At its March 23, 2010 meeting, the Joint Committee on Capital Review considered the following issues:

**Arizona Game & Fish Department – Review of Flagstaff Area Shooting Range Land Acquisition** – The Committee favorably reviewed the department’s request to purchase 162 acres of private land 30 miles east of Flagstaff for a shooting range. The land will be purchased for the appraised value of $1,120,000.

**Arizona Board of Regents – Review of Phoenix Biomedical Campus Projects** – The Committee favorably reviewed the universities’ request to issue a $172.9 million revenue bond to build a new Health Sciences Education Building and renovate the Arizona Biomedical Collaborative Building. This project will allow expansion of the College of Medicine, house a new University of Arizona College of Pharmacy, relocate 2,000 Arizona State University (ASU) nursing students from the downtown campus and expand the ASU Department of Biomedical Informatics and the Northern Arizona University Health Care professionals program.

The favorable review included a provision that the universities will not request review of any of their remaining $459.4 million in University/Lottery bonding authority for the next 18 months, which was a limitation volunteered by the universities. The universities are authorized to issue $800 million in University/Lottery bonds of which the Committee favorably $167.7 million for building renewal projects at its February 2009 meeting and $172.9 million for the Phoenix Biomedical Campus at this meeting.

As required by law, annual debt service payments for the University/Lottery bonds are comprise of up to 80% Lottery revenues and at least 20% state university system revenues. Law prohibits General Fund monies from being obligated for this bonding package. Current lottery revenue projections are expected to be insufficient to cover 80% of the annual debt service payments in FY 2011 and FY 2012 so the universities will have to use university system revenues to backfill the difference along with their regular 20% share requirement.

The Committee also included a provision that its favorable review did not constitute endorsement of General Fund monies for any operations or maintenance costs when the project is complete. Operating and maintenance costs for the new Health Sciences Education Building are projected to be $3.0 million, which will be allocated among the universities through a joint agreement.