

## JCCR MEETING

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

**Arizona Department of Administration – Review of FY 2008 Building Renewal Allocation Plan** – The Committee gave a favorable review to the Arizona Department of Administration (ADOA) FY 2008 Building Renewal Allocation Plan, with the provision that ADOA allocate funds to address health and safety issues at the 1616 W. Adams building. The \$7.3 million Building Renewal Allocation Plan addresses roofing projects totaling \$2.0 million at 7 sites, 5 HVAC projects totaling \$321,000, 4 water and sewer projects for \$437,000, and 9 infrastructure projects for \$3.2 million. The plan also includes \$1.3 million for construction insurance, project management, and contingencies.

**Arizona State Parks Board – Review of State Lake Improvement Fund Projects** – The Committee gave a favorable review to the proposal for \$952,100 from the State Lake Improvement Fund (SLIF) for upgrades to existing facilities at Lake Havasu State Park. The Committee also gave a favorable review to the plan for a \$1.5 million study concerning the development of a new recreation area at Lake Havasu to be called Contact Point. The review included a provision that the Parks Board submit the Request for Proposals (RFP) before its release.

The Parks Board would like to develop Contact Point to relieve congestion at the current Lake Havasu State Park. The total estimated cost of the project is \$19 million. The Committee expressed interest in: 1) whether the Parks Board had considered having a private entity construct and operate the proposed marina; 2) how an additional park on Lake Havasu would affect boat densities; and 3) if the current level of law enforcement on the lake would be sufficient to address additional boaters. The Committee requested to see the draft RFP to determine if it addressed the concerns discussed above. In addition, the Committee requested information on how much revenue is generated by boating at Lake Havasu State Park, how much additional revenue the Contact Point project is expected to generate, and the effect of this funding on other State Parks projects.

**School Facilities Board – Review of FY 2008 New School Construction Report** – The Committee gave a favorable review of the School Facilities Board's (SFB) new construction report for FY 2008. SFB estimates statewide student growth at 3% in FY 2008, with districts in growing areas of the state

experiencing increases of up to 20%. To accommodate this growth in enrollment, 85 new construction projects are scheduled to be underway in FY 2008, costing an estimated \$449 million. This includes \$35 million for land acquisition, \$376 million for construction projects and \$38 million for expenditures that were shifted from FY 2007.

The SFB currently projects a FY 2008 funding shortfall of \$(73) million. This shortfall was first reported in the June edition of the Monthly Fiscal Highlights. At that time, SFB was estimating an \$(80) million shortfall.

**Arizona State University – Review of Revised Scope of Academic Renovations and Deferred Maintenance Phase IIB Bond Projects** – The Committee gave a favorable review to the scope revision for the Nursing Backfill Renovations. The cost for the Nursing Backfill Renovation project will increase from \$5.0 million to \$8.0 million, with the additional \$3.0 million funded with unallocated funds from the Phase IIB bond issuance, leaving the total cost of the Academic Renovations and Deferred Maintenance Phase IIB projects unchanged.