

## JCCR MEETING

At its September 21, 2006 meeting, the Joint Committee on Capital Review (JCCR) considered the following issues:

**Arizona Department of Transportation Construction Budget Operating Expenditure Plan** – The Committee gave a favorable review to the Arizona Department of Transportation (ADOT) \$103 million Professional and Outside Services expenditure plan for FY 2007. At prior meetings the Committee had favorably reviewed the use of \$34.6 million of this expenditure plan, but wanted additional information from an Auditor General report before reviewing the remaining amount. Even though the budgeted amount for this expenditure plan is in line with previous years, the Auditor General recommended ADOT decrease its use of consultants. The Committee expressed interest in continuing its consideration of the appropriate level of consultant usage during the FY 2008 budget process.

**Arizona Department of Transportation 5-year Transportation Plan** – The Committee received the ADOT 5-year Transportation Facilities Construction Program for FY 2007 – FY 2011. The information provided estimated expenditures and revenues by fiscal year for major highway projects totaling \$5.8 billion over the 5-year period. The 5-year highway program does not include the \$307 million appropriated in the FY 2007 budget to accelerate certain highway programs.

Table 7 lists the 11 new major projects added to the 5-year plan.

<b>Table 7</b>	
<b>ADOT 5-Year Plan Major Projects</b>	
	<b>FY07 – FY11</b>
<u>North Valley</u>	(\$ in millions)
I-17 – Jomax/Dixileta Interchanges	\$40
L303 (Estrella) – Happy Valley Rd to I-17, interchange	30
<u>West Valley</u>	
I-10 – Sarival Rd to Dysart Rd, widen & HOV	90
I-10 – Dysart Rd to L101 (Agua Fria), widen & HOV	54
<u>East Valley</u>	
I-10 – SR 51 to 40 <sup>th</sup> St, collector distributor road	140
L101 (Pima) – Tatum Blvd to Princess Dr, HOV	28
<u>Tucson</u>	
Tucson I-10 – Ina Rd, interchange	38
Tucson I-19 – Valencia Rd to Ajo Way, widen	38
<u>Balance of State</u>	
Safford US 191 – MP 151 to Threeway, widen	33
Kingman US 93 – Hoover Dam to MP 17, widen	80
Prescott SR 260 – Little Green Valley, widen	27
SR – State Route    HOV – High Occupancy Vehicle Lane	

The Committee also requested that ADOT report on the 5-year Transportation Facilities Construction Program for FY 2008 – FY 2012 by July 31, 2007, and that the report include additional information on changes in the project lists and reconciliation of project funding obligations with cash flow projections.

**University of Arizona Residence Life Building Renewal** – The Committee favorably reviewed the issuance of \$21.9 million in system revenue bonds for Phases III and IV of the Residence Life Building Renewal Projects. The Residence Life Building Renewal Projects consists of 5 phases with an estimated cost of \$40.9 million. Phases III and IV include the plumbing systems in Coronado and Apache Santa-Cruz Halls, the fire sprinkler systems in Cochise and Apache Santa-Cruz Halls, and the bathrooms in Colonia De La Paz Hall.

The University of Arizona plans to issue the 25-year bonds in the spring of 2007, with a blend of fixed rate interest bonds at 7.5%, and variable rate interest bonds under 6.0%. Based on these projected interest rates the annual debt service payments will be approximately \$1,859,000, with payments over the 25-years totaling \$46.5 million. Debt service payments will be funded from student housing fees.

**Arizona State University Polytechnic Academic Complex Lease-Purchase Project** – The Committee favorably reviewed the issuance of the \$103 million in Certificates of Participation (COPs) for the Polytechnic Academic Complex. ASU plans on issuing the 30-year COPs in October 2007, with an estimated interest rate of 6%. Based on this projected interest rate the annual debt service payments will be approximately \$7.5 million, with payments over the 25-years totaling \$224.5 million.

The FY 2007 General Appropriations Act allocated ASU \$10.6 million as discretionary funding for any operational or capital purpose at any campus. ASU plans to use \$7.5 million of this amount for the annual debt service.

**Arizona Exposition and State Fair Board Building Renewal Allocation** – The Committee favorably reviewed the \$430,600 Building Renewal Plan. In FY 2007, the Arizona Exposition and State Fair received \$1,508,400 for building renewal projects. The State Fair will submit for review the remaining \$1,077,800 prior to its expenditure. The favorably reviewed amount will be used for 4 paving projects and 1 temporary roof repair and study.