

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the scope revision for the Physics Chair Renovation project within the Academic Renovations and Deferred Maintenance Phase IIA with the following standard university financing provisions:

- *ASU 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.*
- *ASU 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, ASU may immediately report on the scope and estimated cost of the emergency rather than submit the item for review. The JLBC Staff will inform the university if they do not agree with the change of scope as an emergency.*
- *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any auxiliary revenues that may be required for debt service, or any operations and maintenance costs when the project is complete. Auxiliary funds derive from substantially self-supporting university activities, including student housing.*
- *ASU shall not use bonding to finance any repairs whose typical life span is less than the bond repayment period. Such repairs include, but are not limited to new flooring and painting. The exceptions to this stipulation are circumstances where such repairs are required to complete a major renovation.*

The motion carried.

ARIZONA DEPARTMENT OF TRANSPORTATION – Review of Asphalt Storage Tanks Project.

Mr. Bob Hull, JLBC Staff, presented the Arizona Department of Transportation (ADOT) request for review of the Asphalt Storage Tanks Project. ADOT will install 4 asphalt storage tanks, concrete containment basins, and dispose of the existing tanks. The JLBC Staff recommends a favorable review of the \$1,082,800 for the project, leaving a remaining balance of \$98,400 in the original appropriation. JLBC Staff also recommends ADOT report the use of any of the remaining balance or the \$134,800 contingency for a different project.

There was no discussion on this item.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to \$1,082,400 for the project to install 4 asphalt storage tanks, concrete containment basins and dispose of existing tanks. Prior to expenditure of any of the remaining balance of \$98,400 or the \$134,800 in the contingency for a different project, ADOT shall report the use of the funds to the Committee. The motion carried.

NORTHERN ARIZONA UNIVERSITY – Review of Dining Expansion Bond Project.

Ms. Amy Strauss, JLBC Staff, presented the review of the Northern Arizona University (NAU) dining expansion bond project. The project would expand the University Union dining facilities located on the NAU main campus in Flagstaff. Statute requires Committee review of any university capital projects financed with system revenue bonds. The JLBC Staff recommends a favorable review with the standard financing provisions. NAU would issue about \$9.5 million in system revenue bonds later this summer, which is also the total project cost of the expansion. The issuance has a AA credit bond rating with an interest rate of about 5% with a 30-year term.

Discussion ensued on the capacity needs analysis conducted to support the expansion of dining facilities.

Ms. Christy Farley, Director of Government Affairs, NAU and Mr. Mark Flynn, Executive Director of Capital Assets and Services, NAU, responded to member questions.

Representative Kavanagh moved that the Committee take no action on this item pending JLBC Staff review of existing data. The motion failed.

Representative Pearce moved the JLBC Staff recommendation that the Committee give a favorable review to the dining expansion project 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.

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

Mr. Bob Hull, JLBC Staff, presented the review of the Arizona Department of Transportation (ADOT) project to install 4 de-icer buildings. The JLBC Staff recommends that the Committee give a favorable review of \$1,478,000 for the project and that ADOT report on the use of any of the \$200,800 in the contingency for any new project.

Discussion ensued on this item.

Representative Pearce moved the JLBC recommendation that the Committee give a favorable review to \$1,478,000 for the project to install 4 de-icer buildings. Prior to expenditure of any of the \$200,800 in the contingency for any new project, ADOT shall report the use of the funds to the Committee. The motion carried.

Without objection, the meeting adjourned at 10:16 a.m.

Respectfully submitted:

Yvette Medina, Secretary

Lorenzo Martinez, Assistant Director

Senator Robert Burns, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams. A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.