



STATE OF ARIZONA

# Joint Committee on Capital Review

STATE  
SENATE

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

HOUSE OF  
REPRESENTATIVES

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## MINUTES OF THE MEETING

### JOINT COMMITTEE ON CAPITAL REVIEW

September 24, 2015

The Chairman called the meeting to order at 4:05 p.m., Thursday, September 24, 2015 in Senate Hearing Room 109. The following were present:

Members:	Senator Shooter, Chairman	Representative Olson, Vice-Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Farley	Representative Meyer
	Senator Griffin	Representative Sherwood
	Senator Hobbs	
	Senator Kavanagh	
	Senator Yarbrough	

Absent:	Representative Gray
	Representative Montenegro
	Representative Stevens

### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of June 18, 2015, Chairman Don Shooter stated that the minutes would stand approved.

### ARIZONA STATE UNIVERSITY (ASU) - Review of Sun Devil Stadium Renovation Phase 2.

Mr. Matt Gress, JLBC Staff, stated ASU is requesting review of \$107,000,000 in system revenue bond issuances over the next year to fund the second phase of a 3-part renovation of Sun Devil Stadium. The total renovation project cost is \$256,000,000, including gift revenue. The JLBC Staff presented options to the Committee.

*Representative Olson moved that the Committee give a favorable review of \$107,000,000 in system revenue bond issuances over the next year to fund the second phase of a 3-part renovation of Sun Devil Stadium. The favorable review includes the following:*

(Continued)

Standard University Financing Provisions

- A. 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.
- B. ASU shall provide the final debt service schedules for the projects as soon as they are available.

The motion carried.

**ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of the Reallocation of FY 2016 Building Renewal Allocation Plan.**

Ms. Micaela Larkin, JLBC Staff, stated ADC is requesting review of the reallocation of FY 2016 building renewal allocation plan monies prior to expenditure. The JLBC Staff presented options to the Committee.

Mr. Mike Landry, Administrator, Engineering and Facilities Bureau, ADC, responded to member questions.

Representative Olson moved that the Committee give a favorable review to the reallocation of \$2,439,000 from projected savings from reducing the scope and postponing the original projects in the approved FY 2016 Building Renewal Plan for \$5,464,300 to meet immediate needs for structural repairs at ASPC - Eyman Rynning Unit, gas line replacement at ASPC - Tucson, and water line replacement at ASPC - Florence Central Unit (See Table 1). The favorable review includes the following provision:

- A. ADC shall continue to report any change in the building renewal spending plan to the JLBC Staff, including reallocations between projects. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation.

<b>Table 1</b>			
<b>FY 2016 Building Renewal Plan</b>			
	<b>Approved Allocation June 18, 2015</b>	<b>Difference</b>	<b>Revised Allocation</b>
<b><u>Amended Projects</u></b>			
Structural Repairs - Florence/Central Unit	\$1,490,000	\$(1,490,000)	0
Water Tank Replacement - Yuma	850,000	(424,000)	426,000
Ductwork Replacement - Lewis	840,000	(440,000)	400,000
Control Panel Replacement - Eyman/Meadows	480,000	(85,000)	395,000
Structural Repairs - Eyman/Rynning	0	539,000	539,000
Water Line Replacement - Florence	0	1,400,000	1,400,000
Gas Line Replacement - Tucson	<u>0</u>	<u>500,000</u>	<u>500,000</u>
<i>Subtotal</i>	<i>\$3,660,000</i>	<i>0</i>	<i>\$3,660,000</i>
<b><u>Original Projects</u></b>	<b>\$1,804,300</b>		<b>\$1,804,300</b>
<b>Total</b>	<b>\$5,464,300</b>		<b>\$5,464,300</b>

(Continued)

The motion carried.

**DEPARTMENT OF PUBLIC SAFETY (DPS) - Review of Proposed Microwave System Upgrades.**

Mr. Eric Billings, JLBC Staff, stated the FY 2015 Capital Outlay Bill (Laws 2014, Chapter 15) appropriated \$2,000,000 from the Highway Patrol Fund to DPS for improvements to the statewide microwave system. The bill requires the Committee to review a report by DPS outlining an expenditure plan and project timeline for improvements prior to expending any monies. The funds will be used to establish 2 new tower sites creating 3 new transmission paths and make additional upgrades to 1 existing tower site that will allow for increased bandwidth across 2 transmission paths. The projects will allow for the completion of the western loop of the microwave system by the end of FY 2017. The JLBC Staff presented options to the Committee.

Mr. Kevin Rogers, Manager, Wireless Systems Bureau, DPS, responded to member questions.

*Representative Olson moved that the Committee give a favorable review to the DPS proposed microwave system upgrades. The motion carried.*

**ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of FY 2016 Building Renewal Allocation Plan.**

Mr. Ben Beutler, JLBC Staff, stated ADOT is requesting review of its \$3,396,800 FY 2016 building renewal allocation plan prior to expenditure. ADOT has allocated \$3,191,900 from the State Highway Fund among 72 projects, leaving a contingency balance of \$99,900 and \$150,000 for project management support. ADOT has also allocated \$204,900 from the State Aviation Fund for 13 projects, with a contingency of \$2,000. The JLBC Staff presented options to the Committee.

*Representative Olson moved that the Committee give a favorable review to the ADOT's FY 2016 \$3,396,800 Building Renewal Allocation Plan. The favorable review includes the provision that ADOT shall report any project reallocations above \$100,000 to JCCR. The motion carried.*

**ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of Sewer Line and Transformer Expenditures.**

Mr. Steve Grunig, JLBC Staff, stated that the Arizona Exposition and State Fair Board is requesting review of the scope, purpose and estimated cost of \$155,000 for capital improvements. The FY 2016 Capital Outlay Bill (Laws 2015, Chapter 9) appropriated \$1,000,000 from the Arizona Exposition and State Fair Fund to the Arizona Exposition and State Fair Board for capital improvements. Together with an item reviewed at the June 2015 JCCR meeting, the Arizona Exposition and State Fair Board would have \$620,000 remaining of the FY 2016 appropriation. The JLBC Staff presented options to the Committee.

Ms. Wanell Costello, Executive Director, Arizona Exposition and State Fair Board, responded to member questions.

*Representative Olson moved that the Committee give a favorable review to Arizona Exposition and State Fair Board's sewer line repairs and transformer replacement with a total cost of \$155,000. The favorable review includes the provision that the Arizona Exposition and State Fair Board is to return to JCCR prior to expending any of these funds for other projects. The motion carried.*

(Continued)

**COCONINO ASSOCIATION FOR VOCATIONS, INDUSTRY AND TECHNOLOGY (CAVIAT) - Consider Approval of Proposed JTED Leases.**

Mr. Steve Schimpp, JLBC Staff, stated that CAVIAT is requesting approval of its plan to lease a 750 square foot classroom from the Fredonia-Moccasin Unified School District and a 650 square foot classroom from the Williams Unified School District in order to establish "leased centralized JTED campus" programs at those 2 school districts. The JLBC Staff presented options to the Committee.

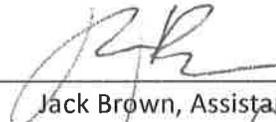
*Representative Olson moved that the Committee approve CAVIAT's plan to lease a 750 square foot classroom from Fredonia-Moccasin Unified School District and a 650 square foot classroom from the Williams Unified School District in order to establish "leased centralized JTED campus" programs at those 2 school districts. The motion carried.*

Without objection, the meeting adjourned at 4:30 p.m.

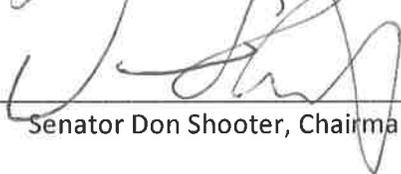
Respectfully submitted:



Kristy Paddack, Secretary



Jack Brown, Assistant Director



Senator Don Shooter, Chairman