At its December 19, 2017 meeting, the Joint Committee on Capital Review considered the following issues:

**Arizona Department of Administration** – **Consider Recommending FY 2018 Partial Rent Exemptions** – The Committee recommended partial rent exemptions for the Registrar of Contractors, the Department of Health Services, the Automobile Theft Authority, the Naturopathic Physicians Medical Board, and the Department of Liquor Licenses and Control ranging from $3,700 to $57,300. The Committee also recommended rent increases for the State Treasurer and Attorney General as a result of these agencies occupying space vacated by other agencies.

**Arizona Department of Corrections** – **Review of FY 2017 Building Renewal Plan Reallocation** – The Committee gave a favorable review of a reallocation of ADC’s FY 2017 Building Renewal Plan. ADC proposes using $460,000 in savings from the ASPC - Tucson Santa Rita locking project to increase the monies allocated for the locking systems repairs at ASPC – Lewis and the structural dining room repairs at ASPC – Eyman. The favorable review included provisions with reporting requirements.

**Arizona Game and Fish Department** – **Review of FY 2018 Building Renewal Allocation Plan** – The Committee gave a favorable review of AGFD’s FY 2018 Building Renewal Allocation Plan for $488,300. The 11 capital projects in this plan include 5 regional office projects, 3 wildlife area projects, and 3 set-asides for maintenance and emergency expenses. The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) appropriated a total of $530,000 from the Game and Fish Fund for building renewal. The remaining $41,700 of the FY 2018 appropriation will be reviewed at a future meeting. The favorable review included provisions with reporting requirements. Additionally, AGFD agreed to implement procedures that will help ensure compliance with JCCR oversight statutes.

**Arizona State Lottery Commission** – **Review of FY 2018 Building Renewal Allocation Plan** – The Committee gave a favorable review of the Arizona State Lottery Commission’s FY 2018 Building Renewal Plan for $122,200, which includes projects to prevent roof leaks, improve building security, repair landscape irrigation, and replace interior lighting the agency’s Phoenix headquarters. The FY 2018 Capital Outlay Bill (Laws 2017, Chapter 306) appropriated a total of $122,200 from the State Lottery Fund to the State Lottery Commission to fund 100% of the building renewal formula in FY 2018 for capital improvement projects. The favorable review included provisions with reporting requirements.

**Arizona Board of Regents and Arizona State University** – **Recommendations Concerning Commercial Development of University Lands** – The Committee heard testimony from ASU on the proposed development of a senior retirement community and hotel/conference center on university land at Mill Avenue and University Drive. Statute permits the Committee to make recommendations concerning commercial development on university land that does not primarily serve a university population.

The Committee approved a motion that it is the intent of the Committee that commercial developments of this type fall under A.R.S. § 15-1682.02. Under this statute, the universities are required to report on these types of projects to the Committee for possible recommendations.

The Committee’s action included a provision that its motion does not constitute a review of the planned multi-level parking garage project or any bond issuances necessary for its financing. Additionally, the Committee included a standard university financing provision.

**Arizona State University** – **Consider Approval and Review of the Hayden Library Renovation** – The Committee gave an approval and favorable review of the $90 million Hayden Library renovation. Of the $90 million, $35 million will be financed as part of the Capital Infrastructure Fund (CIF). The remaining $55 million will be financed with system revenue bonds. Committee review is required for this portion of the transaction. The CIF portion of the project will constitute ASU’s first use of the recently enacted $1 billion universitywide capital investment program. The approval and favorable review included a provision that ASU provide the Committee a copy of its Tax Certificate in compliance with Internal Revenue Service requirements concerning the expected economic life of the projects. Additionally, the approval and favorable review included standard university financing provisions.

**Arizona State University** – **Informational Item on West Campus Property** – ASU discussed its plans for the use of undeveloped property at the ASU – West Campus and plans to move the ASU – Thunderbird School of Global Management campus from Glendale to Downtown Phoenix.

**University of Arizona** – **Review of Athletics Facilities Projects** – The Committee gave a favorable review of a $67.9 million project to construct a new indoor athletics
practice facility and to renovate the softball field, aquatic center, football stadium, and the McKale Center locker rooms. To finance these projects, UA will issue bonds totaling $67.2 million. The annual debt service of $4.4 million will be paid primarily through a new mandatory student athletic fee of $100 per year. The project is not funded with any monies from the $1 billion universitywide capital investment program. The favorable review included standard university financing provisions.