

JCCR MEETING

At its October 14 meeting, the Joint Committee on Capital Review considered the following issues:

ADOA Building Renewal – The JCCR favorably reviewed a revised allocation plan for an additional \$366,000 of the \$3.5 million FY 2005 building renewal appropriation from the Capital Outlay Stabilization Fund. Combined with the previously favorably reviewed amount of \$2.3 million, the Committee has favorably reviewed \$2,666,000. The Committee review also included a provision that ADOA submit an allocation plan for the remaining \$834,000 of the \$3.5 million appropriation.

State Parks Lake Improvement Grants – The JCCR favorably reviewed 10 State Lake Improvement Fund (SLIF) grants and projects totaling \$1,468,400. Chairman Pearce also requested that the department provide information on the distribution of SLIF grants by city and county by October 27, 2004.

ADOT Parker Office Relocation – The JCCR favorably reviewed the Parker Motor Vehicle Field Office relocation, and included a provision that the Arizona Department of Transportation (ADOT) report to the Committee on updated expenditure estimates after construction contracts have been signed. ADOT received a \$500,000 appropriation from the State Highway Fund for this project.

ADOT Building Renewal – The JCCR favorably reviewed ADOT's FY 2005 Building Renewal Plan totaling \$2,715,000 from the State Highway Fund and \$65,900 from the State Aviation Fund. The Committee included provisions requiring ADOT to submit information on any allocations from the contingency amount and reallocation between the individual projects in the plan.

U of A La Aldea Student Housing Acquisition – The JCCR favorably reviewed the University of Arizona's (U of A) request for acquisition of La Aldea Student Housing Complex, which is to be financed with a \$21.9 million system revenue bond issuance. The Committee included a provision requiring the U of A to submit for review any changes in scope of the project. The Committee also noted that the favorable review does not constitute an endorsement of the use of a General Fund appropriation to offset any rent collection that may be required for debt service.

The JCCR also received a report on the reallocation of \$0.2 million from the \$1.3 million in the contingency allocation to remove undocumented underground utilities. The total project budget of \$46.1 million remains unchanged.

NAU Bond Projects – The JCCR favorably reviewed \$4.4 million of a \$15 million system revenue bond issuance request by Northern Arizona University (NAU) for cost and scope changes to the School of Communication renovation, the School of Engineering and Technology renovation, and the new College of Business Administration. NAU plans to

request appropriations for debt service on the 30-year bonds, and plans to use tuition collections if appropriations are not authorized. The review included provisions noting that a favorable review did not constitute endorsement of General Fund appropriations for debt service or operating cost, and requiring reporting on the use of contingency allocations. The Committee also expressed its concern that such major scope changes were not anticipated in the original scope of the projects.

NAU System Revenue Bond – The JCCR favorably reviewed \$10.6 million of a \$15 million system revenue bond issuance for Building System Repair and Replacement and Wayfinding/Landscaping Infrastructure. NAU plans to request appropriations for debt service on the 30-year bonds, and plans to use tuition collections if appropriations are not authorized. The review included provisions noting that a favorable review did not constitute endorsement of General Fund appropriations for debt service or operating cost, requiring reporting on the use of contingency allocations, and that NAU should not use bonding to finance projects whose typical life span is less than the bond repayment period.

School Facilities Board Lease to Own Projects – The JCCR favorably reviewed \$50 million in potential new school construction projects financed through lease-purchase agreements, as well as a revised list of projects associated with previously reviewed \$200 million lease-purchase.

Chairman Pearce also requested the School Facilities Board (SFB) provide by October 27, 2004 information related to costs and status of the Qwest contract.

School Facilities Board Building Renewal – The JCCR favorably reviewed the proposed distribution of \$70 million of Building Renewal Allocation Fund monies for FY 2005.

Department of Public Safety Remote Housing – The JCCR favorably reviewed the remote officer housing projects in Ajo and Seligman, with an estimated cost of \$355,700. Chairman Pearce asked the department to provide by October 27, 2004, information regarding whether the assignment of officers to remote locations based on marital status might generate savings.

ASU Scottsdale Center for New Technology and Innovation (Los Arcos) – The JCCR reviewed a report on the proposed development of the new center by the Arizona State University (ASU) Foundation. Committee discussion focused on the role ASU would take in the project and whether there could be any financial liability for ASU and state in the future. Given that the development is still in the preliminary stages, the role of ASU is not yet defined.

Adoption of Revised Committee Rules – The Committee adopted a change to Rule 8, which sets the timeline for agencies to request to appear on the JCCR agenda. Previously, a request was required 2 weeks prior to the meeting. The adopted change would require agencies to make the request 3 weeks prior to the meeting.