At its February 9 and 10 meeting, the Joint Committee on Capital Review considered the following issues:

**MCCD Bond Proposal** – The Committee gave a favorable review to the $190.3 million General Obligation bond issuance with the provision that the Maricopa Community College District report to the Committee on actual project costs when the district returns for review of the second issuance.

**SFB Refinancing** – The Committee gave an unfavorable review to the School Facilities Board (SFB) proposal to refinance outstanding lease-purchase agreements in order to create a $22 million one-time savings. In SFB’s debt restructuring, they will take a “payment holiday” and eliminate their annual debt payment in FY 2006. In FY 2007, debt service will resume at $22 million plus $1.6 million for 15 years to offset the payment holiday.

The Committee recommended SFB pursue an alternative plan, such as refinancing to take advantage of lower interest rates and reduce payments by approximately $550,000 annually over the course of the debt financing.

The JCCR also received the SFB instructions to the Treasurer to transfer a total of $150.1 million in FY 2006 for Deficiencies Correction and Building Renewal.

**Game and Fish Building Renewal** – The Committee gave a favorable review to the Game and Fish Department FY 2005 Building Renewal Allocation Plan of $350,500 from the Game & Fish Fund. The Committee also requested the department report on capital projects in progress if the department decides to pursue relocating the headquarters facilities.

**Treasurer’s Office Remodel** – The Committee gave a favorable review to the State Treasurer’s Office Tenant Improvement Project. This project is funded with $221,800 from the FY 2005 Building Renewal Allocation, and $150,000 from the Capital Outlay Stabilization Fund appropriation to the Treasurer’s Office.

**DJC Unit Conversions** – The Committee referred to the full legislature a request from the Department of Juvenile Corrections to use FY 2005 operational savings to convert two existing housing units to a health unit and a vocational education unit.

**Phoenix Civic Plaza Expansion** – The Committee received the semi-annual project progress report. The project is on schedule and expected to be completed in 2009. Construction began in late 2003 to increase the rentable space at the facility to over 900,000 square feet.

In addition, the city is undertaking a $220 million project which is anticipated to begin in early 2006, with completion scheduled for the end of 2008.

The City of Phoenix will provide information on the percentage of hotel operating costs that are accounted for by property tax expenses, and the foregone tax collections resulting from the hotel project having tax exempt status.

**FY 2006 Capital Budget** – The Committee approved the JLBC recommendations for the FY 2006 Budget, which will now be considered by the Appropriations Committees and the full Legislature.