



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

<http://www.azleg.gov/jlbc.htm>

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ANDREW C. SHERWOOD

MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

April 8, 2014

The Chairman called the meeting to order at 8:35 a.m., Tuesday, April 8, 2014 in House Hearing Room 4. The following were present:

Members:	Senator Shooter, Vice-Chairman	Representative Kavanagh, Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Griffin	Representative Forese
	Senator McComish	Representative Gowan
	Senator Melvin	Representative Gray
	Senator Pancrazi	
	Senator Tovar	

Absent:	Representative Campbell
	Representative Sherwood

APPROVAL OF MINUTES

Representative Kavanagh moved that the Committee adopt the minutes from August 20, 2013. The motion carried.

ARIZONA STATE LOTTERY COMMISSION - Review of FY 2014 Building Renewal Allocation Plan.

Mr. Jack Brown, JLBC Staff, presented the State Lottery Commission's request for review of the commissions' FY 2014 Building Renewal Allocation Plan.

The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review to the FY 2014 Building Renewal Allocation Plan with the provision that the agency subsequently provide its specific expenditure plan to the JLBC Staff. The motion carried.

(Continued)

UNIVERSITY OF ARIZONA - Review of Phase 1 of McKale Memorial Center Improvements.

Mr. Art Smith, JLBC Staff, presented the University of Arizona's (UA) request for review of a \$12.5 million bond issuance to fund Phase 1 of McKale Memorial Center Improvements. The JLBC Staff presented options to the Committee.

Senator Shooter moved that the Committee give a favorable review to UA's \$12.5 million bond issuance to fund Phase 1 of McKale Memorial Center Improvements with the following Standard University Financing Provisions:

Standard University Financing Provisions

- *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.*
- *UA shall provide the final debt service schedules for the projects as soon as they are available.*

The motion carried.

NORTHERN ARIZONA UNIVERSITY - Review Aquatics and Tennis Project and Code and Safety Renovations.

Mr. Art Smith, JLBC Staff, presented Northern Arizona University's (NAU) request for review of a \$57.0 million bond to fund construction of a new Aquatics and Tennis Center and for code and safety renovations.

Ms. Christy Farley, Vice President for Government Affairs and Business Partnerships, NAU, responded to member questions.

Senator Shooter moved that the Committee give a favorable review to NAU's \$57.0 million in revenue bond issuances to fund construction of a new Aquatics and Tennis Center and for code and safety renovations at existing residential units at NAU's Flagstaff Campus with the following provisions:

Standard University Financing Provisions

- *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.*
- *NAU shall provide the final debt service schedules for the projects as soon as they are available.*

Additional Provision

- *The aquatic facility retain the name Douglas J. Wall Aquatics Center.*

The motion carried.

ARIZONA STATE UNIVERSITY - Review of Center for Law and Society Project and Psychology Building Renovations.

Mr. Art Smith, JLBC Staff, presented Arizona State University's (ASU) request for review of \$136.7 million in system revenue bonds to fund construction of a new Center for Law and Society at its Downtown Phoenix Campus and renovations to the Psychology building at its Tempe Campus.

Senator Shooter moved that the Committee give a favorable review to ASU's \$136.7 million in revenue bond issuances to fund construction of a new Center for Law and Society at its Downtown Phoenix Campus and renovations to the Psychology building at its Tempe Campus with the following provisions:

Standard University Financing Provisions

- A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.
- ASU shall provide the final debt service schedules for the projects as soon as they are available.

Additional Provision

- ASU shall provide a report to JCCR by December 31, 2014 on the projected fund sources for the law school debt service for each fiscal year through FY 2020. The report shall separately delineate the following sources: 1) City of Phoenix funds, 2) revenues from increased enrollment, 3) revenues from increased per-student tuition, and 4) all other.

The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION - Review of De-Icer Buildings Project.

Mr. Ben Beutler, JLBC Staff, presented the Arizona Department of Transportation's (ADOT) request for review of \$2,280,000 for 5 de-icer buildings.

Mr. John Hetzel, Facilities Manager, ADOT, responded to member questions.

Senator Shooter moved that the Committee give a favorable review to ADOT's \$2,280,000 for the construction of 5 de-icer buildings to house chemicals, bulk sand, and cinders used during winter months with the provision that ADOT report any project reallocations above \$100,000. The motion carried.

ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Recommending FY 2014 Partial Rent Exemption.

Mr. Steve Grunig, JLBC Staff, presented the Arizona Department of Administration's (ADOA's) request that the Committee recommend a partial rent exemption totaling \$10,000 in FY 2014 for the State Real Estate Department.

Senator Shooter moved that the Committee recommend the partial rent exemption for FY 2014 totaling \$10,000 for the State Real Estate Department. The motion carried.

Without objection, the meeting adjourned at 9:00 a.m.

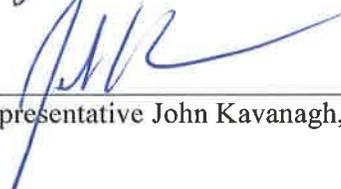
Respectfully submitted:



Kristy Paddock, Secretary



Jack Brown, Principal Fiscal Analyst



Representative John Kavanagh, Chairman