

JCCR MEETING

At its May 16, 2007 meeting, the Joint Committee on Capital Review (JCCR) considered the following issues:

Arizona Department Of Administration – Consider Approval of FY 2008 and FY 2009 Rental Rates for State-Owned Space – The Committee approved FY 2008 rental rates of \$19.50 per square foot for office space and \$7 per square foot for storage space, contingent upon funding approval in the FY 2008 budget. The current office space rate of \$15.50 has not been changed since FY 2002.

Arizona Department Of Administration/Department Of Juvenile Corrections – Review of DJC Well Renovation Project and ADOA Building Renewal Allocations – The Committee gave a favorable review to the proposal to reallocate \$200,000 in FY 2007 building renewal monies to purchase and install an arsenic removal system for the Department of Juvenile Corrections well renovation project.

Arizona Exposition And State Fair Board – Review of FY 2007 Building Renewal Allocation Plan – The Committee gave a favorable review to the request to use \$1.1 million in FY 2007 to repair the Coliseum roof. AESF has recently become aware that problems with the roof are more serious than originally anticipated. Total cost to repair the roof is estimated at \$5.2 million. Funding for the project includes the remaining \$1 million in FY 2007 Building Renewal plus \$1.9 million in FY 2007 operating budget to restore structural integrity to the roof, and \$2.3 million in FY 2008 operating and Building Renewal funds to replace the current protective membrane covering the roof.

School Facilities Board – Consider Approval of Refinancing Deficiencies Correction Bonds – The Committee approved the request to refinance \$88.6 million of outstanding State School Trust revenue bonds. The current interest rate on these bonds is 5.75%, and the SFB hopes to refinance them at 4.09%. This will result in a savings of approximately \$6.6 million over ten years.

Arizona State University – Reconsider Review of Indirect Financing for Downtown Campus Student Housing Project – The Committee gave a favorable review to the proposal to enter in to an indirect financing agreement to develop student housing for the ASU Downtown Phoenix Campus. Under this agreement, Capstone Development will construct 2 facilities to house 1,200 to 1,300 students in downtown Phoenix. The project will be financed with \$116.6 million in tax exempt bonds issued by Capstone, which are estimated to be paid off in 23 years with student housing fees. ASU will acquire ownership of the land and facilities when the bonds have been repaid.