee gave a favorable review to the refinancing and renegotiation of an \$80,270,000 private least-to-own agreement with the stipulations that ADOA report back to the Committee on the interest rate, debt service schedule, and actual costs and savings of the refinanced PLTO, and that ADOA report back detail concerning the potential for additional interest rate savings from other debt financed capital projects. Because of interest rate savings, scheduled debt service payments on the FY 2000 PLTO can be reduced by approximately \$12,082,000 over the remaining 22 year period. This equates to a net present value of \$3,400,000 in savings.

ADOA Energy Savings Performance Contract – The Committee held the review of the Energy Savings Performance Contract pending progress on the development of the contract.

DJC Suicide Prevention Renovations – The Committee gave a favorable review to the use of \$1,094,500 from the department's FY 2006 operating budget for suicide prevention renovations with the provision that DJC report back about whether the Department of Justice believes additional renovations are required or whether the renovations satisfy the conditions of the federal audit.

ADOT Building Renewal Allocation Plan – The Committee gave a favorable review to the \$3,702,900 Building Renewal allocation plan, which includes \$3,627,100 from the State Highway Fund for 223 projects and contingencies,

and \$75,800 from the State Aviation Fund for 2 projects at the Grand Canyon Airport. The review included provisions related to reporting of transfers between projects, and allocations from the contingency amount.

ASU Academic Renovations and Deferred Maintenance – The Committee held on reconsidering the \$3 million elevator code upgrade component of this project to allow the Industrial Commission to appear at the September 28, 2005 meeting, and requested ASU provide additional detail on the required upgrades and a breakdown of the \$150,000 per elevator cost estimate.

The Committee gave a favorable review to the remaining components of the Academic Renovations and Deferred Maintenance plan. The total project is financed with a \$10 million revenue bond issuance which was originally reviewed in June 2004, but did not include the elevator component at that time. The review included the standard university provisions noting that a favorable review did not constitute endorsement of General Fund appropriations for debt service or operating costs and requiring reporting on the use of contingency allocations.,

NAU Parking Structure – The Committee gave a favorable review to the Parking Structure Project which will be financed with a \$15 million revenue bond issuance to be repaid over a 35-year period. Annual debt service of \$935,000 will be paid from parking revenues. The project consists of a 900-car, 4-level structure located on an existing parking lot at the central campus. The review included the standard university provisions noting that a favorable review did not constitute endorsement of General Fund appropriations for debt service or operating costs and requiring reporting on the use of contingency allocations.