

JCCR MEETING

At its March 26th meeting, the Joint Committee on Capital Review considered the following issues:

ADOA/ADC Prison Expansion Lease-Purchase Projects – The JCCR reviewed and approved the 1,000-bed prison expansion projects and issuance of Certificates of Participation (COPs) in the amount of \$33.3 million to finance the projects. As envisioned by the 2nd Special Session, the issuance will fund expansion of 200 beds at ASPC – Douglas, 500 beds at ASPC – Perryville, and 300 beds at ASPC – Tucson. ADOA anticipates construction will begin in May 2004 with an occupancy date of December 2004. The COPs will be repaid over a 15-year period with a total payment of \$45 million. The Committee also requested that ADOA and ADC report by June 1, 2004 on the construction schedule for the 1,000 state beds and the timeline for contract finalization and projected opening dates of 1,000 new private prison beds.

ADOA Refinancing – The JCCR reviewed and approved the refinancing of the 1993B Certificates of Participation (COPs) issuance. The Committee requested ADOA report back on the interest rate, debt service schedule, costs, and estimated savings of the refinanced COPs after the issuance. One-time savings are estimated to be \$991,400.

GITA/ADOA Telecommunications Privatization Request for Proposals (RFP) – The JCCR favorably reviewed, effective April 2, the Request for Proposals (RFP) for Telecommunications Privatization, and added stipulations related to further review and reporting of pricing, costs and savings information, contract term, agency schedules and technical changes. Additional Committee review is required before finalizing the telecommunications contract.

ASU Lease-Purchase and Bond Projects – The JCCR favorably reviewed the issuance of Certificates of Participation (COPs) in the amount of \$92 million for the construction of 2 Interdisciplinary Science and Technology buildings at ASU-Main Campus. These 2 projects are the result of the 2003 University Research Infrastructure legislation. The COPs will be repaid over a 25-year period using some of the COP issuance to make interest only payments on the debt service through FY 2008, after which General Fund appropriations from Laws 2003, Chapter 267 will be used to make the payments.

The Committee favorably reviewed the issuance of revenue bonds in the amount of \$22 million for the Information Technology/Telecommunications Infrastructure Upgrades project at ASU. The bonds will be repaid over a 10-year period from tuition

collections and indirect cost recovery monies. The project will upgrade and enhance the ASU computer networks and voice, data, and video distribution systems.

The Committee favorably reviewed the issuance of revenue bonds in the amount of \$11.2 million for the Phase 3 Infrastructure Improvement Projects and the revised scope of the Arizona Biodesign Institute. The bond issuance includes \$7.4 million for the infrastructure improvements and \$3.8 million for the Biodesign Institute. The bonds will be repaid over a 30-year period from tuition collections and indirect cost recovery monies. The Infrastructure Improvement Projects include utility delivery systems, campus sewer systems, storm water control, and electrical system upgrades. The revised scope of Phase I of the Biodesign Institute, favorably reviewed in December 2002, will convert 10,000 square feet already under construction into specialized animal facilities and add 3,800 square feet of modular space.

UofA Lease-Purchase Projects – The JCCR favorably reviewed the issuance of Certificates of Participation (COPs) in the amount of \$21.6 million for construction of the Highland Avenue Parking Structure and Phase I of the Residential Life Building Renewal at the University of Arizona (UofA). The COPs will be repaid over a 25-year period using auxiliary revenues generated from parking fees and dorm fees. The Committee requested the UofA submit for review any additions that expand the scope of the project by \$100,000 or 10% of the contingency amount.

School Facilities Board Report on New School Construction – The JCCR favorably reviewed the School Facilities Board (SFB) report on new school construction. Previously heard at the December 2003 meeting, the Committee deferred action and requested SFB to submit additional information on new school construction cost estimates for FY 2005. SFB estimates that it will oversee 64 new school construction projects and spend \$319.7 million in FY 2005.

SFB New School Construction Projects – The JCCR favorably reviewed the SFB revised list of \$49.2 million in new school construction projects to be financed with the remaining \$50 million in lease-purchase authority. The Committee gave a favorable review of the list of potential projects at its December 2003 meeting, contingent on SFB returning to report actual projects included in the agreement. The list includes 7 projects in 5 school districts.