

STATE OF ARIZONA

Joint Committee on Capital Review

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JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, November 29, 2001

9:30 a.m.

Senate Appropriations Room 109

AGENDA

- Call to Order
- [Approval of Minutes of October 25, 2001.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [EXECUTIVE SESSION - ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES - Review of Requests for Proposals for Forensic Hospital Renovation of the Arizona State Hospital Construction Project.*](#)
- 2. [SCHOOL FACILITIES BOARD - Review of FY 2002 Building Renewal Allocation Plan.](#)
- 3. [ARIZONA STATE PARKS -](#)
 - A. [Consider Approval of Enhancement Fund Monies for the Condemnation of Land Adjacent to Kartchner Caverns State Park.](#)
 - B. [Report on Kartchner Caverns State Park.](#)
- 4. [DEPARTMENT OF HEALTH SERVICES - Review of FY 2002 Southern Arizona Mental Health Center Building Renewal Allocation Plan.](#)
- 5. [ARIZONA DEPARTMENT OF TRANSPORTATION -](#)
 - A. [Consider Adoption of Additional Performance Measures for the FY 2002 Construction Budget Operating Expenditure Plan.](#)
 - B. [Report on Executive Summary of Arizona 5-Year Transportation Facilities Construction Program.](#)

(Continued)

6. **ARIZONA DEPARTMENT OF ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES -
Report on the Arizona State Hospital Construction Project.**

* As permitted under A.R.S. § 38-431.03 and A.R.S. § 41-2514.

The Chairman reserves the right to set the order of the agenda.
11/27/01

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**MINUTES OF THE MEETING
JOINT COMMITTEE ON CAPITAL REVIEW**

Thursday, October 25, 2001

The Chairman called the meeting to order at 10:15 a.m. Thursday, October 25, 2001 in Senate Appropriations Room 109 and attendance was noted.

Members:	Senator Brown Senator Guenther Senator Hamilton	Representative Knaperek, Vice Chairman Representative Chevront Representative Gray Representative Lopez Representative Weason
Absent:	Senator Bennett Senator Cirillo Senator Mitchell Senator Solomon, Chairman (Excused)	Representative Allen Representative Pearce
Staff:	Richard Stavneak Lorenzo Martinez Jake Corey	Jan Belisle, Secretary Jill Young Tony Vidale
Others:	Debbie Johnston, Senate Bruce Ringwald, ADOA Jamie Hogue, House Joy Hicks, House Paul Davenport, Press Ken Proksa, ASDB	Steve Miller, ASU Blake Anderson, ASU Jay Ziemann, State Parks Chuck Allen, ASU David Harris, ABOR Jack Jones, ADOA

Representative Gray moved the Committee approve the minutes of October 4, 2001 as presented. The motion carried.

Representative Knaperek assumed the Chair in Senator Solomon's absence.

Representative Knaperek asked that the minutes reflect Senator Solomon is excused from the meeting.

At Senator Solomon's request, Representative Knaperek stated the first 2 agenda items regarding the State Lake Improvement Fund and School Facilities Board Building Renewal would be held.

(Continued)

Representative Weason said she had questions regarding the State Lake Improvement Fund, Agenda Item 1, and asked if it was possible to ask a few questions for information purposes.

In answer to Representative Weason, Representative Knaperek stated that she would take the issue up with Senator Solomon.

Senator Guenther also expressed interest in the State Lake Improvement Fund item and asked why it was being held. Representative Knaperek did not want to speak for Chairman Solomon, but speculated the item was being held because the fund is being considered for cuts to help with the state's budget shortfall.

Senator Guenther protested holding the item and requested that the item be put on the November 29th agenda for JCCR.

Representative Weason protested holding the item and requested the rules attorney come to the meeting to determine the procedure for hearing or holding an agenda item.

Senator Brown suggested that the item should be held as requested by Chairman Solomon until members could discuss the item with Chairman Solomon.

ARIZONA DEPARTMENT OF ADMINISTRATION/ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND - Review of Scope, Purpose, and Estimated Cost of Construction of a New Transportation Building at the Phoenix Campus.

Jake Corey, JLBC Staff presented the construction plan for a new transportation building at the Arizona State Schools for the Deaf and Blind (ASDB) Phoenix campus. There was \$427,700 appropriated for the project, of which \$323,800 would be for construction and the remainder would be used for planning and design, demolition, asbestos abatement, project management and contingencies. The current building is very old and has structural problems. The building is too small to support the current needs for their transportation system which has tripled in the last 15 years. The new structure would be a 4,350 square foot modular building, of which 1,750 square feet would be dedicated to office space, and 2,600 square feet would be used as a warehouse.

In answer to Representative Lopez, Ken Proksa, Assistant Superintendent, Arizona State School for the Deaf and the Blind, said the agency decided not to include the issue as part of the 4% budget reduction. This building is in bad condition and needs replacement as soon as possible. There are health and safety reasons and if it was to be considered as part of the 4% reduction, it might never be reappropriated or it could take years for another appropriation.

Representative Gray moved that the Committee give a favorable review of the scope, purpose and estimated cost of the construction of a new transportation building at the Arizona State Schools for the Deaf and the Blind Phoenix Campus. The motion carried.

ARIZONA STATE UNIVERSITY - Review of Scope, Purpose, and Estimated Cost of Digital Television Conversion.

Lorenzo Martinez, JLBC Staff presented the request that the Committee review the expenditure plan for appropriated monies for the conversion of the ASU public television station, KAET, to digital broadcasting as required by the Federal Telecommunications Act of 1996. The total project cost is \$4.9 million of which \$1.5 million will come from the General Fund appropriation, \$1.0 million from a federal

(Continued)

grant and \$2.4 million from gifts. The appropriation would be used to reimburse a deficit that the university incurred to complete the project. New equipment will be installed at the transmitter site on South Mountain and in the studio on the ASU campus.

Senator Guenther moved that the Committee give a favorable review of the scope, purpose and estimated cost of the Arizona State University digital television conversion project. The motion carried.

ARIZONA BOARD OF REGENTS - Follow-Up Report on the Use of Certificates of Participation Versus Bond Financing.

Lorenzo Martinez, JLBC Staff presented the Arizona Board of Regents (ABOR) report on the process for approving capital projects. This is the result of the Committee having questions at prior meetings on how ABOR decides to use Certificates of Participation (COP) financing as opposed to bond financing for capital projects. ABOR has instructed its staff to develop draft guidelines for when COPs or bonding should be used to finance capital projects. JLBC Staff recommends that once the guidelines are adopted by ABOR that they be submitted to the Committee for its comments.

No Committee action was required.

UNIVERSITY OF ARIZONA - Report on Lease-Purchase Projects.

Lorenzo Martinez, JLBC Staff presented the University of Arizona (UofA) lease-purchase project report. UofA plans to issue approximately \$26,400,000 in COPs to finance four capital projects. The projects relate to renovation and building expansions.

No Committee action was required.

Representative Weason made a motion that Agenda Item 1 relating to the State Lake Improvement Fund not be held and be placed back on the agenda. *Due to a lack of quorum, the motion was not considered.*

The meeting adjourned at 10:32 a.m.

Jan Belisle, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Representative Laura Knaperek, Vice-Chairman

NOTE: A full tape recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.

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CHRISTINE WEASON

DATE: November 27, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

FROM: Richard Stavneak, Director

SUBJECT: EXECUTIVE SESSION – ARIZONA DEPARTMENT OF
ADMINISTRATION/DEPARTMENT OF HEALTH SERVICES – REVIEW OF
REQUESTS FOR PROPOSALS FOR FORENSIC HOSPITAL RENOVATION OF
THE ARIZONA STATE HOSPITAL CONSTRUCTION PROJECT

Pursuant to Laws 2000, Chapter 1 (as amended by Laws 2002, 7th Special Session, Chapter 1), the Committee is required to review the requests for proposals (RFPs) for the Arizona State Hospital construction project. In accordance with procurement code rules, RFPs are kept confidential until publicly released in order to avoid any potential bidder having an unfair advantage.

The JLBC Staff memo on this item will be distributed to members under separate cover. The RFPs for architectural and construction services are available for review upon request.

RS:jb

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CHRISTINE WEASON

DATE: November 27, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: SCHOOL FACILITIES BOARD – REVIEW OF FY 2002 BUILDING
RENEWAL ALLOCATION PLAN

This item was originally on the Committee agenda in October but was not heard at that meeting. The attached memo provides the background and analysis of the School Facilities Board plan to allocate \$122.8 million in FY 2002 building renewal monies to school districts. There is a proposal in the House of Representatives to reduce the allocation by \$40.0 million in both FY 2002 and FY 2003 as part of its budget reduction options. The proposed Senate budget does not include any reductions to the FY 2002 or FY 2003 building renewal allocation.

Statute requires that after JCCR review, these monies be distributed in two equal installments in November and May. The Attorney General's Office has advised SFB that they are required to distribute in November, with or without a review of the allocation by the Committee.

If the committee gives a favorable review to the allocation plan, the \$40.0 million savings that the House is considering could still be transferred to the General Fund from the May 2002 distribution.

RS/CE:jb
Attachment

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CHRISTINE WEASON

DATE: November 27, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Timothy Sweeney, Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS – CONSIDER APPROVAL OF ENHANCEMENT
FUND MONIES FOR THE CONDEMNATION OF LAND ADJACENT TO
KARTCHNER CAVERNS STATE PARK

Request

The Arizona State Parks Board requests that \$1,080,000 be released from the State Parks Enhancement Fund (SPEF) for the purchase of 160 acres of property adjacent to Kartchner Caverns State Park, through the process of condemnation. Pursuant to A.R.S. § 41-511.11, Committee approval is required for the use of SPEF to purchase land.

Recommendation

The decision of whether to approve the release of SPEF monies to allow this condemnation is a policy decision for the Committee. The JLBC Staff believes the use of SPEF monies to acquire this land through condemnation is consistent with State Parks statutes provided the land is incorporated as part of Kartchner Caverns State Park. The Committee's action is for the release of the SPEF monies to acquire the property. Statutes do not require Committee approval of Parks Board condemnation actions; however, approval of the release of monies would allow the Parks Department to proceed with condemnation proceedings.

Analysis

At its October meeting, the Arizona State Parks Board voted to proceed with condemnation of the parcel of land adjacent to Kartchner Caverns State Park. The Board concluded that the only way to protect the caves was to prevent a proposed resort from locating on this plot. The Parks Department has received a finalized appraisal of \$1,080,000 for the 160 acres the department wishes to obtain. The Parks Board voted to condemn after the property owner rejected an offer to purchase the property at the appraised value.

(Continued)

The Parks Department considered using Heritage Fund monies to acquire the land; however A.R.S. § 41-502 does not allow the use of Heritage Fund monies to acquire property through condemnation. Therefore, the Parks Department is requesting the release of SPEF monies to acquire the property.

The State Parks Enhancement Fund receives revenues generated by state parks user fees and concession sales. One-half of this revenue is appropriated for state parks operations, and is part of a budget reduction option to offset General Fund operating funds for Kartchner Caverns State Park. The other half is available for the acquisitions and development of state parks. A.R.S. § 41-511.11 requires Committee approval for the use of the acquisitions and development portion of SPEF monies. This request affects the acquisitions and developments portion of SPEF.

Including FY 2002 revenues through October 31, and less the FY 2002 payment for the lease-purchase of Tonto Natural Bridge State Park, \$1,223,000 is available for state parks acquisitions and development. This request would leave SPEF balances at \$143,000. If this request is approved, the Parks Department would have \$1,080,000 less to spend on capital improvement projects as outlined in the department's 10-year capital improvement plan.

For additional background on this issue please see the attached JCCR memo from September 28, 2001.

RS/TS:jb

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CHRISTINE WEASON

DATE: November 26, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Timothy Sweeney, Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS - REPORT ON KARTCHNER CAVERNS STATE
PARK

Request

Pursuant to Laws 1998, Chapter 297 the Arizona State Parks Board is providing the quarterly project status and financial report on Kartchner Caverns State Park for the quarter ending September 30, 2001.

Recommendation

This report is for information only and no Committee action is required. Cave construction remains on target for the planned November 2003 opening of the lower caverns.

Since the opening of the park in November 1999 over 310,000 visitors have attended the park. Reservations are steady, with weekends filling up and the holidays full. As of October 28, 2001 total park revenues are \$5,100,000. Revenues are deposited in the State Parks Enhancement Fund for park operating and development costs.

Analysis

The Arizona State Parks Board is required to report to the committee on the status of the development of Kartchner Caverns State Park at the end of each calendar quarter. The report must include details of the actual and projected costs, quarterly expenditures and source of monies, and a project development timetable.

Financial Summary

As of the quarter ending September 30, 2001, a total of \$31,646,200 has been allocated to the park's development from 5 fund sources. Of this amount, \$2,637,800, or 8.5%, remains unobligated. The following table summarizes these amounts by fund source and percentage allocations:

(Continued)

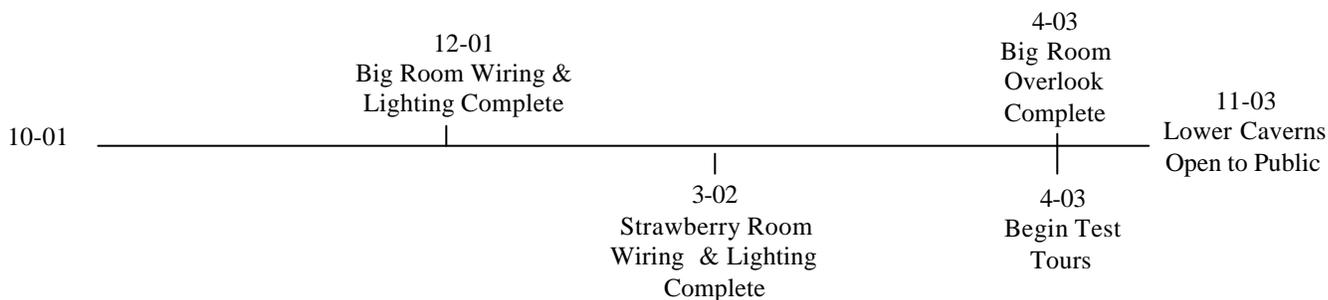
**Kartchner Caverns Construction Development Funding
(As of June 30, 2001)**

Fund Source	<u>Approved Amount</u>	<u>Percent</u>	<u>Unobligated Balance</u>
General Fund	\$ 3,500,000	11.1%	\$ 0
Enhancement Fund	20,144,900	63.7%	1,966,600
Heritage Fund	5,174,500	16.4%	490,700
State Highway Fund	2,445,700	7.7%	0
National Recreational Trails Fund	<u>381,100</u>	<u>1.2%</u>	<u>180,500</u>
TOTAL	\$31,646,200	100.0%	\$2,637,800

Project Timetable

A project timeline is required as a part of the quarterly updates on Kartchner development. Due to the late departure of the bats who use the caves during the summer, work on the lower caves did not begin until mid-September. Crews had been two months ahead of schedule; therefore, the late departure of the bats will not affect the original timeline.

Crews have been concentrating their work on the “Tarantula Heading” since the bats left the caves. Work is also continuing on the “Big Room” trail construction, which is divided into two crews working from each end of the trail. A third ramada has also been added to accommodate the increased demand for group facilities. The following timeline delineates target completion dates for projects leading to a November 2003 opening of the lower caverns.



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DATE: November 27, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: DEPARTMENT OF HEALTH SERVICES - REVIEW OF FY 2002 SOUTHERN
ARIZONA MENTAL HEALTH CENTER BUILDING RENEWAL ALLOCATION
PLAN

Request

The Department of Health Services (DHS) requests Committee review of the FY 2002 Southern Arizona Mental Health Center (SAMHC) Building Renewal allocation plan

Recommendation

The JLBC Staff recommends a favorable review of the request. The plan allocates \$75,800 for Building Renewal in FY 2002.

Analysis

Laws 1986, Chapter 85 established the Joint Committee on Capital Review (JCCR) and charged it with developing a Building Renewal formula to guide the Legislature in appropriating monies for maintenance and repair of state buildings. A.R.S. § 41-1252 requires JCCR review of the expenditure plan for Building Renewal monies.

Laws 2001, Chapter 237 (Capital Outlay Bill) appropriated \$75,800 in FY 2002 and \$78,900 in FY 2003 from the SAMHC Building Renewal Fund to DHS. The appropriated amounts represent 100% funding of the Building Renewal formula.

SAMHC, located in Tucson, is a mental health facility originally owned and operated by the State of Arizona. In FY 1996, the center's operations were privatized and the facilities are now leased to a private provider. The lease payments are deposited in the SAMHC Building Renewal Fund. *As noted in the agency request letter, DHS is currently in the process of attempting to sell the SAMHC campus.* It is anticipated that building renewal expenditures could enhance the selling price.

(Continued)

DHS plans to use the FY 2002 appropriation for the following projects:

<u>Project</u>	<u>Allocation</u>	<u>% of Total</u>
Unanticipated Emergency Repairs	\$15,000	19.8%
Termite Elimination (11 buildings)	24,000	31.7%
Re-roofing (2 buildings)	23,000	30.3%
HVAC System Cleaning (11 buildings)	<u>13,800</u>	<u>18.2%</u>
TOTAL	\$75,800	100.0%

The projects are consistent with Building Renewal statutes and the intent of the appropriation. The attached material submitted by DHS contains additional detail for each project.

RS/LM:jb

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DATE: November 26, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - CONSIDER ADOPTION OF
ADDITIONAL PERFORMANCE MEASURES FOR THE FY 2002 CONSTRUCTION
BUDGET OPERATING EXPENDITURE PLAN

Request

In compliance with a Committee request, the Arizona Department of Transportation (ADOT) requests that the Committee review its additional congestion-related performance measures for the FY 2002 highway construction operating budget.

Recommendation

The JLBC Staff recommends that the Committee adopt the additional performance measures in *Tables 1, 2 and 3*, and require that ADOT report on these additional performance measures as part of next year's Committee review of ADOT's highway construction budget operating expenditure plan for FY 2003.

Analysis

At its meetings on June 28, 2001 and August 30, 2001, the Committee adopted the ADOT construction operating budget performance measures and required that ADOT report on these performance measures as part of next year's Committee review of the highway construction budget operating expenditure plan for FY 2003.

In addition, the Committee requested that the department submit congestion-related performance measures for further review. After discussion with ADOT, JLBC Staff recommends the congestion-related performance measures shown in *Table 1, 2, and 3*, which show the percent of the state highway system with traffic volume greater than 100% of capacity (in gridlock), during peak driving periods in the Phoenix Metro area and the Tucson Metro area, and for all hours in the balance of the state. Each Table includes a listing of the actions being taken by ADOT to improve the highway segments in gridlock for that particular geographic area.

(Continued)

Table 1

ADDITIONAL PERFORMANCE MEASURES				FY 2000 Est./Actual	FY 2001 Est./Actual	FY 2002 Estimate
<ul style="list-style-type: none"> Percent of state highway system with traffic volume over 100% of capacity during peak driving periods in Phoenix Metro area ^{1/} 				NA/NA	NA/12	12
<p>^{1/} Peak driving periods means from 6AM to 9AM and from 3PM to 7PM, Monday through Friday.</p>						
Phoenix Metro Area Highway Segments Over 100% of Capacity During Peak Driving Periods						
<u>Action in</u> <u>5-Year</u> <u>Plan</u>	<u>Route</u>	<u>Segment</u>	<u>ADOT Action</u>			
Yes	US 60	19 th Ave-99 th Ave	8 intersection improvements (grade separations).			
Yes	US 60	Priest-Gilbert	Widening & HOV lanes. Red Mountain and San Tan will also help.			
Yes	I-10	Baseline-40 th St	Right-of way study.			
Yes	I-10	40 th St-24 th St	Probably in phase 2 of the above study.			
No	I-10	7 th St-67 Ave	Probable spot studies in the future.			
No	I-17	Greenway-Indian School	Possible future studies, but have maxed out existing right-of-way.			
Yes	SR 51	Northern-Thomas	HOV lanes from I-10 to Shea.			
No	Loop 101	Guadalupe-Pima	Probable candidate for future HOV lanes.			
No	Red Mountain	24 th St-Loop 101	Possible spot improvements, such as auxiliary lanes, in the future.			
<p>HOV lanes - High Occupancy Vehicle lanes. SR - State route.</p>						

Table 2

ADDITIONAL PERFORMANCE MEASURES				FY 2000 Est./Actual	FY 2001 Est./Actual	FY 2002 Estimate
<ul style="list-style-type: none"> Percent of state highway system with traffic volume over 100% of capacity during peak driving periods in Tucson Metro area ^{1/} 				NA/NA	NA/6	6
<p>^{1/} Peak driving periods means from 6AM to 9AM and from 3PM to 7PM, Monday through Friday.</p>						
Tucson Metro Area Highway Segments Over 100% of Capacity During Peak Driving Periods						
<u>Action in</u> <u>5-Year</u> <u>Plan</u>	<u>Route</u>	<u>Segment</u>	<u>ADOT Action</u>			
Yes	I-10	Ina Rd - Cortaro Rd	Widening project.			
Yes	I-10	Prince Rd - 22 nd Ave	Widening projects and frontage roads.			
Yes	Oracle Rd	Calle Concordia - 1 st Ave	Being scoped to widen from 4 to 6 lanes.			
Yes	Oracle Rd	Magee Rd - River Rd	Add shoulders from River Rd to Ina Rd. May need a parallel road in the future.			

Table 3

ADDITIONAL PERFORMANCE MEASURES				FY 2000 Est./Actual	FY 2001 Est./Actual	FY 2002 Estimate
<ul style="list-style-type: none"> Percent of state highway system with traffic volume over 100% of capacity in balance of state 				NA/NA	NA/1	1
State Highway Segments Over 100% of Capacity in Balance of State						
<u>Action in</u> <u>5-Year</u> <u>Plan</u>	<u>Route</u>	<u>Segment</u>	<u>ADOT Action</u>			
No	SR 77	Near Show Low (MP 342.7 - 343.3)	---			
No	SR 84	W. of Casa Grande (MP 177 - 177.6)	---			
No	SR 92	S. of Sierra Vista (MP 322.7 - 323.7)	---			
Yes	SR 95	S. of Bullhead City (MP 236.2 - 242.8)	Acquire right-of-way.			
No	SR 179	I-17 - Sedona (MP 306.2 - 307)	---			
No	SR 260	Show Low - Hon Dah (MP 341.7 - 353.7)	---			
No	SA 89	Cottonwood - Flagstaff (MP 361.6 - 362.7, 372.2 - 373.2, 390.4 - 397.8)	---			
Yes	SB 8	Yuma (MP 12 - 12.9)	Area service highway.			
No	US 60	Miami - Globe (MP 242.8 - 243.5)	---			
Yes	US 93	Hoover Dam Bypass (MP 0 - 16.1)	Design and construct bridge, and design to MP 17.			
No	US 93	NW of Kingman (MP 64.8 - 67.1)	---			
<p>MP - Mile post. SA - Alternate route. SR - State route. SB - Business route.</p>						

The JLBC Staff recommends that the Committee adopt the additional performance measures in *Tables 1, 2 and 3*, and require that ADOT report on these additional performance measures as part of next year's Committee review of ADOT's highway construction budget operating expenditure plan for FY 2003.

STATE OF ARIZONA

Joint Committee on Capital Review

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DATE: November 26, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - REPORT ON EXECUTIVE
SUMMARY OF ARIZONA 5-YEAR TRANSPORTATION FACILITIES
CONSTRUCTION PROGRAM

Request

In compliance with a Committee request, the Arizona Department of Transportation (ADOT) has submitted an Executive Summary of their 5-Year Transportation Facilities Construction Program for FY 2002-FY 2006.

Recommendation

This item is for information only, and no Committee action is required. JLBC Staff recommends ADOT provide an Executive Summary of its 5-Year Transportation Facilities Construction Program for FY 2003-FY 2007, when the department requests Committee review its FY 2003 highway construction budget operating expenditure plan.

Analysis

At the August 30, 2001 meeting, ADOT presented to the Committee a summary of its 5-year highway construction program. The Committee indicated that they appreciated ADOT's presentation but that it was difficult to understand, and requested that ADOT bring back to the Committee an Executive Summary that is user friendly.

ADOT has submitted an Executive Summary of its 5-Year Transportation Facilities Construction Program for FY 2002-FY 2006. The program includes a 5-year total of \$3,984,000,000 for the highway program and \$391,600,000 for the aviation program. ADOT's Executive Summary includes a table, which shows the total \$3,984,000,000 of estimated highway program expenditures broken out by fiscal

(Continued)

year for each county. Another table lists the estimated expenditures by fiscal year for 10 major highway projects, which total \$1,227,980,000 of estimated expenditures for the 5-year program. The following table shows the estimated revenues and expenditures for the 5-year highway program.

Highway Program			
Revenues		Expenditures	
State Highway Fund	\$ 607,000,000	<u>Statewide Program</u>	
Regional Area Road Fund	511,000,000	Preservation	\$ 697,000,000
Federal Funds	2,001,000,000	Improvements	1,796,000,000
Bonds, Notes, & HELP Loans ^{1/}	<u>865,000,000</u>	Management	<u>290,000,000</u>
Total	<u>\$3,984,000,000</u>	Total Statewide Program	\$2,783,000,000
		<u>MAG Freeway System</u>	<u>\$1,201,000,000</u>
		Total	\$3,984,000,000

^{1/} Bonds, Grant Anticipation Notes, and Highway Expansion and Extension Loan Program Loans.

The submitted material also includes information on project programming and financing for the highway program.

ADOT's Executive Summary also includes its 5-Year Aviation Program for FY 2002-FY 2006 which totals \$391,600,000, including revenues of \$306,500,000 from federal grants, \$57,300,000 from the state, and \$27,800,000 from local governments. ADOT's Executive Summary misstates the federal/state/local breakout of the \$391,600,000.

RS/BH:jb

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CHRISTINE WEASON

DATE: November 27, 2001

TO: Senator Ruth Solomon, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Gina Guarascio, Senior Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION/ DEPARTMENT OF HEALTH
SERVICES - REPORT ON THE ARIZONA STATE HOSPITAL CONSTRUCTION
PROJECT

Request

Pursuant to Laws 2000, Chapter 1, the Arizona Department of Administration (ADOA) and the Department of Health Services (DHS) are providing a quarterly status report on the Arizona State Hospital (ASH) demolition and construction project.

Recommendation

This item is for information only and no Committee action is required. Construction activity has begun for the new civil hospital and adolescent facility, sitework and infrastructure activities are on-going.

Analysis

Background

Laws 2000, Chapter 1, as amended by Laws 2000, 7th Special Session, Chapter 1, appropriated \$80 million from the Budget Stabilization Fund over 4 years for the demolition, construction and renovation of ASH. ADOA is to use the appropriations to provide at least 176 new civil beds at ASH, and to renovate and expand existing facilities to address physical plant needs for civil and forensic populations, an adolescent unit, and sexually violent offenders. The legislation also created the Arizona State Hospital Capital Construction Commission and charged them with reviewing capital construction and renovation plans at ASH for the purpose of making recommendations to ADOA and JCCR. ADOA and DHS are required to report at the end of each quarter to the Committee on the status of the ASH project. This report represents the sixth of these quarterly reports.

(Continued)

Quarterly Update and Status Report

The table below presents the amounts ADOA and DHS have budgeted for each portion of the ASH demolition and construction project.

	Proposed Budget By Project
SVP Program	\$ 8,369,200
Civil Hospital and Adolescent Facility	45,037,700
Sitework/Tunnels/Telephone/Data	12,364,900
Forensic Hospital	12,685,000
Contingency	<u>1,543,200</u>
TOTAL	\$80,000,000

At its June 2000 meeting, the Committee approved an expenditure plan for construction of 2 new 60-bed dormitories for the Sexually Violent Persons (SVP) program using the Inmate Construction program. Construction is now underway on both of the dormitories. Progress on the 2 dormitories has been delayed due to the reassignment of some of the work force to other ASH projects, and the need for increased security around the SVP construction project. One dormitory will be completed and occupied this month; the other dormitory is now scheduled to be completed early in 2002.

The Committee has also approved an expenditure plan to address infrastructure issues at ASH, including telecommunications expansion, repair of sewer lines, repairs to address water temperature control issues, as well as Central Plant repairs. Infrastructure rerouting is now about 75% complete. ADOA expects completion of Central Plant upgrades by January of 2002.

At its December 2000 meeting, the Committee favorably reviewed the selection of McCarthy, Cannon and Gould Evans Associates as the design-build team for construction of the Arizona State Hospital. Groundbreaking for the new hospital took place in June, and earthwork has been on-going. Foundations and some walls are now in place for all planned buildings, with completion of the new civil facility expected in the fall of 2002.

In August of 2001, JCCR favorably reviewed an expenditure plan for the renovation of Cholla Hall for use as a support building for the SVP program. Renovation of this facility has not yet begun.

ADOA and DHS are also requesting JCCR review of the Requests for Proposal (RFPs) for the forensic hospital renovation component of the project. This request is item 1 on this month's agenda and will be discussed in Executive Session.

RS/GG:jb