

NORTHERN ARIZONA UNIVERSITY

A. Review of New Residence Hall Bond Project.

Ms. Amy Strauss, JLBC Staff, presented the Northern Arizona University (NAU) review of the New Residence Hall Bonding Project. Projects funded by system revenue bonds require Committee review. The project cost is approximately \$30.4 million, of which \$30 million would be funded by system revenue bonds issued in the spring with at AAA rating interest rate at 5% and \$400,000 funded from NAU auxiliary funds. The 372-bed residence hall would be located on the main campus near other residence halls. The JLBC Staff recommends a favorable review with the standard provisions.

The last time NAU built a residence hall, it was done through third-party financing. This time NAU has decided to use issuances of revenue bonds as the financing method for the new residence hall.

Discussion ensued on this item.

Ms. Christy Farley, Director of Government Affairs, NAU and Ms. Kathe Shinham, Vice President for Administration and Finance, NAU, addressed questions from the Committee.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the New Residence Hall project to be financed with a \$30 million system revenue issuance and \$400,000 from auxiliary funds with the following standard university financing provisions:

- *NAU shall report to the Committee before expenditure of any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that do not expand the scope of the project. NAU shall also report to the Committee before any reallocation exceeding \$500,000 among the individual planned renovations, renewals, or extensions.*
- *NAU shall submit for Committee review any allocations that exceed the greater of \$500,000 or 10% of the reported contingency amount total for add-alternates that expand the scope of the project. In case of an emergency, NAU may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. JLBC Staff will inform the university if they do not concur with the emergency nature of the change in scope.*
- *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.*

The motion carried.

NORTHERN ARIZONA UNIVERSITY

B. Review of FY 2007 Building Renewal Allocation Plan.

Ms. Amy Strauss, JLBC Staff, presented the review of FY 2007 Building Renewal Allocation Plan for NAU. The Arizona Board of Regents (ABOR) received approximately \$20 million for Building Renewal, of that amount NAU received \$2.6 million. A list of the projects is located on page 2 of the JLBC recommendation memo. The JLBC Staff recommends a favorable review.

Discussion ensued on this item.

Ms. Christy Farley, Director of Government Affairs, NAU, addressed questions from the Committee.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the FY 2007 Building Renewal Allocation Plan with the provision that NAU report on any reallocation above \$500,000 between the individual projects in the plan. The motion carried.

UNIVERSITY OF ARIZONA – Review of FY 2007 Building Renewal Allocation Plan.

Ms. Leah Ruggieri, JLBC Staff, presented the University of Arizona (UA) request for review of the FY 2007 Building Renewal Allocation Plan. Of the FY 2007 Building Renewal monies in the university system, UA's portion is \$10.9 million. A list of the 10 projects to be funded is located on page 2 of the JLBC recommendation memo. The JLBC Staff recommends a favorable review.

Discussion ensued on this item.

Mr. Greg Fahey, Associate Vice President of Government Affairs, UA, addressed questions from the Committee.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the FY 2007 Building Renewal Allocation Plan with the provision that UA report on any reallocation above \$500,000 between the individual projects in the plan. The motion carried.

ARIZONA GAME AND FISH DEPARTMENT – Review of FY 2007 Building Renewal Allocation Plan.

Mr. Jeremy Olsen, JLBC Staff, presented the review of the Game and Fish Department's FY 2007 Building Renewal Allocation Plan. There are approximately \$430,000 in Game and Fish funds for 10 projects listed on page 2 of the JLBC recommendation memo. The JLBC Staff recommends a favorable review of the request.

Discussion ensued on this item.

Mr. Fred Bloom Engineering and Construction Manager, Game and Fish Department, addressed questions from the Committee.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the FY 2007 Building Renewal allocation plan. The motion carried.

ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND – Review Scope, Purpose, and Estimated Cost of Capital Projects.

Mr. Nick Klingerman, JLBC Staff, presented the review of the Capital Projects at the Arizona State Schools for the Deaf and the Blind (ASDB). ASDB received 2 different capital appropriations in FY 2007. One appropriation was \$19 million, which was not for a specific project. The second was an additional \$300,000 appropriated to replace air conditioners at the Tucson campus dormitories. The projects are listed on page 2 of the JLBC recommendation memo. Last July, the Committee reviewed the procurement method for the projects and approved using the Construction Manager at Risk procurement method. The Committee also had interest in ASDB receiving third-party assistance when selecting the Construction Manager and when negotiating the Guaranteed Maximum Price (GMP) for the projects, which ASDB has done.

The largest single project on the list is the new middle school and high school building at the Phoenix campus, which cost approximately \$12.7 million and would be 50,000 square feet. The actual construction cost would be \$185 per square foot. The square foot cost is higher than the School Facilities Board funding for new school construction for middle school and high school, which ranges between \$138 and \$162 per square foot. ASDB incorporates unique infrastructure items to meet the needs of the ASDB student population.

The JLBC Staff recommends a favorable review of the projects with the provision that ASDB report the final GMP for the projects.

There was no discussion on this item.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the capital projects to be funded with the \$19 million FY 2007 capital appropriation with the provision that ASDB report the final Guaranteed Maximum Price (GMP) for the projects.

PRESENTATION ON CAPITAL MALL PLANS

Mr. Kevin DeMenna, President, DeMenna & Associates, gave a presentation and issued a handout (*Attachment A*) on Capital Mall Plans.

Discussion ensued on this item.

Without objection the Committee meeting adjourned at 8:50 a.m.

Respectfully submitted:

Yvette Medina, Secretary

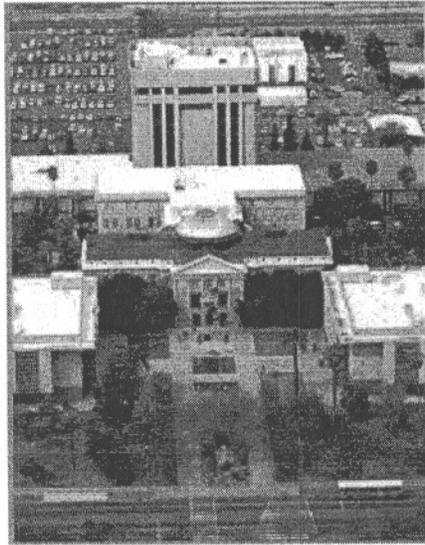
Lorenzo Martinez, Assistant Director

Senator Robert Burns, Chairman

Attachment A

**LET'S REBUILD IT
NEW HOME IS NEEDED FOR HOUSE AND SENATE
WITHOUT TOTAL PROJECT BECOMING GRANDIOSE**

By: Kevin DeMenna,
The Arizona Republic
February 25, 2007



I have been to our nation's Capitol on three occasions in my adult life. Without fail, I set aside time to play tourist and to walk the Capitol Mall. On each occasion, the experience was an enthralling, almost spiritual one. In the world of democracy, you know that this is hallowed ground. The monuments and the buildings exude a sort of structural charisma, and the sense of pride and inspiration that comes from the dignity of the place create a unique desire to be a part of this extraordinary thing: our government. Is the American system of government perfect? Well, of course not. But that isn't the issue. Liberal or conservative, Republican or Democrat -- it doesn't matter. What does matter is that these mere structures provoke pride and, most importantly, a motivation to participate.

The Million Man March was held in the Capitol Mall. Martin Luther King Jr. delivered his seminal "I Have a Dream" speech on the steps of the Lincoln Memorial. In these two instances, and in others too numerous to describe, the venue played a significant role in powering the effort and punctuating the meaning behind the message.

The same cannot be said of Arizona. Our Capitol complex is an architectural wasteland. The only remarkable feature is the original Capitol building itself, a beautiful structure built in 1900, now a museum. This is an extraordinary edifice, sitting under a dome of 15 tons of copper donated by the mining industry in the good ol' days and topped by the statuesque weathervane known as Winged Victory.

But it is now surrounded on three sides by buildings that are, at best, dull and ordinary, more pedestrian than inspirational. The western face consists of three adjoining additions built in 1919, 1938 and 1974. Combined, they are an architectural snapshot of government gone wrong, structural fashion-victims spanning a 55-year period.

But the most pitiful feature of the entire complex (and "complex" is a generous description) is the legislative wing, the House and the Senate office buildings. First occupied in 1960, they literally

surround the original Capitol structure, with the Arizona Senate on the south and the House of Representatives on the north. Together, they form the Mall that tourists, Cub Scouts, schoolchildren, legislators and every citizen must pass through to reach the center of Arizona government. Awe-inspiring, it is not.

The two buildings that are the House and the Senate nicely capture that oh-so-special ambience of 1960s government architecture. Their most noteworthy feature is the unsightly latticework that fronts each building, a pattern of alternating inverted and upright A's for Arizona, (get it?) originally intended to provide shade but that now primarily serve as the daytime home for a legion of pigeons. To stand beneath the facade that fronts either building is to risk a well-placed shot from one of these rats with wings.

The plumbing is failing in both chambers, and pipes are bursting at almost regular intervals. The regulars know better than to drink from the water fountains.

The ceiling of the secret tunnel that connects the two buildings under the Mall not only leaks but is destined to cave in completely before too long. The grounds of the Mall itself have become a motley collection of weedy grass and a few dozen long-suffering rosebushes. Energy-efficient? Forget about it. Secure from even the most basic threats? Not even. And the largest hearing room in the entire Capitol barely accommodates 150 people, fewer than most junior high school auditoriums.

With the 100th anniversary of Arizona statehood fast approaching, the time is right for a transformation. Well-intentioned business groups and community organizations, aided by Arizona State University and the ubiquitous Arizona Public Service Co., are already promoting the idea. But these plans are mostly too grandiose in their scope, much too far-reaching to be politically practical. Although it makes sense to consolidate the functions of state government into a centralized and accessible location, redesigning an area from Seventh to 19th avenue is simply too much. Let's start the dialogue, but let's focus on the Capitol itself, the heart of Arizona government, and the House and the Senate in particular.

The next steps are simple. It comes down to money. The Joint Committee on Capital Review, consisting of legislative leaders, is charged with identifying and funding the state's capital needs. In the past decade, this committee has developed innovative ways to fund a new health laboratory and new offices for the Department of Environmental Quality and the Department of Administration.

Building a new House and Senate shouldn't be much different, and this committee is the ideal place to start. The challenge, of course, is that the 90 members of the Legislature will be the eventual occupants of the new buildings. Each will have an opinion and, just as importantly, a vote on what ultimately occurs.

So, let's get started. The sooner the full Legislature becomes actively engaged, along with community and business leaders, the closer we will be to swapping the architectural wasteland at 1700 W. Washington St. for the dignified buildings worthy to be called the Arizona Capitol.

Kevin DeMenna is the president of DeMenna & Associates, an Arizona lobbying and public affairs firm. He has served as a legislative intern, staff economist, chief of staff, and has been directly involved in the past 26 legislative sessions.