

# Capital Outlay

## Summary

JLBC: Lorenzo Martinez

OSPB: Marcel Benberou

DESCRIPTION	FY 2007 JLBC
<b>BUILDING RENEWAL</b>	
ADOA Building System	5,392,800
ADOT Building System	3,702,900
<b>SUBTOTAL</b>	<b>9,095,700</b>
<b>NEW PROJECTS</b>	
ADOA Building System	16,125,000
ADOT Building System	280,924,000
<b>SUBTOTAL</b>	<b>297,049,000</b>
<b>TOTALS</b>	
ADOA Building System	21,517,800
ADOT Building System	284,626,900
<b>TOTAL - ALL PROJECTS</b>	<b>306,144,700</b>

### FUND SOURCES

General Fund	15,000,000
<u>Other Appropriated Funds</u>	
Capital Outlay Stabilization Fund	3,400,000
Arizona Exposition and State Fair Fund	1,508,400
State Lottery Fund	53,600
Game and Fish Fund	605,800
Game and Fish Capital Improvement Fund	850,000
Waterfowl Conservation Fund	100,000
State Aviation Fund	23,240,000
State Highway Fund	261,386,900
SUBTOTAL - Other Appropriated Funds	291,144,700
<b>SUBTOTAL - Appropriated Funds</b>	<b>306,144,700</b>
<b>TOTAL - ALL SOURCES</b>	<b>306,144,700</b>

**DESCRIPTION** — The Capital Outlay Budget consists of one-time appropriations to maintain, expand, or enhance the state's capital stock which includes office buildings, service centers, residential treatment centers, state parks, prisons, highways, and other facilities which support the missions of the various state agencies. For the purposes of capital management and planning, the state is divided into 3 building systems, the Arizona Department of Administration (ADOA) Building System, the Arizona Department of Transportation (ADOT) Building System, and the Arizona Board of Regents (ABOR) Building System. Capital appropriations are typically made through the Capital Outlay Bill, but may be made through other bills as well.

**JLBC Recommendations** – The following amounts are one-time appropriations.

		<b>FY 2007</b>
<b>Capital Outlay</b>	<b>GF</b>	<b>\$15,000,000</b>
	<b>OF</b>	<b>\$291,144,700</b>

The Capital Outlay recommendation consists of 3 main categories: 1) Building Renewal 2) Advance Appropriations and 3) New Projects.

The JLBC recommends total funding of \$9,095,700 from Other Funds for Building Renewal in FY 2007. This amount includes:

Arizona Department of Administration	
Capital Outlay Stabilization Fund @13%	\$3,400,000
Exposition and State Fair Fund @ 100%	1,508,400
Game and Fish Fund @ 100%	430,800
State Lottery Fund @ 100%	53,600
Subtotal – ADOA	\$5,392,800
Arizona Department of Transportation	
State Highway Fund @ 100% (of FY 2006)	\$3,627,100
State Aviation Fund @ 100% (of FY 2006)	75,800
Subtotal – ADOT	\$3,702,900

(See the individual building systems write-ups for more information.)



**Privatized Lease-to-Own Facilities**

Under a privatized lease-to-own agreement, a private entity finances and constructs a building and leases it to the state. At the end of the lease term, the state takes possession of the building.

ADOA has entered into privatized lease-to-own (PLTO) agreements with private entities for 3 office buildings on the Capitol Mall. The 3 buildings house ADOA, the Department of Environmental Quality and the Department of Health Services. The Department of Veterans’ Services has also been authorized to enter into a privatized lease-to-own agreement for a southern Arizona veterans’ home facility. *Table 2* provides information on current lease-to-own agreements.

<b>Table 2</b>			
<b>Privatized Lease to Own</b>			
<b>Summary</b>			
	<b>Original</b>	<b>FY 2007</b>	<b>Lease</b>
	<b>Issue</b>	<b>Payment</b>	<b>Completion</b>
DEQ	NA	\$ 5,166,700	FY 2027
ADOA	NA	3,025,700	FY 2027
DHS	NA	2,626,900	FY 2028
VSC	NA	NA	NA
<b>Total</b>	<b>NA</b>	<b>\$10,819,300</b>	<b>NA</b>